

WE  are...



Annual report **2024**



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# Group overview

**G**RAIN SA IS AN AUTONOMOUS AND VOLUNTARY INDUSTRY ORGANISATION WHICH ACTS COLLECTIVELY IN THE INTEREST OF THE ECONOMIC PROSPERITY OF THE GRAIN PRODUCERS OF SOUTH AFRICA. IT IS THE COMBINED VOICE OF GRAIN PRODUCERS THAT ADDRESSES INDUSTRY MATTERS AND ISSUES WITH AUTHORITIES AND OTHER ROLE-PLAYERS IN THE INDUSTRY.

The organisation's mantra, "We are", implies that the members of the organisation, together, are stronger than a single voice. This united voice resonates with the collective's authenticity and relevance and speaks to the dynamics of grain and oilseed production in South Africa.

Commodities that are represented include maize, wheat, soybeans, canola, sunflower, sorghum, barley and groundnuts.

Grain SA was established on 19 June 1999 with the merging of four former industry organisations, namely NAMPO (maize), NOPO (soybeans, sunflower, and groundnuts), the WPO (grain, barley and oats) and the SPO (grain sorghum).

During 2024 the organisation's structure was transformed into a group of entities composed as follows:



**Grain SA NPO**, with the focus on promoting the interests of grain and oilseeds producers. Grain SA NPO is the holding entity of the group of entities.



**The Commercial Producers Trust**, with a focus on research to the benefit of the maize and wheat industries.



**Phahama Grain Phakama NPC**, with the focus on training, development and the commercialisation of developing producers.



**Nampo (Pty) Ltd**, to manage commercial projects within the Grain SA Group of Entities, including events like the functions of NAMPO and the Grain SA magazine.

**VISION**

TO INFLUENCE THE MACRO- AND MICRO-ECONOMIC ENVIRONMENT ENABLING SUSTAINABLE AND PROFITABLE LOCAL GRAIN PRODUCTION AND DEVELOPMENT.

**MISSION**

ENSURE AND GROW A CREDIBLE AND SUSTAINABLE, VOLUNTARY AND INCLUSIVE GRAIN PRODUCERS' ORGANISATION THAT DRIVES THE MANDATED STRATEGIC ACTIONS – INCLUDING MEANINGFUL STAKEHOLDER PARTNERSHIPS AND RELATIONSHIPS.

**CULTURE AND VALUES**

CREATING AN ENABLING AND CARING ENVIRONMENT FOR PASSIONATE, DEDICATED AND KNOWLEDGEABLE TEAMS TO GROW AND ENJOY SERVING THE ORGANISATION AND INFLUENCE AND DELIVER VALUE FOR THE BROADER FOOD VALUE CHAIN. WE STRIVE TO BUILD TRUST AND RELATIONSHIPS THROUGH RESPECTFUL INTERACTION AS WELL AS OPEN, HONEST AND EFFICIENT COMMUNICATION. WE VALUE CONSISTENT, AUTHENTIC AND LEGITIMATE TEAMWORK THAT DELIVER CONSISTENT AND IMPACTFUL RESULTS.



Maize



Wheat



Soybeans



Canola



Sunflower



Sorghum



Barley



Groundnuts

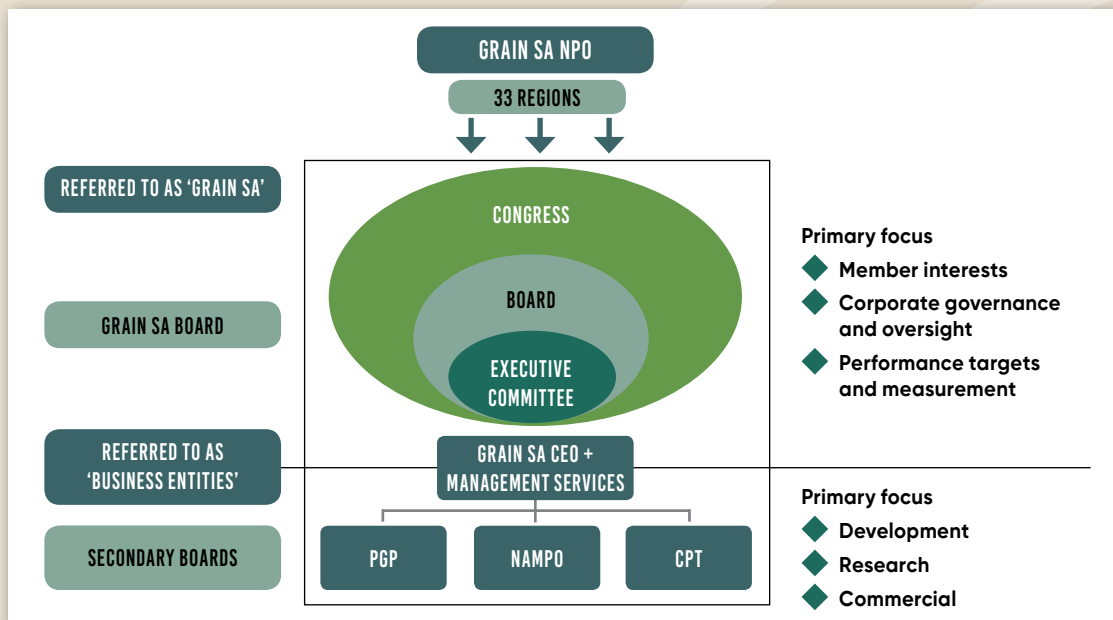
## CORE STRATEGIC OBJECTIVES

1. Influence economic sustainability.
2. Grow and support developing grain producers to become commercially sustainable.
3. Increase the involvement of younger producer members.
4. Grow a broader membership base.
5. Grow and maintain key value chain relationships.
6. Effective and efficient communication.

## LEADERSHIP

Grain SA NPO as a non-profit organisation represents the country's grain and oilseeds producers through 33 geographical regions of South Africa. Each region is represented on the Board by an elected member (nominated and elected for a term of office during Congress). Members of the board also utilise the organisation's regional and branch structures to serve its members.

During congress mandates are determined for elected leadership to pursue after Congress has concluded. The Board elects an Executive Committee from its ranks, comprising a chairperson, two vice-chairpersons and additional members. The Exco exercises all the powers of the Board when the Board and Congress are not in session. Working groups are appointed by Exco to assist the leadership in carrying out their duties. The organisation model is as follows:



## IMPACT AREAS

Through the respective group entities – and under the leadership of a Chief Executive Officer and an expert personnel team – the following areas are focused on:

- **Research innovation and capacity development**
  - Climate change and adaptation, plant health, crop improvement, biosecurity, data and analytics, capacity development
- **Technology adoption and agricultural development**
  - New era producers, emerging commercial producers, study groups, subsistence and poverty relief, training and mentorship, NAMPO, NAMPO Tech and SA Grain magazine
- **Grain information, economics and member support**
  - Production, input procurement, pricing and quality, sustainability and ESG, market access, market intelligence, policy and regulatory analysis
- **Enabling services and organisational development**
  - Member communications, media engagement, digital and social media strategy, thought leadership, partnership with government, civil society and value chain
- **Advocacy and partnerships**
  - Inclusive membership base, healthy working environment, financial certainty and process accuracy, governance and decision excellence

# Grain SA Board



## FRONT (FROM LEFT)

Ramoso Pholo\*  
REGION 28

Jaco Breytenbach\*  
REGION 19

Richard Krige\*  
VICE-CHAIRPERSON

Derek Mathews\*  
CHAIRPERSON

Jeremia Mathebula\*  
VICE-CHAIRPERSON

Dr Tobias Doyer\*  
CHIEF EXECUTIVE OFFICER

Danie Minnaar\*  
REGION 24

Willem Groothof\*  
REGION 13

André Kirsten  
REGION 26

## MIDDLE (FROM LEFT)

Danie Reichel  
REGION 4  
(RESIGNED SEPTEMBER 2024)

Cobus van Zyl  
REGION 3

Willie Marais  
REGION 22

Dissie Kruger  
REGION 25

Ryk Pretorius  
REGION 10

Patrick Stuurman  
REPRESENTATIVE:  
FARMER DEVELOPMENT

Andries Groesbeek  
REGION 9

Gert Pretorius  
REGION 1

Thobani Ntonga  
REGION 33

Gerrit Roos  
REGION 12

Dirk Laas  
REGION 6

Ralf Küsel  
REGION 14

Pietman Botha  
REGION 7

Ebert du Plessis  
REGION 12

## BACK (FROM LEFT)

Tom van Rooyen  
REGION 23

Paul Zietsman  
REGION 15

Hendri Jansen van Rensburg  
REGION 17

Jose de Kock  
REGION 27

Jozeph du Plessis  
REGION 2

Neil Claassen  
REGION 18

Wessel Hattingh  
REGION 16

Joseph Swanepoel  
REGION 8

Rossouw Swart  
REGION 32

Marius Groenewald  
REGION 20

Will Grobler  
REGION 5

Mussa Thomas Sibiyi  
REGION 29

## ABSENT

Pierré van Zyl  
REGION 21

Mzewakhe Clifford Mthimkulu  
REGION 31

Francois Geldenhuys  
REGION 4 (SINCE SEPTEMBER 2024)

\* Executive Committee

# Personnel

## MANAGEMENT COMMITTEE



**Dr Tobias Doyer**  
CHIEF EXECUTIVE OFFICER



**Janus Theron**  
CHIEF FINANCIAL OFFICER



**Nico Vermaak**  
COMPANY SECRETARY



**Coretha Usher**  
HEAD: HUMAN RESOURCES  
AND CORPORATE SERVICES



**Dr Dirk Strydom**  
MANAGING DIRECTOR:  
NAMPO (PTY) LTD



**Corné Louw**  
HEAD: APPLIED ECONOMICS  
AND MEMBER SERVICES



**Jane McPherson**  
CONSULTANT: PHAHAMA  
GRAIN PHAKAMA NPC

## NAMPO (PTY) LTD

### Marketing



**Dr Dirk Strydom**  
MANAGING DIRECTOR:  
NAMPO (PTY) LTD



**Lombard van Dyk**  
MARKETER



**Werner Vos**  
MARKETER



**MJ Swart**  
REGIONAL MANAGER:  
MARKETING AND FARMER  
DEVELOPMENT (WESTERN CAPE)



**Patricia Zimu**  
LEVY OFFICER AND  
MARKETER



**Alzena Gomes**  
COMMUNICATION AND  
LIAISON OFFICER



**Elray de Klerk**  
COMMUNICATION AND  
LIAISON ASSISTANT

## NAMPO (PTY) LTD (CONTINUED)

### Marketing (continued)



**Nolo Bakwa**  
COMMUNICATION AND  
LIAISON ASSISTANT



**Hailey Ehrenreich**  
COMMITTEE OFFICER:  
WESTERN CAPE



**Carmen Visser**  
SECRETARY TO MANAGING  
DIRECTOR: NAMPO (PTY) LTD

### NAMPO Harvest Day



**Bennie Zaayman**  
MANAGER: NAMPO PARK



**Wim Venter**  
ADMINISTRATIVE OFFICER:  
NAMPO HARVEST DAY



**Rialeen Lombard**  
SUPPORT OFFICER:  
NAMPO HARVEST DAY



**Janneke Smit**  
FUNCTION COORDINATOR



**Cathy Papenfus**  
ADMINISTRATIVE CLERK



**Daniel van Eeden**  
GROUNDS ASSISTANT

### Research Coordination



**Mike Ellis**  
MANAGER: RESEARCH  
COORDINATION AND NAMPO TECH



**Dr Mahlane Godfrey Kgatle**  
RESEARCH COORDINATOR



**Dr Lavinia Kisten**  
RESEARCH COORDINATOR



**Pfano Musetsho**  
RESEARCH COORDINATOR  
INTERN

## Applied Economics and Member Services



**Corné Louw**  
HEAD: APPLIED ECONOMICS  
AND MEMBER SERVICES



**Heleen Viljoen**  
AGRICULTURAL ECONOMIST



**Marguerite Pienaar**  
AGRICULTURAL ECONOMIST



**Luzelle Botha**  
COMMITTEE OFFICER



**Mlibo Qotoyi**  
AGRICULTURAL ECONOMIST  
INTERN



**Gerhard Burger**  
AGRICULTURAL ECONOMIST  
INTERN



**Cathrine Mathekga**  
AGRICULTURAL ECONOMIST  
INTERN



**Strelza van Aardt**  
AGRICULTURAL ECONOMIST  
INTERN

## PHAHAMA GRAIN PHAKAMA NPC



**Jane McPherson**  
CONSULTANT: PHAHAMA  
GRAIN PHAKAMA NPC



**Bankies Malan**  
CREDIT AND LOANS  
COORDINATOR



**Liana Stroebel**  
OPERATIONS AND  
TRAINING MANAGER



**Jean Adams**  
SECRETARY TO HEAD: PGP



**MJ Swart**  
REGIONAL MANAGER:  
MARKETING AND FARMER  
DEVELOPMENT (WESTERN CAPE)



**Hailey Ehrenreich**  
COMMITTEE OFFICER:  
WESTERN CAPE



**Graeme Engelbrecht**  
REGIONAL DEVELOPMENT  
MANAGER: DUNDEE



**Jerry Mthombothi**  
REGIONAL DEVELOPMENT  
MANAGER (CONTRACTOR):  
MBOMBELA

## PHAHAMA GRAIN PHAKAMA NPC (CONTINUED)



**Du Toit van der Westhuizen**  
REGIONAL DEVELOPMENT MANAGER  
(CONTRACTOR): LICHTENBURG



**Johan Kriel**  
REGIONAL DEVELOPMENT  
MANAGER (CONTRACTOR):  
WESTERN FREE STATE



**Jacques Roux**  
REGIONAL DEVELOPMENT  
MANAGER (CONTRACTOR):  
EASTERN FREE STATE



**Eric Wiggill**  
REGIONAL DEVELOPMENT  
MANAGER (CONTRACTOR):  
EASTERN CAPE



**Phumzile Ngcobo**  
ASSISTANT REGIONAL  
DEVELOPMENT MANAGER:  
DUNDEE



**Lanalie Swanepoel**  
OFFICE ASSISTANT:  
LOUWSBURG



**Lindie Pretorius**  
MONITORING AND  
EVALUATION OFFICER



**Cwayita Mpotyi**  
OFFICE ASSISTANT:  
MTHATHA



**Luthando Diko**  
OFFICE ASSISTANT: KOKSTAD



**Nathie Mazibuko**  
OFFICE ASSISTANT: DUNDEE



**Lebo Mogatlanyane**  
OFFICE ASSISTANT:  
LICHTENBURG

## COMPANY SECRETARIAT



**Nico Vermaak**  
COMPANY SECRETARY



**Anika Rossle**  
ASSISTANT COMPANY  
SECRETARY



**Clarissa Chinian**  
SECRETARY TO CEO AND  
COMPANY SECRETARY

## FINANCE AND IT



**Janus Theron**  
CHIEF FINANCIAL OFFICER



**Madelie Goosen**  
SENIOR ACCOUNTANT



**Leticia Reid**  
CREDITORS CLERK



**Machel Kruger**  
FINANCIAL CLERK



**Boipelo Mosikare**  
FINANCIAL CLERK



**Elda-Beth Keeley**  
DEBTORS CLERK

## HUMAN RESOURCES AND CORPORATE SERVICES



**Coretha Usher**  
HEAD: HUMAN RESOURCES  
AND CORPORATE SERVICES



**Lizzy Mosehla**  
HUMAN RESOURCES AND  
CORPORATE SERVICES  
ADMINISTRATOR



**Eva Lehabe**  
RECEPTIONIST



**Louisa Mohlala**  
CLEANER

## GRAIN SA PERSONNEL WHO RESIGNED DURING THE REPORTING PERIOD

NAME	POSITION	DATE
Jurie Mentz	Regional Development Manager: Louwsburg	31 January 2024
Dr Sandile Ngcamphalala	Head: Phahama Grain Phakama NPC	19 February 2024
Christa Herbst	Chief Financial Officer	19 May 2024
Johan Teessen	Agricultural Economist intern	30 June 2024
Smangaliso Zimbili	Office Assistant: Mbombela	14 August 2024
Dr Miekie Human	Research and Policy Officer	13 September 2024
Lerato Ramofoko	Agricultural Economist intern	30 September 2024
Monique Dubek	Junior Company Secretary	31 October 2024
Christiaan Vercueil	Agricultural Economist	1 November 2024
Gerhard van Zyl	Function Coordinator	14 November 2024
Lydia Kasumba	Accountant	27 November 2024



## MESSAGE OF THE CHAIRPERSON

# Our country's producers rise to the occasion

The production conditions during the year under review were a major challenge to most of our grain producers because of the El Niño weather conditions and the accompanying severe drought.

Although a few regions achieved good harvests despite El Niño conditions, we perceive the South African grain harvest to be approximately 25% smaller than in the previous year. However, in these extremely difficult circumstances – and despite a large decrease in grain production – our producers still achieved the laudable goal of producing enough grain for South Africa's needs. South Africa also succeeded in meeting the normal demand for grains from our neighbouring countries.

The drought led to critical grain shortages in our neighbouring countries this year, which caused a considerable increase in their need for grain imports. When we take into account that South Africa experienced the same drought conditions, it is remarkable that our grain producers still managed to resolve the challenge by meeting their obligation to put food on our tables. They truly deserve praise for their undaunted perseverance and dedication to get the job done.

Local producers further had to keep the influence in mind that the international market conditions could have on their profitability – something that was particularly affected by geopolitical conditions. The ease with which grain is traded internationally and the surplus availability of Russian grain placed considerable downwards pressure on local grain prices, which are already subject to small profit margins.

I was privileged to talk to producers across the world on various occasions and can state with conviction that South Africa has the best producers in the world. Their resilience and unique ability to persist and achieve, even with limited government support and a lack of understanding and appreciation from the general public, are admirable. This flexibility enables our grain producers to stand head and shoulders above their international peers and undoubtedly they deserve the recognition that is their due.

Despite an unfriendly agricultural environment, Grain SA could play a decisive role as the common spokesperson for grain producers in South Africa. A producer can determine within the borders of his farm what should happen there, but when it comes to anything that can impact the farming operations outside the farm gate, he has little influence as an individual. However, thanks to its members, Grain SA can state the case of the grain producer in an influential way through its collective voice in order to promote a profitable and sustainable future for its members.

If the profitability and sustainability of grain production in South Africa is not attended to, there is no future for small, established, new era or commercial grain producers, and this would have severe consequences for food security in South Africa. However, as a single link in the agricultural value chain, Grain SA strives to maintain good relationships with all role-players in the agricultural value chain. With strong partnerships and ongoing dialogue a synergy is created from which all stakeholders can benefit, to the advantage of agriculture as a whole. It is important for stakeholders – despite their differences – to be able to sit around a table to find the best solutions for certain problems.

I would like to express my appreciation towards our board members for their service over the past year and the dedication with which they represented the respective regions. Carrying out this task requires personal sacrifice that infringes upon the time a board member can spend on his farm and with his family. I would like to thank those who supported our members in this regard.



**Derek Mathews**  
 CHAIRPERSON

A special word of thanks goes to Dr Tobias Doyer and the Grain SA personnel for the extremely high standard of service that they render to our organisation. Their level of drive, knowledge and dedication is the foundation of our organisation's success and growth in an extremely competitive agricultural sector. Thanks to our personnel, Grain SA is known as an organisation of excellence in the sector.

Finally, I would like to share some wisdom with my fellow grain producers. I received this advice as a young producer during a difficult drought – and it truly encouraged me: Just keep going, because when you decide it is final, you must know that it is finally over. Your best crop is the next crop, so let us plant another one.



**Derek Mathews**  
**CHAIRPERSON**





## REPORT OF THE CEO

# A year of political commotion and drought, but also of successes

The primary reason for Grain SA's existence is to promote a positive business, political and strategic environment in which grain producers can flourish. Through the years grain producers built up Grain SA into one of the most respected and influential agricultural organisations in South Africa. Just as grain producers have to be adaptable and have to react quickly to changes in their environment, we as an organisation have to do the same all the time.

Over the past few years, politics, the government's ability and role, social communication and technology have undergone major changes and require a new approach and work method from Grain SA. Grain SA has promoted its members' interests over the past almost 30 years in a political regime in which we consulted a majority government in order to achieve positive legislative and regulatory results for the grain industry. The Government of National Unity is a significant watershed in our political environment and has radically changed the nature of the government in South Africa. Grain SA will have to adjust its work method and activities proactively to represent and secure the interests and future of grain producers, labourers, rural communities and grain value chains in the greater South African economic and political landscape successfully.

The new political dispensation means there is a bigger and more diverse group of role-players with whom we have to negotiate to establish a workable policy and regulations. This makes the decision-making process more complex and longer and requires significant resources to promote the interests of grain producers in a large number of forums. The advantage of the new political dispensation is that the parties will consult more than in the case of a majority government to find common solutions and determine sustainable policy directions.

The role and impact of government institutions have changed considerably over the past three decades. We now accept private education, security and medical care as obvious. These are all examples of services that were the responsibility of the government in the past, and now have to be proactively or necessarily provided by the communities themselves. Similarly, there are also gaps in critical support services to the grain and greater agricultural value chain and communities, among other things with respect to research, technological development and access, skills, security and market expansion. Grain SA will have to consider carefully in what way we can use our collective resources, energy and leadership to address these gaps.

Social consensus forming across the world and also in South Africa changes continuously as people develop new communication technology and start to use it. Social media have made a fundamental change to the way in which society becomes aware of problems, gathers information, makes decisions and formulates actions. This often leads to a flood of information and agendas, which contributes to confusion and disruptive politics. As the channels for the will of the voters, politicians react to this new awareness by introducing policy and legislation together. A key concept here is the idea of a 'social licence to operate (SLO)'. It refers to the acceptance and approval by the community and other stakeholders to carry out our activities. The perception and attitude of the wider community with respect to grain producers are involved here. This social attitude has a large influence on the interpretation of events in our sector and solutions that are devised and implemented by the political dispensation.

In this context we should constantly emphasise the unique contributions that we make to the feeding and economic welfare of consumers and the environment, and work strategically to be heard above all the noise. We must ensure that our messages are understood clearly and communicated effectively at community as well as government level. This involves the positive positioning of grain producers with all



**Dr Tobias Doyer**  
 CHIEF EXECUTIVE OFFICER

South Africans. Effective and co-ordinated communication processes will have to be created in agricultural ranks to promote negotiations and constructive policy directions.

## TECHNOLOGICAL PROGRESS

Grain SA is responsible for being proactive in its thinking to come to grips with new challenges like climate change, changing market dynamics and developing global agricultural trends. The support of technological progress and the promotion of research on more sustainable farming practices are essential to maintain the competitiveness of South Africa's grain industry. By addressing these challenges proactively, Grain SA can promote grain producers' sustainability and profitability and position them as key role-players in the future of South Africa's agricultural and economic development in a constantly changing world.

A variable that affects the local grain producer directly, however, is the increasing influence exercised by activists over the safety of people and nature in developing and approving new agricultural production technologies. Political pressure in this regard is particularly notable in the European Union.

A local example of this complexity is the recent appeal court judgement against the government's approval of the release of Bayer's drought-tolerant GMO maize cultivar, MON87460. The court ruled in favour of the African Centre for Biodiversity, who had instituted the action, on the basis of a technical point. This judgement placed a damper on the release of essential technology by making registration processes and requirements more difficult and more expensive. This technology is critical to South African food security and international competitiveness, particularly in the light of extreme climate conditions.

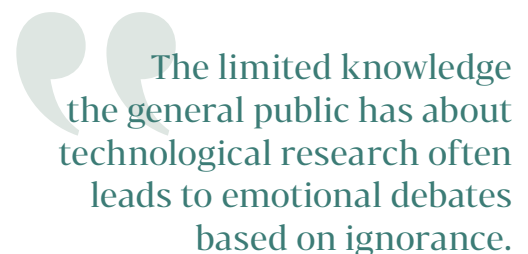
It should be taken into account that food security and international competitiveness are interwoven. That is why South Africa's ability to remain competitive in global markets is critical to ensuring sustainable food production locally. It also strengthens the national economy through job creation and the utilisation of local resources. In the South African context, where grain producers enjoy little protection and support from the government, the access to and use of technology is essential to be able to compete directly with the world's best producers. It is also the only way to get out of the stranglehold of a cost squeeze. The dynamics of the free market are challenging, but also create opportunities for innovation and essential adjustments.

However, there are risks associated with technology. This was recently in the news again after the tragic death of children who had been poisoned by an insecticide for plants that is prohibited in South Africa, but was present in food that they had bought from a spaza shop. Historically it has been found that some chemicals that had been developed for agriculture pose major health risks, including carcinogenic effects. This reality emphasises the necessity for strict regulation and policing regarding the appropriate use of chemicals and strict compliance with the prescribed handling procedures in order to protect consumers and those involved in agricultural production against potential damage.

The responsible assessment and management of technology requires co-operation between the government, the research community and the public. However, the limited knowledge the general public has about technological research often leads to emotional debates based on ignorance that are used by certain organisations to promote their own agendas. It is therefore important to distinguish between emotion and scientific facts.

Grain SA regards the promotion of and access to safe and innovative technology for grain production – from commercial producers to new entrants at grassroots level – as a priority, however. The organisation's Grain Research and Policy Centre plays an integral role in promoting such technology and innovation in the field of crop improvement, plant health and climate resistance. This occurs in collaboration with multiple stakeholder partnerships. This was a significant investment by Grain SA in the future of its members and profitable and sustainable grain producers.

Internationally, major emphasis is also placed on and pressure brought to bear on countries with regard to the impact that governments, companies and businesses exercise with respect to ethical environmental, social and corporate (ESG) management principles. Central to this debate is climate change and the contributing factor of greenhouse gas emissions in the agricultural sector, including carbon dioxide, methane and nitrogen. This reality is exerting increasing pressure on the agricultural sector to reduce its impact on climate change and promote sustainable practices.



The limited knowledge the general public has about technological research often leads to emotional debates based on ignorance.

The question arises as to how producers can be supported in their transition to lower-carbon practices without harming food production. In addition, corporate management plays a critical role in the accountability and transparency of agribusinesses with respect to reporting of emissions and compliance with international climate standards.

The answer lies in technology and innovation on the basis of renewable energy and smart agricultural practices. The majority of agricultural producers display the sense of responsibility and insight to act as stewards of their agricultural production environment and this requires a collaborative approach between the agricultural sector, government, research institutions and the community. In South Africa this requirement is harmed at various levels and in various fields, however, because the government fails to meet its public responsibilities, for example with regard to infrastructure like power, transport and clean, sustainable water sources. The impact of this is experienced daily by the agricultural value chain.

While ESG offers a valuable lens for assessing these challenges, the success still depends on practical and dependable solutions that balance the unique context of a climate-friendly farming operation with food security and local community development. Grain SA is proactively developing an ESG score card and discussing how this can be implemented without affecting the sustainability and profitability of our members.

## A YEAR OF DETERMINATION AND PERSEVERANCE

Grain and oilseed producers in both the summer grain and winter cereals areas experienced severe financial and operational pressure during the 2023/24 production year. Because of drought conditions, summer grain production was reduced by 23% from 20 117 620 tons in 2022/23 to 15 400 140 tons. Maize production declined by 23% from 16 430 000 tons to 12 724 050 tons, sunflower production by 34% from 720 000 to 635 750 tons and soybean production by 34% from 2 770 000 tons to 1 840 290 tons.

Our winter cereals colleagues again had to deal with very wet conditions, but the price challenges were and still are the main factor undermining the sustainability of winter cereals producers. According to the fifth estimate of the crop estimates committee, the 2024 winter cereals production decreased by 2% from 2 720 300 tons in 2023 to 2 676 985 tons. Wheat production decreased by 6% from 2 050 000 tons to 1 934 990 tons, canola production increased by 25% from 236 300 tons to 295 446 tons, and oats production increased from 41 000 tons to 50 300 tons. Of particular concern is the sustainability of the wheat value chain, with specific focus on the role and future success of local wheat producers. This includes critical issues like pricing mechanisms, fair international competition, alignment with regard to production quality and quantity objectives for the value chain, as well as the strengthening of relationships and support for our partnerships in the value chain. It is clear that concerted action is required to place the wheat industry on a firm and sustainable basis again.

Despite the challenges that producers had to face, it is remarkable that an adequate harvest was still produced to feed our population. This is proof of the self-sufficiency of our country with regard to food production, which can largely be attributed to the expertise and perseverance of our grain producers. The careful use of the most recent technology in production, seed, water management, plant protection and soil conservation was an important contributing factor in farming sustainably in difficult circumstances.

It is regrettable that the industry could not agree on the new maize grading regulations, and that this led to a court case in which the Chamber of Milling sued the Minister of Agriculture, Grain SA and the South African Grain Farmers Association (SAGRA) in this regard. Grain SA's position is clear that an objective, measurable and scientifically proven grading system is the foundation of a transparent and fair pricing mechanism for the benefit of all the role-players involved in the value chain.

Grain SA's new operational model – comprising the four group entities, namely Grain SA NPC, Nampo (Pty) Ltd, Phahama Grain Phakama NPC and the Grain and Oil Producers Trust – was implemented successfully. This strategic step was undertaken with a future-oriented vision to ensure the continuity of the organisation's responsible and effective management of its income, financial control and reporting and tax liabilities. This restructuring is in line with Grain SA's core mandate to promote profitable and sustainable grain production for its members.



**Grain SA's new operational model – comprising the four group entities – was implemented successfully.**

Grain SA is proud that Phahama Grain Phakama (PGP), which was established 25 years ago, is still surging ahead with training and mentorship for subsistence and new-era grain producers. In a country that produces sufficient food for its population but where there is a great increase in the number of people, and in particular children, who do not have access to adequate food due to socio-economic conditions and suffer from malnutrition, the service rendered by PGP is invaluable. By promoting agricultural activities, rural

socio-economic growth is stimulated to the benefit of the rural population and the South African economy as a whole.

Another heartening aspect is seeing how NAMPO Park annually becomes more of a national asset in the field of agriculture, with its benefit extending much further than the grain industry. This year, this home to the agricultural value chain achieved a record number of visitors to the NAMPO Harvest Day and also to NAMPO Cape, contrary to our expectations due to the economic pressure. What makes these agricultural expos exceptional too is the appreciation they create with the general public regarding the necessity for, but also the complexity of, a successful agricultural industry. This is where producers and technology partners conduct valuable discussions and make plans for the future.

## LOOKING AHEAD

Like in South Africa, political winds of change have created a new playing field in the United States of America (USA). Uncertainty exists as to whether the newly elected president, Donald Trump, will announce an increase in import tariffs. This can herald an era of protectionism and start a trade war if other countries introduce similar steps in answer to this. Increased import tariffs can affect the global grain market to the benefit of other producers like Russia and Ukraine, and unlock new markets for South African grain. However, they could also lead to the dumping of agricultural products, which can cause prices to drop.

This would require the agricultural industries to proactively develop strategic partnerships and to invest in technology and infrastructure constantly to manage market fluctuations successfully. The concern is whether South Africa is geared to act quickly enough to level the playing field in a similar manner if required. However, I am carefully optimistic that in spite of possible protectionism, balanced economic principles will be pursued as a result of the globalisation of trade and the mutual dependence of markets.



In the area of an agricultural policy direction, the Minister of Agriculture, Mr John Steenhuisen, offered significant strategic security regarding the future of agriculture with his announcement that the Agricultural Master Plan (AMP) will be continued in its current format. This decision now places the focus on the future implementation of the plan, which can accelerate the process by several years. Although no plan is perfect and there are diverging opinions, Grain SA believes that the AMP contains core components that provide a steady basis for the prosperity of the grain industry. Looking ahead, Grain SA will focus on the effective implementation of this plan, and at the same time be involved actively in the process of addressing aspects of the plan that require improvement.

The sound working relationship that we as organisation have with the government and officials further strengthens our hand in our long-term promotion of grain producers' interests. Grain SA and our partners in the value chain also display an exceptional team spirit despite differences of opinion that may occur. This makes Grain SA one of the most valued producer-interest organisations in the agricultural industry.

The expertise and dedication of the personnel of Grain SA as a member organisation play a core role in this regard. Their effective implementation of Grain SA's strategic objectives and the high standard pursued are an example of excellence. I regard their valuable contribution as key to the continued success of the organisation.

I would also like to express appreciation on behalf of myself, our members and the Grain SA personnel for the ongoing support and guidance we received during the past year from the Grain SA chairman, Mr Derek Mathews, and the various directors. Their continued involvement and personal sacrifice in serving set an example of co-operation and deliberate action.

With a dynamic year behind us and while we move forward, I am fully convinced that with co-operation, innovation and a clear vision we will overcome the challenges ahead. The future of the grain industry is full of potential and I have the greatest confidence in the driving force and experience that we as an organisation have to allow the grain producer's future of profitability and sustainability to grow even further. I look forward to the co-operation and results that the new year holds.



**Dr Tobias Doyer**  
CHIEF EXECUTIVE OFFICER

The expertise and dedication of the personnel of Grain SA as a member organisation play a core role in this regard.





# Focused on inputs and production

## INPUT PRICES

Fertiliser prices traded relatively sideways during the reporting period, while the outbreak of a war in the Middle East during the year supported international urea prices. Seed prices for summer grains were adjusted upwards by between 4% and 8% this season. In general, prices for soybean seed were 4% lower this year than in the previous season. Agrochemical prices of herbicides dropped by almost 30% internationally, with slightly lower prices realising in the local market. Insecticides and fungicides were also drastically cheaper internationally compared to the previous season, with marginal downward trends showing in the local market.

## JSE MATTERS

The 2023/2024 marketing season was characterised as a season of adjustment. The JSE advisory committee again held their four meetings, in addition to a few meetings of the technical committee. In this reporting period the JSE's test period for the alternative calculation method for soybeans officially commenced. This method is implemented from March 2024 to March 2027. However, the JSE advisory and technical committee will have to assess the model continuously according to stated success criteria. The development of the base contracts were also discussed thoroughly this year, with the final implementation commencing in August 2024. A new task force was also appointed at the Financial Board and it is having another look at the Commitment of Traders report. Feedback is expected in 2025. The JSE revised the size of soybean contracts from 50 tons per contract to 100 tons per contract in 2024.

## ALTERNATIVE LOCATION DIFFERENTIAL CALCULATION METHOD

This method was assessed for the first time in practice in 2024. This test on soybeans showed an increase in redeliveries in the first year. It is important to note that 130 silos received soybean deliveries, with 91 silos receiving redeliveries, and 71 of those silos receiving redeliveries in the previous season too. Redeliveries is one of the quantitative measures for measuring the success of the model. Up to and including 2027 this method will be considered only for soybeans. However, Grain SA completed a master study on applying the alternative method to the wheat industry. The initial results indicated a marked lack of effectiveness in transport. The results were discussed with the JSE.

## LEAF SERVICES

LEAF Services was appointed by the Department of Agriculture in terms of the Agricultural Product Standards Act to inspect grains and grain products. Their inspection involves grading unprocessed grain and grain products – something that is already being done by the industry. It would therefore imply the current self-regulating grading system is being duplicated.

The first attempt by LEAF Services was thwarted by the cooperation of a large number of role-players in the industry during the previous reporting period. The industry successfully appealed against the introduction of levies by LEAF Services.

However, this service provider started consulting with the industry anew during the reporting period and on 10 July 2024 a proposed method of inspection and fees were published in the *Government Gazette*. Grain SA commented on this and feedback is still being awaited. The industry also decided to request the Minister of Agriculture officially to revoke the appointment of LEAF Services. By participating in the discussions and ensuring that producers are not harmed by unnecessary additional costs, Grain SA had already saved producers millions of rands in costs by 2024.

Redeliveries is one of the quantitative measures for measuring the success of the model.

## EXPORTS

The 2023/2024 marketing season will be remembered as a season in which a record quantity of grain was exported. In the 2023/2024 season 3,4 million tons of maize were exported, together with 597 045 tons of soybeans.

A total of 597 045 tons of soybeans was exported for 2023/2024. The top importers of South African whole soybeans were Malaysia (269 972 tons = 45%), China (147 497 ton = 25%), Vietnam (56 380 ton = 9%), and Bangladesh (54 755 ton = 9%). The total for the top four importers was 89% of the total exports and the remaining exports were to Mozambique, Portugal and Thailand. The total exports for 2022/2023 was 277 504 tons. This was a significant increase in exports for 2023/2024. The 2023/2024 season achieved a historic milestone when the first exports of soybeans were made to China.

White maize exports for the 2023/2024 season closed the season at 1,25 million tons – mainly to Botswana, Mozambique, Namibia and Zimbabwe. Shipping to Kenya, Guatemala and Ghana also took place. With respect to yellow maize, a record-breaking 2,17 million tons were exported. Most of the yellow maize was shipped to East Asian countries, with another season of large export volumes directly to China.

A part of the agricultural master plan discussions and negotiations is also to make the logistics system more effective and manage it better. One of the actions is to make upgrades to the port infrastructure.

## SEED COMPLAINTS INVESTIGATED

During the 2023/2024 planting season Grain SA investigated various seed enquiries and complaints on behalf of our members. On specific occasions Grain SA had the seed tested itself to ensure quality.

## GRADING REGULATIONS FOR MAIZE

In August 2021 the Maize Forum applied for amendments to the maize grading regulations. This application came after consultation with industry role-players since January 2019 and included research by the Southern African Grain Laboratory (SAGL). The reason for the revision of the grading regulations was to make cosmetic changes and reduce grey areas in the grading regulations.


Some of the main proposals were to remove discoloured and water-damaged kernels as defective kernels (although the definitions remain in the regulations), and to provide a better description of frost-damaged kernels.

At the beginning of 2022 it was realised that the Department of Agriculture was progressing slowly with the consultations on the changes and the Maize Forum applied for a temporary dispensation. At the end of April 2022 a dispensation was granted to the industry. However, at the beginning of May the dispensation was withdrawn by the department as a result of a request by the forum, as some of the role-players did not agree with it. After several urgent meetings of the forum and the technical committee, consensus about the proposed changes could still not be reached. However, the forum decided that the grading application had to follow the normal course and that individual role-players had to comment separately.

On 31 October 2022 the Department of Agriculture published the grading regulations as submitted in August 2021 for comment. On 17 January 2023 the Department of Agriculture rejected the application by the forum because all the members of the forum did not agree any longer. Grain SA and SAGRA consequently decided to submit the same application, based on research, on behalf of these two parties.

After this application the department convened a meeting at which the industry role-players could present scientific proof to the contrary for the proposed changes to the grading regulations. The department adjudged that no scientific information had been provided to oppose the application. This application was approved by the Minister of Agriculture and published finally on 16 February and 1 March 2024, respectively.

In August 2024 Grain SA learnt with great disappointment that the National Chamber of Milling was suing the Minister of Agriculture as well as Grain SA and SAGRA because of the publication of the grading regulations. Grain SA would like to assure members that the matter will be dealt with suitable, as it is vital



**The master plan focuses on key objectives like the improvement of food safety, job creation, support of emerging farmers and the promotion of agricultural expansion.**

to the organisation for grain producers' commodities to be traded in terms of fair grading standards. Grain SA, together with the Minister of Agriculture and SAGRA, is opposing the case.

## DIESEL REBATE AUDITS AND INTERPRETATION

In addition to negotiations and discussions on a new diesel rebate system, several of our members were also assisted with regard to the handling of audits by the South African Revenue Services (SARS). There were various challenges regarding the interpretation of legislation in the light of electronic logbook systems and SARS's views on logbook requirements to qualify for the rebate.

SARS also published the new diesel rebate system on 18 March 2022. However, the implementation date still has to be announced. Grain SA and Agri SA are uncomfortable with the changes and are taking it up with SARS and the Treasury. Various meetings in this regard were held with SARS and the Treasury during the reporting period, and formal letters were submitted to the Treasury. Grain SA was also requested to assist SARS with the development of their automatic diesel logbook system.

## WHEAT IMPORT TARIFF

International wheat prices declined sharply in the 2023/2024 season. Prices dropped to such an extent that international prices several times traded below the \$279/ton norm of the South African wheat import tariff. The wheat import tariff traded below the norm on 2 April (R177/ton), 28 May (no tariff), 2 July (R422/ton) and 1 October (R184/ton). Getting the tariff published in the Government Gazette was a lengthy process and placed the producers and the wheat industry under severe pressure.

Grain SA, together with SACOTA, submitted an application to ITAC to adjust the base reference price to \$289/ton. This application was accompanied by another application to improve the announcement method and a mechanism was proposed that works in the same way as the monthly diesel announcement.

## AGRICULTURAL AND AGRO-PROCESSING MASTER PLAN (AAMP)

The Agricultural and Agro-processing Master Plan (AAMP) is a strategic framework that was developed in South Africa to promote growth, transformation and sustainable development in the agricultural and processing industry. It was compiled in collaboration with the government, the private sector, trade unions and other industry role-players. The master plan focuses on key objectives like the improvement of food safety, job creation, support of emerging farmers and the promotion of agricultural expansion through innovative practices, research and technologies.

Grain SA, together with other industry role-players, form part of working groups established to achieve the objectives stipulated by the master plan. The working groups in which Grain SA is represented include agricultural transformation and support for emerging farmers, development of markets and export opportunities, policy and regulatory environment, research and technology, and transport and logistics.

The AAMP plays an important role in building the agricultural sector in South Africa through a comprehensive approach aimed at promoting economic growth and addressing issues.

## SORGHUM CLUSTER INITIATIVE

Over the past two decades, sorghum production in South Africa has gradually declined, partly as a result of reduced demand and partly due to limited progress in the yield potential of sorghum cultivars. Nevertheless, sorghum remains an important crop in South Africa and in the bigger picture because of the high nutritional value of the crop and its resistance to drought conditions.

A sorghum cluster initiative was established in collaboration with the Sorghum Trust and the DSI/TIA. The cluster identified the following areas as focus points:

- (1) Removal of VAT on sorghum;
- (2) Establishment of processing facilities;
- (3) Awareness campaigns for marketing sorghum;
- (4) Marketing analysis of the upgrading of the sorghum value chain;
- (5) Assessment of exotic germplasm as a precursor to sorghum pre-breeding; and
- (6) Alternative quelea control measures.

The Sorghum Trust, DSI/TIA and Grain SA – in collaboration with the greater sorghum value chain – is addressing the focus points. This includes an active awareness campaign, a successful first planting season for the germplasm initiative, progress with the alternative quelea control measures, product development and sorghum recipes, as well as new initiatives that have been added, like the plant pathology in collaboration with the University of the Free State. Further good news is that the proposed planting for the 2024/2025 sorghum production season has been increased by 28,27% to 54 000 ha.

### PRODUCTION ENVIRONMENT AND POLICY

There is a gap in the market during the period when the proposed planting is published by the National Crop Estimates Committee in October and the provisional planted area at the end of January. In an attempt to fill this gap and release transparent information to the market, Grain SA therefore started to release a production conditions report distributed every two weeks to producers and the greater grain industry. Among other things, the report includes crop development, rainfall statistics, crop conditions and planting rates.

The Climate Change Act was signed by the President this year. Consequently there are several policy changes to be implemented. One of these policies is the sectoral emission targets (SETs) set out for every industry. Grain SA, in collaboration with Agbiz and several other industry role-players and researchers, forms part of a working group in this regard. The working group was established to achieve the targets set out in collaboration with the Department of Agriculture. Grain SA's role is to ensure that the targets are implemented in such a way that producers can continue producing in a sustainable and profitable manner.

Environmental, social and governance objectives, better known as ESGs, have been relevant overseas for quite some time. Local companies in the value chain are currently experiencing pressure to also start implementing the policy. Grain SA is proactively developing an ESG score card and discussing how this can be implemented without affecting the sustainability and profitability of producers.





## MEMBER SERVICES RESEARCH COORDINATION

# Consortia maintain its momentum

## CONSORTIA AND MULTI-STAKEHOLDER PARTNERSHIPS

The Grain SA Research and Policy Centre focuses its research on three key areas: crop improvement, plant health, and climate resilience. The primary aim is to create research consortia that promote innovation, enhancing the productivity, profitability, and sustainability of South African grain and oilseed producers.

An additional focus area is committed to developing human capital by training students and hiring technicians, particularly in critical fields such as breeding, agronomy, plant pathology, and nematology. The research team also plays a vital role in coordinating national evaluations of maize cultivars and addressing the research needs of producers regarding conservation agriculture.

A cornerstone of the Centre's success is the strong partnerships it has established with various funders over the years. Innovative research is coordinated through the Strategic Innovation Partnership for Grain and Oilseeds under the Agricultural Bio-economy Innovation Partnership Programme. This partnership has seen significant contributions from the Department of Science and Innovation (DSI), the Technology Innovation Agency (TIA) and Grain SA. Furthermore, the collaboration with industry co-funders, including the Maize Trust, Oil and Protein Seed Development Trust (OPDT), Sasol Agriculture Trust, and the South African Winter Cereals Industry Trust, has been instrumental in supporting research that adds value to grain and oilseed producers.

## PRODUCER ENGAGEMENTS

### Roadshows

The Grain SA research team held their first instalments of the 2024 Research Roadshow in the Western Cape. The roadshow focused on topics such as understanding weather forecasting, best use of data science to optimise production practices, weed management, carbon sequestration and ESGs. The purpose of the roadshow is to share developments from Grain SA's research portfolio with farming communities and to hear from the producers where further research is needed.

### Farmers Days

Grain SA participated in several farmers day events in the Eastern Cape, Mpumalanga, and North West. The events are aimed at transferring knowledge and providing producers with information on research conducted within the Grain SA research consortia such as crop protection and agronomic practices. The crop protection presentation emphasized key strategies for effective plant-pest and disease management. Producers were encouraged to follow three main steps: (i) conduct regular monitoring and surveillance, (ii) understand the life cycle of any identified pests or diseases, and (iii) use this understanding to implement an integrated pest management approach.



THE RESEARCH TEAM AND COLLABORATORS AT THE 2024 GRAIN SA RESEARCH ROADSHOWS IN THE WESTERN CAPE.



DR GODFREY KGATLE GIVING A PRESENTATION TO PRODUCERS AT THE GDARD FARMERS DAY HELD IN BRONKHORSTSPRUIT.

## Leveraging producers' research activities

The research team visited farms in Mpumalanga to learn from Gerrit Roos and Jantjie Randall about their research on issues like Sclerotinia, cutworms, and soybean Rhizobia. They aim to continue engaging with more producers to enhance relevant research.

## ENGAGING THE SCIENTIFIC COMMUNITY

### Conferences

In the past year, the research team attended several key conferences. Dr Godfrey Kgatle participated in the 2024 Combined Congress, focusing on weed management and herbicide resistance, while Dr Miekie Human took part in the Agricultural Research Council (ARC)-Department of Agriculture Conference, discussing shared priorities and climate change. Dr Kgatle also chaired a session on crop production innovations at the 16th Annual Agricultural Research Symposium and Innovation Expo (AARS). Additionally, Dr Human attended the 35th SANSOR meeting and the 9th World Congress on Conservation Agriculture, where presenters shared valuable insights on conservation practices and alternative crops in the Western Cape.



THE RESEARCH TEAM DOING A WALK THROUGH OF JANTJIE RANDALL'S SOYBEAN FIELDS.



THE RESEARCH TEAM ATTENDED VARIOUS CONFERENCES THE PAST YEAR.



## Researcher meetings

The research team regularly connects with researchers nationwide to foster relationships and discuss research priorities for grains and oilseeds. Recent visits included Stellenbosch University (SU), the University of the Western Cape (UWC), the ARC, and the University of the Free State (UFS).



THE TEAM MET WITH RESEARCHER COLLABORATORS ON THE NIX PROJECT FROM THE UFS.

## INDUSTRY ENGAGEMENTS

### Harvest Weed Control Systems (HWCS) Workshop

Dr Miekie Human attended a workshop in February focusing on the Australian Weed Smart principles of integrated weed management, particularly focusing on the sixth principle of HWCS to enhance weed control and combat herbicide resistance. These systems provide alternative weed management solutions.

### Egyptian NPPO delegation to SA

The research team participated in a meeting with the Egyptian NPPO organised by the South African Cereals and Oilseeds Trading Association (SACOTA) in March, involving various agricultural stakeholders to negotiate South Africa's grain exports to new markets like Egypt. Through its research Grain SA has been contributing to building data on pest and disease distributions. This data forms an integral part in export negotiations.

### Weed Science Day

A Weed Science Day was held in June. Weeds such as *Amaranthus*, *Lolium*, and *Conyza* are becoming an increasing cause for concern within the farming community and the industry, particularly due to emerging herbicide resistance observed in certain weed species. The purpose of the day was to establish a collaborative platform where the various stakeholders can share knowledge, identify and discuss challenges relating to weeds as well as to potentially foster collaboration to address the issues that were identified.

Chemicals are seen as the go-to solution for weed control, although challenges with application accuracy, effectiveness, and resistance persist. All participants agreed that the development of innovative management strategies requires collaborative public-private partnerships and emphasised the urgency of capacity building in weed science.



MEETING WITH EGYPTIAN NPPO ON SOUTH AFRICA'S GRAIN EXPORT TO EGYPT.



THE WEED SCIENCE DAY HOSTED BY THE GRAIN SA RESEARCH TEAM.



### Inaugural Agribiologicals Workshop

Dr Godfrey Kgatle gave a presentation at the CSIR inaugural Agribiologicals Workshop. His presentation noted that South Africa's grain yields have risen from 0,6 tons per hectare in 1920 to 6 tons per hectare today, thanks to mechanisation, GMOs, and precision agriculture. However, producers now face profitability challenges due to rising costs and low prices. Future research in genetic engineering and agribiologicals is crucial for boosting yields and profitability.



THE CSIR INAUGURAL AGRIBIOLOGICALS WORKSHOP.

### AgriSETA Research Colloquium

Dr Godfrey Kgatle spoke at the 3rd AgriSETA Research Colloquium, themed ‘Sustainability in Agriculture,’ which resonates strongly with Grain SA’s vision of promoting the profitability and sustainability of grain and oilseed producers. His presentation focused on the core principles of sustainable agriculture, highlighting the need to protect environmental health by preserving soil, water, and biodiversity through sustainable practices, which is an effort that South African producers have long championed.

### Plant Health Day

The team also hosted a Plant Health Day in August to enhance collaboration and address producers’ research needs. This event was held under the auspices of the Plant Health Consortium which focuses on diagnostics and surveillance, understanding the biology of plant disease and pests, and integrated pest management (IPM). The event aimed to review priority areas, assess ongoing actions, and clarify responsibilities while aligning with funders and stakeholders. It successfully identified critical gaps and set future research priorities to improve plant health strategies.



THE PLANT HEALTH DAY HOSTED BY GRAIN SA RESEARCH.

## CROP IMPROVEMENT CONSORTIUM

### Wheat breeding

South Africa has seen a concerning decline in wheat planting area over the past thirty years. The Wheat Breeding Platform (WBP) was established in 2014 to tackle national priorities related to sustainability and food security. Grain SA supports and coordinates engagement with the WBP which involves various stakeholders, including industry representations, breeding companies, researchers, and government entities. The WBP brings together experts from both the public and private sectors to support local breeding efforts aimed at enhancing yields.

**TABLE 1: OVERVIEW OF THE CROP IMPROVEMENT CONSORTIUM**

OBJECTIVE	SUB-OBJECTIVES
Conduct pre-breeding to develop inbred lines with improved yield potential	Source and characterise newly acquired germplasm
	Incorporate new germplasm into local nurseries
	Conduct multilocality field trials to identify germplasm traits of interest
Support local breeding efforts	Make use of phenotyping and genotyping to improve selection of improved traits
	Distribute germplasm to local breeding programmes
Build local plant breeding capacity	Screen commercially available cultivars for tolerance to pre-harvest sprouting
	Train students in plant breeding
	Train graduates as technicians

The WBP has greatly enhanced the breeding programmes of three local companies: Syngenta, Corteva, and ARC–Small Grain. SU collaborates both locally and internationally to advance wheat breeding in South Africa and to access a diverse range of germplasm from global sources. This germplasm is characterised genotypically and phenotypically, enabling effective crosses that produce pre-breeding material with the potential for higher yields, adaptability to local conditions, and other desirable traits such as disease resistance. Overall, the WBP has significantly benefited the wheat industry by providing breeders with access to high-yielding germplasm, facilitating the development of cultivars that can boost wheat production in South Africa.



THE RESEARCH TEAM MET WITH THE WBP COLLABORATORS TO DISCUSS THE PROGRESS OF THE PLATFORM.

In July, the Grain SA research team met with wheat breeders and seed companies, including Syngenta, Corteva, ARC, Limagrain Zaad, and Agricol, to discuss pre-breeding initiatives. Willem Botes from SU presented the Wheat Breeding Platform (WBP), highlighting its successes in enhancing producer sustainability and training future crop breeders.

### Contribution to agriculture

In the past six years, more than 1 500 entries have been distributed to each of the recipient seed companies. This consortium plays a crucial role in enhancing wheat production in South Africa. The programme has made significant contributions to local wheat breeding efforts and has helped to build plant breeding capacity within the country.

## PLANT HEALTH CONSORTIUM

Grains are crucial for South Africa’s food security and economic stability. Each year, pests and diseases lead to significant yield losses. To ensure future food security, it is essential to mitigate these losses. Research and development in agriculture can lead to substantial improvements in productivity by identifying effective strategies to manage these threats. Thus, the Plant Health Consortium promotes collaboration among researchers, government, and industry stakeholders to tackle national priorities, including food security and sustainable production.

**TABLE 2: OVERVIEW OF THE PLANT HEALTH CONSORTIUM**

OBJECTIVE	SUB-OBJECTIVE	PARTNERS
Conduct surveys of the summer grain production region to identify prominent pests and diseases	Pest and disease surveys	ARC, UP, NWU, UL, TUT
	Diagnostic and extension services to producers	UP
Reduce build-up of soilborne pests and disease inoculum	Develop improved strategies for plant protection	UFS, NWU, ARC

## The National Grain Research Programme

The 3<sup>rd</sup> Annual Research Day of the NGRP took place at the University of the Free State from 3 - 5 April, focusing on ‘Regenerative Agriculture.’ The NGRP aims to enhance collaboration among government, industry, and research institutions to address research needs and align efforts in the agricultural sector.

On the first day, presentations were made by the Diagnostics Clinics of the University of Pretoria (UP), SU, and ARC-Grain Crops, along with discussions on regenerative agriculture practices. The consensus among the delegates was that South Africa needs to bolster and align its diagnostic services to support farming communities. On the second day, Dr Dirk Strydom participated in a panel discussing the significance of data collection, analysis, and sharing in agriculture, as well as the role of artificial intelligence and data-driven solutions.



THE 3<sup>RD</sup> ANNUAL RESEARCH DAY OF THE NGRP AT THE UFS.

### South African Sclerotinia Research Network

Sclerotinia is responsible for some of the most destructive fungal diseases affecting oilseed crops (such as canola, soybean, and sunflower) in South Africa. To help producers manage Sclerotinia-related diseases, the South African Sclerotinia Research Network (SASRN) was formed in 2018. Projects in this network have been co-funded since 2018 by the DSI, the TIA, the OPDT and Grain SA.

The SASRN forms an integral component of the Plant Health Consortium. The network includes collaboration among institutions such as the ARC, UFS, UP, SU, and the Western Cape Department of Agriculture (WCDoA). Its primary focus is to unite South Africa's expert researchers, industry professionals, and producers to develop effective solutions for managing Sclerotinia diseases in oilseed crops. This year's highlight of SASRN was the establishment of the fungicide evaluation trials for registering chemicals and biologicals that show efficacy in managing Sclerotinia. These trials involve collaboration from various multinational companies. These trials will continue in 2025 with more fungicide entries being added for evaluation.



SASRN COLLABORATORS PRESENTED THEIR FINDINGS AT THE GANYESA FARMERS DAY IN NORTH WEST.

### Contribution to agriculture

Pests and diseases play a critical role in crop production. Issues such as cut worms and Sclerotinia adversely affect crop yields and the economic viability of producers. As many commodities in the grain industry expand to meet export demands, understanding and managing the specific pests and diseases within our borders becomes essential for facilitating trade. There is an urgent and ongoing need for innovative and resilient solutions to address the challenges posed by these threats.

The Plant Health Consortium's function and service to grain and oilseed producers is a dynamic and evolving process, focusing on the accumulation and generation of valuable information about significant pests and diseases. This knowledge aims to support the advancement of grain and oilseed farming communities, the industry, and government initiatives.

### CLIMATE RESILIENCE CONSORTIUM

The Climate Resilience Consortium was established to explore the effects of climate change and variability on agricultural production and to enhance resilience, thereby ensuring future food and nutrition security.

TABLE 3: OVERVIEW OF THE PLANT HEALTH CONSORTIUM

OBJECTIVE	SUB-OBJECTIVE	CURRENT PARTNERS
Build ground-level data on the impact of climate change and variability on production	Improve understanding of the challenges and opportunities posed by climate change	UFS, UP, ARC
Build resilience to ensure food and nutrition security for the future	Build climate resilience and adaptive capacity to respond to climate risks and vulnerability	Syngenta
	Build agronomy research and capacity	UFS, SU, Potatoes SA, UP, UWC, UFH

## Agronomy

Agronomy is a central focus of the Climate Resilience Consortium. There is a recognised need to boost investment in agronomic research and capacity building. Long-term agronomy trials have been initiated in partnership with various organisations. Collaborations with industry, such as Potatoes SA, and multiple research partners are facilitating the establishment of these trials in the Free State and Eastern Cape. The goal of these trials is to examine production practices and assess the impact of crop rotation and cover crops on soil and plant health.

An important part of the Climate Resilience Consortium is the recently established Adaptability Trials on Grain Crops, which includes trials for sorghum, soybeans, wheat, and canola. Currently, maize is the primary grain crop grown in the province, but the trials aim to evaluate the adaptability of other grain crops and their cultivars in the Eastern Cape's conditions. The results of these trials will provide valuable insights into the potential for rotational crops in the province, helping guide producers on which crops to prioritise for sustainable production based on research findings.



MR GERT BESTER (LEFT) AND PROF MARTIN STEYN (RIGHT) ALONGSIDE LEARNERS VISITING THE TRIAL DURING THE POTATOES SA GREEN TOUR THAT FORMS PART OF THE REGION-SPECIFIC CROP ROTATION PROGRAMMES.

## Contribution to agriculture

The potential severe impacts of climate change and variability on South Africa's food and nutrition security are a shared concern for both government and industry. As a result, the Climate Resilience Consortium focuses on addressing the challenges faced by producers and identifying opportunities to strengthen resilience against climate change and variability.

## CULTIVAR EVALUATION TRIALS

### Maize Cultivar Evaluation Trials (MCET)

Advancements in genetics and technology have made seed one of the most vital inputs, emphasizing the need for producers to carefully evaluate cultivars based on yield potential, cost, and risk diversification. The 2023/2024 season was the fifth year that Grain SA, SANSOR and seed companies formed a consortium to execute the MCET. During the past season, cultivars entered into the trials were again coded for anonymity. Results from the 2023/2024 season are available from the Grain SA website.

## Contribution to agriculture

Selecting the appropriate cultivars in light of varying climatic conditions is crucial for producers, as it directly impacts yield. By assisting producers in choosing adaptable cultivars, optimal yields can be achieved, and the risk of yield losses can be more effectively managed.





# Industry levy protects producers' interests

## COMMODITY LEVY

The income obtained from Grain SA member levies remains one of the main sources of income to the Grain SA structure. The member levy not only funds many Grain SA activities, but also plays a vital role in the mandate of the organisation to negotiate on behalf of grain producers in South Africa.

The agricultural environment remains challenging and the margins in the grain industry are limited. Grain SA therefore wants to thank every member who pays their levies to Grain SA. This income enables the organisation to look after the interests of grain producers. However, members of Grain SA can be assured that the income received from the member levies is used effectively to protect the interest of producers in the grain industry.

## MEMBERSHIP OF GRAIN SA

The constitution of Grain SA makes provision for commercial as well as study-group members. In terms of the constitution, membership for commercial members is subject to the payment of a commodity levy per ton on all grain produced. During the 2024 annual Grain SA Congress, a levy for 2024/2025 was approved that, in the light of the challenging production conditions, was the same as that of the previous year. Study-group members currently pay R50 per member per year.

The levy per ton per crop for **2023/2024-production year** is as follows:

CROP	LEVY PER TON
<b>Summer grains</b>	
Maize	R4,10
Sorghum	R4,70
Soybeans	R8
Sunflower	R8
Groundnuts	R13,90
<b>Winter cereals</b>	
Wheat	R4,70
Canola	R6,40
Barley	R4,70
Oats	R4,70
Other grains	R4,70

*\* The above amounts exclude VAT*

New-era producers (emerging producers) who produce more than 100 tons of grain for the commercial market can also become members of Grain SA by paying the prescribed fees on the same basis as commercial members.

In addition to the work Grain SA does to look after the interests of grain producers, there are also exclusive benefits for which Grain SA members qualify. These benefits include the following:

- Tax-free savings plan by Corporate Guarantee
- Analysis of fertiliser quality
- Free NAMPO, NAMPO ALFA and NAMPO Cape tickets, plus allocated parking

## COLLECTION OF LEVY

Grain SA is a voluntary organisation and the levy is therefore collected via different methods. The two most common ways of collecting the Grain SA levy are through collection agents and through direct payments to Grain SA.

### By the collection agents

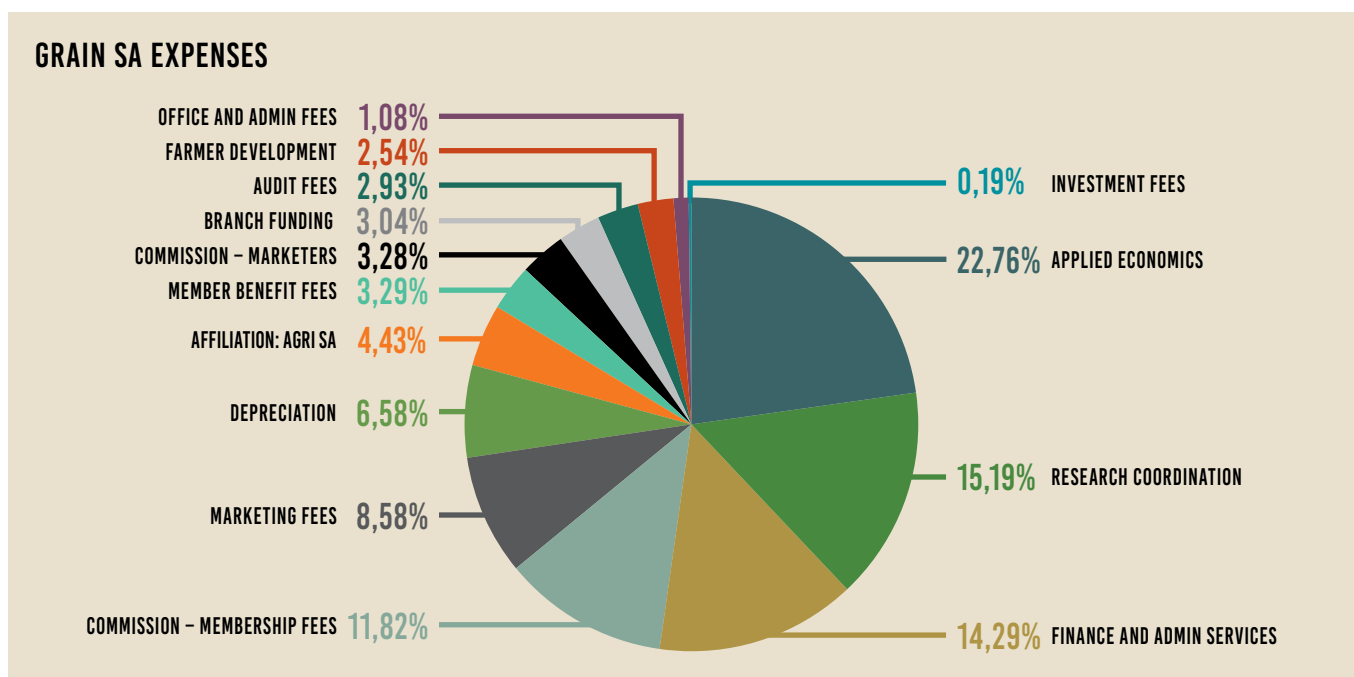
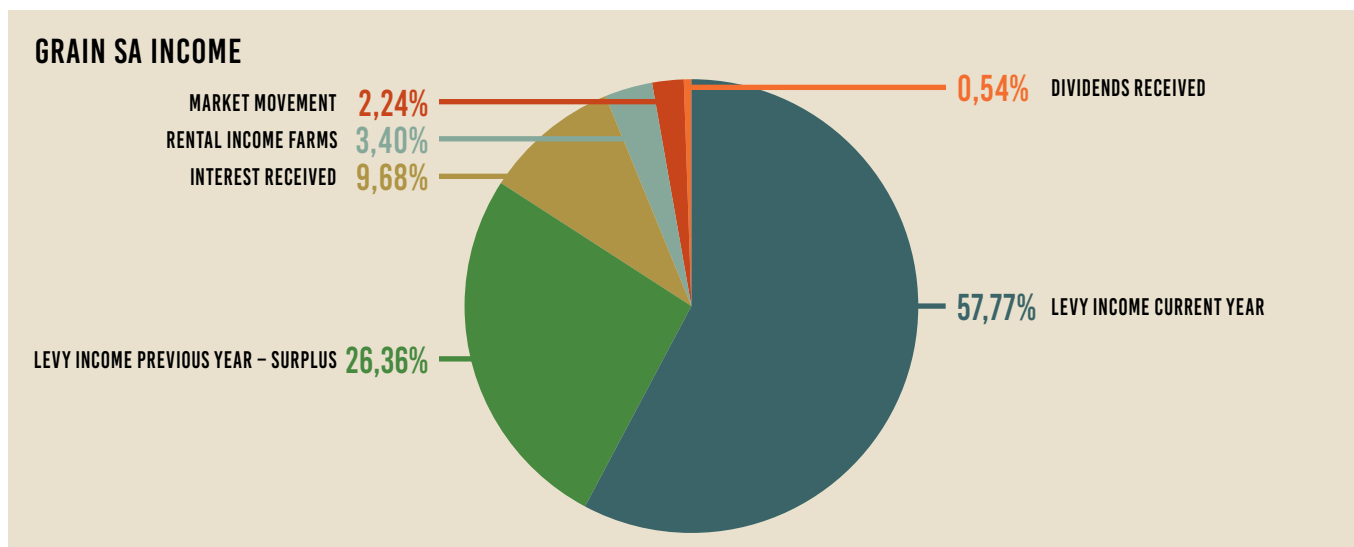
Collection agents are mainly companies that are involved in the trading, handling of storage and processing of grain. Grain SA concludes contracts with these companies, who then collect the levy from producers and pay it over to Grain SA. The logos (see page 30) show the partners who currently collect Grain SA levies.

### Direct payments

Grain SA members can also make direct payments to Grain SA if they prefer to. With direct payments the producer can inform Grain SA of the number of tons delivered and Grain SA will then issue an invoice to the producer.

## EMPLOYMENT OF LEVY

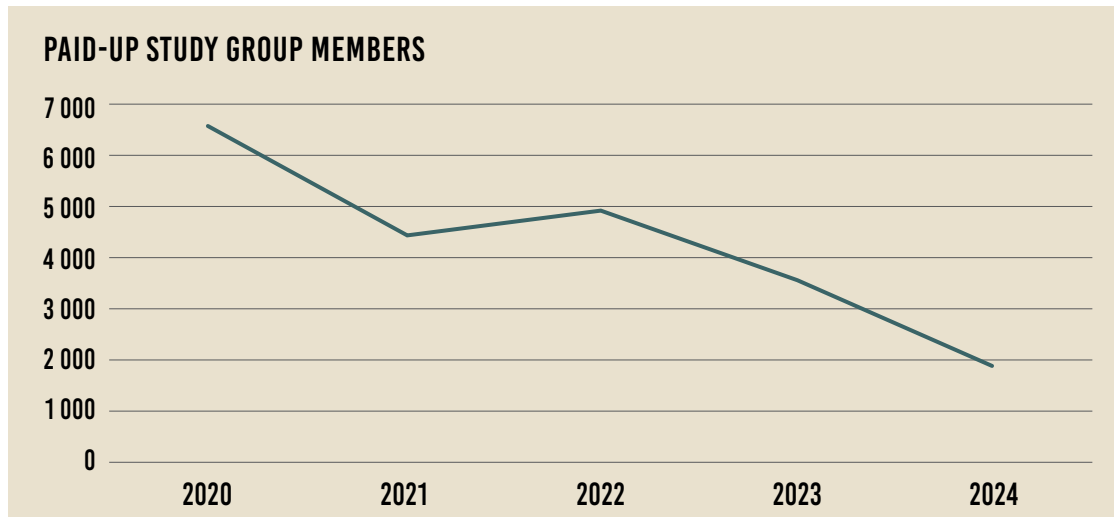
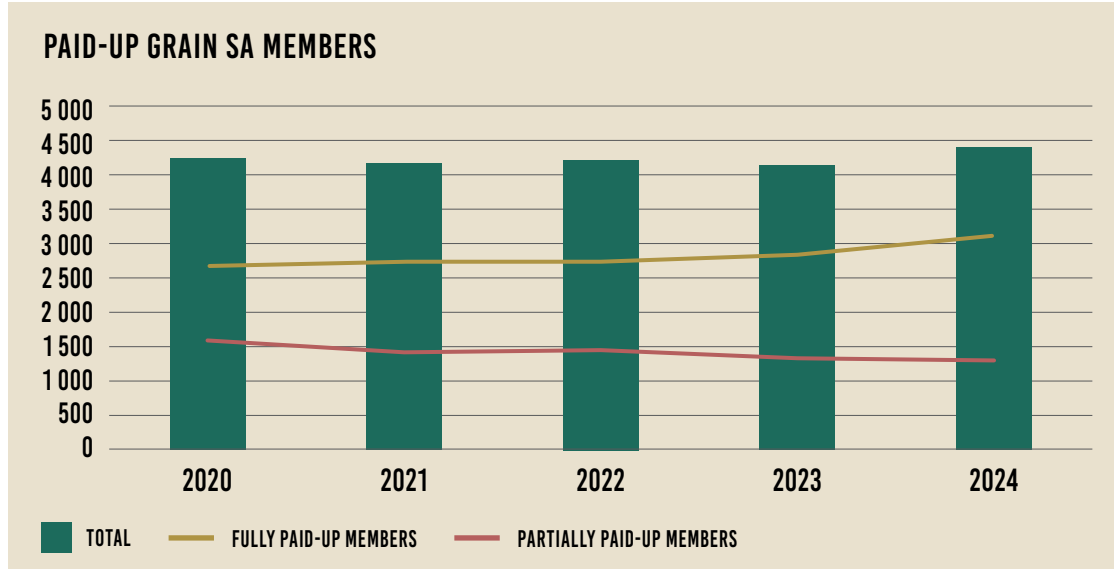
Grain SA's primary source of income is derived from levies, as illustrated in the income breakdown for the financial year ending 30 September 2024. The organisation prioritises the allocation of its income towards ensuring the sustainability of producers. The expense breakdown for the same financial year provides a detailed account of how Grain SA utilised its funds.



## MEMBER STATISTICS

### Grain SA

Only grain producers can be members of Grain SA. The total active members who made a contribution to the Grain SA Levy Fund for the 2024 levy year were 4 390, with 3 108 of them being fully paid-up members, with a year-on-year growth of 10%. There were a total of 1 882 study group members.



### COLLECTION AGENTS





## MEMBER SERVICES COMMUNICATIONS AND INFLUENCE

# Driving connection and influence: Grain SA's communication impact

The period from 1 October 2023 to 30 September 2024 has been marked by dynamic shifts in South Africa's agricultural landscape, posing both challenges and opportunities for Grain SA and its members. Amidst evolving environmental, economic, and technological pressures, the Communications and Public Relations department has remained focused on advancing clear, strategic messaging and fostering deeper connections with stakeholders across the industry. Through proactive outreach and information-sharing initiatives, we have aimed to keep our members well-informed, represented, and resilient in an increasingly complex agricultural environment.

This year, our department has strengthened its efforts to advocate for producer interests and raise awareness of key issues impacting the sector, including climate resilience, market access, and technology adoption. We have also leveraged innovative digital platforms and real-time communication tools to support producers with timely updates on market trends, policy changes, and input costs. With strategic collaboration at the forefront of our agenda, we have worked closely with industry partners, research institutions, and government entities to ensure that critical information and resources are accessible to grain and oilseed producers nationwide.

Our ongoing initiatives to promote Grain SA's advocacy efforts and educational programmes have also been crucial this year. By delivering accurate, timely, and transparent communication, we have aimed to not only build trust but also foster an informed community that is prepared to tackle the challenges and seize the opportunities within the agricultural sector. This report reflects our commitment to supporting sustainable growth, amplifying member voices, and maintaining Grain SA's role as a cornerstone of South Africa's agricultural sector.

## COMMUNICATION TRENDS

The team has centred its efforts on strengthening leadership through communication. True leadership is the capacity to influence – it's about inspiring others to listen, engage, and take action. This skill requires a deliberate approach and varies depending on the audience. While leadership is often linked to formal roles or seniority, the ability to lead effectively, to inspire and drive action, is a quality anyone can develop. It is a skill that grows with practice, and fostering this capacity has been a primary focus for the department.

### Trends in Grain SA's communication & PR approach

- Taking a programmatic approach to communication development
- Connect, collaborate, and be curious in the face of change
- Being aware of how Grain SA shows up, through words, presence and consistency
- Managing uncertainty with transparency and involvement
- Communicating from a place of empathy
- Being the vehicle for elevating Grain SA messages
- Being concise – a gift to audiences

The team has focused on amplifying value for Grain SA's grain-producing members, utilising a comprehensive strategy designed to drive awareness, foster collaboration, and support the organisation's evolving role in South Africa's agricultural landscape. Key areas of focus included the following:

- **Multi-channel communication:** A diversified approach across digital, print, and in-person channels ensured clear and concise dissemination of all Grain SA activities, events, and initiatives. This strategy strengthened engagement and ensured members stayed well-informed on issues critical to grain production.

- **Brand messaging and purpose:** Through refreshed brand communication, the team reinforced Grain SA's commitment to its mission, highlighting the purpose and value it brings to the industry. This effort has underscored Grain SA's advocacy role and bolstered its standing within the agricultural sector.
- **Inclusive and sustainable engagement:** Recognising the diversity within its membership, the team committed to inclusive outreach efforts, aiming to grow and support all target audiences. This focus has facilitated a more unified membership community and strengthened connections with new and emerging producers.
- **Adaptation to member needs:** In an environment where agricultural demands and challenges continue to evolve, Grain SA has remained adaptable, listening to member needs and reinforcing the organisation's value through responsive and tailored communication.
- **Collaboration with key stakeholders:** The team prioritised meaningful engagements with industry leaders, agricultural bodies, and government representatives to advocate for the vital role of grain producers in food security. These partnerships have been instrumental in addressing member concerns and reinforcing Grain SA's advocacy on behalf of South Africa's grain industry.

This year, Grain SA's Communications and Public Relations team has advanced the organisation's goals through targeted strategies that foster transparency, inclusion, and resilience in South African agriculture.

In addition, Grain SA's communication efforts have furthered its mission through targeted media, event, and knowledge management strategies designed to strengthen engagement and transparency for both members and the public. Key areas of focus included the following:

- **Media management and planning:** The team provided consistent media support to the Grain SA board, executive committee and management teams, ensuring that timely updates on organisational priorities, achievements, and outcomes from various working groups were communicated effectively. This focus on proactive media management helped Grain SA maintain a credible and authoritative voice across industry channels.
- **Event support and engagement:** Communication efforts were integral to the success of major events like the annual Congress, NAMPO, NAMPO Cape, NAMPO ALFA, Day of Celebration, Grow for Gold, and the Grain Producer of the Year awards. These events offered important platforms for industry networking, member engagement, and public awareness, with the communication team ensuring alignment and visibility for Grain SA's key messages.
- **Communication research and knowledge management:** The team invested in developing targeted public relations strategies around key calendar events and ensured that media stakeholders had ready access to background information and resources. Additionally, they oversaw the functionality and relevance of the Grain SA, NAMPO, NAMPO Cape, NAMPO ALFA, and Grow for Gold websites, making these platforms more accessible and informative for members and the public alike.

Throughout this period, Grain SA's communication strategies enabled sustained year-on-year growth across traditional and social media channels. The organisation's spokespersons remained trusted voices in the industry, delivering insights and expertise that underscored Grain SA's authority and commitment to advancing the agricultural sector in South Africa.

### PUBLIC RELATIONS AND MEDIA

Grain SA's public relations and media efforts have focused on enhancing mutual understanding between the organisation and its diverse audience. The team prioritised initiatives to monitor and respond to public sentiment, maintain strong relationships with key media partners, and promote transparency in Grain SA's communications. In addition, the PR team worked diligently to create new, interactive communication channels that facilitate a two-way flow of information, enhancing member and stakeholder engagement.

The public relations and media liaison efforts were centred on several key objectives:

- **Strengthening media relations:** The team focused on cultivating strong relationships with print, broadcast, and digital media outlets to ensure ongoing support for Grain SA's mission and reach. Regular media liaison activities ensured Grain SA's messages were widely and accurately disseminated across all platforms.



The team focused on enhancing value for Grain SA's grain producing members.

- **Maximising coverage of events and initiatives:** Major events on Grain SA's calendar, such as NAMPO, the Grain SA Congress, and the Grain Producer of the Year awards, received significant media attention. The PR team worked to ensure these events were promoted in local, national, and international media, helping to raise awareness of the vital role grain producers play in food security.
- **Raising public awareness of food security:** To underscore the importance of South Africa's grain producers, public relations efforts focused on educating the public about the grain sector's contribution to national food security. Through strategic messaging, the team emphasised how Grain SA supports farmers in sustaining and enhancing food production amid various challenges.
- **Expanding digital and online presence:** Grain SA increased its online footprint through consistent use of digital platforms and interactive content. The PR team adapted to emerging communication trends, particularly through live-streaming sessions, interactive discussions, and real-time updates that fostered stronger community engagement and exceeded traditional media reach.
- **Enhancing interactive content offerings:** Recognising the popularity of real-time content, the team expanded opportunities for live streaming, interactive panels, and live interviews. These formats provided real-time insights into pressing issues and enabled the organisation to engage directly with audiences, enhancing transparency and engagement.

Through these initiatives, Grain SA's public relations and media activities have not only supported the organisation's mission but have also strengthened its image as a trusted, forward-thinking advocate for South Africa's grain sector.

## OUR ACCOMPLISHMENTS

Grain SA's PR team achieved significant accomplishments across several key areas. Updated activities are as follows:

- **Exhibitions and collaborative events:** The team actively participated in a wide range of exhibitions and events throughout the year, with a focus on grain research and promoting member services. These events were held in partnership with agricultural stakeholders, enhancing visibility and reinforcing Grain SA's role as an industry leader.
- **Thematic and targeted publications:** Several thematic materials were produced for specific target audiences, aimed at educating and engaging stakeholders on not-to-miss events and important topics like drought resilience, sustainable farming practices, and market access.
- **Media engagement and public communication:** A series of targeted media releases kept the media and public informed about key developments, industry issues, and organisational milestones, ensuring Grain SA's perspectives were consistently represented in public discourse.
- **Refined social media strategy:** The PR team further enhanced Grain SA's social media strategy, aligning all the organisation's websites and social profiles with a unified approach to drive awareness of its value proposition. This updated strategy has focused on clear, value-driven content aimed at expanding reach and engagement.
- **Growth of online presence and engagement:** The organisation's online footprint and social media traffic continued to grow steadily, with the team ensuring that feeds were frequently updated with relevant information. PR personnel responded to inquiries promptly across all communication channels, reinforcing trust and accessibility.
- **Successful event management:** Several high-profile functions were hosted, each receiving positive feedback from attendees. These events have become valuable platforms for member networking, knowledge-sharing, and showcasing Grain SA's contributions to the industry.
- **Promotion of SA *Graan/Grain* magazine content:** The PR team publicised top articles from *SA Graan/Grain* magazine on social media platforms each month. This approach has made the magazine's rich knowledge base more accessible, ensuring timely access to electronic issues for grain producers across multiple platforms.

This reporting period highlights the PR team's ongoing commitment to driving visibility, enhancing communication, and expanding engagement within South Africa's agricultural sector.

## OUR COMMUNICATION

Grain SA intensified its communication efforts to build relationships with policymakers, government departments, and agricultural partners. The primary aim was to bolster awareness of the South African grain producer's pivotal role, emphasising the value that Grain SA offers to its members and stakeholders. The organisation continued to refine its member communication strategies, utilising a broad range of channels, including newsletters, ad hoc electronic updates, and digital media outreach.

### Grain SA electronic communication

Grain SA's electronic information sharing has remained a cornerstone of member communication, reaching both members and opted-in stakeholders with timely updates on events, important dates, and industry news. Additionally, the *Grain Pulse* service was added as an invaluable tool for updates on not-to-miss news stories within the grain and oilseeds industry.

Targeted electronic communication still communicated issues such as agricultural production conditions, policy adjustments, and state levy changes to its members. These real-time efforts ensured that members remained informed of any developments affecting their operations. This year, Grain SA also enhanced the frequency and responsiveness of its newsletters and informative updates, adapting to meet the dynamic needs of its members as situations arose.

### Publications

The *SA Graan/Grain* magazine continued to serve as the official voice of Grain SA, recognised as a premier agricultural publication and knowledge partner. Its readership has expanded, with members increasingly relying on it for insights into sustainability, industry benchmarks, and best practices in grain production.

Grain SA also publishes *Pula Imvula*, a monthly magazine aimed at developing and emerging commercial grain producers. This publication focuses on education, providing resources on sustainable practices and market trends to new and developing farmers.

In addition, the *Grain Guide*, an annual publication, remains a key resource for producers. It provides comprehensive reference material, including contacts and articles on topics like seed selection, equipment, fertilisation, pest control, and financial services. This guide is an essential value-added tool for members, equipping them with critical information and an updated industry calendar to prepare for the upcoming year.

These initiatives highlight Grain SA's commitment to serving as a comprehensive resource for South Africa's grain producers, strengthening its role as an advocate and information hub in the agricultural community.



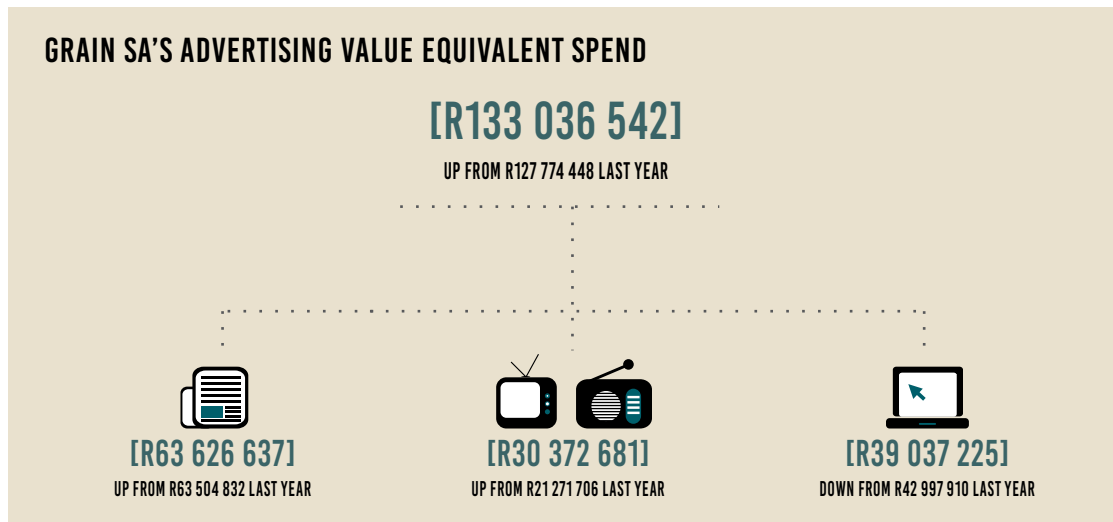
### MEDIA LIAISON

Grain SA's media presence remained vital for fostering public awareness of its activities and advocating for the interests of South Africa's grain producers. Recognising the media as a critical stakeholder, Grain SA actively engaged with media partners across social, digital, and traditional platforms to enhance visibility and accessibility of its key focus areas.

This year, Grain SA leveraged targeted media strategies to ensure messages reached the right audiences at the right times, improving engagement quality. By optimising marketing spend and focusing on cross-platform synergy, Grain SA reduced redundant advertising frequency, which allowed for more efficient use of resources while maximising message impact.

Media outreach has helped Grain SA share its value proposition widely, establish authority on agricultural issues, and build trust among stakeholders and the public. By cultivating strong media relationships, Grain SA ensures that the challenges and contributions of grain producers are well-represented, fostering broader support for the agricultural sector and highlighting its role in South Africa's food security.

Press releases issued were fully utilised, resulting in numerous regular interviews across print, broadcast, and online platforms as well as general news coverage valued at an advertising value equivalent (AVE) amount of **R133 036 542, up from R127 774 448 during the last reporting period**. This coverage comprises an AVE value of R63 626 637 for print media coverage, an AVE value of R30 372 681 for broadcast coverage, and R39 037 225 for online media coverage. The resulting numbers are the equivalent of what an organisation would have paid if it placed an advertisement of that size or time period. By assessing media coverage in this way, and aggregating the calculations, a value can be assigned to the coverage received within a specified period.



Throughout the reporting period, Grain SA's media coverage month-on-month indicate the majority of print, broadcast and online coverage generated during the months of October 2023, May 2024, June 2024 and September 2024.

Positive media traction in October surrounded NAMPO Cape and NAMPO ALFA, highlighting the success of these well-established expos, with 70% of the coverage received surrounding NAMPO Cape and reports of the record 34 635 visitors dominating headlines. Trending headlines further pertained to the announcement of the 2023 Grain Producer of the Year, and Grain SA's analysis of grain farmers' main production costs, reflecting that 75% of farmers' variable costs decreased by approximately 12,5%, which was mainly attributed to a 45% decrease in the average price of fertiliser.

Coverage in November and December surrounded the appointment of Dr Tobias Doyer as CEO of Grain SA during the end of the reporting period and prominent media traction surrounded mentions of fertiliser and Grain SA observing that producers made provisions for a "drier" season. Additional media content pertained to avian flu. Following the outbreak, 8,5 million chicken mortalities were reported by November 2023. Since yellow maize and soybeans were used as feed, avian flu could reportedly have a negative effect on the grain markets and consumers. Grain SA indicated that approximately 5,9 million tons of maize and 195 000 tons of soybeans would be used for animal feed.

The new year kicked off with the weather phenomenon, El Niño, and its effect on the agricultural sector. Grain SA commented that smaller areas of white maize were expected for the 2023/2024 year, compared to the previous period. Grain SA's crop conditions survey during this time indicated favourable conditions in provinces that received early rainfall. Pertinent media coverage mentioned the investigation into alternative location differentials for wheat.

Extreme heat and dry conditions causing deteriorating harvests faster than initially expected, with irreversible damage in some areas, dominated the headlines during February coupled with reports of the various obstacles Free State producers experienced, including cutworms, hail damage, and 'erratic' rain, during the season.

Prominent media traction during March focused on the upcoming NAMPO Harvest Day and Grain SA's annual Congress, themed *Producers are plan makers*, aimed at equipping producers on how to manage difficult circumstances, be they seasonal, climatic or personal. Dominating headlines further were producer's discontentment with drought conditions, as sweltering temperatures led to reduced returns and crushed profit margins, threatening the viability of total operations, with the grain sector urgently calling upon the government for support and assistance.

The 2<sup>nd</sup> quarter coverage was dominated by the 2024 NAMPO Harvest Day, themed ‘Agriculture in a Digital Era’, and the various live broadcasts from the event, which included OFM, Pretoria FM, RSG and kykNET. The important role of NAMPO in connecting the agricultural sector by providing a comprehensive platform for producers to interact and conduct business with both small and large enterprises, as well as other key stakeholders was emphasised as for the South African agricultural sector, maintaining these connections was essential for growth in the increasingly competitive agricultural environment. Further trending media coverage derived from mentions of the Farmer’s Patent Competition, which was launched in 1987, as well as the Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, attending NAMPO.

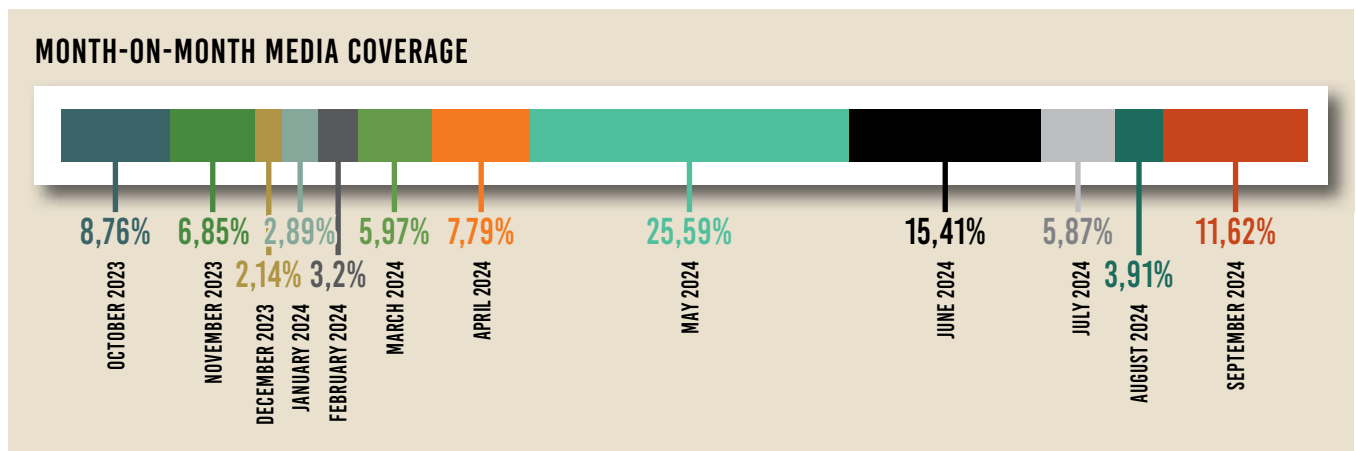
Mid-year media coverage pertained to the impact of El Niño on agriculture in South Africa, with some producers likely to be under severe financial strain after the 2023/2024 farming season, due to the drought highlighting the struggle producers would face to making it to the next season as margins were very tight and recovery cycles long. Following which the importance of South African producers to be on the cutting edge of technology to stay competitive was highlighted as there were no safety nets, trade barriers, and subsidies to protect producers.

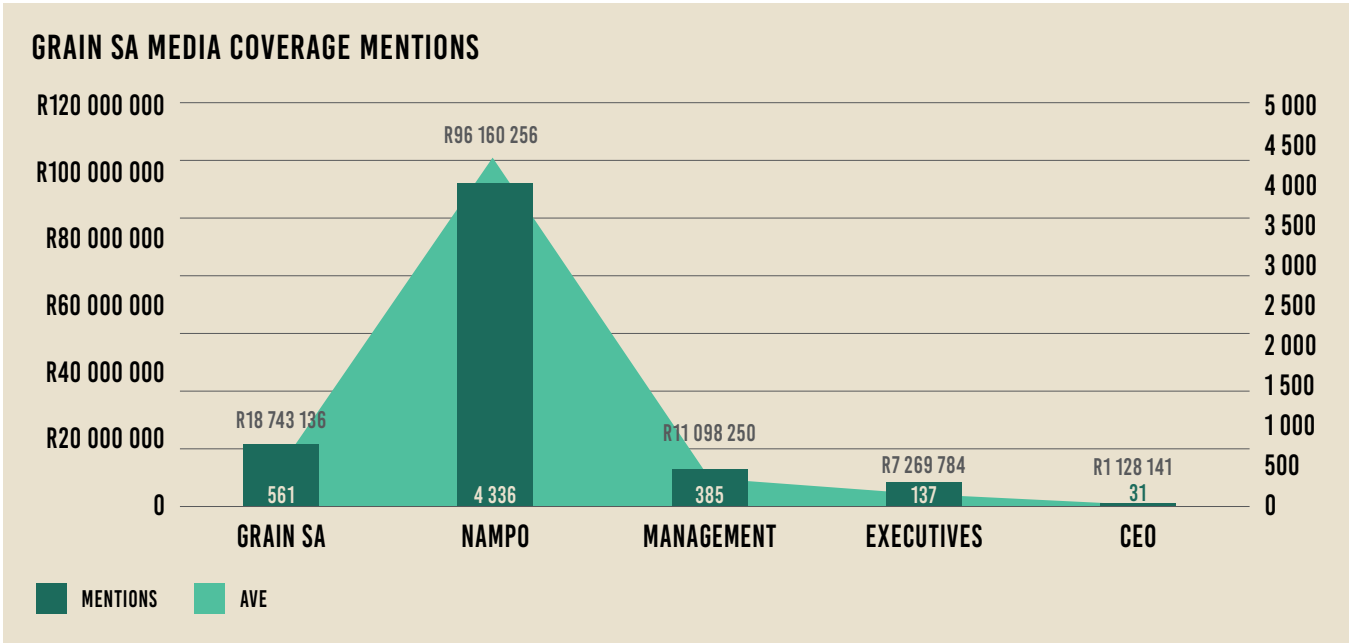
Furthermore, media attention shifted to recent weather conditions in South Africa had a significant impact on grain producers, noting that the winter grain production season encountered severe issues, with excessive rainfall in some areas, which led to reduced yields and financial strain on affected producers. Additionally, it was noted that summer grain production regions grappled with severe drought conditions, where extreme heat and dryness caused the harvest to deteriorate much more quickly than anticipated. It was noted that farmers in Southern Africa were accustomed to climate cycles driven by the El Niño and La Niña phenomena, and while some farmers attributed the extreme climate changes to these cycles, others believed that the changes became more severe and occur over shorter periods than usual.

The onset of South Africa’s first Government for National Unity, saw a change in government leadership for the agriculture sector during a challenging period, which included dealing with issues, such as El Niño and La Niña effects, as well as a foot-and-mouth disease outbreak.

The onset of the 5th NAMPO Cape lead media reports throughout August and September with the expo also celebrating the 30th Mechanisation Day. Additional pertinent media coverage pertained to Grain SA’s Day of Celebration (DOC) mentioning the celebration of the important work that farmers do in the grain and wheat industry, with a focus on Grain SA calling on producers to continue supplying South Africa with food, despite the challenges they faced. Furthermore, DOC coverage also focussed on honouring producer development and excellence in grain production, aiming to promote transformation within the industry. Producers’ commitment and dedication through the Phahama Grain Phakama (PGP) Farmer Development Programme was also acknowledged.

Further, Grain SA’s circulation on all print, broadcast and online news platforms accumulated to **R1,4 billion**, combined over the 12-month period with most of the coverage generated by NAMPO quoted in the media (graph on page 37).





In the local press, Grain SA’s publication word cloud changed over the reporting period with a general focus on NAMPO, technology, and production compared to the previous period’s focus on the COVID-19 pandemic, postponed events and leadership. Relevance of topics relating to South African grain production remain consistent in the word cloud, indicating a distinct emphasis on topics and discussions relevant to the organisation’s strategic focus areas.

#### GRAIN SA WORD CLOUD 2023/2024

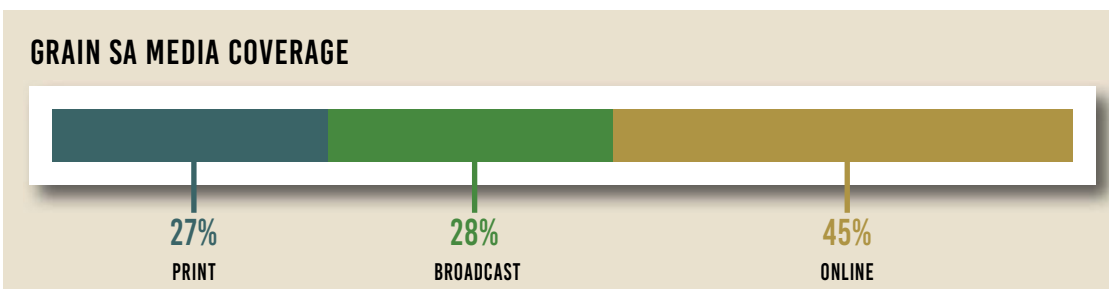


#### GRAIN SA WORD CLOUD 2022/2023



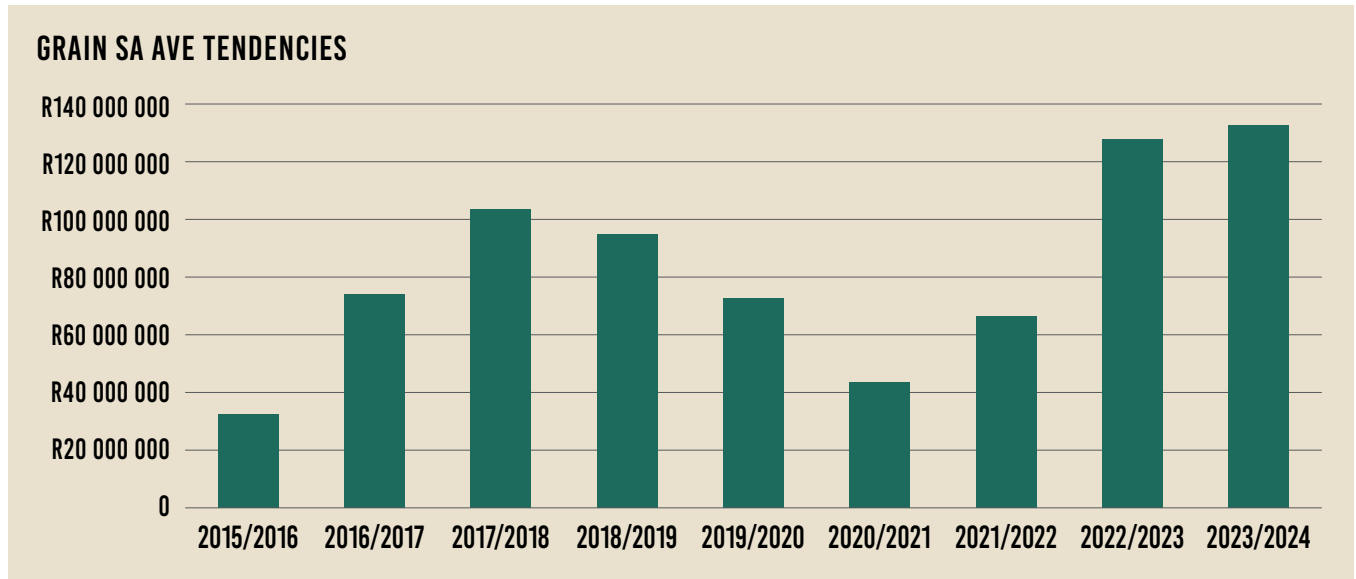
### PRINT AND BROADCAST MEDIA

For the period under review, Grain SA’s overall media coverage increased by 111%. The print media count **increased** by 203 (16%) clippings to 1 446. Broadcast media mentions **increased** by 424 (40%) to 1 492, and online media coverage **increased** by 2 187 (955%) articles to 2 416. The total combined media coverage for the reporting period **increased** to 5 354 from the previous year’s 2 540.



Consumer magazines contributed to 31% of print media coverage, Business-to-Business magazines 21%, with daily newspapers and local rural newspapers contributing 11% and 9% respectively. Television contributed to 57% of the broadcast media coverage and radio contributed 43%. Article websites carried 100% of online news coverage.

Individual results for print, broadcast and online media's Advertising Value Equivalency (AVE) had a combined total monetary AVE value of R133 036 542, with no increase in print, 43% increase in broadcast and 784% increase in online media. Grain SA's AVE has increased over the past reporting period as illustrated in the graph below.



## SOCIAL MEDIA

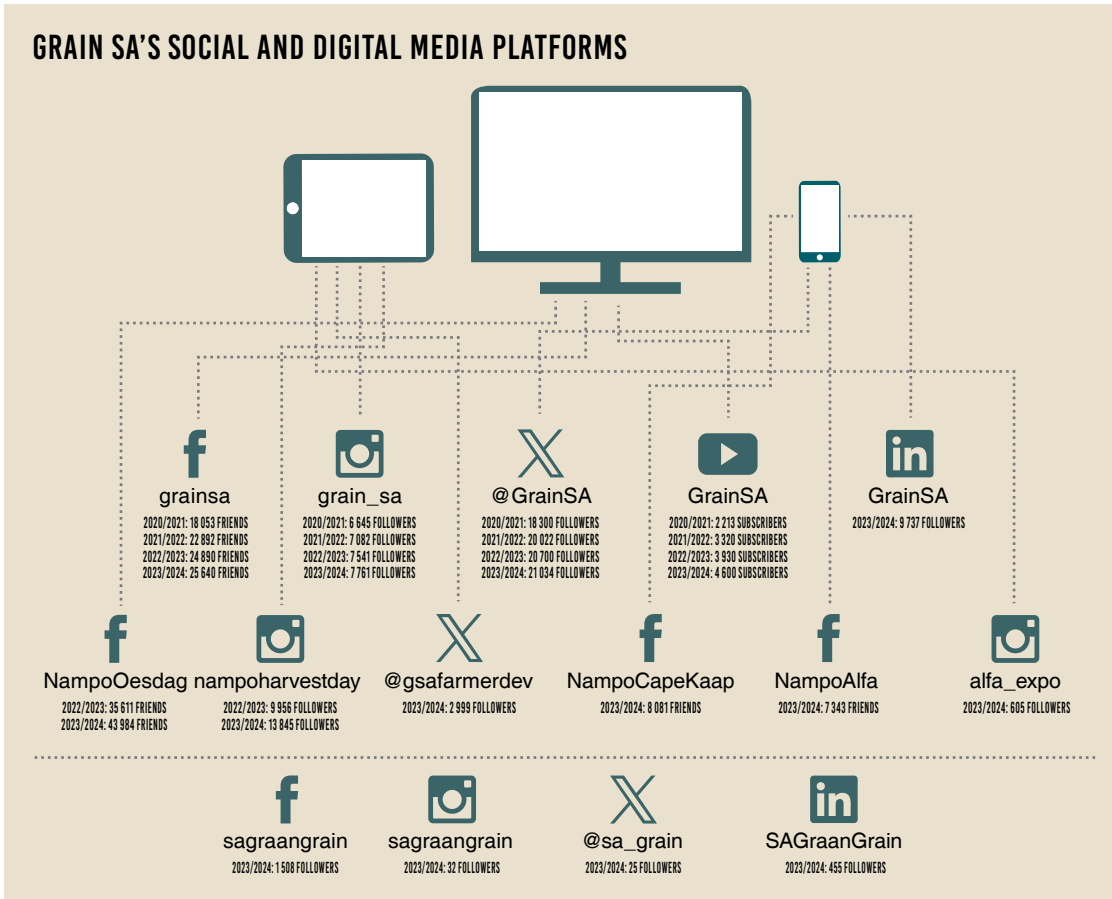
Grain SA focused on expanding and optimising its digital media presence to strengthen its role as a leading voice for South Africa's grain producers. The organisation continuously assessed and adapted its digital media strategy to enhance information transfer, engagement, community building, brand awareness, and reputation management. By simplifying content sharing and encouraging interaction, Grain SA successfully broadened its reach and engaged members and stakeholders more effectively.

The digital strategy prioritised producing educational and relevant content that highlighted Grain SA's services and initiatives, making it easier for the target audience to share valuable insights across their networks. This approach fostered a sense of community and drove higher awareness of Grain SA's mission and advocacy efforts. By maintaining a responsive and far-reaching online presence, Grain SA has reinforced its reputation as a trusted resource for South Africa's grain sector. The Grain SA account, active on five key platforms (Facebook, X, Instagram, YouTube & LinkedIn) with over 68 772 fans and followers across all platforms, showed a 51% increase for the period under review.

Grain SA further increased its various brand offerings on various social media platforms which now include the NAMPO Harvest Day of various accounts, NAMPO Cape, NAMPO ALFA, and the SA *Graan/Grain* magazine.

During the year under review, Grain SA's social media presence saw notable growth, underscoring increased engagement and support from the community. Activity across all platforms rose significantly, reflecting the organisation's successful efforts to build an interactive online presence. With enhanced integration between Grain SA's social media channels and web platforms, cross-sharing was streamlined, making it easier for followers to access and distribute relevant content.

Facebook continued to lead as the most popular platform, providing a space where members and social media users could interact with Grain SA and each other. These daily interactions fostered a sense of community, bolstered by informative posts, timely updates, and meaningful exchanges between followers and the organisation. Both the volume of engagement and the reach of Grain SA's social media impact increased considerably, helping to extend awareness of Grain SA's initiatives, amplify its advocacy for grain producers, and strengthen its role as a trusted information hub in the agricultural sector.



This growth is essential for Grain SA as it not only expands the organisation’s visibility but also enhances its ability to influence, educate, and support grain producers and stakeholders. A strong social media presence allows Grain SA to quickly address issues, communicate industry changes, and gather valuable feedback, all of which contribute to a more informed and connected agricultural community.

## EVENTS & OCCASIONS

### NAMPO Harvest Day

NAMPO’s real success lies in partnerships, and the presentation of the 56th NAMPO Harvest Day, presented on 14 – 17 May 2024 at NAMPO Park just outside Bothaville, was a great success which showcased the newest trends and developments on offer. NAMPO has, since its inception, taken the lead to display agricultural innovation on a one stop platform in South Africa. The theme, **‘Agriculture in a digital age’** echoed South African producers who are increasingly recognising the significance of connectivity in driving efficiency, sustainability, and prosperity in farming practices. Harnessing the power of digital tools and platforms, farmers are unlocking unprecedented opportunities to enhance productivity, optimise resource utilisation, and improve livelihoods.

NAMPO is a national asset in which the entire agricultural sector participates. It is a wonderful opportunity where leaders can rub shoulders and build relationships that will carry the sector through the next year’s decision-making process enabling working together to make agriculture successful. NAMPO welcomed a diverse array of visitors, including guests from across Africa, neighbouring countries, and local politicians, along with a steadily expanding international pavilion. The event’s comprehensive publicity helped bridge urban and rural South Africa, deepening public understanding of agriculture’s role in society. At the Grain SA and NAMPO Experience Centre, attendees could explore the organisation’s key initiatives and focus areas, offering an in-depth look at its commitment to advancing sustainable and profitable grain production.

### NAMPO Cape

The NAMPO Cape expo, held on 11 – 14 September 2024, celebrated the 5th presentation of NAMPO Cape and the 30th anniversary of the first Mechanisation Day which took place in 1994. Since its inception, NAMPO Cape has taken the lead in the last five years to showcase the best agriculture has to offer in the Cape, and to provide producers and the community a platform that offers innovation, technology and networking opportunities like few. Navigating the complexities of 2024, the theme, **'Agriculture: The backbone of economic growth'**, emerged more pertinent than ever. Agriculture remains the cornerstone of global economies, it drives sustainable development, ensures food security and foster innovation in an increasingly connected world. The agricultural sector remained a critical engine of economic growth throughout the reporting period.

This year's NAMPO Cape also presented its first Sheepdog Expo together with the South African Sheepdog Association, the world-famous Lipizzaners returned to the centre stage and the festival of Fynbos exhibition showcased the region's unique plant biodiversity. In addition to technology, youth engagement took centre stage with a special school's programme hosted by the Western Cape Department of Agriculture which brought 500 learners from 30 schools to the expo, offering hands-on learning experiences to complement their academic curricula. The Overberg Regional Youth Show, which took place on the final day, offered opportunities for young participants to showcase their skills across various agricultural disciplines.

### NAMPO ALFA

The 2<sup>nd</sup> NAMPO ALFA Livestock, Hunting and Outdoor expo, held on 12 – 14 October 2023, promised an unprecedented confluence of livestock, hunting and outdoor excellence, and delivered. The amalgamation of champion animals, visionary vehicles, outdoor gear, and firearms drew multitudes to NAMPO Park, underscoring the enduring allure of the reimagined ALFA Expo. The expo offered various possibilities, spotlighted practical demonstrations featuring 4x4 vehicles, offroad caravans, camping essentials, and cutting-edge hunting and fishing paraphernalia. Furthermore, an exclusive shooting range beckoned attendees to try out an array of equipment for themselves.

The livestock programme comprised two main components, namely the ALFA beef cattle programme and the ALFA Small stock programme and in addition, the hunting, outdoor and fishing programme was scheduled to the brim which included, among others, a treasure hunt, motorbike skills demonstrations, offroad caravan demonstrations, fishing activities including a fishing-tug-of-war, angling expert question-and-answer sessions, archery and simulators immersing visitors in Formula 1 and fishing experiences like no other.

### Gala Awards


Grain SA celebrated excellence in grain production during two prestigious and jubilant celebratory events, held at NAMPO Park and in Pretoria on 18 September and 1 November 2024 respectively. These events attended by a wide variety of stakeholders and emerging grain producers, offer Grain SA the opportunity to honour the development, growth, and achievements of its emerging and commercial grain producers.

#### *Day of Celebration*

Consisting of four categories, the DOC honours **Subsistence, Smallholder, Potential Commercial** and **New Era Commercial** farmers, and their contribution to the country's food security. Since its inception in 2009, this event is a highlight on the Grain SA calendar. The different categories distinguish between subsistence farmers (grain producers who farm on 1 ha – 3 ha), smallholder farmers (4 ha – 49 ha), potential commercial farmers (49 ha – 250 ton) and new era commercial farmers who produce more than 250 tons of grain. The 2024 DOC was testimony to the investment of the organisation in farmer development over the past 24 years whilst affording the opportunity to celebrate farmer development, recognise excellence in the field and above all, acknowledge transformation in grain production.

#### *Grain Producer of the Year*

Grain SA hosted its prestigious *Grain Producer of the Year* awards ceremony, celebrating the top grain producers in South Africa and marking the 25<sup>th</sup> anniversary of this distinguished accolade. This annual gala event honours excellence in grain production, recognising producers who demonstrate remarkable efficiency, sustainability, and innovation. Beyond celebrating agricultural proficiency, the award also



NAMPO Cape has taken the lead in the last five years to showcase the best agriculture has to offer in the Cape.

highlights the role of these producers as industry role models, emphasising the impact of profitable and sustainable practices on food security and community growth.

For Grain SA, this awards ceremony serves as a vital platform to showcase the achievements of South Africa's grain producers, reinforcing the value and dedication of the agricultural sector. The event not only provides national recognition to top producers but also encourages other grain farmers to pursue best practices, contributing to the resilience and growth of the industry.

### 2024 GALA AWARDS WINNERS

- **Grain SA/Syngenta Grain Producer of the Year**  
Michael & Gareth Allen from Middelburg, Mpumalanga
- **Grain SA/ABSA/John Deere Financial New Era Commercial Farmer of the Year**  
Ranki Tsoetsi from Kestell, Free State
- **Grain SA Potential Commercial Farmer of the Year**  
Alfred Gondo from Mbombela, Mpumalanga
- **Grain SA/Land Bank Smallholder Farmer of the Year**  
Jim Masemola from Mbombela, Mpumalanga
- **Grain SA/ABSA/John Deere Financial Subsistence Farmer of the Year**  
Mhlangenqaba Mkizwana from Kokstad, KwaZulu-Natal

### Swartland Show 2023

Grain SA actively participated in the Swartland Show, a key agricultural event which took place on 4 - 7 September 2024 in Moorreesburg in the Western Cape. Known for its focus on sustainability and community engagement, the Swartland Show provided an excellent platform for Grain SA to connect with local farmers, share insights, and showcase the organisation's latest initiatives. During the Swartland Show's Agricultural seminar, Grain SA played a key role by sharing valuable insights on sustainable grain production and the role of the grain industry in the Western Cape. The organisation acted as an important source of information for producers and other stakeholders and spoke about the challenges and opportunities in the grain sector.

Grain SA's participation further included discussions on new agricultural trends, efficient production practices, and ways to promote profitable, sustainable grain production, which is important for food security and economic stability in the region. This involvement has equipped producers with practical knowledge and solutions for challenges that are specifically relevant to the Swartland and surrounding wheat production areas.

### Grow for Gold

On 26 September 2024, Grain SA hosted the Grow for Gold National Yield Competition, highlighting the remarkable potential for yield improvements across various grain crops through advanced and sustainable farming practices. The competition serves as an industry benchmark, emphasising the importance of crop yield as a key indicator of food security and production efficiency. Understanding and optimising yield allows producers to adapt to changing environmental and market conditions, ultimately stabilising the food supply and helping to manage fluctuating crop prices.

The 2024 event showcased outstanding achievements, albeit only setting one record this year, in the Sunflower Grain Yield per hectare category in North West, underscoring the versatility and value of this crop for South African producers. By promoting these accomplishments, the Grow for Gold competition inspires grain producers across the country to adopt best practices, contributing to the ongoing effort to ensure resilient, profitable, and sustainable grain production in South Africa. This event not only celebrates individual excellence but also strengthens the industry by encouraging innovation and efficiency among all producers.

### Other events

In addition to these events, Grain SA further participated in Farmers'- and Golf days and various Women in Agriculture initiatives with the provincial agricultural women's unions.

### SUPPORTING INITIATIVES

#### Marketing communication

Throughout the reporting period, Grain SA produced and distributed a range of branded materials and corporate gifts aimed at strengthening relationships with members and stakeholders. These marketing assets were strategically used at events, promotional activities, and in direct outreach to key audiences, ensuring consistent visibility of Grain SA's brand. The focus on visually appealing, well-branded items reinforced the organisation's value proposition and commitment to the grain-producing community, enhancing engagement and brand recall among members, government bodies, and industry partners.

#### Being online

Grain SA leveraged its online platforms – including the main Grain SA website, as well as sites for NAMPO, NAMPO Cape, Grow for Gold, and NAMPO ALFA – to keep members, stakeholders, and the public informed about its initiatives and industry developments. Content was continuously updated to reflect Grain SA's ongoing projects, events, and collaborations with government, academia, and various agricultural stakeholders. Press releases, event highlights, and relevant articles were published regularly, with each platform receiving daily maintenance to ensure timely information delivery and alignment with Grain SA's broader communication strategies. This digital engagement reinforced Grain SA's role as a central information hub for the grain industry in South Africa.

#### Measuring performance

To maintain the effectiveness and relevance of its communication efforts, Grain SA conducted continuous monitoring and evaluation of its marketing and public relations strategies. Media coverage of Grain SA, its board and executive management was reviewed daily, allowing the organisation to respond promptly to developments and stay informed on both local and international agricultural news. This approach ensured that Grain SA's brand and messaging reached the intended audiences with clarity and impact, while aligning with the organisation's brand refresh and strategic goals. The public relations function prioritised an integrated approach to ensure maximum reach, awareness, and alignment with Grain SA's mission of supporting grain producers and advocating for sustainable agriculture.

As we look toward the future, the Communications and Public Relations department will continue to focus on adaptable and proactive approaches to help our members thrive amidst the ever-changing agricultural landscape.





## MEMBER SERVICES STAKEHOLDERS

# A network stretching far and wide

**G**rain SA's partnerships with strategic role-players in the sector form the foundation for integrated collaboration to the best advantage of each industry. A sincere word of gratitude is expressed towards each one of them.

## GRAIN RESEARCH AND POLICY CENTRE

Our strategic partnerships include the following role-players:



## GRAIN SA MEMBER SERVICES

The relevant role-players involved in the efficient delivery of member services entail the following institutions:

- Department of Agriculture (DoA)
- Department of Trade and Industry (dti)
- National Treasury
- South African Revenue Services (SARS)
- International Trade Administration Commission (ITAC)
- National Agricultural Marketing Council (NAMC)
- National Crop Estimates Committee (CEC)
- SANSOR
- CropLife
- Fertasa
- SAAMA
- Animal Feed Manufacturers Association (AFMA)
- Bureau for Food and Agricultural Policy (BFAP)
- SA Cultivar and Technology Agency (SACTA)
- Agricultural Research Council (ARC)
- SAGL
- SAGIS
- JSE – Safex

- National Chamber of Milling (NCM)
- South African Cereals and Oilseeds Trade Association (SACOTA)
- Protein Research Foundation (PRF)
- Commodity organisations
- Commodities forums and trusts
- Agri SA and provincial unions
- TAU SA
- Agbiz
- Agribusinesses
- Input providers
- Grain traders
- Levy collection agents
- NAMPO exhibitors
- Agricultural Writers SA

### GRAIN VALUE CHAIN REPRESENTATION

Grain SA members should also take cognisance of the platforms below in the extended grain family, where the leadership and/or personnel of Grain SA represent and promote the interests of the grain producer:

#### Trusts

Maize Trust, Oil and Protein Seeds Development Trust (OPDT), Sorghum Trust, Winter Cereals Trust, Sasol Agricultural Trust, South African Winter Grain Industry Trust (SAWCIT)/South African Winter Cereal Industry Agency NPO (SAWCIA), Commercial Producers Trust, Western Cape Agriculture Research Trust

#### Forums

Oilseeds Forum, Sorghum Forum, Wheat Forum, Maize Forum

#### Advisory committees/technical committees (research)

Oilseeds advisory committee (Oilseeds Trust), technical committees for winter cereals (Winter Cereals Trust/SAWCIA)

#### Organised agriculture

Agri SA (board, commodity chamber, centres of excellence, nine provincial unions), TAU SA

#### Industry-related boards

Southern African Grain Laboratory (SAGL), Safex technical committee, Safex advisory committee, South African Cultivar & Technology Agency (SACTA), AAMP, PRF Soybean Working Group, PRF Canola Working Group, National Grain Research Programme (NGRP), Agricultural Academic Board Reitz High School, Alenti governing body





## Support from 1 ha to new-era

South Africa is currently facing a severe hunger crisis, particularly impacting children. According to the DG Murray Trust, hunger in South Africa is a 'silent epidemic,' as systemic issues have left many citizens, especially children, without adequate access to food and nutrition – a right enshrined in the Constitution. In the Eastern Cape, the South African Human Rights Commission's 2023 report on child malnutrition highlights the devastating consequences, revealing that malnutrition is a primary underlying cause of death in one-third of child fatalities annually.

Statistics underscore the extent of this crisis:

- **15 000 children** are diagnosed with severe acute malnutrition annually, with around **1 000 dying every year** as a direct result.
- Approximately **27% of children** under five suffer from stunting due to chronic malnutrition.
- **62,1% of children** experience multidimensional poverty, with significant barriers in areas like housing, nutrition, and education.
- As of March 2023, **25,2% of South Africans** live below the Food Poverty Line, and **31,9% are unemployed**.

These challenges have intensified the focus on food security as a basic human right. Grain SA's Phahama Grain Phakama (PGP) plays a critical role in addressing food security by supporting small-scale and emerging farmers in the sustainable and productive use of available land for grain production.

Within the South African context however, there is also a strong drive to establish black commercial farmers where access to land is not limited to 1 ha fields. Although this focus has received much attention, the results remain disappointing due to a number of factors outside of the ambit of this project. These factors include low-potential soils, degraded soils with no funding for soil rectification, lack of mechanisation, lack of skills, challenging selection of farmers by government programmes and limited land which does not allow for economies of scale, to mention a few.

### PROGRAMME OVERVIEW

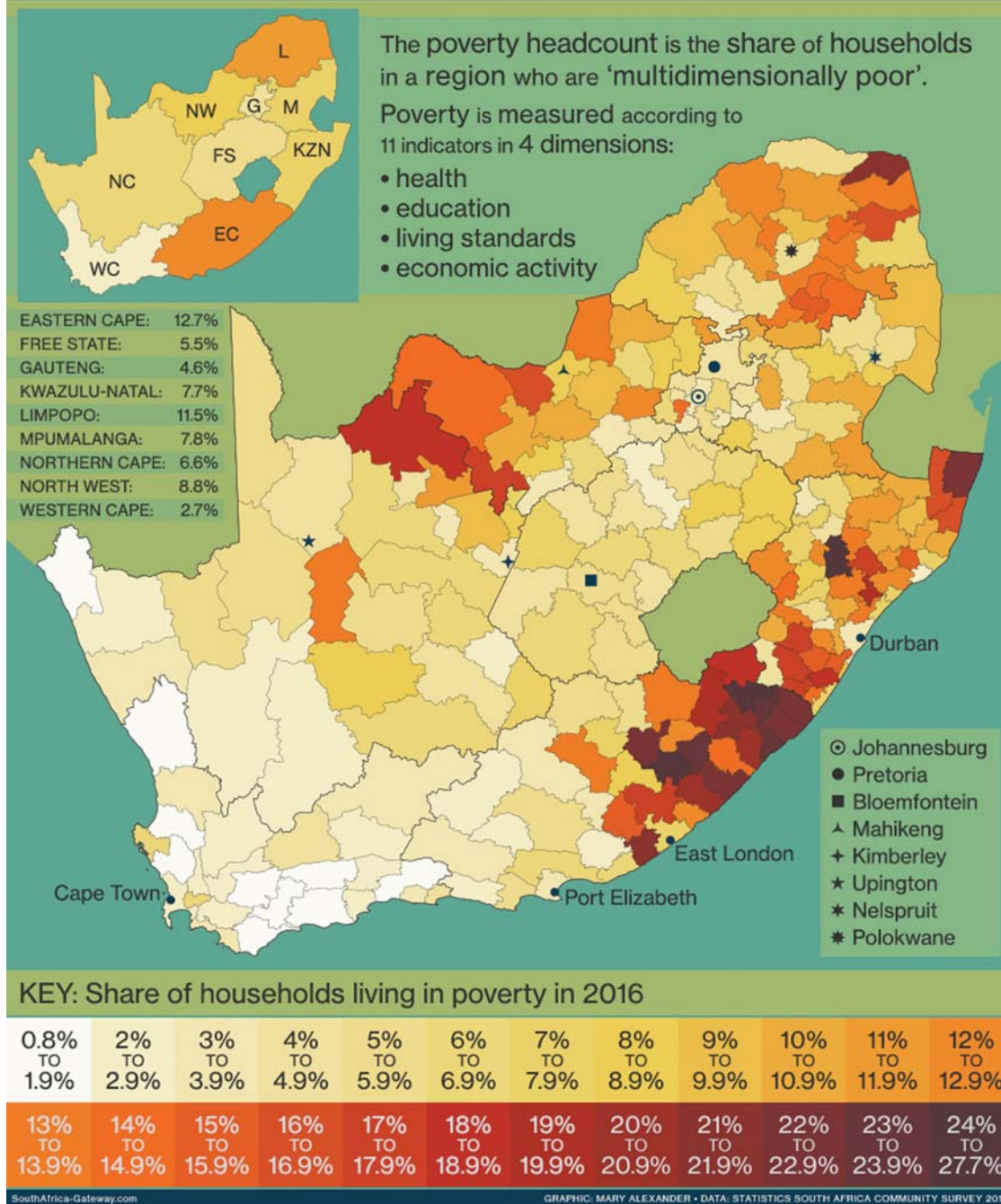
The PGP programme, initially launched in 1999 by Cois Harman in Zeerust, has been supporting emerging farmers in sustainable grain production for 25 years. Originally managed by the National Oil and Protein Seeds Organisation (NOPO), Grain SA took over the programme and in 2020 rebranded it to PGP. Today PGP focuses exclusively on farmer development, assisting producers across different scales, from subsistence farmers to new-era commercial farmers.

### VISION

PGP's mission is to:

1. Increase the production of grain by developing producers.
2. Enable black farmers to produce grain profitably and sustainably.
3. Promote sustainable land use and enhance rural economic activity.
4. Provide tailored support programmes for farmers at varying levels.
5. Include youth, women and young entrepreneurs in the grain industry.

## Poverty headcount: South African households in poverty



## FIELD SERVICES AND COVERAGE

PGP offers customized support to farmers across various provinces:

- **North West** – Service centre in Lichtenburg
- **Free State** – Service centres in Bethlehem and Bultfontein
- **Limpopo and Mpumalanga** – Mbombela and Louwsburg
- **KwaZulu-Natal** – Dundee
- **Eastern Cape** – Kokstad, Mthatha and Maclear

Along the eastern provinces, PGP serves a high concentration of subsistence farmers who produce primarily for personal consumption and local markets. The programme also supports larger farms in areas

like the Free State and North West. The land tenure arrangements in the various regions differ significantly – the former homeland areas are mostly communal tenure and the table below reflects the amount of arable land available to the active farmers in the programme.

Tenure	Ha
Communal land	18 507
PLAS	29 928
Leased	13 289
Owned	8 237
<b>Total</b>	<b>69 961</b>

Challenges facing the communal areas include insecure access to land, soil compaction caused by grazing animals, crop damage due to stray cattle and theft. The PLAS farms are managed through a 30 year lease from Government – these farms are larger and it is essential that the farmers have access to mechanization and production inputs. The table below shows the number of farmers in each category and the provinces in which they reside.

PROVINCE	NEW ERA	POTENTIAL COMMERCIAL	SMALLHOLDER	SUBSISTENCE	
Eastern Cape	2	8	32	1 320	1 362
Free State	19	54	5	-	78
KwaZulu-Natal	5	15	33	511	564
Limpopo	-	-	18	398	416
Mpumalanga	10	15	33	750	808
North West	15	43	76	-	134
<b>TOTAL</b>	<b>51</b>	<b>135</b>	<b>197</b>	<b>2 979</b>	<b>3 362</b>

## ARABLE LAND ACCESS PER PROVINCE

The system of tenure that prevails in the different provinces has an impact on the size of land available to farmers. The table below shows the arable land access by province:

PROVINCE	ARABLE HA OF ACTIVE FARMERS	AVERAGE HA PER FARMER
Eastern Cape	8 210	6
Free State	20 561	263
KwaZulu-Natal	5 807	10,5
Limpopo	488	1,2
Mpumalanga	9 281	11,5
North West	25 614	191,1

## GENDER OF FARMERS

The table below shows the genders of the farmers in the different provinces. It is interesting to note that the larger the lands available to a farmer, the more men do the farming. This could perhaps be that with larger lands, mechanization becomes important and this might be seen to be a male-dominated field.

PROVINCE	AVERAGE HA PER FARMER	FEMALE	MALE
Eastern Cape	6	49,38%	50,62%
Free State	263	27,83%	72,17%
KwaZulu-Natal	10,5	46,53%	53,47%
Limpopo	1,17	53,19%	46,81%
Mpumalanga	11,49	40,64%	59,36%
North West	191,15	22,50%	77,50%
<b>TOTAL</b>	<b>20,81</b>		

## AGE OF FARMERS

Another interesting statistic that comes from the data base that we have in PGP is the age of the farmers – below are the age groups of all the farmers in the programme (active or inactive) – 75% are over 50 years old. It is for this reason that the programme is also trying to focus on younger people.

YEAR BORN	AGE NOW	NUMBER	%
1920 to	> 100	80	0,42%
1930 to	90	724	3,34%
1940 to	80	2 744	12,82%
1950 to	70	6 060	28,31%
1960 to	60	2 708	12,65%
1970 to	50	3 851	17,99%
1980 to	40	3 110	14,53%
1990 to	30	1 870	8,73%
2000 to	20	262	1,22%
<b>TOTAL</b>		<b>21 409</b>	<b>100%</b>

## PERSONNEL IN THE PROGRAMME

PERSONNEL		
Consultant		Jane McPherson
Manager Training and Operations	Pretoria	Liana Stroebel
Secretary: PGP	Pretoria	Jean Adams
Data manager	Maclear	Lindie Pretorius
Regional Development Manager	Dundee	Graeme Engelbrecht
Office Administrator	Dundee	Nathi Mazibuko
Assistant Regional Development Manager	Dundee	Phumzile Ngcobo
Regional Development Manager	Kokstad	Eric Wiggill
Office Administrator	Kokstad	Luthando Diko
Regional Development Manager	Lichtenburg	Du Toit van der Westhuizen
Office Administrator	Lichtenburg	Lebo Mogatlanyane
Regional Development Manager	Bethlehem	Jacques Roux
Regional Development Manager	Bultfontein	Johan Kriel
Office Administrator	Mthatha	Cwayita Mpotyi
Regional Development Manager	Nelspruit	Jerry Mthombothi

This year, PGP saw some personnel transitions:

- **Dr Sandile Ngcamphalala**, who managed the program, resigned. Jane McPherson has stepped in as interim manager/consultant.
- **Jurie Mentz** from Louwsburg left the program to pursue a new career opportunity.
- **Johan Kriel**, a long-serving team member, retired after contributing significantly to the Free State’s agricultural development.

We extend our gratitude to these dedicated individuals whose commitment has strengthened PGP’s impact over the years.

## FUNDING AND DONOR SUPPORT

PGP operates solely on donor funding, which remains crucial for our continued service to emerging farmers. We express our deepest appreciation to our funders, including the following:

- **The Maize Trust**
- **Bayer**
- **Oil and Protein Seeds Development Trust (OPDT)**
- **South African Cultivar and Technology Agency (SACTA)**
- **ABInBev**
- **Grain SA Levy Fund**

Their ongoing support enables PGP to impact rural communities positively, fostering food security and local economic growth.

## STUDY GROUP SERVICE

The study group programme remains the backbone of the entire programme. This is where we retain contact with large numbers of farmers. Study groups hold regular meetings where farmers receive training, share experiences, and gain essential insights into farming practices, contributing to their long-term development and resilience.

PROVINCE	ACTIVE STUDY GROUPS	AVERAGE ACTIVE MEMBERS	ARABLE HA OF ACTIVE FARMERS	AVERAGE HA PER FARMERS
Eastern Cape	83	16	8 210	6
Free State	10	8	20 561	263
KwaZulu-Natal	16	35	5 807	10,5
Limpopo	11	38	488	1,2
Mpumalanga	31	26	9 281	11,5
North West	8	17	25 614	191,1
<b>TOTAL</b>	<b>159</b>	<b>23</b>	<b>69 961</b>	<b>20,8</b>
		Used	49 165	

The list below shows the number of study group visits that were held in the reporting period.

Servicing the study groups is the first point of entry to a region. To become a successful farmer at all the various levels, the farmers need to learn about farming – this knowledge is essential if practices and mindsets are to change. Through the study groups, information sharing happens, training courses are held, and a relationship of trust is developed over time. It is regrettable that the lack of field personnel hampers our ability to service more groups in the areas where land is available and there are willing and interested farmers.

PROVINCE	SERVICE CENTRE	VISITS	ACTIVE MEMBERS
Eastern Cape	Kokstad	91	354
Eastern Cape	Maclear	85	395
Eastern Cape	Mthatha	115	621
Free State	Free State	0	93
KwaZulu-Natal	Dundee	99	478
KwaZulu-Natal	Louwsburg	79	602
Mpumalanga and Limpopo	Mbombela	60	728
North West	Lichtenburg	8	149
<b>TOTAL</b>		<b>537</b>	<b>3 420</b>

## BEYOND ABUNDANCE PROJECT

The Farmer Development Programme of Grain SA entered into an agreement with the Jobs Fund in the 2015/2016 year. The purpose of this project was to enable farmers to make an own contribution towards their inputs and be given the most modern production inputs with mentoring to assist them to achieve commercial yields. This project was known as 'From Subsistence to Abundance'.

This project ended after the four-year term, and realizing the need to continue, the programme initiated the Beyond Abundance (BA) programme – which still exists today.

The table below shows the uptake of this opportunity in the 2023/2024 year as well as the 2024/2025 year.

Service centre	2023/2024		2024/2025	
	Farmers	ha	Farmers	ha
Kokstad	192	141,5	142	154
Maclear	95	91,5	132	135,5
Mthatha	42	41	144	374
Dundee	98	98	194	252
Louwsburg	82	90,5	153	256,5
Mbombela	153	102	361	439,5
<b>TOTAL</b>	<b>662</b>	<b>564,5</b>	<b>1 126</b>	<b>1 611,5</b>

It should be noted that there has been a considerable increase in the numbers for the coming season. The table below shows the impact on the quantum of the 'own contribution' and how it affects the uptake.

YEAR	CONTRIBUTION PER HA	NUMBER OF FARMERS	NUMBER OF HECTARES	AVERAGE YIELDS ATTAINED	FARMER CONTRIBUTIONS
BA 19/20	R3 500,00	5 104	7 000	4,13	R24 500 000,00
BA 20/21	R4 000,00	2 497	3 118	3,45	R12 472 000,00
BA 21/22	R4 000,00	2 778	4 073	3,8	R16 292 000,00
BA 22/23	R8 100,00	682	593	4	R4 803 300,00
BA 23/24	R9 000,00	565	573	3,8	R5 157 000,00
BA 24/25	R6 600,00	1 126	1 611,5		R10 635 900,00

At the beginning of the initial project, a baseline survey was conducted and it was discovered that the average yield of maize in these areas is 1 ton per ha. The increase in yields can be seen in the table above.

Many of the farmers who are part of this project will most likely never progress to become larger farmers due to the lack of will, lack of mechanisation, and lack of access to larger fields. They mostly produce for own consumption and sell their surplus locally. However, there are some farmers who have progressed to planting as much as 60 ha who had also started on 1 ha. It should always be remembered that development is about the dreams of the individual and one cannot impose outside aspirations on people – they have to want to grow and change their ways.

## ADVANCED FARMER PROGRAMME

Usually, because of study group contact, certain individuals emerge who have the desire to become larger farmers. Often this is related to their larger land access and access to mechanisation. When we identify a farmer who wants to grow, the field personnel start to visit that farmer on their farm to assist them in their own environment. This concept gave rise to the Advanced Farmer Programme. At the stage of this programme, the farmers do not have access to loan funding yet and they are either planting with their own funds, or being assisted by government in some or other programme.

In the 2023/2024 year, the following farmers have been supported:

PROVINCE	SERVICE CENTRE	NUMBER OF VISITS	FARMER	FUNDED Y/N
Eastern Cape	Kokstad	3	Gadalane Mshiyeni	No
Eastern Cape	Kokstad	8	Khitleli Lebohang	No
Eastern Cape	Kokstad	8	Marareni Siphwo	No
Eastern Cape	Kokstad	2	Mbutho Luvuyo	No
Eastern Cape	Mthatha	2	Nombewu Zoliwe	No
Eastern Cape	Kokstad	2	Nomlala Siyabonga	No
Eastern Cape	Kokstad	5	Ntonga Thobani	No
Eastern Cape	Kokstad	2	Tenza Kenny	No
Eastern Cape	Kokstad	15	Tsephe Thabang Mathitius	No
Eastern Cape	Kokstad	2	Hlela Thembakuye Jeffrey	Yes

PROVINCE	SERVICE CENTRE	NUMBER OF VISITS	FARMER	FUNDED Y/N
Free State	Free State	2	Brodie Manie	No
Free State	Free State	1	Hlalele Joseph Khahleli	No
Free State	Free State	3	Hleko Thembeka Beauty	No
Free State	Free State	4	Khosimore Jan	No
Free State	Free State	3	Kokoma Jack	No
Free State	Free State	2	Lekgari Francis	No
Free State	Free State	5	Lenyehelo Jeanett	No
Free State	Free State	2	Letuka Maseli Augustinus	No
Free State	Free State	5	Limbada Aziz	No
Free State	Free State	3	Mabaso Moeketsi Sidwell	No
Free State	Free State	3	Mabaso Mohlolo Anton	No
Free State	Free State	3	Mahlaba Abel	No
Free State	Free State	5	Maklaar Emelda	No
Free State	Free State	55	Masiu Oujan	No
Free State	Free State	2	Modukanele Maletsoku	No

PROVINCE	SERVICE CENTRE	NUMBER OF VISITS	FARMER	FUNDED Y/N
Free State	Free State	7	Mohlomi Joseph	No
Free State	Free State	2	Moloi Aupa Andrews	No
Free State	Free State	3	Monnane Pule	No
Free State	Free State	2	Motaung Oorlog	No
Free State	Free State	3	Motlhabane Johannes	No
Free State	Free State	4	Motlhabane Ruben	No
Free State	Free State	1	Mphuthi Mokgaudi David	No
Free State	Free State	1	Mtimkulu Elias	No
Free State	Free State	12	Phahla Patrick Gama	No
Free State	Free State	3	Rakhongoana William	No
Free State	Free State	2	Thaele Mampho Adeline	No
Free State	Free State	2	Thamae Lesole David	No
Free State	Free State	12	Tshabalala Motsoagole Gideon	No
Free State	Free State	2	Tshabalala Paulos	No
Free State	Free State	28	Mahlelelele Dieketseng Gladys	Yes
Free State	Free State	33	Makoele Lekhotla Johannes	Yes
Free State	Free State	33	Malakoane Sello Isaac	Yes
Free State	Free State	35	Matshinini Madinda Jabulani	Yes
Free State	Free State	25	Mavundla Jonas Sello	Yes
Free State	Free State	11	Mokoena Frans	Yes
Free State	Free State	6	Moleme Joseph	Yes
Free State	Free State	53	Moloi Samuel	Yes
Free State	Free State	19	Motlokoa Paul	Yes
Free State	Free State	17	Setshego Nthowa Johannes	Yes
Free State	Free State	52	Tsotetsi Ranko Petrus	Yes

PROVINCE	SERVICE CENTRE	NUMBER OF VISITS	FARMER	FUNDED Y/N
KwaZulu-Natal	Dundee	1	Hadebe Nkosinathi Duncan	No
KwaZulu-Natal	Dundee	1	Hlubi Ayanda Nkululeko	No
KwaZulu-Natal	Dundee	5	Hlubi Sphelele	No
KwaZulu-Natal	Dundee	2	Khumalo Zenzele Vincent	No
KwaZulu-Natal	Dundee	1	Kubheka Lindiwe Maureen	No
KwaZulu-Natal	Dundee	1	Mahlinza Siphwe Moses	No
KwaZulu-Natal	Dundee	2	Mthethwa Day Laswell	No
KwaZulu-Natal	Dundee	1	Shuwisa Hamu Samson	No
KwaZulu-Natal	Dundee	39	Khoza Philani Patrick	Yes
KwaZulu-Natal	Dundee	46	Khumalo Lucky Boniface	Yes
KwaZulu-Natal	Dundee	39	Masondo Reginald Thokozani	Yes
KwaZulu-Natal	Dundee	44	Masuku Tamsanqa Raphael	Yes
KwaZulu-Natal	Dundee	21	Mazibuko Khayelihle Blessing	Yes
KwaZulu-Natal	Dundee	11	Mbhele Godfrey Sanele	Yes
KwaZulu-Natal	Dundee	14	Mngadi Nhlanhla Sicelo	Yes
KwaZulu-Natal	Dundee	39	Mthethwa Lethiwe Derril	Yes
KwaZulu-Natal	Dundee	42	Ngwenya John Jabulanyi	Yes
KwaZulu-Natal	Dundee	38	Shelembe Thanduyise Richard	Yes

PROVINCE	SERVICE CENTRE	NUMBER OF VISITS	FARMER	FUNDED Y/N
Mpumalanga	Louwsburg	2	Dhlamini Mazonya Elijah	No
Mpumalanga	Louwsburg	6	Dhlamini Buyisiwe Steven	No
Mpumalanga	Louwsburg	2	Gumbi Gcinile Beauty	No
Mpumalanga	Louwsburg	2	Hlatshwayo Thokozani Daniel	No
Mpumalanga	Louwsburg	4	Mabuza Bheki Isaia	No
Mpumalanga	Louwsburg	2	Mahlangu Amos	No
Mpumalanga	Louwsburg	5	Maila Bhekimuzi Nkosana	No
Mpumalanga	Louwsburg	2	Makua Nokuthula Happy	No
Mpumalanga	Louwsburg	2	Masango Happiness	No
Mpumalanga	Louwsburg	2	Mavuso Mafika Johannes	No
Mpumalanga	Louwsburg	2	Mdiniso Bonisiwe Berlinah	No
Mpumalanga	Louwsburg	2	Mnisi Mduduzi David	No
Mpumalanga	Louwsburg	6	Nkosi Mbolofithi Albert	No
Mpumalanga	Louwsburg	4	Nkosi Jeremiah Obrey	No
Mpumalanga	Louwsburg	5	Nzimande Boy Zakew	No
Mpumalanga	Louwsburg	2	Shabalala Thokoza Geoffrey	No
Mpumalanga	Louwsburg	2	Shabangu Simon Khuzelwa	No
Mpumalanga	Louwsburg	3	Shongwe Noligwa Dorcas	No
Mpumalanga	Louwsburg	2	Sibiya Musa Thomas	No
Mpumalanga	Louwsburg	41	Gondo Alfred Manqoba	Yes
Mpumalanga	Louwsburg	15	Gumede Xolani Zanovuyo	Yes
Mpumalanga	Louwsburg	35	Mabuza Simphiwe Senzeko	Yes
Mpumalanga	Louwsburg	29	Makhunga Gua Abram	Yes
Mpumalanga	Louwsburg	34	Mlotshwa Mathews Mfanimpela	Yes
Mpumalanga	Louwsburg	34	Ngwenya Sizwe Innocent	Yes
Mpumalanga	Louwsburg	35	Nkosi Mandla Enos	Yes
Mpumalanga	Louwsburg	37	Skosana Moniwa Badge	Yes
Mpumalanga	Louwsburg	31	Vilakazi Amos Fanki	Yes

PROVINCE	SERVICE CENTRE	NUMBER OF VISITS	FARMER	FUNDED Y/N
North West	Lichtenburg	1	Dikokwe Lawrence	No
North West	Lichtenburg	1	Mafoko Victor	No
North West	Lichtenburg	1	Magoshane David	No
North West	Lichtenburg	1	Malo Lungile	No
North West	Lichtenburg	2	Mazwi Simon	No
North West	Lichtenburg	1	Metswamere Nkwe	No
North West	Lichtenburg	1	Mogogane Obakeng	No
North West	Lichtenburg	4	Mogonediswa Daniel Mongale	No
North West	Lichtenburg	3	Mokgoetsi Maleshoane Teresia	No
North West	Lichtenburg	1	Mokwena David	No
North West	Lichtenburg	3	Mongane Itumeleng Naphtaly	No
North West	Lichtenburg	1	Motsuenyane Mokgethi	No
North West	Lichtenburg	1	Mpabanga Amanda	No
North West	Lichtenburg	1	Mtimkulu Nkosana	No
North West	Lichtenburg	1	Munyai Mpho	No

PROVINCE	SERVICE CENTRE	NUMBER OF VISITS	FARMER	FUNDED Y/N
North West	Lichtenburg	1	Nche Catherine	No
North West	Lichtenburg	1	Ntuli Vincent	No
North West	Lichtenburg	5	Pholo Ramoso	No
North West	Lichtenburg	2	Rankatisho Samuel	No
North West	Lichtenburg	2	Tlotleng Johanna	No
North West	Lichtenburg	11	Mothusi Lebogang	Yes
North West	Lichtenburg	17	Serema Organ	Yes
North West	Lichtenburg	27	Lentswetshipi Seoke Ezekiel	Yes
North West	Lichtenburg	14	Mpomela Allman	Yes

Unfortunately, this past summer crop production season was a very difficult one due to extreme heat and drought, particularly in the Free State and North West. This resulted in poor yields and a number of farmers were not able to repay their loans in full.

### OVERALL 2023/2024 FUNDED BY SACTA, STANDARD BANK AND KGODISO

#### PROVINCE

		Maize	Soya	Sunflower	Total
Total ha planted		2 099	2 210	884	<b>5 193</b>
Loan funded farmers	33				
Total value of the loans	R57 114 725				
Funds received	R42 307 763				
Funds utilised	R32 528 972	76,89%			
Total amount repaid	R20 480 759	62,96%			

Unfortunately, we also experienced some farmers defaulting with their deliveries and delivering to alternative buyers so as to circumvent the cession and the loan repayment. These farmers are removed from the programme – a natural disaster is something that can be managed, but dishonesty in the programme cannot be tolerated. With the exception of the farmers who behaved dishonestly, all the other farmers will be funded to plant in the 2024/2025 season and we hope that it will be a better season.

### TRAINING COURSES

Over the lifetime of this development programme, a number of different training courses have been developed to address the training needs of the farmers on the ground. Initially it was the introduction to production under dry land conditions (maize, sunflower, soya beans, sorghum, wheat and barley). We soon realized that one of the key challenges we were experiencing in the field was the lack of mechanical maintenance – which led to the tractor and farm implement maintenance course. Next up we saw farmers taking their own tractors apart which resulted in the basic engine repair course

When farmers needed to know more about plant nutrients, marketing and storage, the advanced courses on maize and sunflower production followed. Having equipment is important but the farmer needs to know how to set the implements and calibrate the planters and sprayers; then we realized that farm management was a challenge. Farmers wanted to plant maize on every piece of land – this resulted in the resource assessment and farm planning course; then business ethics; then we have farmers planting maize and barley under irrigation; the understanding of mycotoxins was essential for farmers storing and using their own maize – and so the list continues.

One of the most important courses that we developed was the on-farm maintenance course which is presented using a fully equipped Mobile Training Unit – this not only trains the farmer and his workers, but also repairs and maintains his equipment during the course.

In this past year, we have presented the following courses:

PROVINCE	SERVICE CENTRE	DONOR	COURSES	NAME OF COURSE	ATTENDEES
Eastern Cape	Mthatha	Maize Trust	4	Advanced maize production and marketing	38
North West	Lichtenburg	Maize Trust	1	Business ethics	13
Free State	Free State	Maize Trust	6	Introduction to farm management and farm finance	70
Free State	Free State	Maize Trust	6	Introduction to grain marketing	72
Eastern Cape	Maclear	Maize Trust	11	Introduction to maize production	234
KwaZulu-Natal	Dundee	Maize Trust	2	On-farm maintenance and support (MTU)	17
Mpumalanga	Mbombela	Maize Trust	5	Practical skills: Spraying and mixing of chemicals	94
Mpumalanga	Mbombela	Maize Trust	15	Practical skills: Planter and boom sprayer calibration	171
Mpumalanga	Mbombela	Maize Trust	1	Practical skills: Setting of implements	5
KwaZulu-Natal	Dundee	Maize Trust	1	Succession planning	12
Free State	Free State	Maize Trust	1	Workshop skills (welding)	5
Mpumalanga	Mbombela	OPDT	1	Introduction to dry bean production	12
KwaZulu-Natal	Dundee	OPDT	5	Introduction to groundnut production	73
Limpopo	Mbombela	OPDT	5	Introduction to soya bean production	90
KwaZulu-Natal	Kokstad	OPDT	3	Introduction to sunflower production	29
<b>TOTAL</b>			<b>67</b>		<b>935</b>

We are hoping to acquire another mobile training unit and put it to good use in the Free State and North West, where the farmers have a lot of old equipment.

## PULA IMVULA

The *Pula Imvula* is a monthly newsletter used as a vehicle to disseminate grain farming information to the readers at the appropriate time of year. All aspects of farming from production, financing, mechanisation, pests and diseases, weeds, maintenance, marketing, storage, labour management, planning and budgeting are covered. There are a large number of different people who contribute to the writing of the articles for the *Pula*. The newsletter is funded by the Maize Trust and OPDT.

The magazine started in the early 2000's and was a black and white leaflet available only in Setswana for developing farmers in the North West. Since that time, it grew to a full colour newsletter printed in seven languages (English, Afrikaans, Sesotho, Setswana, Sepedi, isiXhosa and isiZulu). Subsequently, due to cost constraints, Afrikaans and Sepedi were excluded, and it more recently only appeared in three languages (English monthly, alternating isiZulu with isiXhosa in alternate months, with Sesotho and Setswana in alternate months).

One of the driving factors of the costs are the translations and layouts of the different languages. The translations also add a considerable length of time to the process of producing and disseminating the newsletter. Over the past 25 years, many things have changed in our country and English has become widely used as the language of communication. Although there are still some older rural farmers who do not use English well, there are always younger members of the family who are conversant in English.

We have consulted with the farmers in the programme and the response has been positive in terms of accepting that the *Pula* will be available in English only. At the recent PGP board meeting, the matter was discussed and the board is also comfortable to reduce the languages to only English.

The *Pula* has been distributed through the Post Office for many years, and now that service is failing. Where the post offices have actually closed, we are making use of a courier service and it seems to be working very well. Many of our farmers do not have access to data or smart phones which is why we continue to print it.

Going forward, we plan to have a 20-page *Pula* every month containing articles proportionately paid for by the Maize Trust and OPDT. We also plan to make the facility open to other commodities who may like to use this as a vehicle to send out information and news to their developing farmers. The pages that contain information not relevant to our donors will be paid for by the company placing the information. They will add pages and information to the benefit of all readers, and they have the advantage of using an established platform that already reaches a large number of farmers.

## SCHOOLS PROGRAMME

The schools programme under the new direction as applied for in 2023, to visit Grade 5 to 7 learners instead of Grade 9 learners, is now in motion. As in the past, facilitators visit selected schools to show the DVDs that we developed to introduce the learners to all aspects of farming and the value of farming.

A total of 208 schools have been visited between 1 October 2023 and 29 September 2024.

PROVINCE	SCHOOLS	VISITS
KwaZulu-Natal	30	60
Free State	59	97
Eastern Cape	31	59
Mpumalanga and Limpopo	88	179
<b>TOTAL</b>	<b>208</b>	<b>395</b>





## Structure aligned with group architecture

A considerable number of changes occurred in the reporting period as part of the establishment of the Grain SA group of entities. Nampo (Pty) Ltd is one of the entities that was established as a private company. The aim of the latter is to conduct all commercial activities under one entity. These include functions like the various NAMPO expos that take place every year, the magazine and also operational services that are rendered to the other entities.

Some administrative work and transactions had to be rolled out to get the entity into position to deliver the services, including the transfer of assets, service providers that had to be registered again and the renewal of contracts with existing clients. The financial division ensured that reporting systems are in place and function effectively in the new structure.

The secretariat also ensured that all statutory and legal documents, together with the service-delivery agreements, are in place. A delegation of powers was compiled to ensure that the right decision-making takes place on the right level in order to comply with the objectives of the company, but also with those of the group of entities in Grain SA.

It is a pleasure to report that the structures of the entity are in place and that the new Nampo (Pty) Ltd is ready to handle all the commercial activities in the group.

### NAMPO

Grain SA's 56th NAMPO Harvest Day, which was held at NAMPO Park just outside Bothaville on 14 to 17 May 2024, was regarded as a great success by everyone. A record number of 86 474 visitors over the four days – as well as 865 exhibitors – confirmed the popularity of the trade show among producers, exhibitors, opinion formers and everyone in society with a heart for agriculture.

A new attendance record on a business day was achieved on Wednesday, 15 May, with 25 505 visitors. The NAMPO Park landing strip received 290 fixed-wing aeroplanes and 82 helicopters on the show days. With lovely sunny weather it was the hottest NAMPO in years, which definitely also contributed to the good attendance.

The Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, briefly visited NAMPO on Wednesday, 15 May. As in the past, Minister Didiza held a few key discussions with partners, but also thoroughly enjoyed the atmosphere of the Harvest Day.

The exhibitors gave excellent feedback in a survey regarding the organisation and the opportunities that NAMPO offers as a platform.

### NAMPO CAPE

NAMPO Cape 2024, presented by Grain SA in collaboration with Bredasdorp Park NPC, presented another successful expo from 11 to 14 September 2024. This four-day event attracted 45 894 visitors and showcased innovations across the agricultural sector.

NAMPO Cape, which celebrated its fifth year with the theme 'Agriculture: the backbone of economic growth', focused on the important role that the agricultural sector plays in the promotion of both the national and global economy, as well as food security.

The Minister of Agriculture, John Steenhuisen, visited NAMPO Cape on Friday, 13 September. The event was characterised by its diversity with regard to exhibitors and programme presentation. With a new record of 542 exhibitors, NAMPO Cape showcased the most recent technology, machinery and agricultural products to the Western Cape community and other visitors.

## NAMPO ALFA

The second NAMPO ALFA was held at NAMPO Park on 12 to 14 October 2023. This is a unique hunting and outdoors expo to be presented in the rural areas on this scale. The stock component, which was presented by the African Livestock Trade Fair (Alfa) was a big drawcard. The exciting stock programme offered a platform for showcasing the best animals in the country. These animals were selected for the expo on the basis of performance data.

The hunting and outdoors component was a good platform for nature lovers to make their purchases and also view the variety in the market. This year also boasted a large fishing section for the visitors who regularly enjoy this hobby.

NAMPO ALFA experienced a growth of 29%, with a record number of 8 222 visitors and 271 exhibitors. The popular shooting range had 669 marksmen on the course testing weapons.

## SA GRAAN/GRAIN MAGAZINE

Grain SA distributes the *SA Graan/Grain* magazine to roughly 18 000 readers every month. This full-colour publication is used to empower South Africa's producers of grains and oilseeds with knowledge. Suppliers of input resources and services in the agricultural industry also use the magazine constantly as an effective advertising medium for their client base.

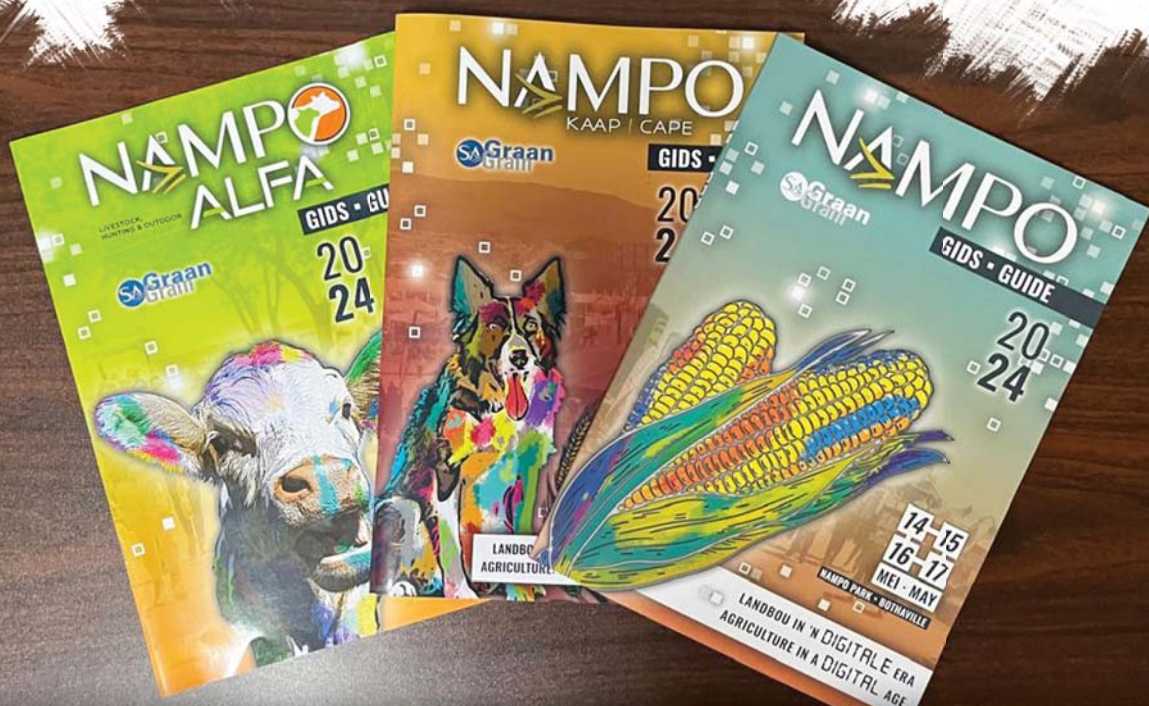
As a specialist publication and official mouthpiece, *SA Graan/Grain* promotes the image of Grain SA to its members, the public and opinion formers in the industry and in government circles.

The editorial content reflects a balance of appropriate industry information as well as technical and research-based articles. Topics like grain market trends, an input overview, tips on good labour practices, the climate and even political and economic comments are offered. The serious side of farming alternates with popular articles (and even humour) on people and events in the grain industry.

The magazine also has a focused electronic strategy in place and has shown remarkable growth over the period. *SA Graan/Grain* focuses on being a leading news and information platform for the grain and oilseeds industry. Through the magazine readers can also get to know Grain SA better as a trend-setting organisation.

The magazine is supported by the contributions of various advertisers, and Grain SA wants to thank every advertiser for their continued support.

To subscribe to this free magazine online, follow this link: <https://sagrainmag.co.za/subscribe/>





# Maize and wheat benefit from Trust

As one of the four entities of the Grain SA group, the Commercial Producers Trust meets the requirements of a public benefit organisation. It has a focus on research to the benefit of the maize and wheat industries.

## LETTER OF AUTHORITY: COMMERCIAL PRODUCERS TRUST

In terms of the Letter of Authority, dated 27 October 2021, it was certified that the following persons were appointed as trustees: DJM Mathews, MJ Groenewald, CJ Claassen, JD de Kock, RP Krige and PR Taljaard.

### Grains and Oilseeds Producers Trust (New name of trust)

#### Composition

1. Tobias Doyer (CEO of Grain SA) – serving *ex officio*  
**Note:** Not yet officially appointed by Master's Office.
2. 2 (two) persons with proven experience of maize industry matters, nominated by the Maize Working Group of Grain SA:
  - ◆ Derek Mathews – Trustee
  - ◆ Neil Claassen – Trustee
3. 2 (two) persons with proven experience of winter cereals industry matters, nominated by the Winter Cereals Working Group of Grain SA:
  - ◆ Jose de Kock – Trustee
  - ◆ Richard Krige – Trustee
4. 1 (one) person with proven experience of sorghum industry matters, nominated by the Sorghum Working Group of Grain SA:
  - ◆ Ebert du Plessis (Observer)  
**Note:** Not yet officially appointed by Master's Office.
5. 1 (one) person with proven experience of oilseeds industry matters, nominated by the Oilseeds Working Group of Grain SA:
  - ◆ Ryk Pretorius (Observer)  
**Note:** Not yet officially appointed by Master's Office.
6. 1 (one) person with proven experience of groundnut industry matters, nominated by the Groundnut Working Group of Grain SA:
  - ◆ Gert Pretorius (Observer)  
**Note:** Not yet officially appointed by Master's Office.

#### NOTES:

- In terms of the Trust Deed, the CEO of Grain SA serves *ex officio* as a trustee, with no term.
- Pieter Taljaard resigned as CEO, effective 7 August 2023.
- Pieter will continue to serve as a trustee until Tobias has been appointed as a trustee by the Master's Office (High Court Pretoria). This is needed for resolutions pertaining to the amendment of the Trust Deed.

## TAX STATUS: TAX EXEMPTION

SARS confirmed the trust's tax-exempt status, on condition that the trust must fund active research projects.

#### NOTE:

Income Tax Exemption approval letter from SARS, dated 4 October 2022.

## RESEARCH PROJECTS

At the meeting of the Commercial Producers Trust, on 10 January 2024, the following research projects were approved:

### REPORT FOR PROJECTS APPROVED FOR THE PERIOD 1 MARCH 2024 TO END OF BOOK YEAR

#### MAIZE FUNDS

Term	Project title	Project leader	Date approved	Budget approved
1 March 2024 to end of book year	'Baseline Studies and Benchmark Costs'	Dirk Strydom	10 January 2024	217 067
	'Implementation of a Plant Health Consortium to support industry with production related research'	Miekie Human	10 January 2024	1 011 732
	'Coordination of Research Projects/Analysing of Production Cost'	Miekie Human	10 January 2024	994 566
<b>BUDGET APPROVED</b>				<b>2 223 365</b>

#### WINTER CEREAL FUNDS

Term	Project title	Project leader	Date approved	Budget approved
1 March 2024 to end of book year	'Baseline Studies and Bechmark Costs'	Dirk Strydom	10 January 2024	44 568
	'Research Coordination and Analysis of Production Costs'	Miekie Human	10 January 2024	44 568
<b>BUDGET APPROVED</b>				<b>89 136</b>

## SERVICE LEVEL AGREEMENT WITH GRAIN SA

The trustees approved a Service Level Agreement (SLA) between the Trust and Grain SA NPO. In terms of this agreement, Grain SA will manage financial and administrative services on behalf of the Trust. The agreed to management fee is annually approved by the trustees during the budget process. In future, this SLA will be concluded between NAMPO (Pty) Ltd and the Grains and Oilseeds Producers Trust.

## TRAVEL AND SUBSISTENCE

The trustees accepted the principle that travel and subsistence claims will be aligned with the tariffs payable by Grain SA NPO for meetings of working groups of the Board. In terms of calendar planning, meetings of the Trust are arranged to coincide with meetings of either the Maize or the Winter Cereals Working Group as to manage travelling costs effectively. Where applicable, meetings are also presented online.

## INVESTMENT MANAGEMENT

- The trustees approved the policy that investments of the Trust should be managed on a moderate risk profile.
- The administrative and management fees of Sanlam Glacier, after negotiations, are as follows:  
Admin fee: 0,21% plus VAT  
Management fee: 0,45%

## APPOINTMENT OF AUDITORS AND APPROVAL OF FINANCIAL STATEMENTS

- The trustees resolved that the Ashton Auditors CA(SA) Group Inc. must be appointed for the external audit of financial records, for the book year ending 29 February 2024.
- During a special meeting of the Commercial Producers Trust, on 13 June 2024, it was confirmed that an unqualified audit report was received from the Ashton Auditors CA(SA) Group Inc, for the financial statements for the book year 1 March 2023 to 29 February 2024.
- It was confirmed that only one Annual Financial Statement must be prepared for the Commercial Producers Trust, but that the funds that originated from the KMPNT (Kommersiële Mielie Produsente Navorsings Trust) and the KWPT (Kommersiële Wintergraan Produsente Trust) will be managed within separate bank and investment accounts.
- In terms of the deed of amendment, flow through funds for research will also be managed by the trust, in a separate account.
- Derek Mathews was mandated to sign off the financial statements on behalf of the trustees of the Commercial Producers Trust.

## MEETINGS

During the reporting period, the Commercial Producers Trust met on 10 January 2024 and 12 August 2024.





## New corporate framework process completed

The year under review was marked by significant changes in the Grain SA group's financial structure and processes to align with the new corporate framework envisioned in previous years.

Accounting entries from Grain SA were successfully reallocated to the other entities within the group as required. Additionally, we seized this opportunity to upgrade from our old accounting software to a modern, cloud-based system.

These changes were substantial and demanded considerable effort. I am deeply grateful to the finance team, including Boipelo Mosikare, Elda-Beth Keeley, Leticia Reid, Lydia Kasumba, Machel Kruger, Madelie Goosen and Stien le Roux, for their hard work. Thank you to all our colleagues – especially the Company Secretary, Nico Vermaak, for all the legal work that supported this process – for their support and patience throughout this period.

With the process now complete, we look forward to optimising and enhancing our new systems and corporate structure in the coming year.





# Group gets exciting, new architecture

## 1. INTRODUCTION

In terms of Section 76 of the Companies Act of 2008, a director (including board or committee members) must exercise his powers and perform his duties:

- i) In good faith and for a proper purpose;
- ii) In the best interest of the company; and
- iii) With the degree of care, skill and diligence that may reasonably be expected.

These fiduciary duties are applicable to the members of the Grain SA board, trustees or directors who serve on boards within the Grain SA group of entities.

Grain SA, as a voluntary membership-based organisation, works with the most valuable of all commodities, and that is the trust of grain and oilseeds producers who joined as members. Therefore, it is imperative to ensure good governance practices within all levels of the Grain SA group of entities.

For the purpose of this report the following matters are emphasized, due to the long-term impact that will result from it.

- a) Actions taken to comply with section 30B of the Income Tax Act.
- b) Sale of Business Agreement between Grain SA and Nampo (Pty) Ltd.
- c) Strategic planning for the Grain SA group of entities.

Grain SA, as a voluntary membership-based organisation, works with the most valuable of all commodities - the trust of grain and oilseeds producers.

## 2. ACTIONS TO COMPLY WITH SECTION 30B OF THE INCOME TAX ACT

### 2.1 Restructuring of Grain SA and compliance to section 30B of the Income Tax Act:

- 2.1.1 Since 15 September 2006 Grain SA has been approved for exemption from income tax, which approval was granted in terms of section 10 (1)(b)(iv)(bb), read with section 30 B of the Income Tax Act number 58 of 1962. This approval has since been reissued, with the most recent and current binding approval being dated 22 May 2020.
- 2.1.2 Section 30 B(2)(b)(ix) of the Income Tax Act determines that substantially the whole of an approved entity under section 30 B such as Grain SA's funding, must be derived from its annual or other long-term members. Substantially the whole is considered by the South African Revenue Service (SARS) to be between 85% and 90% of the entity's funding.
- 2.1.3 Due to the expansion of commercial activities undertaken by Grain SA over years, Grain SA's funding from sources other than members increased exponentially to the point that substantially the whole of Grain SA's funding is not being derived from its members. This concern was raised by Grain SA's auditors, PricewaterhouseCoopers (PwC), over the past four years.
- 2.1.4 To remedy the situation, Grain SA was advised to undertake a restructuring process to remain compliant and not to compromise its tax exemption status. The process involved the transfer of Grain SA's farmer development division to a non-profit company, and the migration of its commercial division to a separate private company, Nampo (Pty) Ltd. The operationalisation of Nampo (Pty) Ltd had to be completed by means of a sale of business agreement.

2.1.5 In the Paul Aucamp document (Paul Aucamp Strategic Advisors) (28 November 2023), the key financial changes to support the new Grain SA business model included:

Transfer Grain SA NPO assets and liabilities (as a going concern) to Nampo (Pty) Ltd:

■ Assets:

- ◆ Transfer movables and equipment (as per asset register)
- ◆ Transfer business IP and business records
- ◆ Transfer NAMPO trademark and logo rights
- ◆ Transfer all Grain SA investments (excluding levy related investments)

■ Liabilities:

- ◆ Seller's loan (supplied by Grain SA NPO), or any other liabilities on date of transfer in respect of taxation and the amounts contemplated in terms of Section 197 of the Labour Relations Act (meaning transfer of personnel with existing benefits and provisions – for example leave provisions)

■ Business contracts:

- ◆ All existing agreements and contracts, including exhibition agreements (both long and short term), sponsorship agreements, funding agreements, supply agreements, agency agreements or service level agreements with third parties

■ Personnel:

- ◆ Transfer all personnel (section 197: Labour Relations Act) from Grain SA to Nampo (Pty) Ltd.
- ◆ This excludes personnel already transferred to PGP NPC

2.1.6 Management report: PwC dated 12 December 2023

2.1.6.1 The management report issued by PwC confirmed that Grain SA, during the period 1 October 2022 to 30 September 2023, failed to comply with the provisions of section 30 B(2)(i) of the Income Tax Act. This report served at the meeting of the Grain SA Audit and Risk Committee on 11 January 2024.

2.1.6.2 As this non-compliance has been noted during the reviews of the past three financial periods, PwC is of the view that SARS may regard the non-compliance as repetitive. The non-compliance may also be regarded as material, due to the amounts of surpluses being declared by Grain SA.

2.1.6.3 PwC noted that these circumstances could warrant the withdrawal of section 30 B approval by SARS to Grain SA for tax exemption.

2.1.6.4 Management has confirmed to PwC that Grain SA has, to date, not received any notice from SARS which confirms, suggests or implies SARS's intention to withdraw Grain SA's tax exemption approval, nor have any adjustments been made to Grain SA's tax return filing position. However, PwC encouraged Grain SA to take active steps to prove compliance to the conditions for tax exemption as set out in the Income Tax Act (section 30 B) as well as the organisation's own constitution.

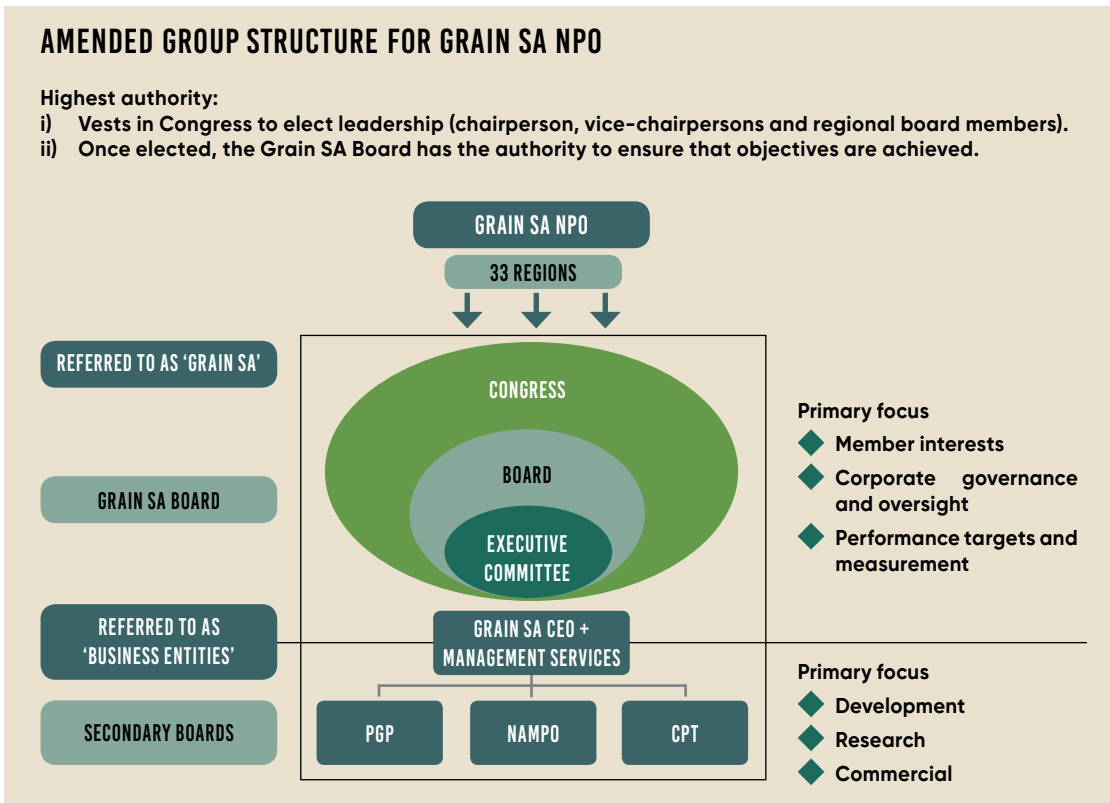
## 2.2 New business model

2.2.1 After consultation with Paul Aucamp (Paul Aucamp Strategic Advisors), the Grain SA board on 21 September 2023 resolved to continue with the full restructuring process as recommended. The process of consultation and resolutions included all layers of the organisation and related entities, with final approval by the Grain SA Congress in March 2024 to continue with all recommended actions needed within the group of entities, to comply with the provisions of section 30B for continued tax exemption.

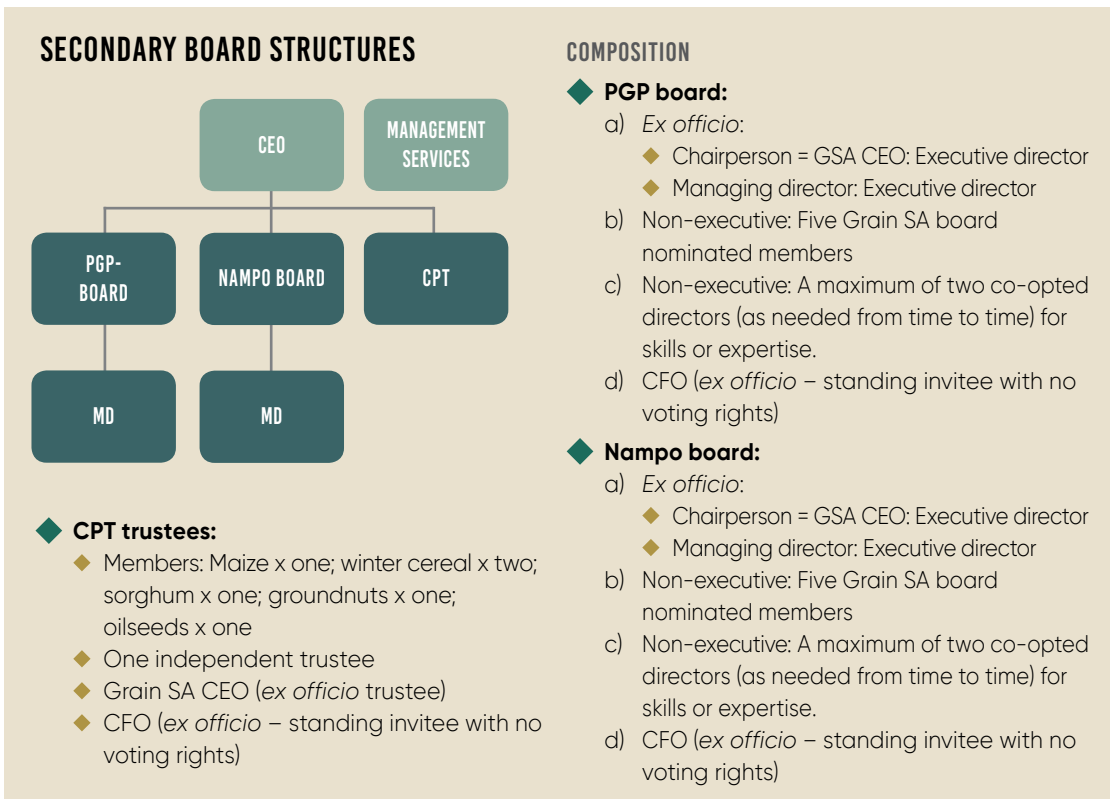
2.2.2 Without affecting its member-based nature and broad member participation in the activities of Grain SA, it was resolved to restructure Grain SA into a group of entities, to provide for Grain SA to continue to render member related services, with a secondary board structure to focus on research, farmer development and commercial activities.

2.2.3 The following amended group structure was approved:

a) Grain SA NPO



b) Secondary board structures:



## 2.3 Revision and amendment of founding documents of the entities within the Grain SA group:

- The process included the amendment of the Constitution of Grain SA, as well as revising the founding documents of all related entities.
- The founding documents of each entity within the group were reviewed to duly reflect the objectives of each entity, with clear levels of authority and accountability. These amended founding documents have been approved by the boards of directors of PGP NPC, Nampo (Pty) Ltd, the Trustees of the Commercial Producers Trust and the Congress of Grain SA, within the first quarter of 2024.
- It was confirmed that Grain SA NPO, as an overarching entity, must determine the strategy for the group, with guidelines to the boards of business entities to develop strategies to support the strategy and directives of Grain SA NPO.
- However, accountability for each of the secondary boards remains of utmost importance. Therefore, Managing Directors for PGP NPC and Nampo (Pty) Ltd, report to the CEO of Grain SA serving *ex officio* as the chairperson of the boards of these two entities. The CEO of Grain SA will also serve as *ex officio* trustee of the Commercial Producers Trust to ensure linkages and authority to align the focus areas of the business entities with those of Grain SA NPO as a member organisation.
- It was confirmed that the RemCom, the Audit and Risk Committee and the Nomination Committee as committees of the Grain SA board, will also serve as such committees for all the entities in the group, to prevent a duplication of duties.
- A set of Delegations of Authority documents had been developed to determine the levels of authority for decisions within the group, as a special Governance Project.

## 2.4 Final Composition of Grain SA group of entities

### 2.4.1 With completion of the restructuring process, the group consist of the following:

- (i) Grain SA NPO, with the focus on promoting the interests of grain and oilseeds producers, with a tax exemption letter from SARS, dated 22 May 2020 in terms of section 30B of the Income Tax Act. Grain SA NPO is the holding entity of the group of entities, and the sole shareholder of Nampo (Pty) Ltd.
- (ii) Phahama Grain Phakama NPC, with the focus on training, development and the commercialisation of developing producers, with a tax exemption letter from SARS dated 22 March 2022 in terms of the requirements of a Public Benefit Organisation, set out in Section 30(3) of the Income Tax Act (58 of 1962).
- (iii) The Commercial Producers Trust, with a focus on research to the benefit of the maize and wheat industries. A tax exemption letter was issued by SARS dated 4 October 2022, as the Trust meets the requirements of a Public Benefit Organisation set out in Section 30(3) of the Income Tax Act, 58 of 1962. A Deed of Amendment was approved by the trustees to amend the name of the trust to the "Grain and Oilseeds Producers Trust", to manage flow through funds from third parties and to be more inclusive to other commodities, inclusive of sorghum, oilseeds and groundnuts. The Letter of Authority from the Master's Office for the Grain and Oilseeds Producers Trust is still outstanding.
- (iv) Nampo (Pty) Ltd, to manage commercial projects within the Grain SA group of entities, inclusive of events like NAMPO's, Functions, the SA *Grain* magazine etc. This entity, being a Private Company, will be fully taxable on profits.

### 2.4.2 Transfer of personnel to PGP NPC and Nampo (Pty) Ltd:

- The PGP personnel have been transferred to PGP during 2023. The Grain SA personnel have been transferred to Nampo (Pty) Ltd, at the end of February 2024, in alignment with the resolution to move cost centers from Grain SA to Nampo (Pty) Ltd.
- Dr Dirk Strydom was appointed as the Managing Director for Nampo (Pty) Ltd. Jane McPherson has been contracted as Lead for PGP NPC. Both report to the chairperson of the respective boards, being Dr Tobias Doyer, serving *ex officio* as chairperson of both boards, in his capacity as CEO of Grain SA.
- Members specific services rendered by Grain SA include Grain Economics, Research, and Member Marketing and Administration of member data.
- Enabling services consisting of Finance, Human Resources and Corporate Services, Public Relations, IT and COSEC will support all the entities in the group, in terms of Service Level Agreements between Nampo (Pty) Ltd and the other entities in the group.

### 3 STRATEGIC PLANNING FOR THE GROUP: APRIL 2024

- A strategic planning session was held in April 2024, including all entities in the group.
- The key question is how to summarize and convey the "value proposition of Grain SA" to members (and non-members) to ensure continued association.
- The purpose of Grain SA as a member organisation must be clearly defined. This includes both strategic objectives, but also the policy decisions on what actions Grain SA will not embark on. Furthermore, the boards of the respective business entities also had to develop supportive strategies to support Grain SA.

#### 3.1 The following key questions were posed to the board members of Grain SA and the respective entities, to assist in strategy going forward:

- What is your winning aspiration?
- Where will you play?
- How will you win?
- What capabilities must be in place?
- What management systems are required?
- Biggest strategic challenge to be managed.

#### 3.2 Strategic statements: Grain SA group:

##### 3.2.1 Grain SA NPO strategic session outcome

The outcomes of the strategic session, can be summarised as follows:

###### 3.2.1.1 VISION:

To influence the macro and micro economic environments to enable sustainable and profitable local grain and oilseeds production and development.

###### 3.2.1.2 MISSION:

Ensure and grow a credible and sustainable voluntary and inclusive grain producer's organisation that drives the mandated strategic actions including meaningful stakeholder partnerships and relationships.

###### 3.2.1.3 CULTURE AND VALUES:

Creating an enabling and caring environment for passionate, dedicated and knowledgeable teams to grow and enjoy serving the organisation and influence and deliver value for the broader food value chain. We strive to build trust and relationships through respectful interaction as well as open, honest and efficient communication. We value consistent, authentic and legitimate teamwork that deliver consistent and impactful results.

###### 3.2.1.4 CRITICAL SUCCESS FACTORS (CSFs):

- Member support
- Trusted authority within the grain industry
- Innovative solutions to farming challenges
- Effective communication
- Stakeholder relationships
- New leaders for succession planning

###### 3.2.1.5 STRATEGIC GOALS FOR GRAIN SA:

- Influence economic sustainability of Grain SA's farmer members
- Grow and support developing grain producers in becoming commercially sustainable
- Increase the involvement of younger producer members
- Grow a broader membership base
- Grow and maintain key value chain relationships
- Efficient and effective communication

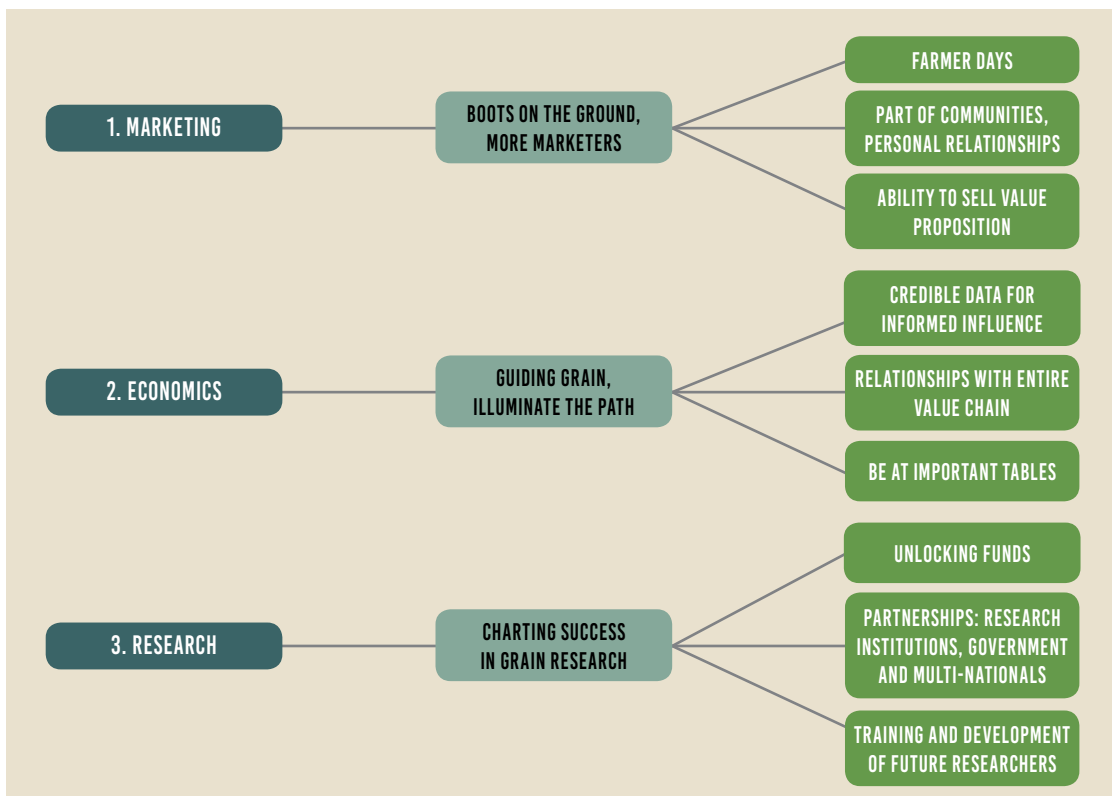
**3.2.1.6 STRATEGIC OBJECTIVES FOR GRAIN SA:**

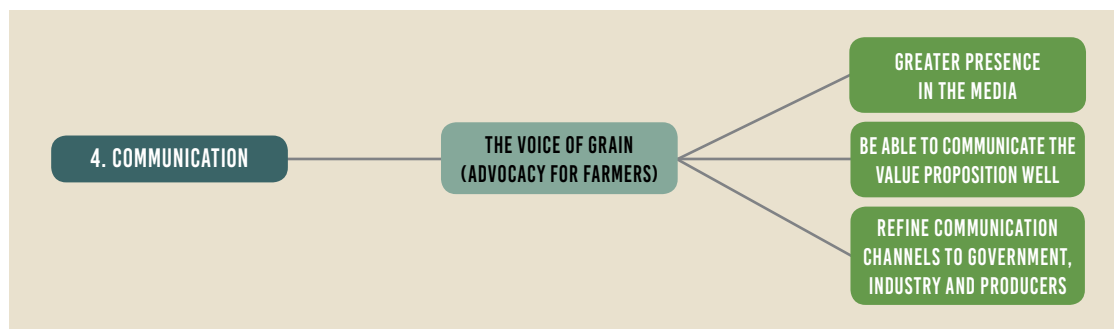
- To actively grow the membership base inclusive of new entrants (developing producers) and the new generation of commercial grain producers.
  - ◆ Determine the value proposition for membership to both members as well as grain producers who have not yet joined as members.
  - ◆ Develop exclusive benefits for paid-up members.
- To actively pursue transformation and farmer development.
- To provide farmers with relevant information and research solutions.
- To more effectively influence government policy.
- To establish Grain SA as the official mouthpiece of grain producers and go-to place for both stakeholders in the industry, as well as the media.

**3.2.1.7 STRATEGIES TO GROW THE GRAIN SA MEMBERSHIP BASE:**

- Current membership and representativity measured by:
  - ◆ Percentage levies received on the total crop (currently approximately 30%); and
  - ◆ Number of paid-up members (currently about 4 500 commercial paid-up members)
- Approximately 75% of grain producers do affiliate with Grain SA (via membership fees) but some members cap their voluntarily levy (on grain and oilseeds produced and marketed). Therefore: although ~75% of grain producers are associated with Grain SA via membership fees, only ~30% levies are being paid on grain and oilseeds crops produced.
- It is essential to harness and expand Grain SA's value proposition to grain and oilseed producers; and to actively promote this as a marketing tool to grow the number of members.
  - ◆ **Notes:**
    - ◆ It is difficult to determine the exact number of grain and oilseed producers per region, as some farmers do not produce in each season. Many grain and oilseeds marketers are also being utilised by producers to market their grain within a free market. Further research should be done to determine the amount of grain and oilseeds producers per region, to effectively measure the percentage of paid-up members per region.
    - ◆ As baseline, the Crop Estimates Committee's data per region are being utilised to determine the potential crop per region and to calculate levies received per region. This data is being shared at Grain SA board meetings as a progress report on levies collected per region.

**3.2.1.8 SUPPORTIVE STRATEGIES:**





### 3.2.2 *Nampo (Pty) Ltd: Outcome of Strategic Session in April 2024*

#### 3.2.2.1 BUSINESS DEFINITION:

- Nampo (Pty) Ltd acts as commercial arm of Grain SA – and has a profit motive.
- Nampo is an events company (only).
- NAMPO Park:
  - ◆ Multi-purpose venue.
  - ◆ Annual NAMPO Harvest Day event hosting is obligatory.
  - ◆ Activities at NAMPO Park and Nampo (Pty) Ltd must promote the interests of members and enhance the values of Grain SA as an entity (to prevent any reputational damage).
  - ◆ Showcase for agricultural technology.
- Exclusions:
  - ◆ No competition to value chain/industry/clients/members/exhibitors.
  - ◆ No trading in any value chain.

#### 3.2.2.2 NAMPO BOARD PARAMETERS:

- Board is subject to approved delegation of authority (DoA). As policy, the board may not engage in loan agreements, security ships or other contractual agreements that may put Grain SA as shareholder at risk.
- Events and business opportunities must be aligned with Grain SA values.
- Target industry stakeholders, inclusive of members, exhibitors, input suppliers, organised agriculture community to actively market NAMPO Park as conference and functions venue.
- Do not engage with business ventures that may impact negatively on relations with members and/or input suppliers.
- NAMPO Park venues should be availed to Grain SA group of entities at a zero rate, plus direct expenses for catering etc. Tariffs for the use of venues at NAMPO Park can be determined by the board for the use of these venues by external entities.
- Nampo's trading performance is distinguished from its financial performance (i.e., excludes Management Services costs).
- Financial policy:
  - ◆ Grain SA loans to Nampo to be paid back
  - ◆ Return on investment (ROI) = 10%
  - ◆ 10% of profit to be retained for capex and reserves
  - ◆ Consistent growth in asset value = 20% pa
  - ◆ Grain SA may strip profits via variable rentals
  - ◆ Dividends to be paid out from time to time to Grain SA as sole shareholder

#### 3.2.2.3 STRATEGIC GOALS:

- Maximise profit to the benefit of Grain SA as shareholder of Nampo (Pty) Ltd – ultimately to reduce the membership amount and the dependency on member contributions.

#### 3.2.2.4 STRATEGIC OBJECTIVES:

- To consistently grow revenue exceeding 20% per annum.
- To be incorporated in budget planning for the next financial year.
- To introduce at least two new revenue streams annually.

### 3.2.2.5 NAMPO PARK UTILISATION IDEAS:

- Enhance utilisation of NAMPO Park facilities (e.g., venue for training, functions and conference opportunities).
- Further increase the effectiveness of the annual NAMPO Harvest Day event.
  - ◆ Notes:
    - ◆ Current policy to keep the number of exhibitors, due to limited infrastructure and resources.
    - ◆ 400 + potential exhibitors on waiting list.
- Investigate opportunities for livestock auction partnerships.
- Promote NAMPO Park as venue for training due to excellent facilities, the guesthouse as well and land available for practicals or trials.
- Encourage exhibitors to utilise current facilities throughout this year, and not only during the NAMPO Harvest Day event.
- Consider events like music festivals.
- Encourage exhibitors to utilise NAMPO Park to launch new products.
- Investigate NAMPO Park to be utilised as a centre of innovation by input suppliers, with trial plots to arrange farmer days.
- *Note: Investigate opportunities to utilise (expanded) landing strip for crop sprayers, air shows and other events.*

### 3.2.3 Phahama Grain Phakama NPC: Outcome of Strategic Session

#### 3.2.3.1 BUSINESS DEFINITION:

3.2.3.1.1 Development agency to develop sustainable and financially independent black producers

- Develop black farmers (including youth and women) to consistently and sustainably contribute to the national crop.
- Introduce young entrepreneurs into grain production.
- Create financial stability and economic opportunity for developing farmers.
- Source longer term funding for programme and farmers.
- Enable affordable access to mechanisation.
- Continuously expand services to address member requirements.

3.2.3.1.2 Focus:

- Grain and oilseed crops.
- Farmers with potential that meet criteria determined by PGP.
- Areas and farmers with production potential.
- From subsistence to commercial farmers.

3.2.3.1.3 Provides services:

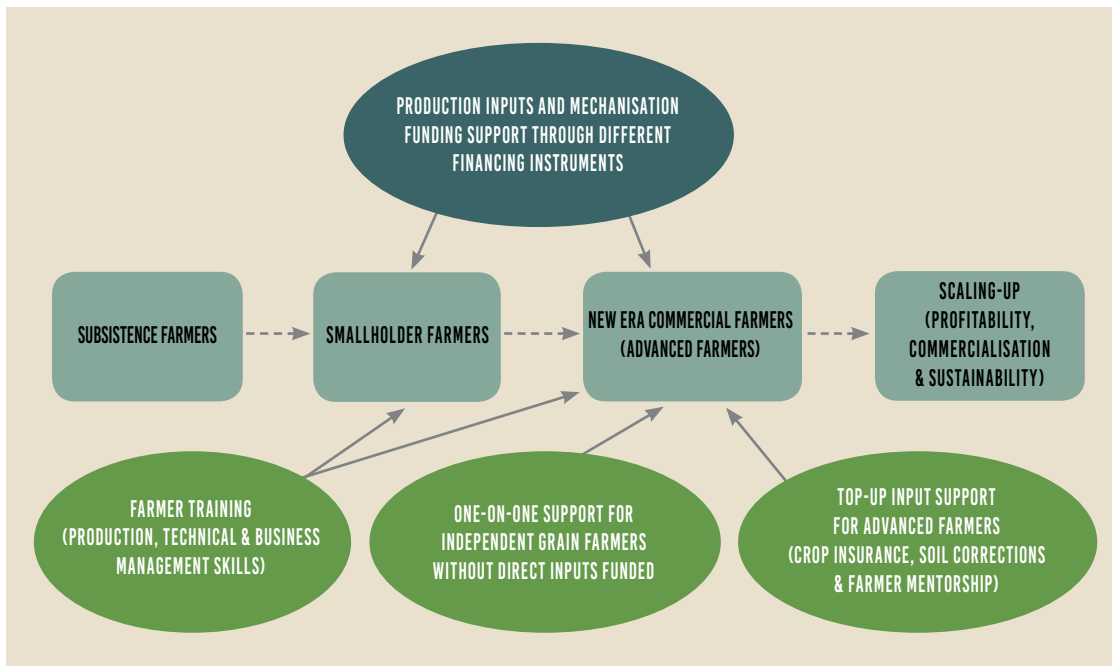
- Training, development, mentorship, information transfer (whole farmer approach).
- Loan administration.
- Source longer term funding for programme and farmers.

#### 3.2.3.2 BUSINESS DEFINITION:

3.2.3.2.1 Exclusions:

- Not a financial institution (only a loan facilitator)
- Not act as insurer of any production risks
- Not support production loans offered by funders if funds are availed too late in the season, as this will only put the producer at risk to default
- Not involved in any development programme where beneficiaries are being determined by government or external parties
- *Note: Development IS NOT access to funding*

**3.2.3.3 DEVELOPMENT IMPACT MODEL:**



**3.2.3.4 PGP BOARD PARAMETERS:**

- PGP NPC focuses on development needs within the Grain SA group of entities and is part of the core business of Grain SA.
- PGP NPC should under no circumstances become a financial institution to conclude loan agreements from own funds.
- PGP NPC to actively engage with members to determine needs and expectations. Young generation, white producers should be included to ensure inclusivity.
- Develop capacity for fundraising for sufficient funds for PGP operations. The to be appointed Managing Director must actively engage with potential funders to support the activities of PGP NPC.
- Current external projects for the 2023/2024 book year amounted to R120 million. The board of directors is requested to increase external funding for such projects to an amount of R130 million within the next book year. Sufficient management fees must be sourced via agreements with funders, as to ensure sustainable funding of PGP operations.
- Actively investigate service delivery by contractors to developing producers due to high capital cost to purchase own equipment.
- Develop rules of engagement for future contractual agreements with both producers and funders.

**3.2.3.5 STRATEGIC GOAL:**

- To be self-sustainable.

**3.2.3.6 STRATEGIC OBJECTIVE:**

- To increase PGP's loan book value to R130 million in the next 12 months.

**3.2.4 Commercial Producers Trust: Strategic Session Outcome**

**3.2.4.1 OBJECTIVE:**

- The objective of the trust is to support research in the grain and oilseeds industry

**3.2.4.2 NOMINATING ENTITIES FOR THE TRUSTEES:**

- Maize Working Group: Two trustees
- Winter Cereals Working Group: Two trustees
- Sorghum Working Group: One trustee
- Oilseeds Working Group (Sunflower and Soya): One trustee
- Groundnuts Working Group: One trustee

- CEO of Grain SA (*ex officio*)
- May if needed, appoint one independent trustee

#### 3.2.4.3 CPT TRUSTEE CONSIDERATIONS:

- Funds that originated from the internal Maize Trust, the internal Winter Cereals Trust and external funders are being managed within separate accounts.
- The Trust is well positioned to manage flow through funds from external funders. An amount of R10,7 million was paid over to the trust by the DSI to fund third party projects. This allows to elevate trust funds with co-funding from external third parties to ensure that needs driven research projects can continue.

#### 3.2.4.4 TRUST SUCCESS MEASURES:

- Funding of needs driven research projects. Regular interaction with Grain SA working groups and industry workshops ensure that needs are being identified for research projects.
- Cooperation with industry, to ensure coordination of projects, as well as the optimal use of available funding.
- Relations with multinationals to coordinate research and development.
- To develop new capacity within the industry with internships and/or bursaries.
- Effective communication of research results to producers and other stakeholders.

#### 3.2.4.5 STRATEGIC OBJECTIVE:

- To attract external project funding.

#### 3.2.6 Conclusion:

The strategic objectives were approved by the Grain SA board on 10 July 2024.

## 4 SALE OF BUSINESS AGREEMENT BETWEEN GRAIN SA AND NAMPO (PTY) LTD

### 4.1 Introduction:

- 4.1.1 To transfer the assets, liabilities, business contracts and personnel from Grain SA to Nampo (Pty) Ltd, a sale of business agreement had to be concluded between Grain SA and Nampo (Pty) Ltd.
- 4.1.2 Based on the analysis done by the Grain SA CFO on 1 August 2024, it was clear that after restructuring measures that Grain SA still does not comply with the provisions for tax exemption as member-based income amounts to 73,63%, whilst non-member-based income amounts to 26,37%.

### 4.2 Arms Length Transaction Principle

- 4.2.1 The exclusion of NAMPO Park and Alenti Office Block C from the assets to be transferred to Nampo (Pty) Ltd, will have a significant impact on Grain SA's ability to remain tax compliant. In contrast, transfer of these assets to Nampo (Pty) Ltd would largely eliminate this problem.
- 4.2.2 Should these assets remain under the ownership and control of Grain SA, these assets would have to be made available for use to Nampo (Pty) Ltd by means of "at arm's length" transactions, which would, in the case of NAMPO Park and Alenti offices, be in the form of a principal commercial lease agreement. This agreement will have to be based on reasonable and market-related compensation in the form of rental fees being payable to Grain SA by Nampo. This rental income will be substantial and will also constitute funding from sources other than the members of Grain SA.
- 4.2.3 Should NAMPO Park and Alenti Office Block C be excluded from assets to be transferred to Nampo, funds received by Grain SA from sources other than members would persist, which would continue to compromise Grain SA's ability to remain tax compliant.
- 4.2.4 This will also mean that the entire restructuring process undertaken by Grain SA to remedy the situation, would ultimately be ineffective and purposeless.

### 4.3 Implications of non-compliance

- 4.3.1 The existing approval for tax exemption issued to Grain SA specifically provides that, in order to maintain a tax-exempt status, Grain SA is required to submit its annual income tax returns to SARS. The exemption approval is subject to review on an annual basis by the Tax Exemption Unit of SARS, upon receipt of each annual tax return. To date, SARS has not advised that the current tax-exempt

status of Grain SA may be reviewed. However consistent non-compliance regarding the percentage of funds received by Grain SA from other sources than members, would in all probability come to the attention of SARS.

- 4.3.2 Section 30 B (2)(b)(i) of the Income Tax Act determines that the entity approved for tax exemption under section 30 B, must have a governing body to accept the fiduciary responsibility of that entity at SARS relating to the tax exemption approval. The concept of fiduciary responsibility entails that such appointed persons have a legal duty to act in the best interest of the entity for which such persons have been appointed. Persons appointed to represent Grain SA in the Grain SA board could possibly be found to be in breach of their fiduciary duties should they permit Grain SA to consistently remain non-compliant with the terms and conditions of Grain SA's approval for tax exemption. Persons elected to the Grain SA board, knowingly not complying with the provisions for tax exemption set out in section 30 B of the Income Tax Act, as well as the provisions included in the organisation's own constitution, is not sustainable and may pose a risk to the governing body of Grain SA.
- 4.3.3 A critical aspect to be considered, is the implication for Grain SA, should its approval for tax exemption under section 30 B be withdrawn by SARS due to consistent non-compliance. Section 30 B(7) of the Income Tax Act determines that in the case of withdrawal of a 30 B tax exemption approval, the relevant entity must within 6 months after the date of withdrawal of the approval (or such longer period as the Commissioner may allow) transfer, or take reasonable steps to transfer its assets to any entity, public benefit organisation, institution or body of the Government of the Republic. This means that Grain SA would be compelled to transfer all its assets to another entity approved by SARS. In such an instance, Grain SA would stand the risk of being forced to surrender its assets to an entity as set out above. This would result in significant reputational damage to Grain SA particularly if the issue of consistent non-compliance with tax legislation triggers such action.
- 4.3.4 The constant objective of SARS to increase tax revenue and to curb tax evasion should not be underestimated. Generating income from sources other than from members and not paying tax on such income, could be considered as a deliberate attempt to avoid paying tax.
- 4.3.5 It could also be deemed to be uncompetitive behaviour on the part of Grain SA, in circumstances where the organisation conducts a commercial business for profit and competes with other similar businesses but fails to pay tax.

#### **4.4 Method to Transfer: Sale of Business Agreement**

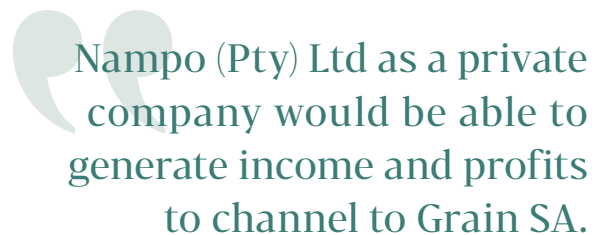
- 4.4.1 For purposes of implementing the commercial division transfer, a sale of business agreement between Grain SA and Nampo must be concluded in terms of which the entire commercial division within Grain SA, including assets, contracts, liabilities and employees, must be transferred to Nampo as a going concern.
- 4.4.2 Both Grain SA and Nampo (Pty) Ltd are registered VAT vendors for purposes of the VAT Act 1991 and the intended transaction should be subject to the payment of VAT at a zero rate, subject to:
- a) the commercial division complying with the terms "enterprise" as defined in section 1 of the VAT Act.
  - b) the assets and contracts to be transferred representing all the assets and contracts necessary for the continuation of the relevant enterprise
  - c) the enterprise being an income generating activity before and after the transfer thereof.

#### **4.5 Advantages of including NAMPO Park and Alenti Office Block C in the Sale of Business Agreement**

- 4.5.1 The advantages of including NAMPO Park and Alenti Office Block C in the transfer will include the following:
- a) it will support the restructuring process of the commercial division being sold as a going concern, inclusive of assets required for purposes of the operations of Nampo (Pty) Ltd.
  - b) the inclusion of NAMPO Park and Alenti Office Block C, would form part of the transaction which would be subject to VAT at a zero rate. Should the land at some point in the future be transferred, it might not be possible to transfer the land or office block separately as a going concern, which would consequently mean that the transaction would be subject to the payment of VAT. Due to the value of the land and office block in question, it might have a

significant effect on the cash flow of Nampo (Pty) Ltd who will be liable to pay VAT and claim it as an input following the conclusion of such future transaction.

- c) the transfer of NAMPO Park and Alenti Office Block C as part of the current transaction, would include all the existing lease and all exhibition agreements that currently generate income for Grain SA. Transfer of these agreements would circumvent the need to conclude a separate lease agreement between Grain SA and Nampo, for purposes of permitting Nampo to sublet or enter into exhibition contracts with 3rd parties.
- d) Nampo (Pty) Ltd as a private company would be able to generate income and profits to channel to Grain SA either in the form of shareholder dividends, or the repayment of the loan account that will be established against transfer of the commercial division. In the case of dividends, Grain SA would be exempt from paying any dividend tax as it would be regarded as a company that is resident in South Africa (section 64 F(1) of the Income Tax Act). In the case of the repayment of the loan account, such repayment is not deemed to be income and would not affect the tax exemption and compliance status of Grain SA.



**Nampo (Pty) Ltd as a private company would be able to generate income and profits to channel to Grain SA.**

#### 4.6 Control by Grain SA

- 4.6.1 Ownership and control of Nampo (Pty) Ltd still exclusively vests in Grain SA as the sole shareholder, with the Grain SA board as nominating entity for directors serving on the board of Nampo (Pty) Ltd.
- 4.6.2 Furthermore, the CEO of Grain SA serves *ex officio* as chairperson of the board of directors of Nampo (Pty) Ltd, with the Managing Director, in terms of the MOI, to be appointed by the board of Grain SA.
- 4.6.3 Various other control mechanisms have been included in the MOI of Nampo (Pty) Ltd to ensure effective control of the subsidiary entity, by the Grain SA board.
- 4.6.4 Therefore, whilst ownership and control of NAMPO Park and Alenti Office Block C would be transferred to Nampo (Pty) Ltd, it is unlikely that there could be future risks for Grain SA given the controls built into the MOI of Nampo (Pty) Ltd as a company.

#### 4.7 Alternative options investigated

To investigate whether Grain SA would be able to retain the relevant income generating assets noted above, several alternative options were also investigated.

##### 4.7.1 *Partial taxation:*

- 4.7.1.1 This option would have entailed that Grain SA would simply commit to pay tax on that portion of its funds exceeding the allowable percentage of income derived from sources other than members.
- 4.7.1.2 However, entities such as Grain SA, which have been approved for tax exemption in terms of section 30 B, do not have the option to be partially taxed.
- 4.7.1.3 The requirement that substantially the whole of Grain SA's funding must be derived from its annual or other long-term members, remains mandatory.
- 4.7.1.4 Unlike Public Benefit Organisations (PBOs) approved for tax exemption under section 30 of the Income Tax Act, member organisations such as Grain SA under section 30 B do not have the ability to be partially taxed on income received from trading activities or sources other than from its members.

##### 4.7.2 *Exhibitor membership:*

- 4.7.2.1 An option was explored for Grain SA to grant membership to exhibitors at NAMPO and as such receive a portion of the exhibition fees as membership fees. This will require Grain SA to amend its constitution to provide for a new category of membership for exhibitors, with rights and privileges as members.
- 4.7.2.2 Such a membership category will also add to the administrative burden of Grain SA to manage such category. Some exhibitors may have reservations on becoming a member. Membership in principle is voluntary association with an entity and could not be mandatory.
- 4.7.2.3 A condition will also have to be added to the constitution, to provide for such a category of membership, but without any voting rights, to ensure farmer members stay in control of Grain SA as an entity.

**4.7.3 Conversion to Public Benefit Organisation:**

- 4.7.3.1 This option entails converting Grain SA's existing approval for tax exemption from approval under section 30 B, to an approval as a public benefit organisation under section 30 of the Income Tax Act.
- 4.7.3.2 This change in tax exemption status would only be possible with the approval of SARS, which approval will only be granted if Grain SA is to conduct public benefit activities in a nonprofit manner, with altruistic or philanthropic intent, for the benefit or which is widely accessible by the public at large.
- 4.7.3.3 However, the development division within Grain SA which conducted one or more public benefit activities within Grain SA, has been transferred to Phahama Grain Phakama NPC as a separate entity, which has been approved for tax exemption as a PBO.
- 4.7.3.4 It is highly improbable that Grain SA would be able to convince SARS that its principal objective and purpose is to conduct one or more public benefit activities.

**4.7.4 Membership to Nampo (Pty) Ltd:**

- 4.7.4.1 A further option was to admit Nampo as a commercial member of Grain SA. However, the condition for commercial membership in terms of the Grain SA constitution is that natural persons, or any legal entity must produce at least a hundred tons of grain for marketing and wants to associate with Grain SA.
- 4.7.4.2 Nampo (Pty) Ltd, currently does not produce grain for marketing.
- 4.7.4.3 The objective of such an option would be that all funds paid to Grain SA by Nampo would be considered as funds received from a member of Grain SA. However, section 30 B (2)(b)(vii) of the Income Tax Act explicitly prohibits Grain SA from having a share or interest in any business or occupation which is carried on by its members. This option was therefore also found not to be feasible.

**4.7.5 Transfer of Assets to the Commercial Producers Trust (Annexure C)**

- 4.7.5.1 A further option considered was for the Alenti Office Block C to be transferred to the Commercial Producers Trust, which is an approved public benefit organisation and therefore tax exempt.
- 4.7.5.2 Nampo (Pty) Ltd, as opposed to the Commercial Producers Trust, is more strictly controlled and regulated by Grain SA as an entity (see paragraph 8 for details).
- 4.7.5.3 Also to consider, once an income generating asset is transferred to the Trust, the Trust as public benefit organisation would assume a trading activity which is strictly regulated under section 10(1)(cn) of the Income Tax Act which would introduce several tax-related challenges to the Trust.
- 4.7.5.4 Such a transaction must be done in terms of a deed of donation. However, VAT will be payable by the Trust but can be reclaimed after the transaction.
- 4.7.5.5 The transfer of property to the Trust as public benefit organisation, shall be exempt from payment of transfer duty.

**4.8 Conclusion**

- 4.8.1 In terms of the legal memorandum received from Anton Bekker (Prinsloo Bekker Attorneys), dated 16 July 2024, it was strongly advised that the only long-term viable option available to Grain SA to remedy the current non-compliance to the conditions for tax exemption, is to include NAMPO Park and Alenti Office Block C as part of the assets to be transferred from Grain SA to Nampo (Pty) Ltd in terms of the sale of business agreement.

**4.9 Resolutions: Grain SA board: 18 & 19 September 2024**

- 4.9.1 During Congress 2024, it was resolved to implement the recommended restructuring of the organisation for purposes of compliance with section 30B of the Income Tax Act, to maintain the tax exemption status that Grain SA was granted, on the condition that no fixed assets would be transferred from Grain SA.
- 4.9.2 However, during the process of restructuring, it became evident that total compliance will not be achieved, without the transfer of:
- Alenti Office Park Block C
  - The farm Marthaville with NAMPO Park

- 4.9.3 Various options were investigated as set out above, which was ruled out as not being viable in the long term. Should NAMPO Park and Alenti Office Park Block C remain in the name of Grain SA, income from such properties will be deemed as non-member related – therefore putting Grain SA back into non-compliance to Section 30B of the Income Tax Act.
- 4.9.4 The only viable option was therefore to transfer the two properties to Nampo (Pty) Ltd as part of sale of business as a going concern. It was confirmed that sufficient control measures were included in the MOI of Nampo (Pty) Ltd to prevent the transfer of these properties from Nampo (Pty) Ltd. For details see 4.10.4.
- 4.9.5 The Grain SA board, after sufficient assurance was received, resolved on 19 September 2024:
- That the farm Marthaville with NAMPO Park and the Alenti Office Park Block C, should be transferred as part of the Sale of Business Agreement from Grain SA to Nampo (Pty) Ltd.
  - The sale would be structured as a loan and the issuance of a single share to Grain SA, to ensure that Grain SA remains the sole shareholder.

**Note:**

*Based on the legal opinion of Adv. HGA Snyman (SC), the transfer must be market related, and may be concluded with a loan, shares or a combination thereof. It was further resolved to source a professional valuation to confirm market related values. Daan Smith from Smith Kruger (Chartered Accountants), concluded a professional valuation for the farm Marthaville and NAMPO Park which values were utilised in the calculations to determine the loan amount and the value of the single share to be issued, as part of the transaction. The valuation for Alenti Office Park Block C was concluded by GC Frazer and Associates.*

## 4.10 Summary

- 4.10.1 The matter will also be referred to the 2025 Congress for consideration and approval, as with the transaction based on market value and not book value, the value of the assets to transfer will amount to more than 50% of the value of the total assets of Grain SA.
- 4.10.2 Article 22.9 of the Constitution of Grain SA determines that Congress must approve the sale of any immovable assets of Grain SA, constituting more than half of the value of the total assets of Grain SA.
- 4.10.3 The Sale of Business Agreement between Grain SA and Nampo (Pty) Ltd, was duly concluded on 29 November 2024, at NAMPO Park, signed off by the persons duly authorised thereto by the Grain SA board and the board of directors of Nampo (Pty) Ltd.
- 4.10.4 Assurance of the Grain SA board: Restrictions on Nampo (Pty) Ltd board of directors in terms of the MOI: Various limits on the Authority of Directors of Nampo (Pty) Ltd, had been included in the MOI of Nampo (Pty) Ltd, as follows:
- 4.10.4.1 Objectives: Part 1: (1.2): The business, trade or undertaking of Nampo (Pty) Ltd is limited to actions which support and contribute to the objectives of Grain SA. Nampo (Pty) Ltd is restricted to current business, unless otherwise authorised by the Grain SA Congress.
- 4.10.4.2 Authority: Part 5: 5.2(1): The board of directors of Nampo (Pty) Ltd will not be entitled to decide or resolve on certain matters, without the prior written approval by the Grain SA board. In total, 26 limitations on the authority of the directors, had been included in the MOI, of which the acquisition or disposal of assets or business is one such limitation. Furthermore, no contract can be concluded with a co-director, without the prior written approval of the Grain SA board.
- 4.10.4.3 Quorum requirements: Part 5: 5.3(6): Whilst Grain SA is the sole shareholder, farmer representatives as nominated by the Grain SA board must be in the majority for a quorate meeting. Should the farmer representatives not be in the majority, in that instance the board of directors meeting can only make recommendations to stand over until a next meeting of the board. Should a matter be urgent, in that instance a resolution can be taken by means of a round robin, within 7 days after the meeting. Should matters not be urgent, such matters will simply stand over until the next meeting.
- 4.10.4.4 Resolutions: Part 5: 5.3 (8): When voting takes place, each director only has one vote. A majority of votes is needed for the approval of resolutions. Should there be an equality of votes, the chairperson of the board does not have a second or a casting vote. If equality of votes on a matter is recurring, in that instance the matter must be referred to the Grain SA board, for final and binding resolutions applicable to the board of directors of Nampo (Pty) Ltd.

- 4.10.4.5 Composition of the board of directors: Part 5 Article 5.1 (1) and (2): The composition of the board of directors is not less than 5 directors, but no more than 9. Whilst Grain SA is the sole shareholder, the Grain SA CEO is the *ex officio* chairperson of the board of directors, whilst 5 other directors must be nominated and elected by the Grain SA board. A maximum of 2 persons may be co-opted to the board for skills and expertise. The managing director for Nampo (Pty) Ltd must be appointed by the Grain SA board.
- 4.10.4.6 Chairperson and Vice-Chairperson of the board of directors: Part 5 (5.1): As noted above, the Grain SA CEO serves as chairperson of the board, *ex officio*. The Vice-Chairperson must be elected from the own ranks by the co-directors, but with the proviso that a co-opted director may not serve as the Vice-Chairperson of the board, to ensure that the Vice-Chairperson will be a former board member, nominated by the Grain SA board.
- 4.10.4.7 Recall by Nominating Entity: Part 5:5.1(10): A Director may be removed from office by the nominating entity (Grain SA).
- 4.10.4.8 Meetings of the board of directors: Part 5: 5.2(2): The board must meet annually, after the end of the financial year or when the Grain SA board request such meeting. At such meeting, feedback must be given on the objectives of the board of directors, or any other matter requested by the Grain SA board.
- 4.10.4.9 Location of Shareholders Meeting: Part 4, Article 4.3 and 4.4: Meetings for shareholders, are restricted to either the Free State or Gauteng. The notice period for such meeting is 10 business days prior to such a meeting.
- 4.10.4.10 Transparency: Shareholders have the right to information: Part 3: Article 3.1: Shareholders have the right to access information in terms of Section 26 of the Companies Act. Whilst Grain SA is the sole shareholder, Grain SA has the right to access all information of whatsoever nature of the Company's affairs.
- 4.10.4.11 Delegation of Authority: The holding entity is Grain SA as the sole shareholder. The Grain SA board can delegate authority to the board of Nampo (Pty) Ltd from time to time. However, the board of Grain SA owns all delegations of authority that can be reviewed from time to time.

Whilst Grain SA is the sole shareholder, the Grain SA CEO is the *ex officio* chairperson of the board of directors.

## 4.11 Service level agreements

Due to all personnel being transferred to Nampo (Pty) Ltd, Service Level Agreements were concluded between Nampo (Pty) Ltd, and the other entities in the Group to render IT, Cosec, Financial and HR related services to each entity. These services will be rendered at agreed to costing, to be determined annually in the budget process.

## 5 OTHER ACTIVITIES: INDUCTION AND TRAINING: GRAIN SA BOARD

### 5.1 Induction Session

- The Induction Work Session was presented to newly elected members of the Grain SA board on 19 March 2024. The program included overviews of strategic focus areas for the various departments and for Grain SA as a whole.
- The induction was attended by the Chairperson, Vice-Chairpersons, the CEO and the Lead Team. After each session, a question-and-answer opportunity is also allowed for the newly elected persons.

### 5.2 Meetings of the Grain SA Board, the ExCo, the Audit & Risk Committee, PGP NPC, Nampo (Pty) Ltd and Commercial Producers Trust

5.2.1 Meetings for the Grain SA Board were presented as follows:

- 31 January & 1 February 2024
- 14 March 2024 (after Congress)
- 10 & 11 July 2024
- 18 & 19 September 2024
- 15 November 2024 (Special meeting)

5.2.2 Meetings for the ExCo (Executive Committee of the Grain SA board) were presented as follows:

- 16 January 2024
- 15-17 April 2024 (Strategic Planning Session)
- 4 June 2024

- 23 August 2024
- 3 September 2024 (Budget Approval)
- 29 October 2024
- 11 November 2024 (Special meeting)

5.2.3 Meetings for the Audit and Risk Committee were presented as follows:

- 11 January 2024
- 27 August 2024

5.2.4 Meetings for Phahama Grain Phakama NPC were presented as follows:

- 12 January 2024
- 31 July 2024
- 3 September 2024 (Budget Approval)
- 5 November 2024 (Special meeting)

5.2.5 Meetings for Nampo (Pty) Ltd were presented as follows:

- 12 January 2024
- 14 June 2024 (Special meeting)
- 14 August 2024
- 2 September 2024 (Budget Approval)
- 2 October 2024 (Special meeting)

5.2.6 Meetings for the Commercial Producers Trust were presented as follows:

- 10 January 2024
- 13 June 2024 (Financial Statements)
- 12 August 2024
- 3 September 2024 (Budget Approval)

## 6 NOMINATION COMMITTEE

6.1 The Nomination Committee is comprised of the Chairperson, two Vice-Chairpersons, the CEO and the Company Secretary. The Nomination Committee annually meets in February, whereafter proposals are being prepared for persons to serve in external entities.

6.2 Immediately after Congress adjourned, the Grain SA board, inclusive of newly elected members convened for a constituting meeting of the board.

6.3 At this meeting the recommendation from the Nomination Committee for persons to serve in external entities, serve before the board for their consideration and approval.

6.4 When a nominated person is not available to serve in a certain position, in that instance nominations are requested whereafter the Board vote to appoint persons to serve in external entities. The Nomination Committee has the authority to add additional persons to committees when needed (for example when there is not sufficient expertise within a committee). Furthermore, from the working groups at Congress, persons are being nominated to be co-opted in working groups, should sufficient expertise within a specific commodity committee not be available. It is mainly the practice for smaller commodities, as most board members produce maize and serve in the Maize working group.

6.5 The Grain SA board members can choose in which internal working group they want to serve.

## 7 CONGRESS 2024

7.1 The Grain SA Congress was presented on 13 and 14 March 2024. A total number of 220 paid-up delegates registered to attend Congress in person.

7.2 The theme for the Congress was "We are problem solvers".

7.3 The key focus area of the Congress was to focus on lessons learned from Argentina's grain producers, being effective, despite a challenging climate and policy environment. A panel discussion therefore discussed the local production challenges with lessons to be learned from local fellow producers.

- 7.4 A highlight was the inspiration session with David O'Sullivan – renowned author about Rassie Erasmus and the 2023 Rugby World Cup Team.
- 7.5 The Congress also concluded in-house matters, inclusive of the annual report, amendments to the Constitution, the approval of the levy budget, the minutes, and the appointment of Auditors.
- 7.6 On day two of Congress, delegates participated in commodity breakaway work sessions for maize, winter grains, sunflower, sorghum, soybeans and groundnuts. Resolutions taken at these breakaway sessions, were referred to the various working groups of the board to action and to implement.
- 7.7 After each work session, ample time was afforded to delegates for questions and answers.

## 8 EXECUTIVE COMMITTEE OF THE GRAIN SA BOARD (EXCO)

- 8.1 The Executive Committee of the Grain SA board (ExCo) was elected after Congress by the board. The Chairperson (Derek Mathews) and two Vice-Chairpersons (Jeremia Mathebula and Richard Krige) serve *ex-officio* in the ExCo. The following persons were elected from the ranks of the board to serve in the ExCo, i.e., Jaco Breytenbach, Willem Groothof, Danie Minnaar and Ramoso Pholo.

## 9 RELATIONSHIPS WITH FUNDERS OF GRAIN SA PROJECTS

- 9.1 Grain SA annually submits projects to the Maize Trust, the Sorghum Trust, SACTA, the Oil and Protein Seeds Development Trust as well as the Sasol Trust. Interim reports as well as annual reports are submitted to the respective funders in terms of their policies and procedures. Factual findings by the Ashton Group of Auditors support reporting to external funders.
- 9.2 Grain SA express its appreciation to all these trusts for the continued support to various projects being managed by Grain SA.

## 10. GOVERNANCE PROJECTS

### 10.1 Delegations of Authority

- 10.1.1 Delegations of Authority (DOA's) were developed for Nampo (Pty) Ltd, PGP NPC, the CEO of Grain SA and the ExCo of the board.
- 10.1.2 In essence, the Grain SA board owns all delegations of authority in Grain SA and its underlying structures and entities. The Grain SA board delegates executive oversight responsibility to the ExCo, and executive responsibility to the CEO and the boards of the entities.
- 10.1.3 The purpose of the DOA's is to set out delegated authority and accountability from the Grain SA board to the subordinate structures of Grain SA.
- 10.1.4 In doing so the DOA's aims to:
- Enable Management and the Business Entities to plan and execute actions critical to business performance.
  - Define the decision-making parameters of Management and the Business Entities.
  - Establish internal controls and limit risk.
- 10.1.5 The delegation of authority makes provision for the following levels of decision-making:
- Final approval
  - Prior approval
  - Prior consultation
  - Notification
  - Initiate and develop

### 10.2 Charter for the Audit and Risk Committee

A charter for the Audit and Risk Committee was developed and will serve for approval in January 2025. The purpose of the charter is to determine the committee's role, purpose, authority, responsibilities as well as the requirements for its composition and meeting procedures.

## 11. ACTIVE COURT CASES

### 11.1 Winter Cereals Trust

1. A formal Settlement Agreement had been prepared, whereby the main application, together with the interlocutory applications as well as the termination application, is to be settled.
2. The Settlement Agreement was furnished to the legal representatives acting for the ministerial trustees on 14 September 2024. A response was subsequently received on 17 September 2024, in terms of which Bokwa Attorneys undertook to present the Settlement Agreement to their clients for signature.
3. The Settlement Agreement will be signed off by Prinsloo Bekker Attorneys on behalf of the industry trustees, where after the settlement agreement will be formalised as a Court order, to ensure compliance to the agreement.
4. The process of deregistration and liquidation of the Winter Cereal Trust may take some time to conclude. The intention is to transfer any reserves from the Winter Cereal Trust to SAWCIA NPC, and to utilise such funds to the benefit of the winter cereals industry as a whole.

The process of deregistration and liquidation of the Winter Cereal Trust may take some time to conclude.

### 11.2 Motion: National Chamber of Milling

1. Grain SA is in the process to prepare answering affidavits to the Motion submitted by the National Chamber of Milling, relating to maize grading regulations.
2. Several consultation sessions have been concluded with the legal representatives of Grain SA, i.e. Adv. Jaques Groenewald and Adv. Mike Maritz (SC).
3. An answering affidavit is in the process of being finalised with Dirk Strydom appointed as deponent to sign off such documents.

## 12. AGREEMENTS REVIEW

### 12.1 The standard agreements being utilised to regulate:

- a) NAMPO Exhibitor agreements
- b) Research agreements,

had been reviewed and upgraded to ensure a clear interpretation of terms, conditions, rights and obligations between the parties to such agreements.

- 12.2 A much stronger emphasis is being placed on compliance and liability by NAMPO exhibitors and research entities – therefore the need of total review of the standard agreements that were utilised previously.
- 12.3 All agreements between PGP NPC and funders of projects, are also being reviewed to ensure assurance, but also to note when conditions are not reasonable towards PGP.

## 13. TRADEMARKS AND DEVICES

- 13.1 The Grain SA Trademarks and devices had been duly registered at the Trademark Registry, within the applicable classes, with Werksmans Attorneys.
- 13.2 It was noted that a company used the "NAMPO" name unlawfully, but the necessary legal actions had been taken to prevent "NAMPO Agri Essentials" to continue to use the name NAMPO unlawfully.
- 13.3 The legal procedure is still in process.

## 14. CONCLUSION

Grain SA as a Non-Profit Organisation will continue to serve grain and oilseeds producers in all the regions with delegates to Congress who will determine mandates to elected leadership to pursue after Congress concludes. Grain SA will still act as the mouthpiece for grain producers within the grain and oilseeds value chains, to advocate the interest of producers within the grain and oilseeds value chains.



# Team now in Nampo and PGP's service

## PERSONNEL COMPLEMENT

All Grain SA personnel was transferred to Nampo (Pty) Ltd on 1 March 2024 in terms of an Article 197 process. The combined headcount of Nampo (Pty) Ltd and Phahama Grain Phakama (PGP) at the end of September 2024, was 59 employees at our eight offices countrywide. These offices are based in Pretoria, NAMPO Park, Paarl, Lichtenburg, Kokstad, Mthatha, Dundee and Louwsburg. Four of these employees are interns in the Economics, Research and Communications departments.

During the reporting period there were five resignations and one retirement.

## LONG SERVICE AWARDS

The following employees received long service awards during the reporting period:

### 5-years' service

- Smanga Zimbili

### 10-years' service

- Luthando Diko
- Christa Herbst
- Alzena Gomes

### 20-years' service

- Jerry Mthombothi

## SKILLS DEVELOPMENT AND TRAINING

A Workplace Skills Plan and Annual Training Report was submitted to AgriSETA for Nampo (Pty) Ltd and PGP for the period 1 April 2023 to 31 March 2024. A Skills Development Committee meets quarterly.

During this reporting period 47 employees received training. Areas trained were the following: statutory training for the NAMPO Park employees which included first aid, firefighting, tractor and brush cutter training, leadership development, payroll administration, effective communication, personal and team development, project management, FERTASA course, public speaking and an advocacy workshop. On the job training takes place on an ongoing basis in all departments.

## INJURY ON DUTY

No injuries on duty were reported during this period.

## EMPLOYEE WELLNESS

The Employee Wellness programme, with the assistance of IPM Employee Solutions as service provider, is offered free of charge to all our employees and their immediate families. The programme offers 24/7 psychological counselling on issues such as (but not limited to) personal difficulties, family and relationship concerns, alcohol, drug and gambling abuse, stress and life changes, violence and trauma, HIV/Aids, handling grief and work-related matters.

During office hours the programme also offers financial and legal assistance on matters such as debt counselling, budgets, retirements, lease and sales agreements, and general legal advice.

Employees and their families have the option to contact the programme telephonically, via e-mail, SMS or WhatsApp. All contact with the call centre is treated with the highest confidentiality.

Information on health, wellness and other related topics are distributed to personnel on a monthly basis.

### EMPLOYMENT EQUITY

As per the statutory requirements of the Department of Labour in Terms of the Employment Equity Act, no 55 of 1998, an Employment Equity Plan was submitted. An Employment Equity Committee meets quarterly.

### HEALTH AND SAFETY

Grain SA complies with the Occupational Health and Safety Act. Statutory training in this regard is done with first aid, firefighting and health and safety representative courses at the Pretoria and NAMPO Park offices when required.

### ORGANISATIONAL DEVELOPMENT

Grain SA has undertaken an internal organisation development journey to support and strengthen the structural changes that have been systematically implemented over the last few years. In partnership with Integrated Development & Employment Alliances (IDEA) and its service partners, the guiding hand of Dr Tobias Doyer as the new CEO introduced a phased approach that is being rolled out over the current financial year.

Processes include ensuring that the Grain SA group communicates clearly on its aspirations and strategic pillars, while providing opportunity for the different entities within the group to review and align their roles to ensure resources are focused on and utilized for best possible service delivery to the grain sector. Grain SA is working towards developing contextualized solutions, ensuring co-creation and inclusivity within all its entities, understanding that the whole can do more than the parts.

With organisational development being an ongoing journey of review and discovery, external areas of impact have also been identified, and are being explored to facilitate future systemic initiatives and projects.

### RETIREMENT FUNDS

The Retirement Funds are managed by 4D Employee Benefits. A Pension Fund Benefit Committee is selected by employees and oversees decisions made on behalf of the fund members.

The two-pot retirement system whereby employees are allowed to withdraw funds annually from their retirement funds was launched in September this year. The Human Resources department offers assistance to all employees who wishes to make use of this opportunity.

### MEDICAL AID

The administration of the medical aid fund is managed by 4D Employee Benefits. Membership of the medical aid scheme is not compulsory. Employees have the option to belong to a medical aid scheme of their choice with a hospital plan as minimum cover.





## Crops vary due to climate

### PRODUCTION CONDITIONS IN THE 2023/2024 SEASON FOR SUMMER AND WINTER GRAINS

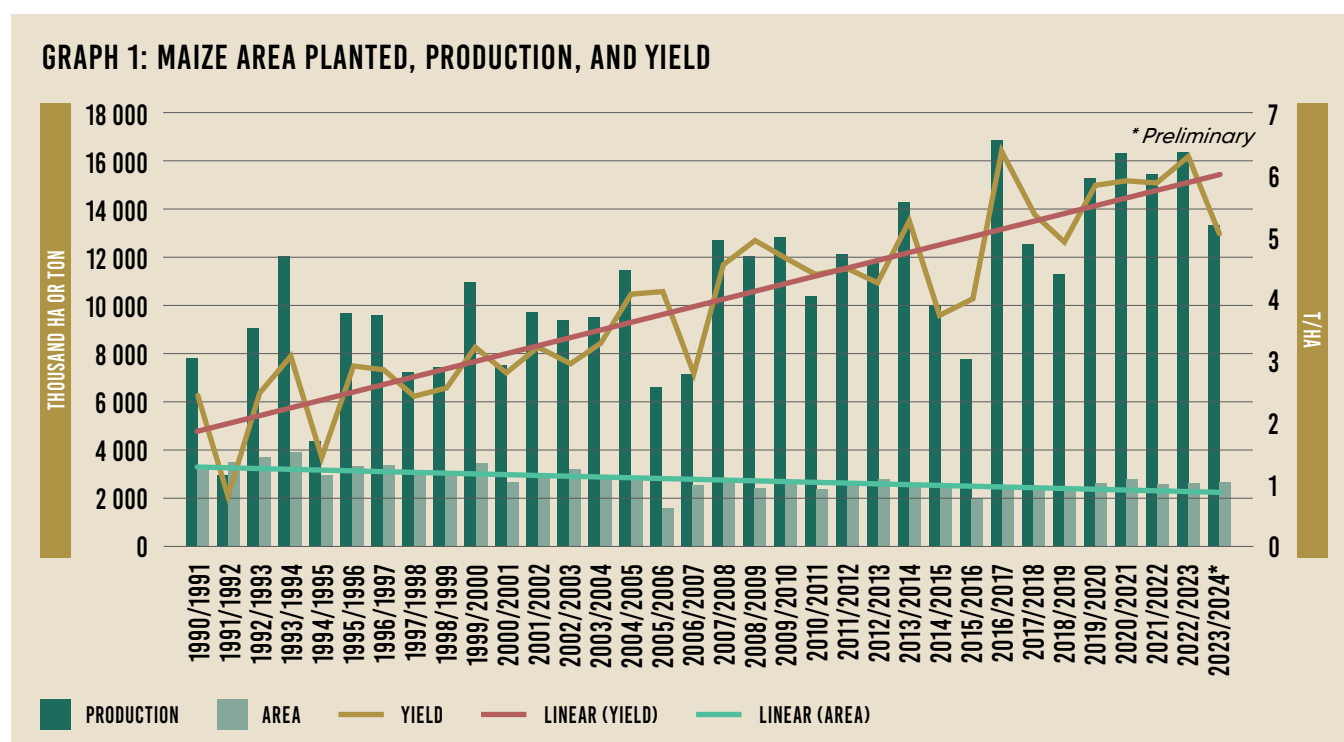
The 2023/2024 season has been a mixed bag as some crops have experience great performance and others have been adversely affected by a mid-summer drought.

The yield of maize and soybeans in particular are expected to be lower due to the droughts faced throughout the growing season. Canola has however enjoyed record high yields and production levels, but sunflower continued with a year-on-year decline. Sorghum production was also below the 5-year average as well as the 10-year average. The area of groundnuts planted have recovered from the previous seasons decline but due to lower yields production levels remained stable. Wheat has however also experienced above average levels of production.

### MAIZE

The total area planted for the 2023/2024 season increased slightly this season to 2,64 million hectares and the expected average yield is 5,06 t/ha. This is 50 150 ha (1,94%) more than the 2022/2023 production season, but 13 900 ha (0,53%) less than the five-year average (2 650 188 ha). Total maize production decreased year on year to 13 328 650 tons (-18,07% compared to the 2022/2023 production season). Production was 2 061 565 tons (13%) lower than the five-year average. There were more hectares of white maize planted this season compared to yellow maize. Of the total planted area, 59% was white maize and 41% yellow maize.

**Graph 1** shows the total production of white and yellow maize as well as the ratio between the white and yellow maize production from the 1990/1991 season up to and including the 2023/2024 season. **Table 1** (on page 84) shows the production overview for white and yellow maize in the 2023/2024 season.



**TABLE 1: PRODUCTION OVERVIEW FOR MAIZE (2023/2024)**

	2022/2023	2023/2024	5-YEAR AVERAGE	10-YEAR AVERAGE
Total planted (hectares)	2 586 100	2 636 250	2 642 310	2 505 910
White maize	1 521 300	1 554 800	1 591 900	1 463 200
Yellow maize	1 064 800	1 081 500	1 050 500	1 042 700
Total production (tons)	16 398 230	13 173 800	15 314 200	13 490 970
Average yield (t/ha)	6,34	5,06	5,81	5,35

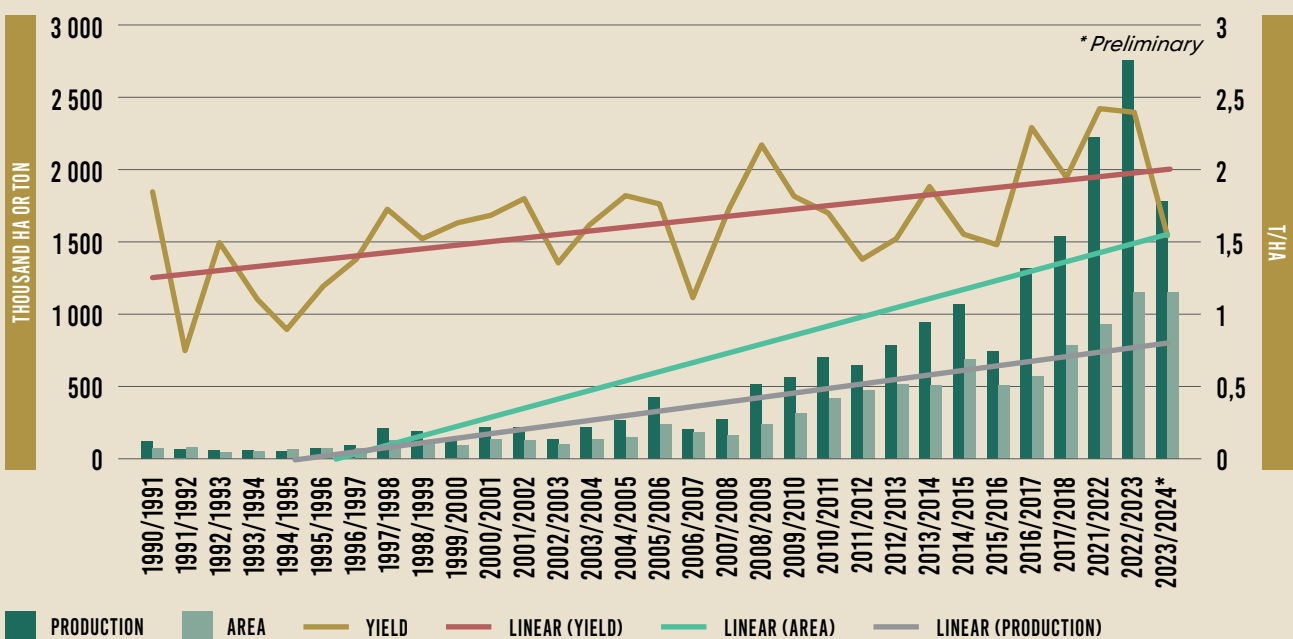
## SOYBEANS

**Graph 2** illustrates the area planted, production and yield for soybean for the period 1992 to 2024. First focusing on the long-term trend (red and gold line), one notices that in the first five years an average yield of 1,22 t/ha realised, whereas for the last five years the average yield is at 2,08 t/ha. This is showing a growth of almost 1 t/ha.

Focusing on the last three seasons, 2023/2024 had an average yield of 1,55 t/ha, in 2022/2023 an average yield of 2,4 t/ha, and in 2021/2022 an average yield of 2,29 t/ha. We have seen some growth over the past four years apart from this year's low yields. In the long term for production (turquoise line and green bars), a significant increase is evident from 1992 until 2024. The total production in 1990 was 126 thousand tons whereas in 2024 the total production amounts to 1,78 million tons. The important thing to notice, is that between 1992 and 2008 a 309% increase was realised, but from 2008 until 2023 a 433% increase can be seen, which shows that the industry has really started to boom from 2008 onwards.

In the last production season, however, a production decrease of 35% occurred which is mainly attributed to the mid-summer drought. The current 5-year average (1,98 million tons) is still a 58% increase from the 2015/2016 drought year's 5-year average (839,42 thousand tons), which shows a growing industry despite climatic setbacks like the droughts. The long-term trend for area planted (grey line and gold bar), confirms this by showing significant year on year increases.

**GRAPH 2: SOYBEAN AREA PLANTED, PRODUCTION, AND YIELD**



**TABLE 2: PRODUCTION OVERVIEW FOR SOYBEANS (2023/2024)**

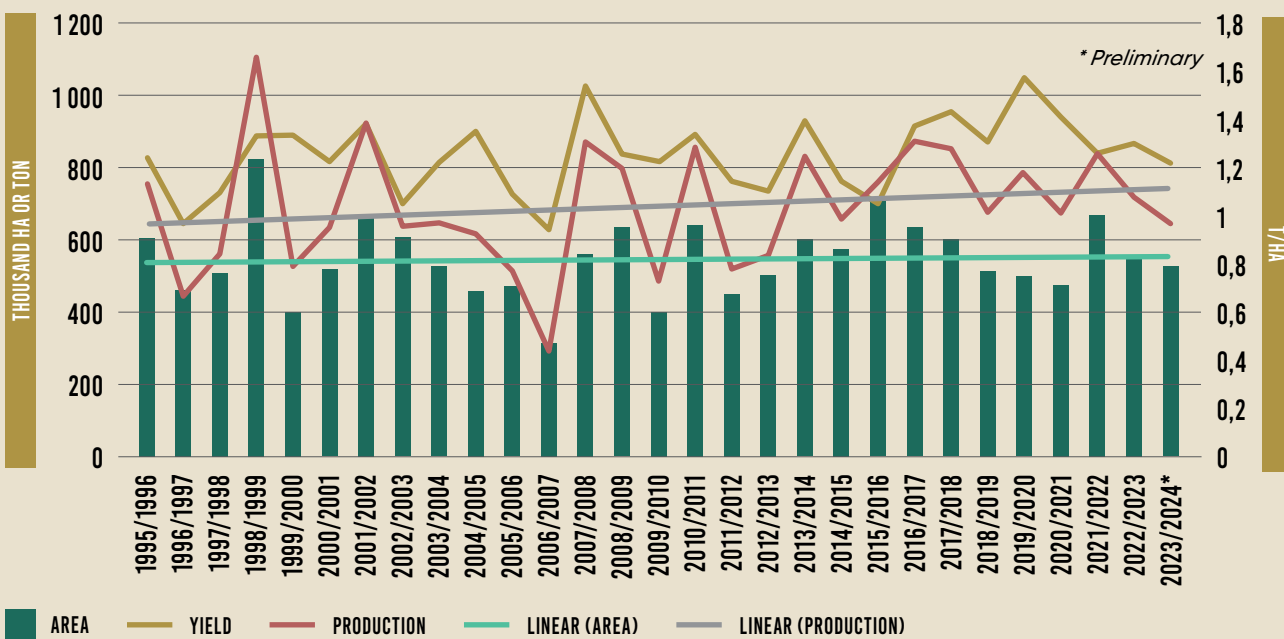
	2022/2023	2023/2024	5-YEAR AVERAGE	10-YEAR AVERAGE
Total planted (hectares)	1 148 300	1 150 500	951 200	803 800
Total produced (tons)	2 755 300	1 778 790	1 981 320	1 574 530
Average yield (t/ha)	2,4	1,55	2,08	1,93

## SUNFLOWER SEED

**Graph 3** illustrates the area planted and production of sunflower seed from 1995 until 2024. Comparing Graph 3 to Graph 2 it is clear that Graph 3 does not show the same growth. Focusing on the long-term trend of the area planted (green bars and grey line), there is not much growth visible in the period 1995 until 2024. When the outliers are eliminated, a wave pattern in the area planted (green bars) is noticeable. It started in 1996, peaks in 2001, reaches a bottom in 2006, thereafter reaching a peak in 2015 again followed by a bottom in 2020, followed by a short upward movement and currently a declining trend.

Looking at the grey line, which is the area planted trendline, a slight increase from 1995 until 2022 is evident, but nowhere near the industry boom seen in soybeans. The red line represents the production of sunflowers. A decline in production can be seen for the past three growing seasons. The gold line represents the trend line for sunflower production yields which confirms a decreasing trend for the last five years. The overall yield trend since 1995 is however fluctuating sideways with no significant long-term increases or decreases.

**GRAPH 3: SUNFLOWER SEED AREA PLANTED, PRODUCTION, AND YIELD**



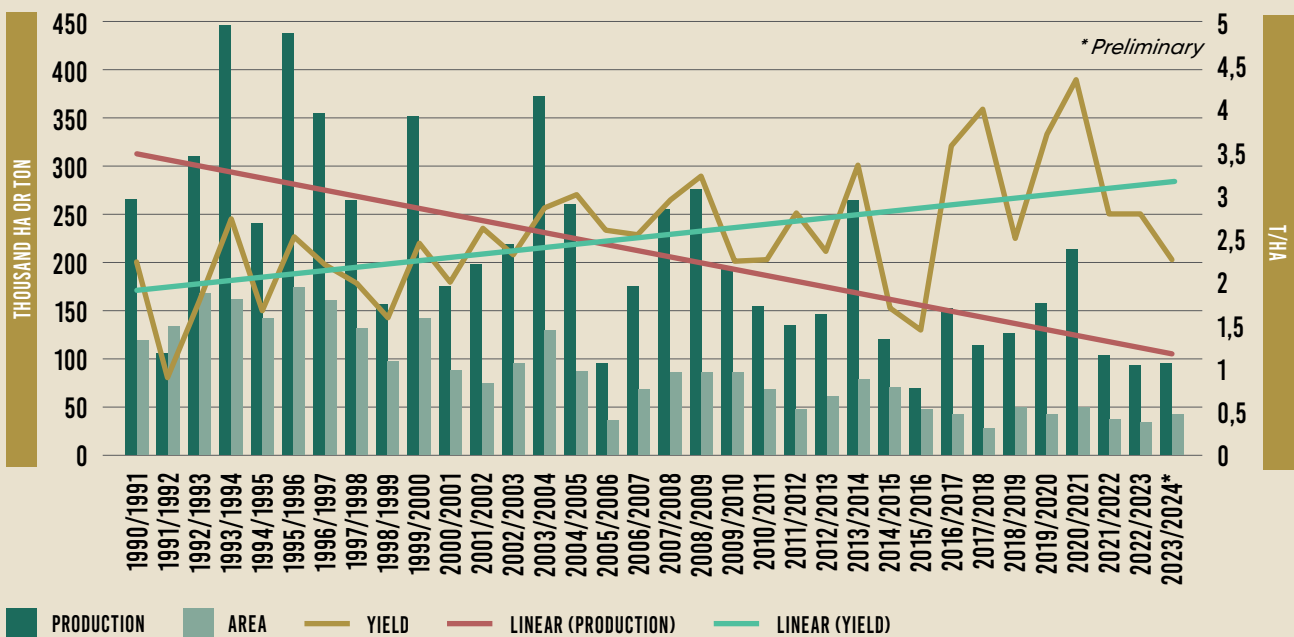
**TABLE 3: PRODUCTION OVERVIEW FOR SUNFLOWER (2023/2024)**

	2022/2023	2023/2024	5-YEAR AVERAGE	10-YEAR AVERAGE
Total planted (hectares)	555 700	529 000	546 700	578 060
Total produced (tons)	724 110	649 250	737 082	751 801
Average yield (t/ha)	1,30	1,23	1,36	1,31

## SORGHUM

Sorghum production has recovered somewhat from the 2022/2023 production season which saw a 9% decrease on the year on year production levels. Year on year production levels have increased by 2% to date and is closer, yet still lower, than the 5-year average of 133 000 tons at 95 830 tons. The total amount of hectares planted contributed to this production increase as 8 100 ha more was planted in this season compared to the previous (2022/2023) season. A total of 42 100 ha of sorghum was planted this season. Yields this season were however somewhat lower compared to the 2022/2023 season, with a 17,98% decrease.

**GRAPH 4: SORGHUM AREA PLANTED, PRODUCTION, AND YIELD**



**TABLE 4: PRODUCTION OVERVIEW FOR SORGHUM (2022/2023)**

	2022/2023	2023/2024	5-YEAR AVERAGE	10-YEAR AVERAGE
Total planted (hectares)	34 000	42 100	41 000	44 565
Total produced (tons)	94 360	95 830	132 995	124 998
Average yield (t/ha)	2,78	2,28	3,07	2,96

## GROUNDNUTS

**Graph 5** illustrates the area planted, production and yield for groundnuts. Focusing on the gold and grey line, representing the yield and the trend line of the yield, one can notice that the yield of groundnuts is very volatile. Examining the green (area planted) and light green (production) bars the volatility of the crop and the industry is also noted. The volatile groundnut production is mainly due to the sub optimal South African growing conditions, the high labour costs associated with the production, lack of genetic advancements and specialised equipment needed to farm groundnuts.

Groundnut yields were below the 5-year average of 1,424 t/ha in the 2022/2023 season with an average yield of 1,305 t/ha for the season. This is however still above the 10-year average of 1,257 t/ha. Production levels of groundnuts are on a decline as shown by the linear trendline (red line). The current planted hectares of groundnuts have declined steadily since 2001's record high season of 165 250 planted hectares, compared to the previous season's 41 200 hectares.

GRAPH 5: GROUNDNUTS AREA PLANTED, PRODUCTION, AND YIELD

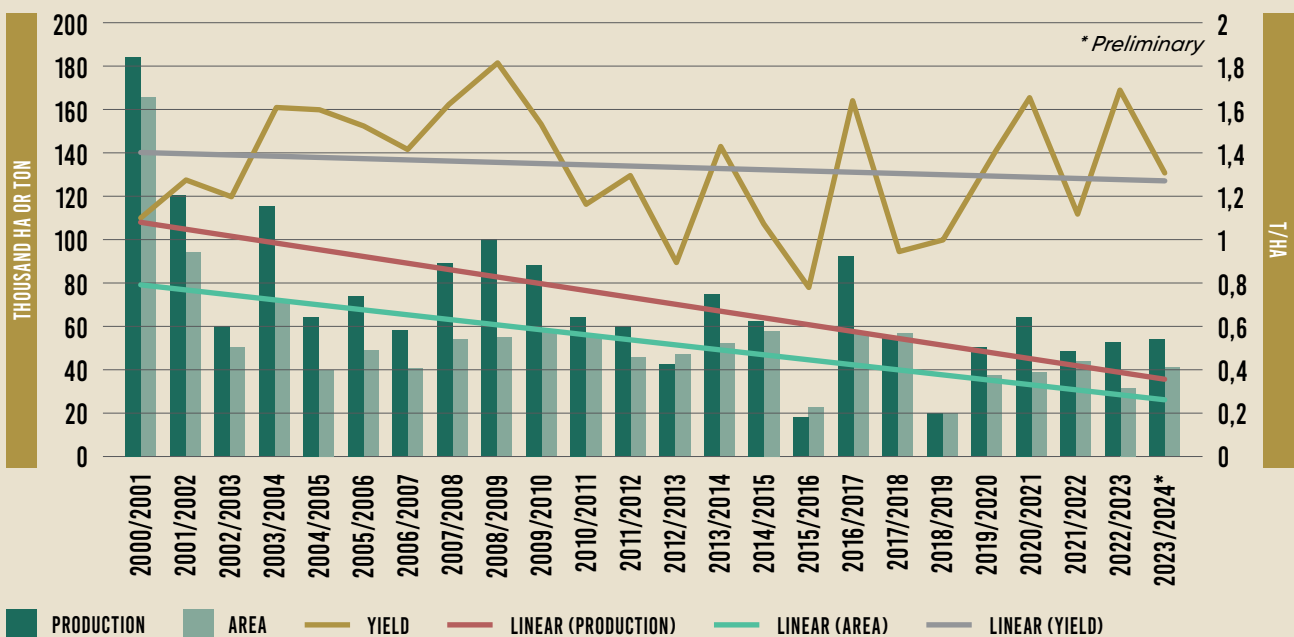


TABLE 5: PRODUCTION OVERVIEW FOR GROUNDNUTS (2022/2023)

	2022/2023	2023/2024	5-YEAR AVERAGE	10-YEAR AVERAGE
Total planted (hectares)	31 300	41 200	38 390	40 490
Total produced (tons)	53 000	53 755	53 927	51 545
Average yield (t/ha)	1,693	1,305	1,424	1,257

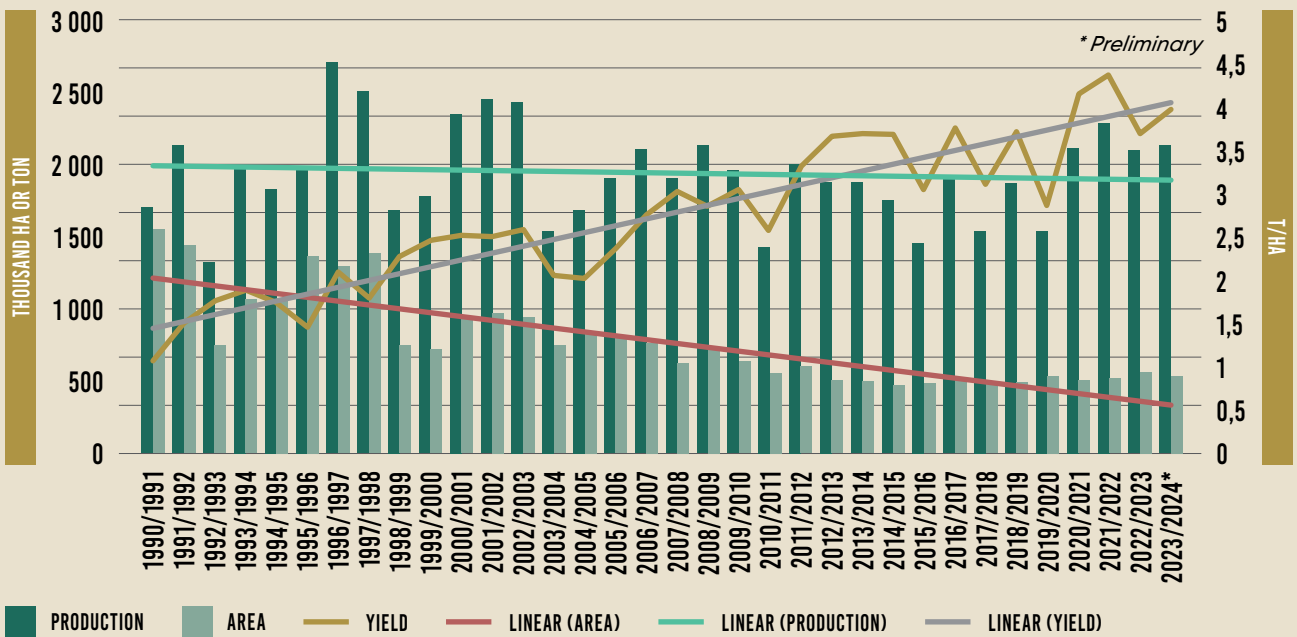
## WHEAT

Graph 6 (on page 88) shows the area planted, production and average yield of wheat in South Africa since the 1990/1991 season. The total area of wheat planted during the 2023/2024 production season was 502 000 ha. This shows a year on year decrease of 7% of the total planted area from the 2022/2023 production season and is the second year on year decrease since the 2022/2023 season. The total planted area of wheat is 14 600 ha below the 10-year average of 516 600 ha. The total production for the current season is estimated at 2 089 000 tons with an average yield of 3,88 t/ha. Average yield levels have increased by 5% but due to the decrease the total production of wheat remained stable. Table 6 shows the production overview for wheat in the 2022/2023 season.

TABLE 6: PRODUCTION OVERVIEW FOR WHEAT (2022/2023)

	2022/2023	2023/2024	5-YEAR AVERAGE	10-YEAR AVERAGE
Total planted (hectares)	566 800	502 000	528 000	516 600
Total produced (tons)	2 088 600	2 089 030	2 021 340	186 267
Average yield (t/ha)	3,68	3,88	3,78	3,62

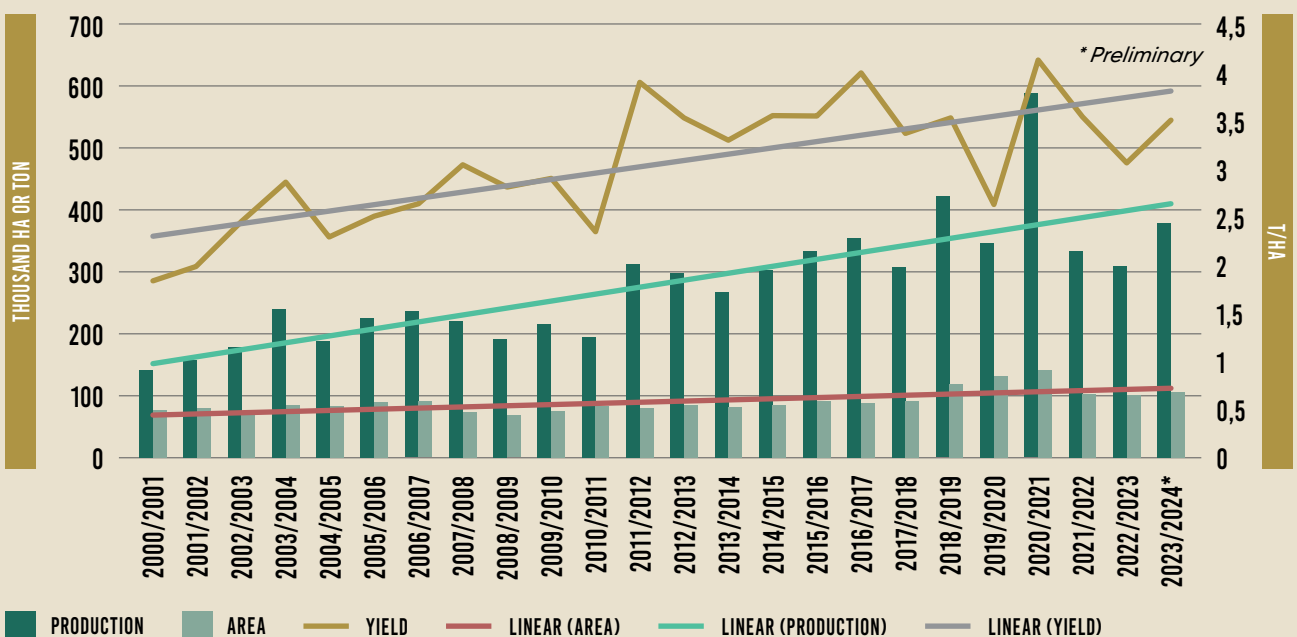
**GRAPH 6: WHEAT AREA PLANTED, PRODUCTION, AND YIELD**



**BARLEY**

Graph 7 shows the area planted, production and average yield of malting barley since the 2000/2001 season. The planted area of malting barley in the 2023/2024 season was reported at 107 600 ha. This shows an increase of 6,13% from the 2022/2023 production season. The total production was reported to be 307 000 tons with an average yield of 3,5 t/ha. Malting barley has enjoyed steady growth in both average yields and tonnages produced over the past 24 years as demonstrated in Graph 7 by both the linear trendlines for yields and production in turquoise and grey. **Table 7** shows the production overview for malting barley up to and including the 2021/2022 season.

**GRAPH 7: BARLEY AREA PLANTED, PRODUCTION AND YIELD**



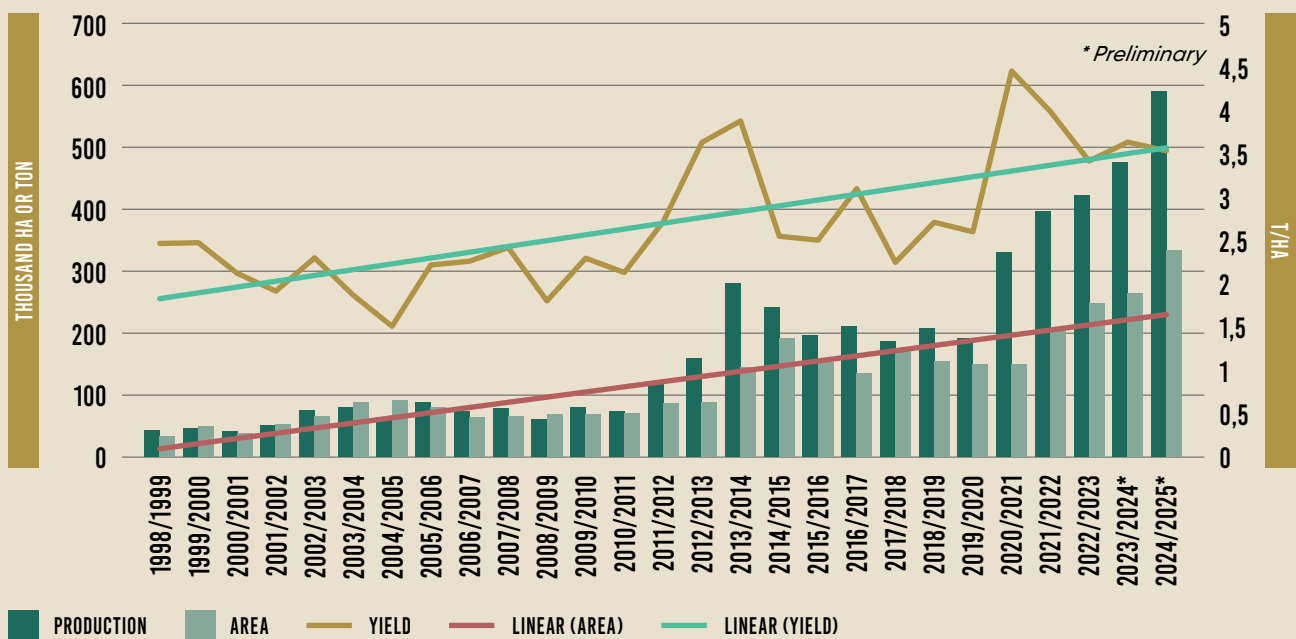
**TABLE 7: PRODUCTION OVERVIEW FOR MALT BARLEY (2022/2023)**

	2022/2023	2023/2024	5-YEAR AVERAGE	10-YEAR AVERAGE
Total planted (hectares)	101 000	107 600	115 300	105 500
Total produced (tons)	308 675	377 000	390 079	366 766
Average yield (t/ha)	3,06	3,50	3,37	3,48

## CANOLA

**Graph 8** illustrates the area planted, production and yield for canola in South Africa. Focusing on the green bars and red line that represent the area planted and the trendline for the area planted, the first thing to notice is the increase of the area planted from 2014 until 2024. The area planted shows a 130% increase from 2014 until 2024. The second to notice is the wave pattern in the graph that holds an upward trend for both average yields and tonnages produced. The light green bars representing production, also shows a steep increase in production of 111% for the past ten years (since the 2014/2015 season). Production levels also follow an upward trending wave pattern. With both the area planted and production, it seems that the industry entered the increasing period of the next wave pattern. It is notable that the peaks from each wave to the next takes an increasing amount of time to reach.

**GRAPH 8: CANOLA AREA PLANTED, PRODUCTION AND YIELD**



**TABLE 8: PRODUCTION OVERVIEW FOR CANOLA (2022/2023)**

	2022/2023	2023/2024	5-YEAR AVERAGE	10-YEAR AVERAGE
Total planted (hectares)	123 510	131 200	100 566	90 496
Total produced (tons)	210 500	237 500	181 500	142 900
Average yield (t/ha)	1,70	1,81	1,80	1,56



# Extreme weather exacerbates challenges

## INPUT ENVIRONMENT

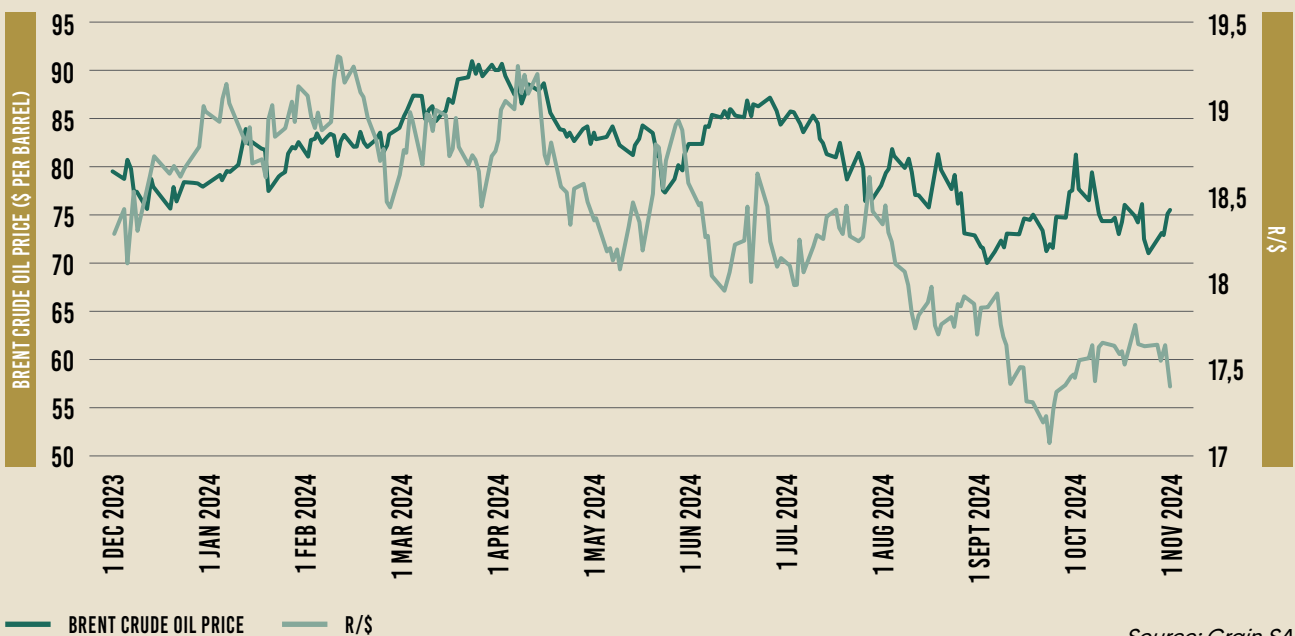
South Africa's reliance on imported agricultural inputs continues to expose the local market to global price volatility and supply disruptions. In 2024, this vulnerability remained prominent, with energy markets still impacted by Russia's invasion of the Ukraine.

Although crude oil prices have moderated, Brent crude remains elevated above \$72 per barrel, while the natural gas market continues to feel the strain of reduced Russian supplies to Europe, pushing prices higher globally. These energy market fluctuations have had a knock-on effect on input costs, particularly for fertiliser and chemicals.

Geopolitical instability also continues to affect global grain markets. Russia's withdrawal from the Black Sea Grain Agreement and its reduced wheat exports have added uncertainty, while Ukraine's continued resilience in maintaining exports has helped stabilise prices to some extent. Extreme weather events in key producing regions have further exacerbated supply challenges.

For South African producers, the combination of rising input costs, currency volatility, and global supply chain disruptions presented ongoing challenges in 2024. While the South African Reserve Bank's expected rate cuts may provide some relief, the agricultural sector must remain adaptable as global conditions continue to evolve.

GRAPH 1: RAND/DOLLAR EXCHANGE RATE & BRENT CRUDE OIL PRICE



Source: Grain SA

## Dispute resolution

As a member benefit, Grain SA assisted various members during the reporting period – particularly with respect to dispute resolution. Disputes on seed quality, agrochemical damage, VAT, the diesel rebate and fertiliser quality were dealt with in collaboration with Grain SA members.

## THE SEED INDUSTRY

Seed remains a crucial production input for crop production, accounting for between 10% and 17% of a producer’s variable production costs, depending on planting density. With ongoing advances in genetics and technology, seed continues to be one of the most significant factors in driving increased yields and overall productivity in the grain industry. Grain SA continues to monitor seed prices closely, striving to maintain transparency and competitiveness in the market.

Key concerns, such as the consistent increase in seed prices, remain a major issue for grain producers. In addition, the ongoing legal challenges and regulatory discussions surrounding genetically modified (GM) crops, including the recent SCA ruling on drought-tolerant GM maize, are likely to impact seed availability and pricing dynamics. Grain SA’s ongoing dialogue with seed companies and SANSOR ensures that the concerns of producers are heard and addressed. With resistance to high seed prices building, these discussions will be critical in shaping pricing decisions for seasons to come.

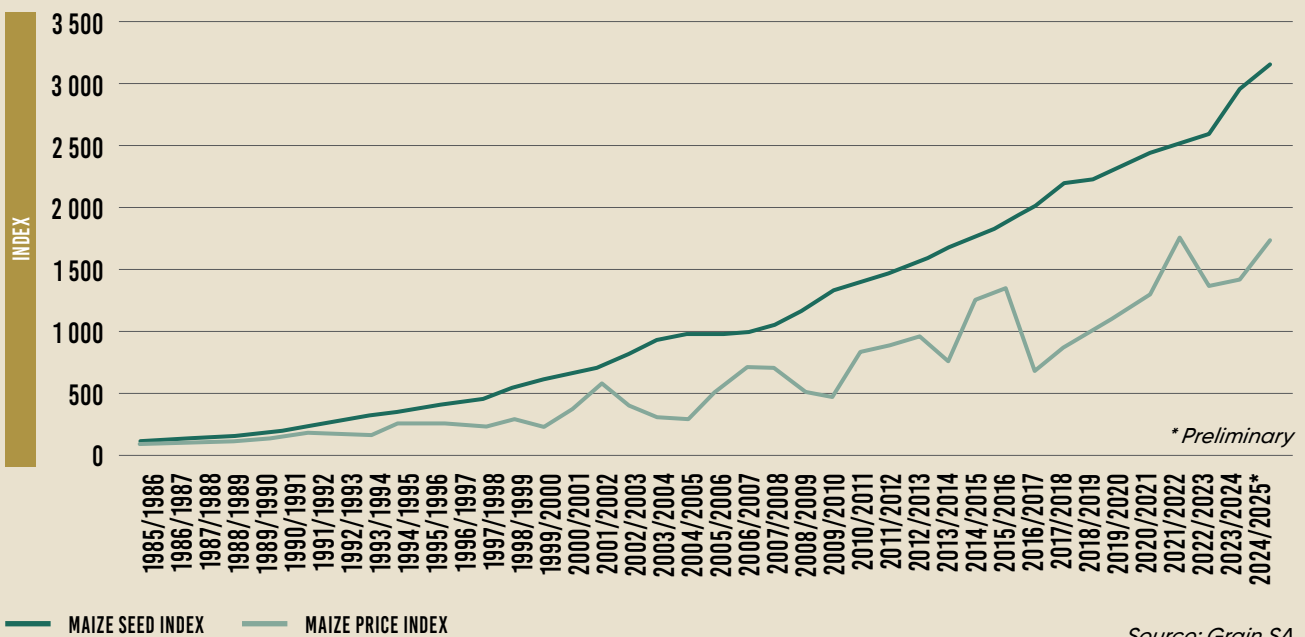
### Seed prices

The percentage change in 2024 seed prices showed that maize seed prices increased with 13,9%. Sunflower seed prices increased the most with 7,6%, while soybean seed priced decreased by 3,8%. Sunflower seed prices increased by 3,7% on average.

Maize seed prices for the 2024/2025 production season rose by 6,1% on average. Sunflower seed prices rose by 3,7% on average, sorghum seed prices by 7,6% and soybean seed prices decreased by 3,8%. A good barometer for assessing price increases is the producer price index (PPI). Up until July 2024, when seed prices were published, the PPI was 6,1%. On an average basis seed prices thus increased below the PPI rate.

Maize seed prices can be analysed further by comparing them with maize prices. Since the 2001/2002 production season the maize price index (Graph 2) weakened significantly compared to the maize seed price index. With an estimated average producer price <sup>(1)</sup> of R3 400 per ton for the coming season (2024/2025), thanks to the commodity boom; in general divergence remains between the maize price index and maize seed prices, with a widening gap between the two.

GRAPH 2: INDICES OF THE PRICE OF MAIZE SEED AND THE PRODUCER PRICE OF MAIZE



### Breeding and technology levy

The breeding and technology levy is well established now. More than eight years for wheat and barley and approximately six years for oats and soybeans. Starting from 1 October 2021, a breeding and technology levy has also been implemented for lupines to attract new and better cultivars to the South African market.

<sup>(1)</sup> Average producer price = Safex, July 2024 price, less (average differential cost + handling costs)

It is very important for Grain SA to monitor the success of the breeding and technology levy. Not only for producers that is paying the levy, but also for seed and technology companies that need to invest. Both parties need to be satisfied with the working of the system and trust that the system would have the desired outcomes. For producers it would be measured in for example new, lower seed prices, higher yielding cultivars and technology that increases efficiencies. For seed companies on the other hand, the expectation that their investment would have returns if their seed performs well, is important. If the desired outcomes are not achieved, it is important to be transparent about it and address the problems or re-evaluate the entire system.

The success measured so far with the breeding and technology levy can be summarised as follows:

**For winter cereals:**

- New companies have entered the wheat seed market – four companies are now involved in the wheat seed market.
- Eleven new cultivars have been approved for final release.
- Twenty other cultivars were also approved for preliminary release.
- Of the eleven on final release, five was for irrigation, five for the Western Cape and one for the northern dryland areas.
- New technology: BioCeres (HB4 gene) drought tolerant gene to be tested on wheat.

**For soybeans:**

During Congress in March 2024, Grain SA resolved to continue with the breeding and technology levy, or the SACTA levy, as it is popularly called. Since the end of February 2024, this levy has been in effect for six years. Soybean producers resolved at Congress to extend this levy by three years, but on condition that a clear performance criterion be set to measure the success of the levy.

- Many new cultivars have entered the market – 67 new cultivars from June 2022 to June 2023.
- New technology has been approved and is being commercialised – the Intacta RR 2 gene, which is bollworm resistant. Corteva's Concesta E3 technology has also been approved and commercialisation is planned for 2024/2025 season; as well as a drought gene from BioCeres (HB4 gene), that has been tested for its second year – application for registration is planned for the end of 2023.
- Greater competition between companies and cultivars creates a healthy environment for producers.
- In 2024 at Grain SA's Congress it was decided that the soybean breeding and technology would continue for the next three years.
- It was decided that it would continue at 1,2% of the soybean price. Below follows a breakdown for the next three years:

The levy for the current marketing year is R92 per ton. From March 2025 the levy will be as follows:

	YEAR 7	YEAR 8	YEAR 9
<b>Marketing year</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
Five-year shifting average soybean price	R5 831	R6 048	R6 996
Levy % of the soybean price	1,2%	1,2%	1,2%
Calculated soybean levy (per ton)	R70	R73	R84

## Annual meeting with SANSOR

Grain SA met with the South African National Seed Organisation (SANSOR) on 22 October 2024 for its annual meeting.

Liaison with SANSOR on a regular basis is important to ensure that problems can be solved together. At the same time, greater efficiencies in grain and oilseed production can be achieved. Important issues that were addressed with this representative body of the seed industry, include:

- Market trends and production costs for the grain and oilseed industry
- Maize seed exports to the USA
- Breeding and technology levy

- Sclerotinia on sunflower and soybean seed
- Alternaria on sunflower
- New cultivars vs new active ingredients
- Maize cultivar trials
- Possible alternative for thiram seed treatment
- New breeding techniques/plant breeding innovation
- Grow for Gold yield competition
- Endorsement for the disposal of polypropylene seed bags
- Certification of groundnut seed

## THE FERTILISER INDUSTRY

South Africa imports more than 80% of its fertiliser requirements. The volatile rand has added additional pressure to fertiliser prices and a weaker currency makes imports more expensive.

Despite these challenges, South Africa's monetary policy offers some relief. Over the past two years, the fertiliser market has been under significant pressure, primarily due to the ongoing Russian invasion of Ukraine. As one of the world's largest producers of ammonia, urea, potash, and processed phosphates, Russia's disruption of supply chains had a profound effect on global fertiliser markets.

Russia accounts for 23% of global ammonia exports, 14% of urea, 21% of potash, and 10% of processed phosphates, while also supplying about one-third of Europe's natural gas – a key feedstock in nitrogen fertiliser production. The withdrawal of Russian fertiliser from global markets exacerbated supply shortages and led to sharp price increases.

### Fertiliser prices

From September 2023 to September 2024, international prices of fertiliser prices have stabilised significantly. **Table 1** shows the year on year price changes of international fertiliser prices in dollar terms.

**TABLE 1: INTERNATIONAL FERTILISER PRICES IN DOLLAR TERMS**

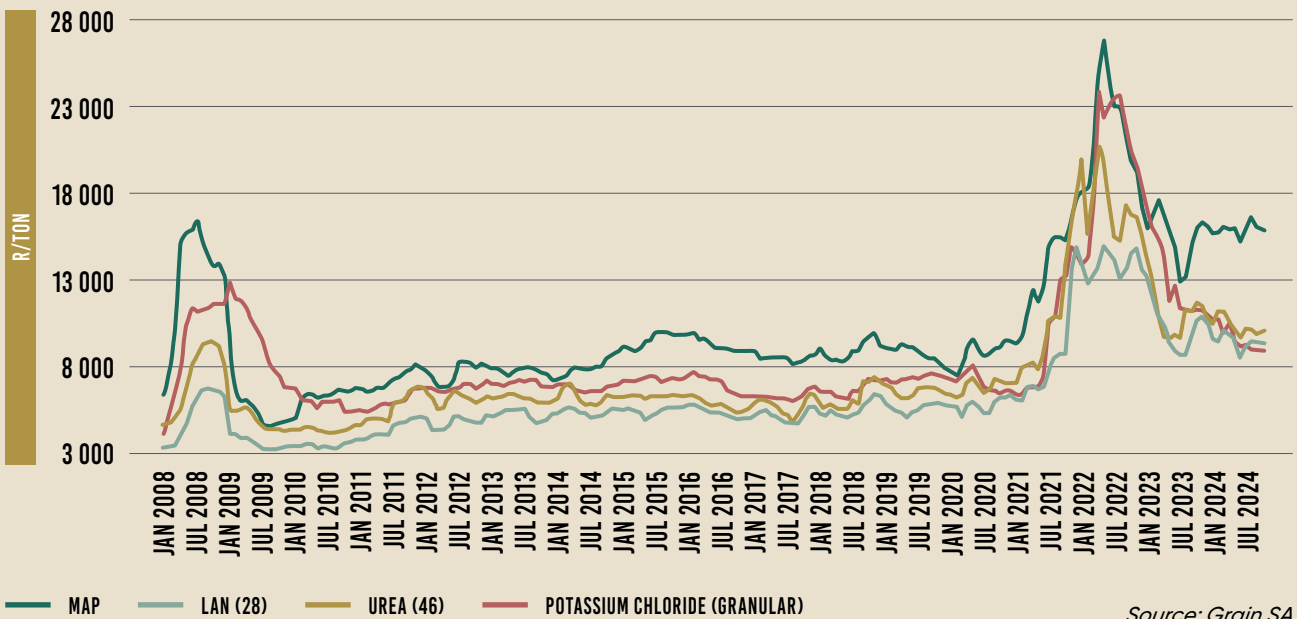
	SEPTEMBER 2023	SEPTEMBER 2024	% CHANGE
Fertiliser	Dollar/ton	Dollar/ton	%
Ammonia (Middle East)	392	397	1,3
Urea (46) (Eastern Europe)	343	339	-1,2
DAP (USA Gulf)	560	605	8,0
KCL (CIS)	271	290	7,0
Rand/dollar exchange rate	18,98	17,54	-7,6

During the period under review, the exchange rate strengthened by 7,6%. Fertiliser prices in rand terms followed a similar trend to that of the dollar pricing, but the effect of appreciation in the rand from R18,98/\$ in September 2023 to R17,54/\$ in September 2024 contributed to the value of the rand's buying power. **Table 2** indicates international fertiliser prices in rand terms, with the exchange rate effect on prices. **Graph 3** also indicates the decrease in international fertiliser prices for the past year.

**TABLE 2: INTERNATIONAL FERTILISER PRICES IN RAND TERMS**

	SEPTEMBER 2023	SEPTEMBER 2024	% CHANGE
Fertiliser	Rand/ton	Rand/ton	%
Ammonia (Middle East)	7 440	6 963	-6,4
Urea (46) (Eastern Europe)	6 510	5 946	-8,7
DAP (USA Gulf)	10 629	10 612	-0,2
KCL (CIS)	5 144	5 087	-1,1

GRAPH 3: LOCAL FERTILISER PRICES

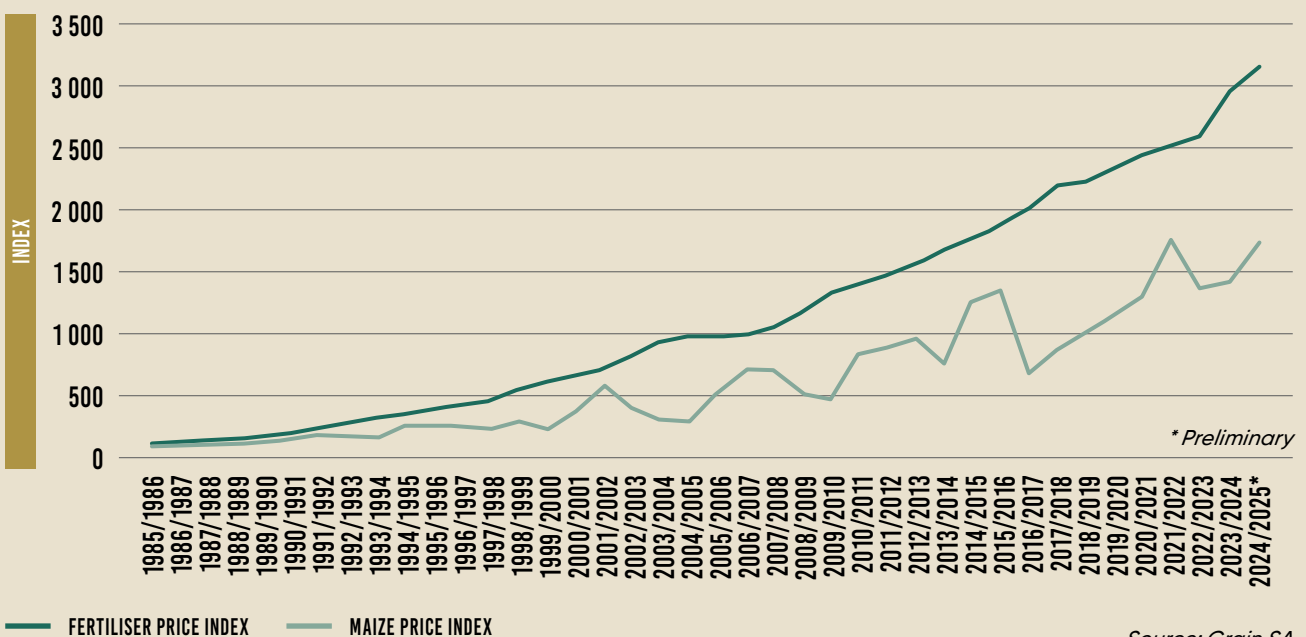


Source: Grain SA

TABLE 3: LOCAL FERTILISER PRICES

	OCTOBER 2023	OCTOBER 2024	% CHANGE
Fertiliser	R/ton	R/ton	%
LAN (28)	10 711	9 362	-12,6
Urea (46)	11 697	10 045	-14,1
MAP	16 005	15 864	-0,9
KCL	11 297	8 899	-21,2

GRAPH 4: INDICES OF THE PRODUCER PRICE OF MAIZE AND THE PRICES OF FERTILISER



Source: Grain SA

**Graph 4** below shows the fertiliser price index compared to the maize price index since the 1985/1986 production season. At an estimated average producer price <sup>[2]</sup> of R3 400 per ton for the coming production season (2023/2024), the gap between the maize price index and the fertiliser price index continues to widen, which is no surprise given the sharp increase in fertiliser prices.

**Annual meeting with FERTASA**

The annual meeting between Grain SA and the Fertilizer Association of South Africa (FERTASA) took place on 24 July 2024.

Important matters discussed at the meeting include:

- Market trends in the grain and oilseed industry and production costs for the 2024/2025 production season
- South Africa’s dependency on imports
- International and local situation in the fertiliser industry
- The availability of fertiliser and transport logistics
- Imports vs local production
- FERTASA Symposium
- Lime industry trends
- Fertiliser Bill
- The fertiliser and lime quality monitoring project
- Diagnostic services
- Agronomy

**AGROCHEMICAL INDUSTRY**

**Prices**

Almost all the active ingredients required for the production of agricultural chemicals in South Africa are imported. As such, fluctuations in international prices and exchange rates are critical factors, as they directly impact the cost structure of domestic agricultural inputs and consequently the pricing trends for grain production.

**Table 4** below shows the international prices of the active ingredients of five herbicides used in maize. The stability of the exchange rate led to the downward trend only being given through marginally to the local market.

**TABLE 4: INTERNATIONAL HERBICIDE PRICES IN RAND TERMS (YEAR TO YEAR CHANGE)**

	SEPTEMBER 2023	SEPTEMBER 2024	% CHANGE
	R/ton	R/ton	%
Glyphosate (95%)	92 980	62 125	-33,2
Acetochlor (92%)	75 179	57 450	-26,6
Atrazine (97%)	83 462	54 759	-34,4
Metolachlor (97%)	118 270	79 729	-32,6
Trifluralin (95%)	103 432	83 234	-19,5

**Table 5** indicates international insecticide prices, which are used in maize production (rand terms).

**TABLE 5: INTERNATIONAL INSECTICIDE PRICES (YEAR TO YEAR CHANGE)**

	SEPTEMBER 2023	SEPTEMBER 2024	% CHANGE
	R/ton	R/ton	%
Imidacloprid (95%)	238 454	162 585	-31,8
Lambda-cyhalothrin (95%)	294 441	234 369	-20,4
Carbofuran (99%)	254 359	227 075	-10,7
Deltamethrin (98%)	956 880	843 292	-11,9

<sup>[2]</sup> Average producer price = Safex, July 2024 price, less (average differential cost + handling costs)

### Annual meeting with the crop protection industry

On 23 July 2024, Grain SA's Production/Input Working Group met with CropLife SA, and the following issues were discussed:

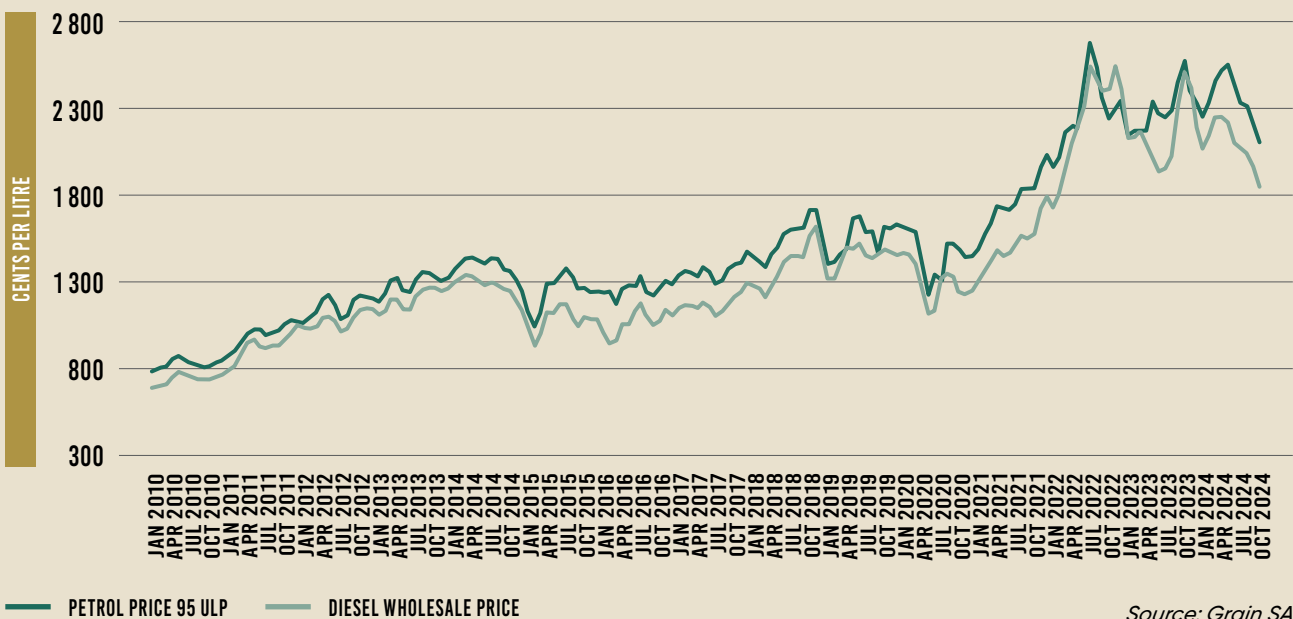
- Market trends in the grain industry and production costs for the 2024/2025 production season
- The international and local situation in the agrochemical industry
- Price trends and availability of agrochemicals
- EU Green Deal & its possible implications on SA agriculture
- Status of backlog with the office of the Registrar of Act 36 of 1947
- Public private partnership proposal (Agricultural Input Forum)
- Draft regulation (including GLP, GHS & GEP implementation dates)
- Waste management: Support for empty pesticide collection & recycling programme
- Clear indications of active ingredients on labels for chemicals – uniformity of a product throughout the season and colours of drum caps
- Glyphosate aerial application
- Sclerotinia on sunflower and soybeans
- Palmer Amaranthus
- Status of the proposed "Grain passport"
- Diagnostic services
- Agronomy

## DIESEL INDUSTRY

### Prices

The factors that influence the local fuel price movements are Brent crude oil prices and the rand/dollar exchange rate as well as local fuel levies. **Graph 5** below shows the international Brent crude oil prices and the Gauteng wholesale prices of diesel over time. Brent crude oil prices were US\$93,72 per barrel in September 2023 to US\$74,02 per barrel in September 2023, amidst a lower oil demand in China and announcements that the OPEC was expecting to increase production contributed to prices decrease. Over the same period, the rand strengthened against the dollar from R18,98 to R17,54.

**GRAPH 5: INTERNATIONAL BRENT CRUDE OIL PRICE AND THE WHOLESALE PRICE OF DIESEL**



Source: Grain SA

The maize price index and the diesel price index are shown in **Graph 6**. Given an expected producer price<sup>[3]</sup> of R3 400 per ton for maize for the coming season, together with increases in diesel prices, the gap between the two remains.



## Availability of diesel

No serious shortages of diesel were experienced in the reporting period.

## Diesel rebate

The diesel rebate for which producers qualify consists of 40% of the general fuel tax and 100% of the Road Accident Fund levy. The South African Diesel Rebate Programme provides significant financial relief to agricultural producers by refunding a portion of the fuel levies (fuel and Road Accident Fund levies) paid on diesel used in qualifying agricultural activities. This rebate applies to diesel used off-road, aimed at reducing the high operational costs of fuel consumption that are integral to agricultural production.

Eligible sectors, including crop and livestock farming, may claim up to 80% of their diesel purchases for qualifying activities. As of 2024, the rebate amounts to 366 cents per litre on land-based activities like farming and forestry. To participate, producers must be registered for VAT and complete the necessary documentation with the South African Revenue Service (SARS). Easing the cost burden of fuel, the diesel rebate programme helps improve the competitiveness of South African agriculture, supporting the sustainability and profitability of farming operations.

During 2024, Grain SA and Agri SA met with the National Treasury to discuss certain policy challenges regarding the diesel rebate as well as some concerns about the new proposed diesel rebate system.

- A very constructive meeting and discussion was held about the new to be implemented diesel rebate system.
- The comments made and concerns raised by organised agriculture during the consultation process and after it was gazetted, were raised and discussed.
- In conclusion, two policy related matters surfaced that could be addressed by the Treasury and a subsequent letter was sent on 14 June 2024.
- 80%/20% principle in place since 2000:
  - ◆ In 2011/2012 SARS started to audit usage – logbooks, which meant 80% x by eligible usage.
  - ◆ Argument for policy change – if a producer can proof 95% eligible usage, he should be able to qualify for 100% thereof.
- Wet contracting – misuse of system.

<sup>[3]</sup> Average producer price = Safex, July 2024 price, less (average differential cost + handling costs)

## AGRICULTURAL MACHINERY INDUSTRY

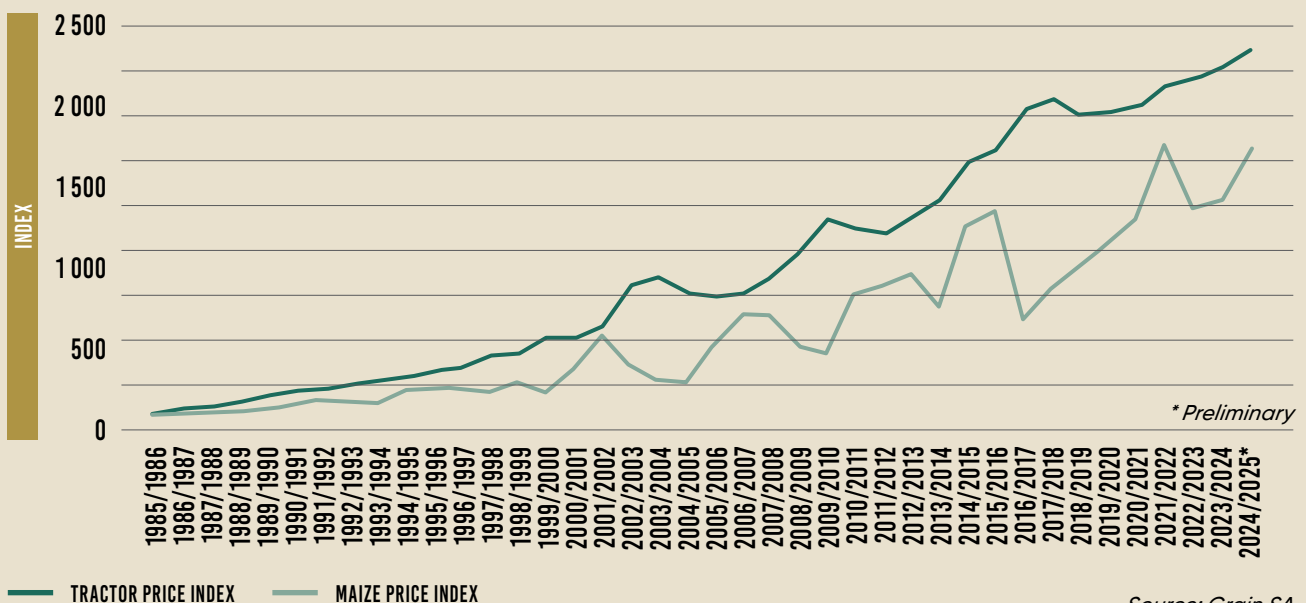
**TABLE 6: PRICE CHANGES IN AGRICULTURAL MACHINERY EQUIPMENT**

EQUIPMENT CLASS	YEAR-ON-YEAR CHANGE %		TREND
	September 2024	October 2024	
Tractors	3,2	2,9	Down
Combine harvesters	9,1	8,7	Down
Hay and forage equipment	3,3	3,1	Down
Implements	4,1	8,8	Down
<b>General</b>	<b>4,5</b>	<b>4,2</b>	<b>Down</b>

Source: AGFACTS

**Graph 8** compares the price indexes of the tractor price and the maize price since 1985/1986.

**GRAPH 8: INDICES FOR THE PRODUCER PRICE FOR MAIZE AND THE PRICES OF TRACTORS**



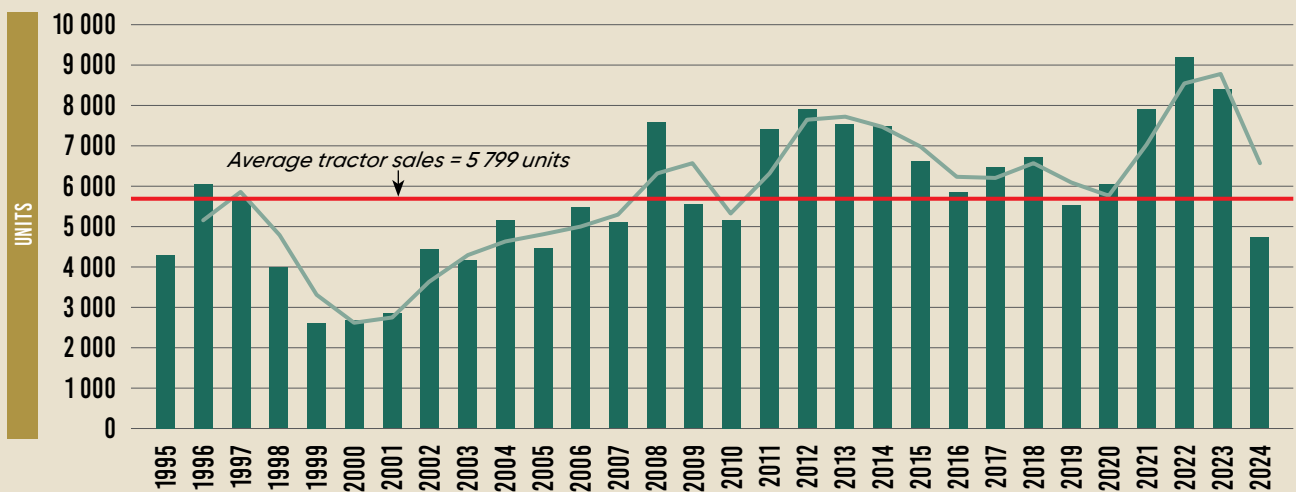
Source: Grain SA

### Tractor sales

**Graph 9** depicts the current situation with tractor sales in the South African market. Note that these figures exclude exports and include only local sales. Annual tractor sales during this period (1995 - 2023) varied between a minimum of 2 624 units in 1999 and a maximum of 9 181 units in 2022. Between September 2023 and September 2024 tractor sales decreased by about 7,7%, from 8 827 units to 6 980 units. Market sentiment remains cautiously optimistic. The agricultural machinery market is still active, despite the decline in sales. Producers continue to take advantage of favourable commodity prices and good summer crop prospects to invest in new equipment and replace older machinery. While tractor sales have been lower than last year's levels approximately 23% down year to date. The outlook is that tractor sales will stabilise, with an expected total of around 6 500 units for the 2024 calendar year.

Combine harvester sales have also been lower, with sales down approximately 62% on a year-to-date basis, although they are expected to return to more typical levels in the coming months. Overall, while tractor and combine harvester sales are below last year's numbers, they are returning to 'normal' levels, and market participants remain hopeful that the upcoming planting season will drive future equipment demand.

**GRAPH 9: ANNUAL TRACTOR SALES**

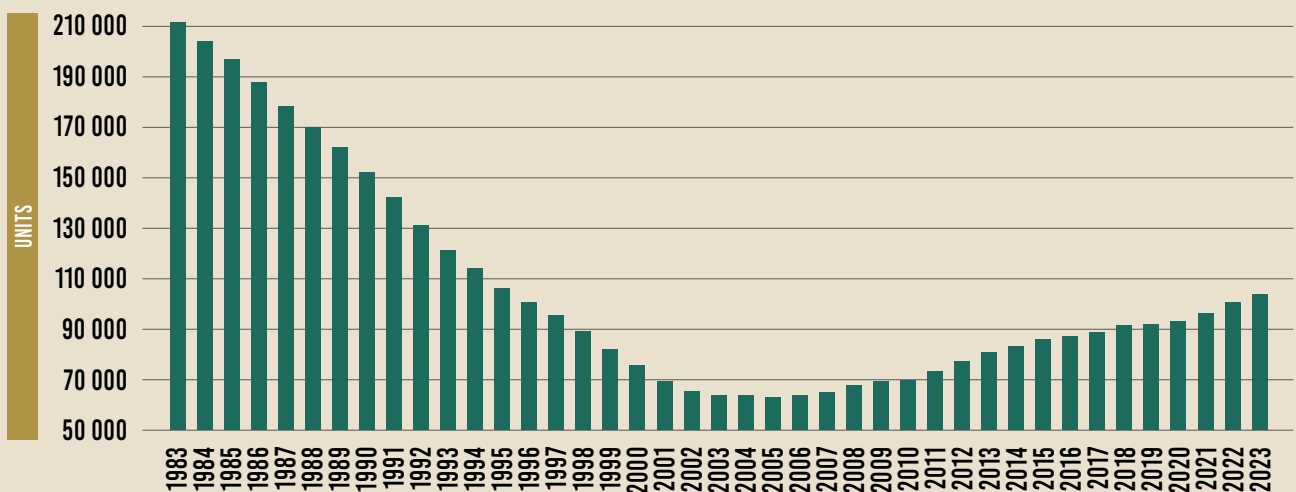


Source: Grain SA

### Tractor fleet

The country's tractor fleet is currently at 102 874 units (**Graph 10**). There has been a notable decrease in the size of the tractor fleet over the years (1983 - 2005) and then a slow but upward trend from 2006 - 2023. The main reason for that is the smaller summer and winter grain plantings over time, as well as the increased sales of bigger than average-sized (kW) tractors.

**GRAPH 10: TOTAL TRACTOR FLEET**

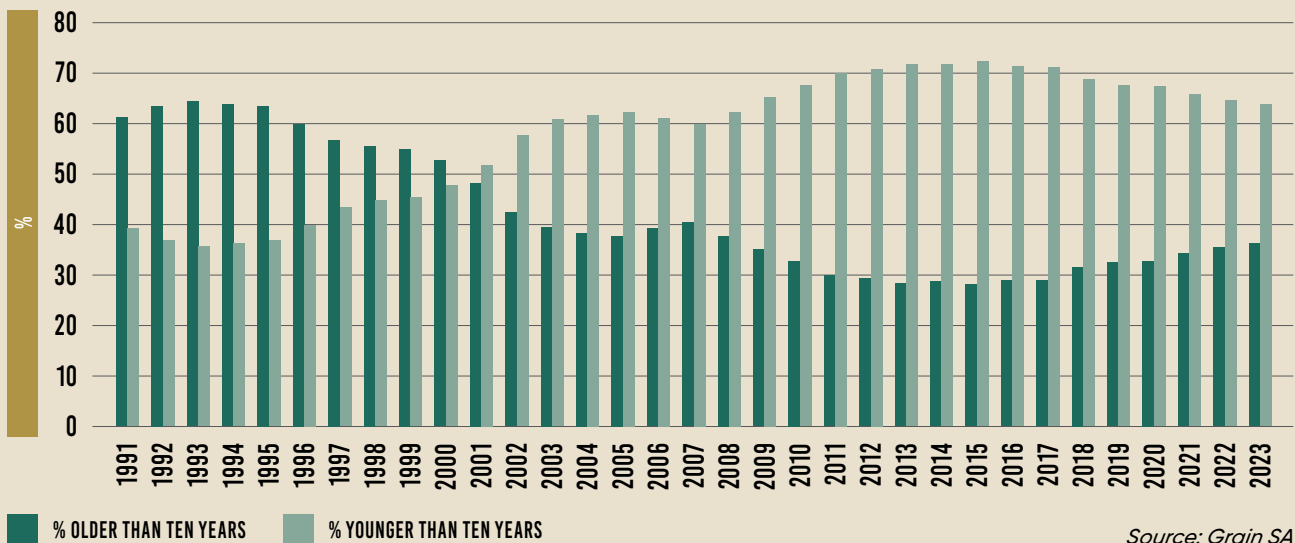


Source: Grain SA

### Tractor age

- The average age of the tractor fleet is currently 7,6 years. **Graph 11** (on page 100) indicates the trend in the distribution of age in the tractor fleet.
- The current tractor fleet of 102 874 units is 62% higher than the fleet of almost 63 133 units, 20 years ago.
- The total number of tractors under ten years is currently about 65 571 units, 65% of the current tractor fleet. The percentage of tractors under ten years was at a low point in 1993 when 35,8% of the tractor fleet was younger than ten years.

**GRAPH 11: AVERAGE AGE OF THE TRACTOR FLEET**



Source: Grain SA

### Annual meeting with SAAMA

On 23 July 2024, Grain SA again met with the South African Agricultural Machinery Association (SAAMA) to discuss mutual challenges in the grain and oilseed industries. Important issues discussed were the following:

- Market trends and production costs for the grain and oilseed industry
- Trends in the international and local agricultural machinery industry
- Logistics of agricultural machinery that cannot be licenced – schedule 5
- Import rebate on tractor tyres
- Logistical challenges of parts and tractors
- Right to repair
- Motor Industry Ombudsman of South Africa (MIOSA)
- Working with agricultural equipment – on farm safety
- Better planning of equipment purchases by farmers
- Diagnostic services
- Agronomy day





## INDUSTRY REPORT INCOME AND PRODUCTION COST

# What the past season's production costs look like

**G**rain SA collected and/or bought data and information during December 2023 and January 2024 to determine the major maize production area's actual income and production costs for the 2022/2023 production season. Determining and gathering the historic actual income and production cost figures is important to the industry as it identifies the actual cost for various inputs and provides insight on the profitability of a crop. Data was gathered from various associations and are kept up to date and redistributed to various role-players in the maize industry.

The actual income and production cost analysis for dry land maize for the 2022/2023 production season can be seen in **Table 1**. The table shows that variable input costs increase from the western parts to the eastern parts of the country.

**TABLE 1: ACTUAL INCOME & PRODUCTION COST FIGURES FOR DRY LAND MAIZE (2022/2023 YEAR)**

PRODUCTION COST PER HECTARE	NORTH WEST	NW FREE STATE	EASTERN FS	KWAZULU-NATAL
<b>1. Variable cost</b>				
Seed	1 384,59	1 423	2 224	3 356
Fertiliser and lime	5 804,57	6 083	5 334	10 024
Weed and pest control	1 634,7	1 279	1 050	2 867
Fuel	1 308,83	1 352	2 282,00	1 765,00
Repairs and parts	1 115,61	909	3 321,00	1 639,00
Crop insurance	92,46	32,52	591,00	817,00
Casual labour	249,61	198,33	0,00	118,00
Permanent labour	433,79	401,49	1 693,00	1 353,00
License and insurance	0,00	86	0,00	586,00
Marketing cost	226,52	91	206,00	0,00
Drying and cleaning cost	0,00	0,0	422,00	0,00
Interest on production credit	632,2	607	1 132,72	1 024
Contract work	386,45	285	377	559,0
Another cost	74,95	758,64	1 459,62	0,0
<b>Total variable cost</b>	<b>13 344,28</b>	<b>13 505</b>	<b>20 092,34</b>	<b>26 975,00</b>
<b>2. Capital cost</b>	<b>1 125,02</b>	<b>930</b>	<b>1 200,32</b>	<b>2 378,26</b>
<b>Total cost per hectare</b>	14 469,30	14 435,97	21 292,65	29 353,26
<b>Yield (ton/ha)</b>	6,15	6,44	5,8	8,00
<b>Income</b>				
Producer price (R/ton)	3 900	3 350	3 900	3 814
Producer price (R/ha)	23 985	21 775	22 620	30 512
<b>Profit/loss per ha</b>	9 515,7	7 339	1 327,35	1 158,74

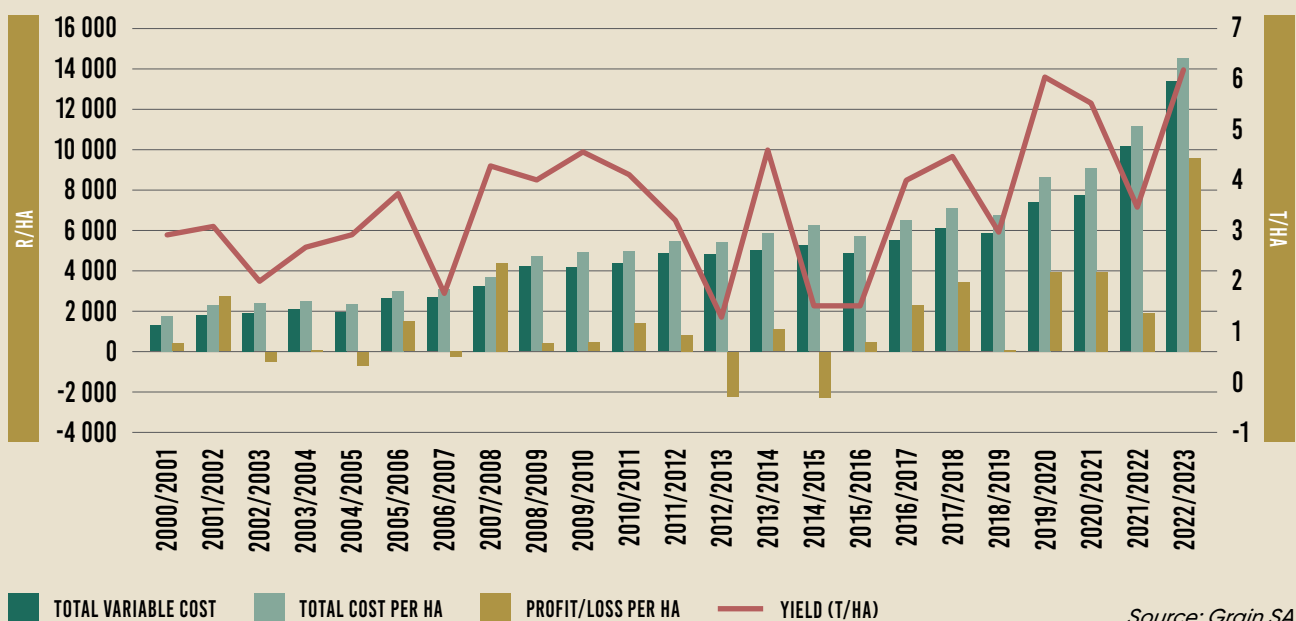
### Actual income and production cost figures for dry land maize

While Table 1 depicts the actual production figures for the last year for the main different production regions, **Graph 1 to 4** depict the long-term actual production cost, yields and profit/loss situation of the North West province, northwest Free State, eastern Free State and KwaZulu-Natal, seen since 2000/2001. This illustrates the calibre of long-term information that is gathered through this project.

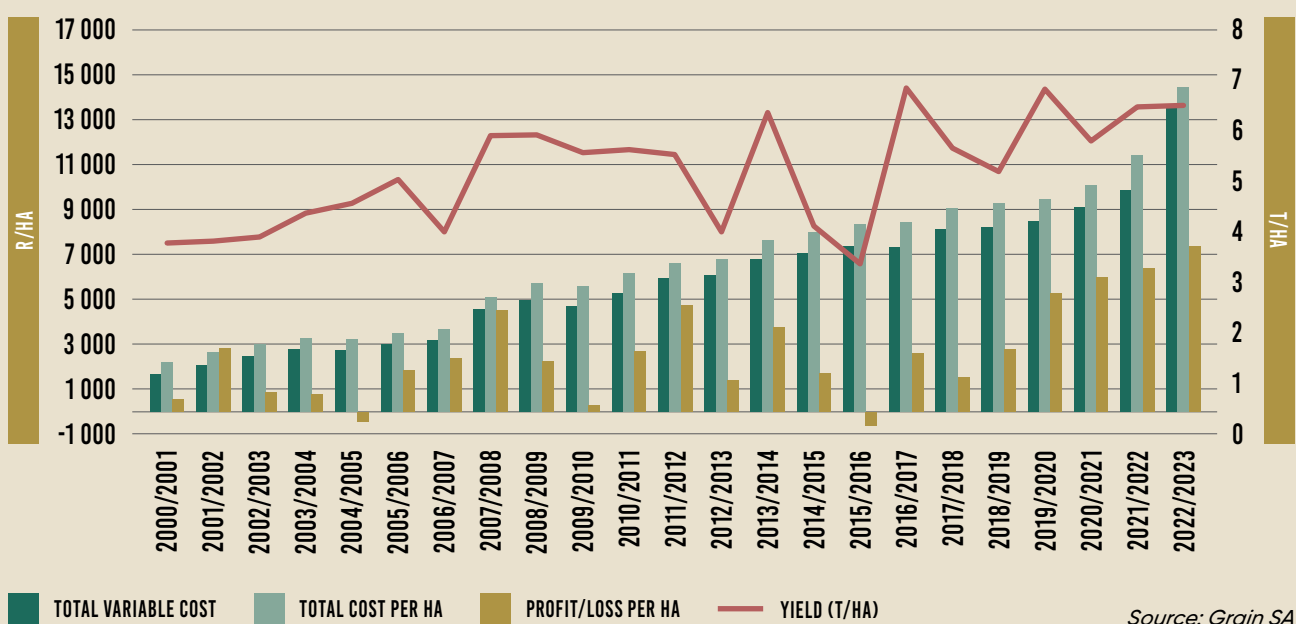
From Graphs 1 to 4, production costs are constantly increasing over time. These increases on a year to year basis are high and have a huge impact on producers to adapt and adjust with their current production systems to produce maize economically and sustainable. The yield unpredictability can be seen over the long-term data presented and indicates the big impact it has on profitability.

The 2022/2023 season was a very good year for production and abundant yields were obtained. For the North West province yields were up 77% from the 2021/2022 season, which decreased the R/ton costs by 26%. Exceptional profits were realised despite an increase in variable costs (31%) and capital costs (16%).

**GRAPH 1: ACTUAL PRODUCTION COST, YIELD AND PROFIT/LOSS OF MAIZE FOR THE NORTH WEST PROVINCE**

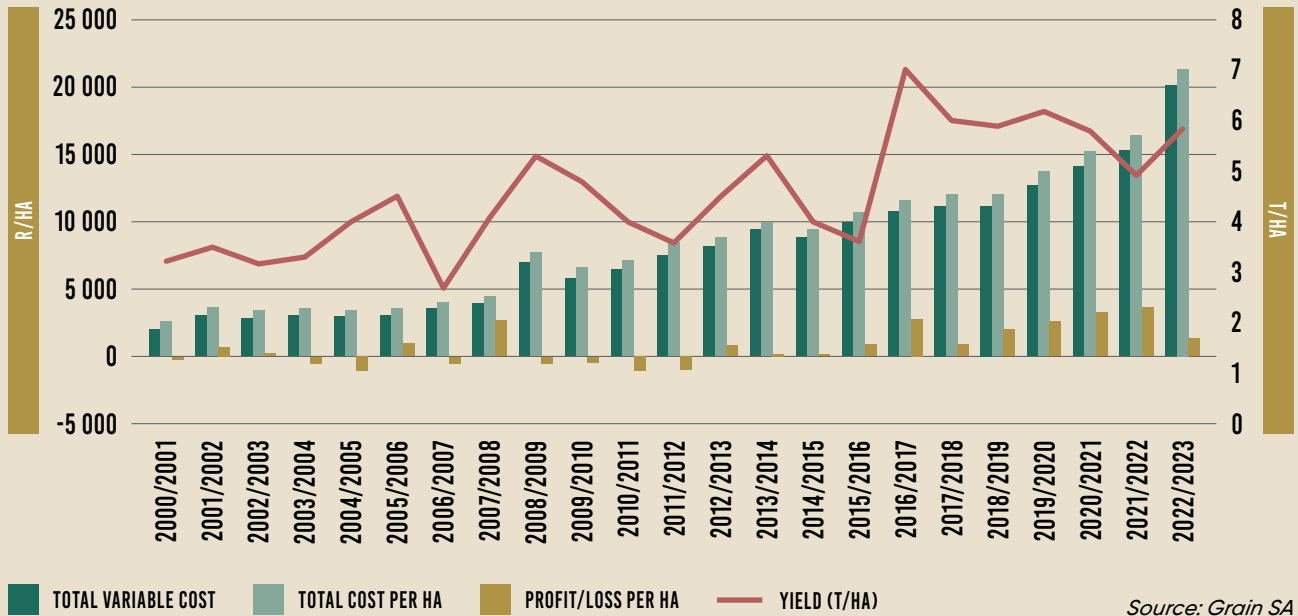


**GRAPH 2: ACTUAL PRODUCTION COST, YIELD AND PROFIT/LOSS OF MAIZE FOR THE NORTHWEST FREE STATE**



For the northwest Free State regions variable costs were up 37% from the 2021/2022 season. Capital cost, however, experienced a 39% decline which allowed producers to realise a profit increase of 15% per ha. Yields remained relatively stable with a 1% year on year increase.

**GRAPH 3: ACTUAL PRODUCTION COST, YIELD AND PROFIT/LOSS OF MAIZE FOR THE EASTERN FREE STATE**

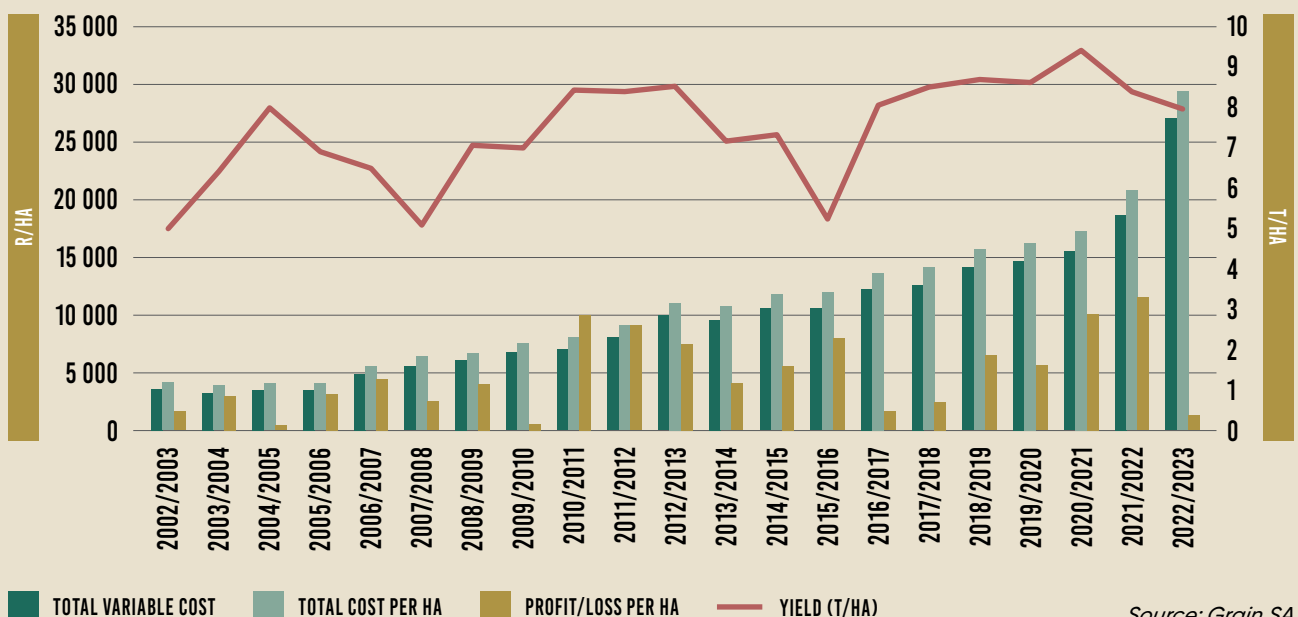


Source: Grain SA

Although still profitable, the eastern Free State region was not as fortunate and experienced a 62% decrease in profits. This can be attributed to the rise in variable costs experienced throughout the season of 31% year on year, despite an increase in yields of 18%.

The eastern Highveld of Kwazulu-Natal had significant changes in their year on year variable costs with this cost increasing 44% from the 2021/2022 season. Yields have however decreased by 0,4 t/ha, a decrease of 5% from the previous year – which, in turn, resulted in a remarkable decline in profits from R11 460 p/ha to R1159 p/ha, representing a total decrease of 90%.

**GRAPH 4: ACTUAL PRODUCTION COST, YIELD AND PROFIT/LOSS OF MAIZE FOR KWAZULU-NATAL**



Source: Grain SA

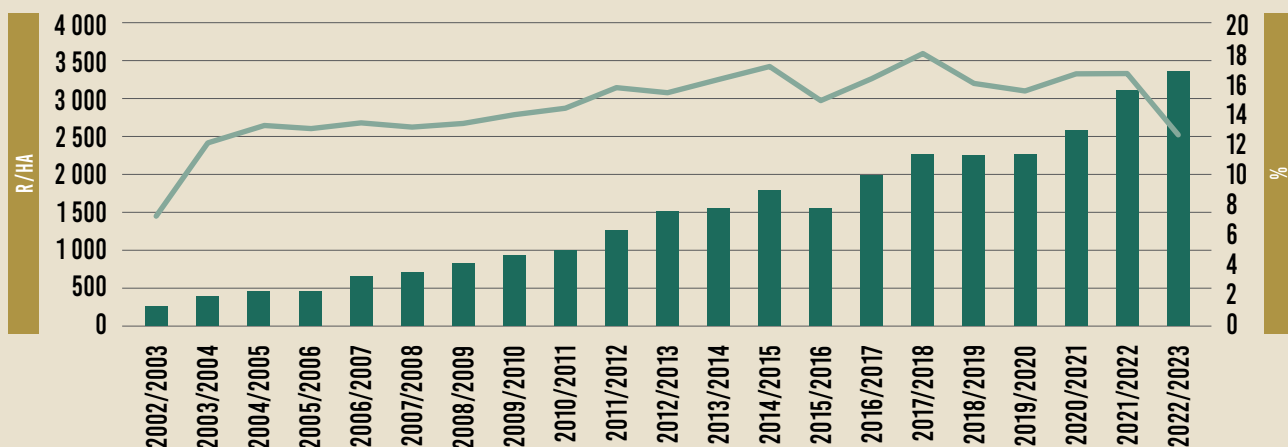
### Contribution of different variable input cost items to the total variable input cost of maize

The focus of this section is on the variable costs to produce maize and, specifically, to express different variable input cost items as a percentage of the total variable input costs as well as to express the cost increase of a specific variable cost over a time per hectare.

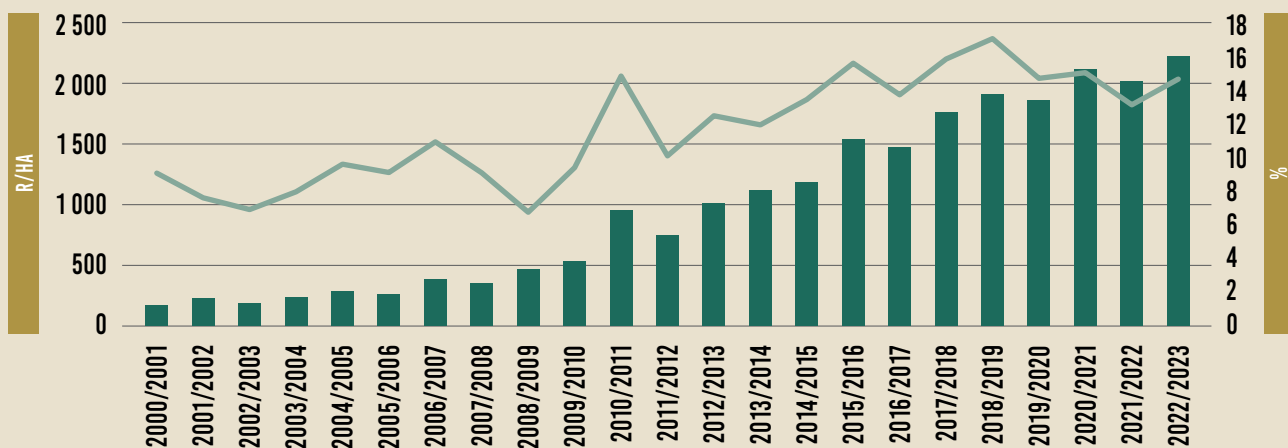
#### Seed

**GRAPH 5: CONTRIBUTION OF SEED AS A VARIABLE INPUT COST ITEM TO THE TOTAL VARIABLE INPUT COST AS WELL AS SEED COST PER HECTARE TO PRODUCE MAIZE FOR DIFFERENT PRODUCTION REGIONS (2002/2003 TO 2021/2022 PRODUCTION SEASON)**

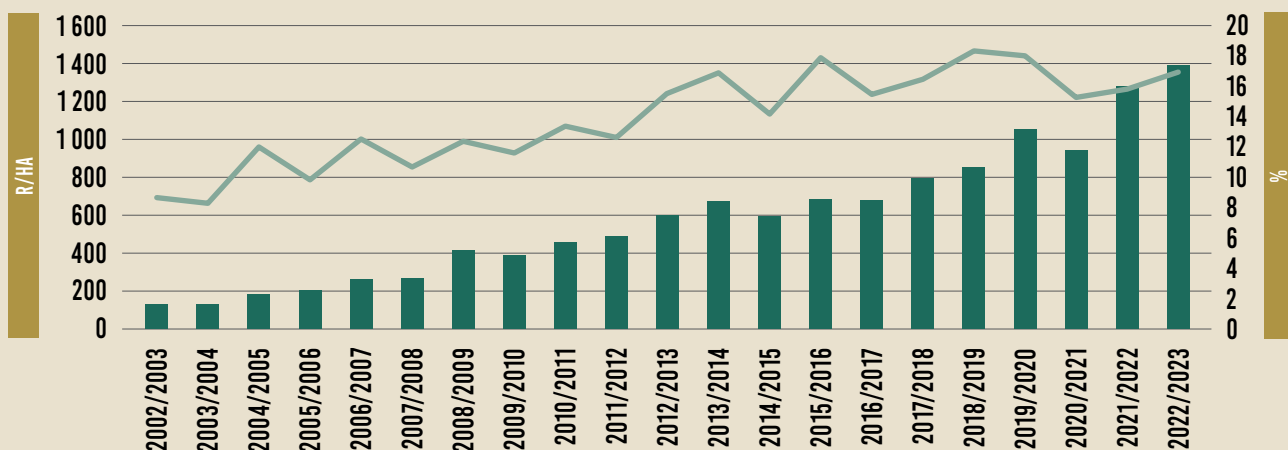
##### A Mpumalanga



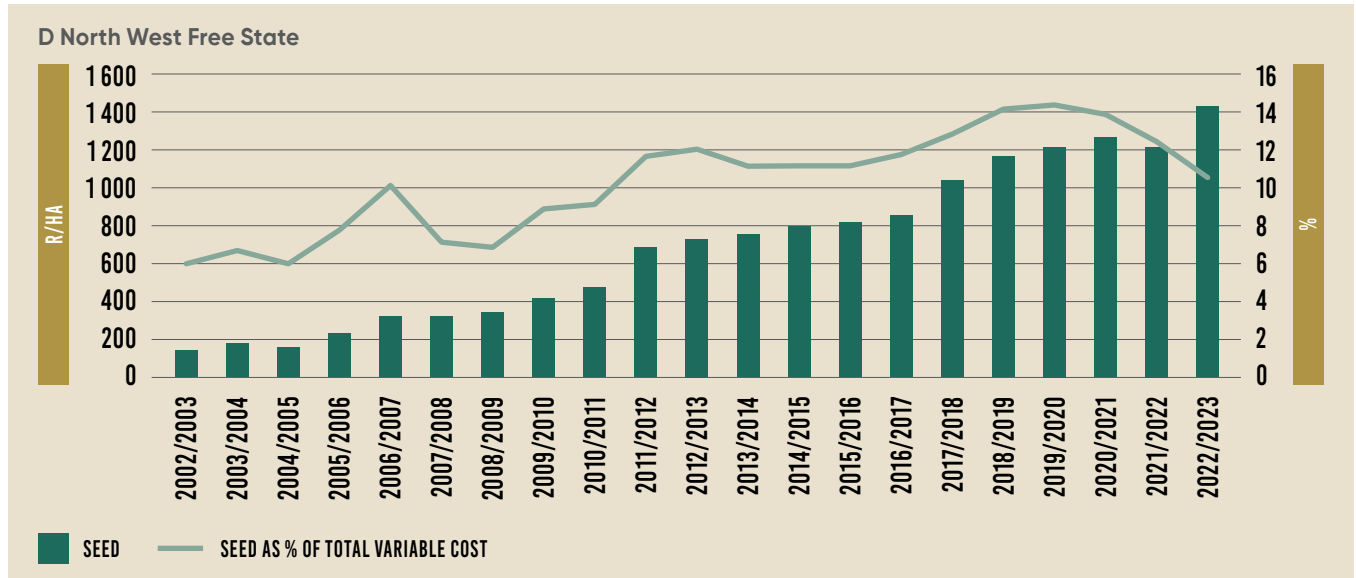
##### B Eastern Free State



##### C North West



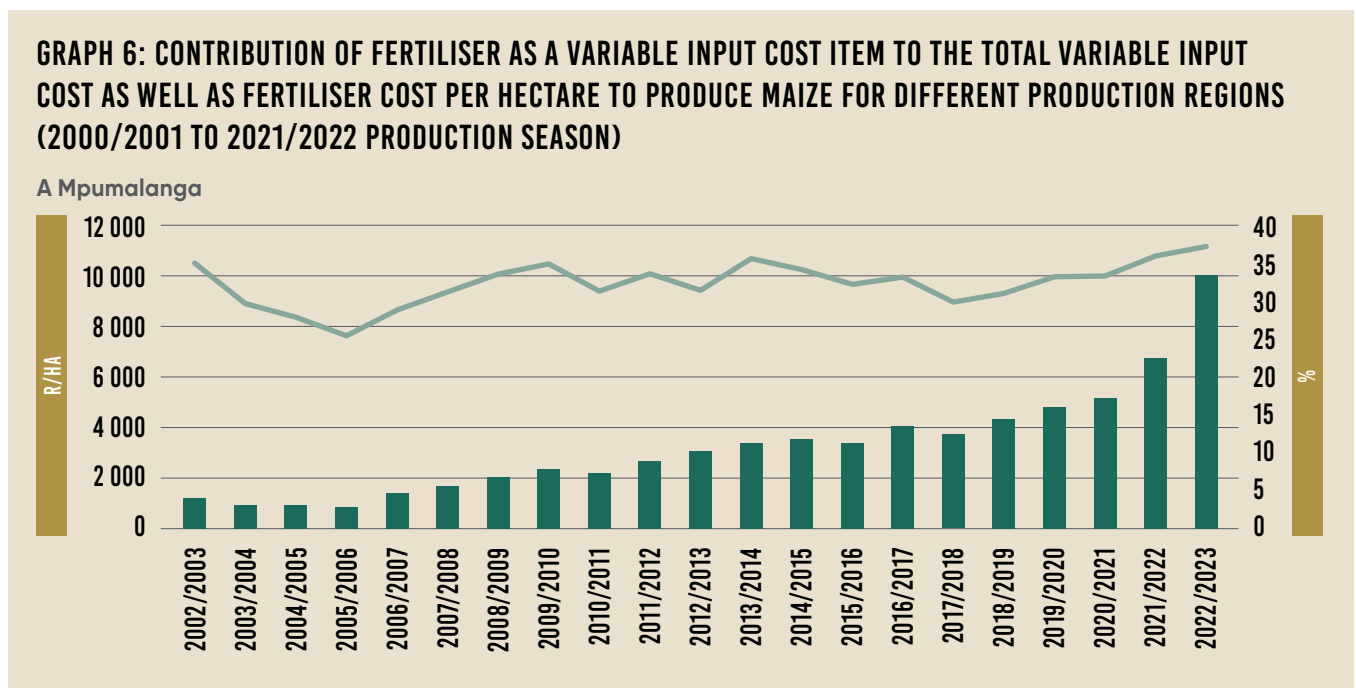
**Graph 5** shows the long-term average percentage contribution of seed as a variable input cost for maize for the North West, northwest Free State, eastern Free State and Mpumalanga. Except for the percentage contribution of seed since 2002, the figure also highlights the increase in seed cost per hectare during these 20 years for all four regions.



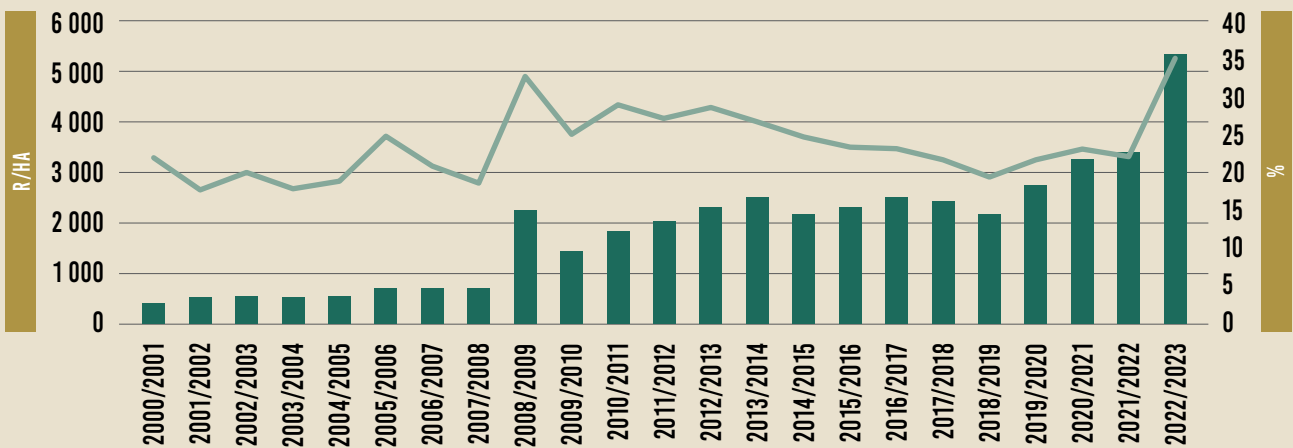
**Fertiliser**

Fertiliser as a production input contributed between 37% and 57% to maize producers’ variable production costs, depending on the region, for the 2022/2023 production season. This was well above the 5-year average of between 23,39% to 35,79% for the respective regions.

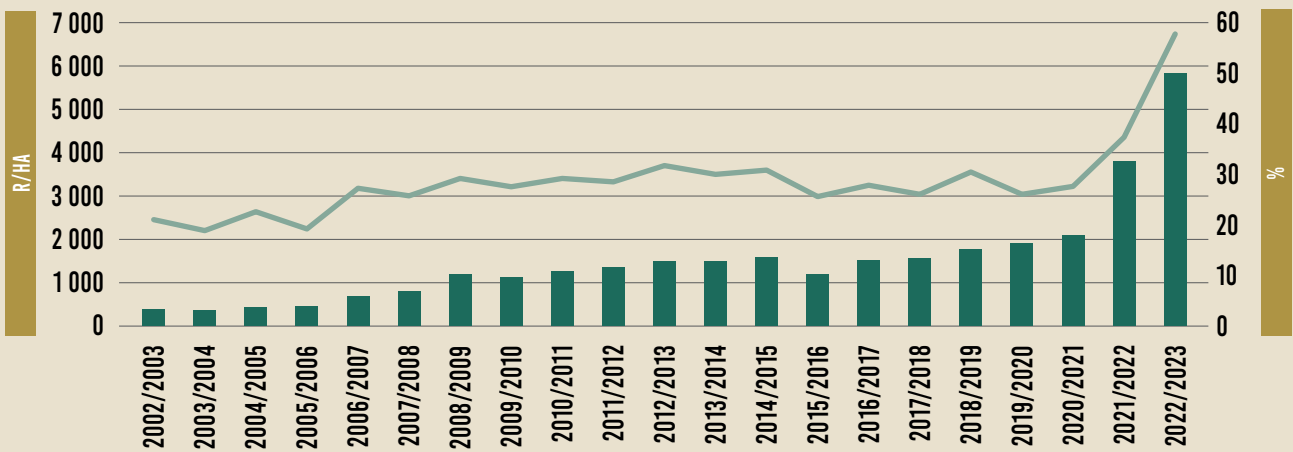
**Graph 6** focuses on the long-term average percentage contribution of fertiliser as a variable input cost for maize for the different regions (northwest Free State, North West, eastern Free State and Mpumalanga). The same as with seed, the increasing trend in fertiliser cost per hectare can be seen for the different regions.



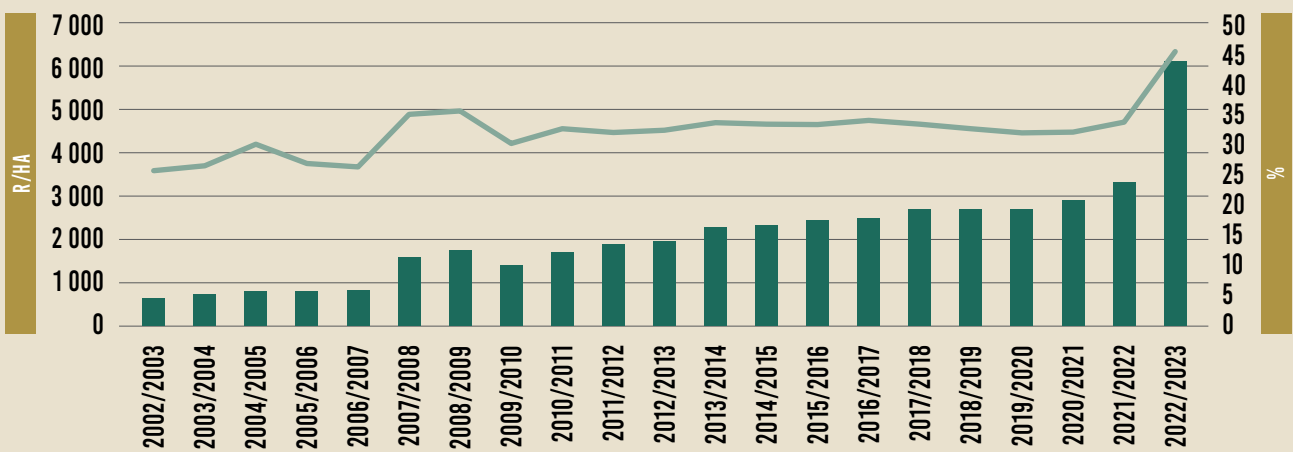
B Eastern Free State



C North West



D North West Free State



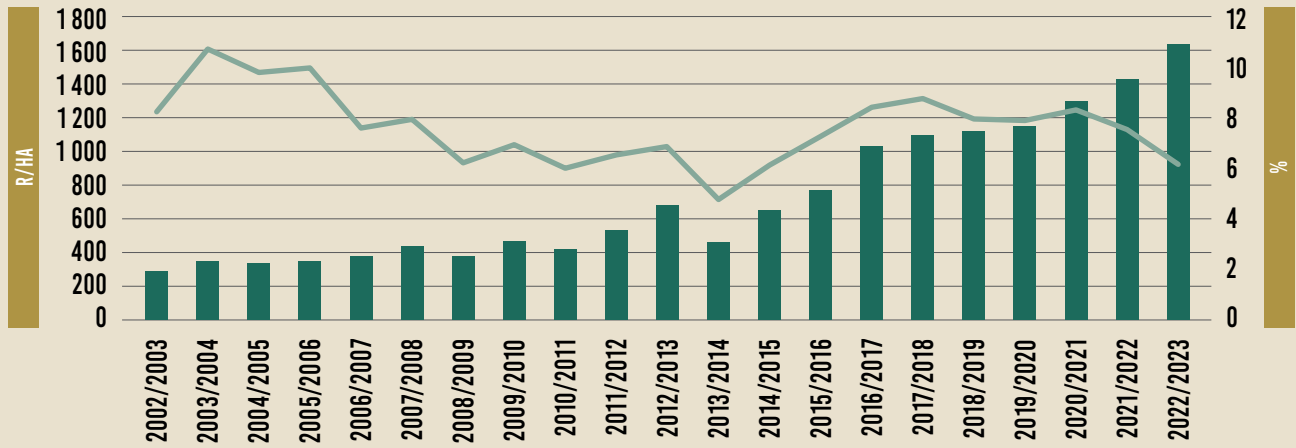
FERTILISER AND LIME      FERTILISER AS % OF TOTAL VARIABLE COST

### Repair and parts

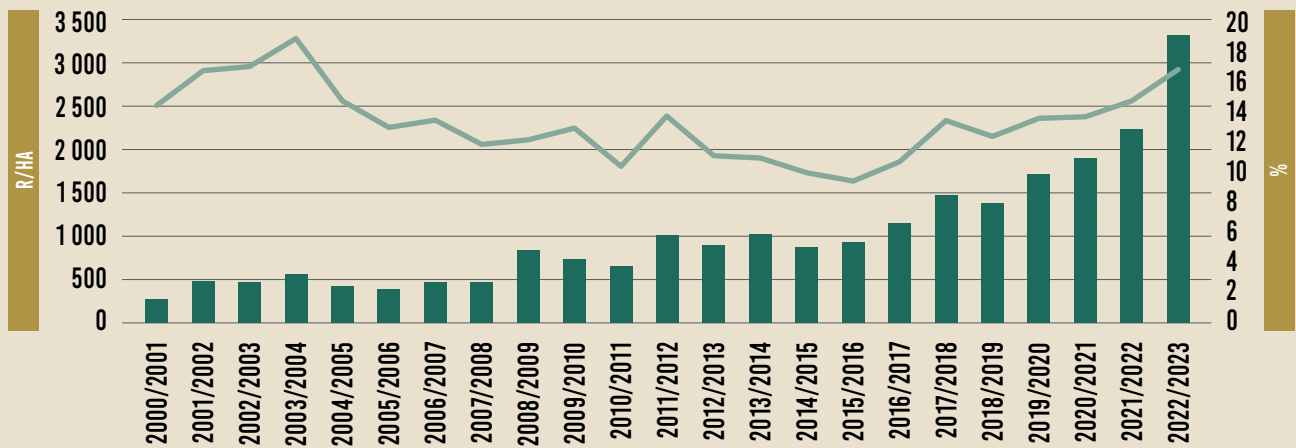
Repairs and parts continued a declining trend in terms of its relative contribution to the total variable input cost for the Mpumalanga region. The North West region broke a five year downward trend in the 2022/2023 production season and saw a significant increase in repairs and maintenance as a percentage of total variable cost. The northwestern Free State regions however did the exact opposite and broke an upward trend of repairs and maintenance as a percentage contribution to total variable cost. The eastern Free State regions continued its upward trend in both total repairs and maintenance as well as repairs and maintenance as a percentage of total variable cost. It is worth noting that no region has seen a decline in total repairs and maintenance since the 2018/2019 production season.

**GRAPH 7: CONTRIBUTION OF REPAIR AND MAINTENANCE AS VARIABLE INPUT COST ITEMS TO THE TOTAL VARIABLE INPUT COST AS WELL AS FERTILISER COST PER HECTARE TO PRODUCE MAIZE FOR DIFFERENT PRODUCTION REGIONS (2000/2001 TO 2022/2023 PRODUCTION SEASON)**

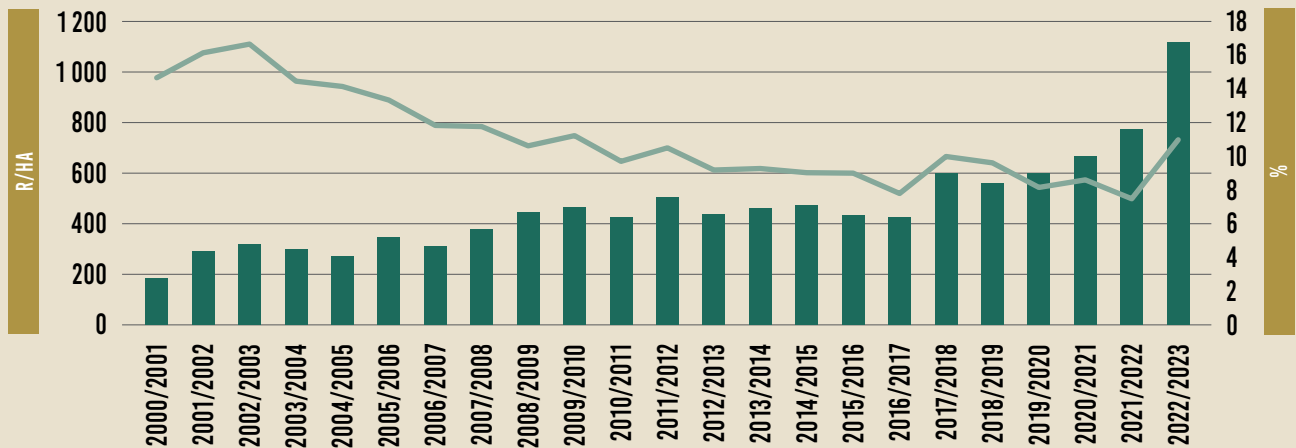
**A Mpumalanga**

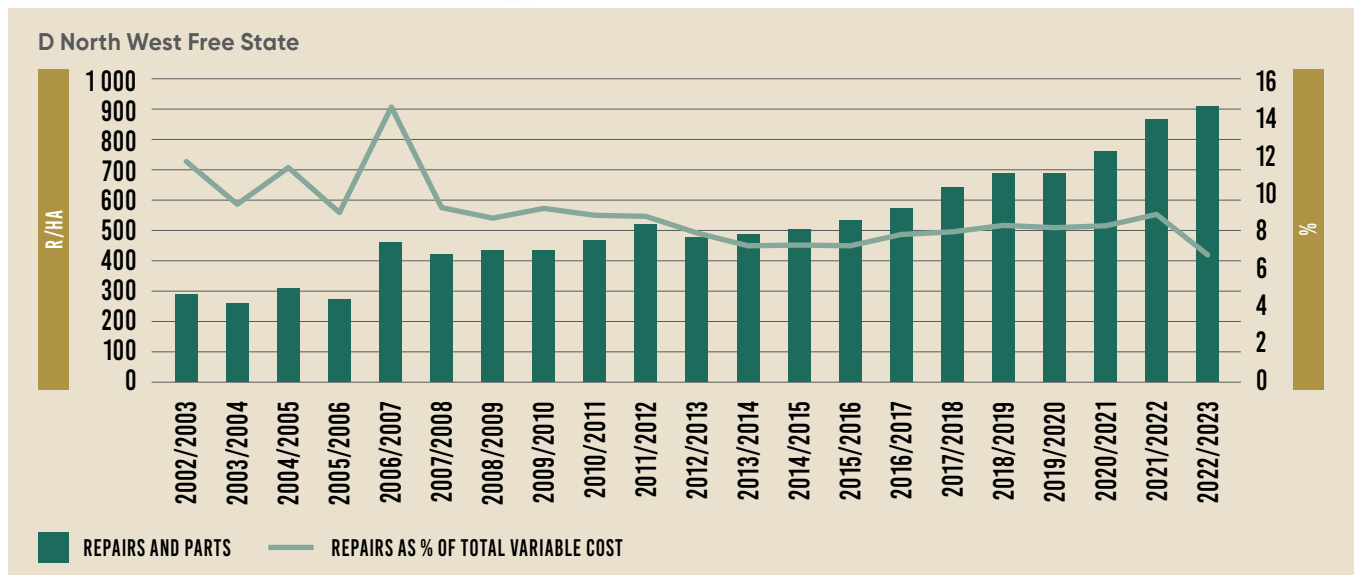


**B Eastern Free State**



**C North West**





### Budgeted income and production cost figures for maize (2023/2024 production season)

With the 2024/2025 season approaching, it is again time to make some calculations. The analysis of gross margins is a common and popular way of comparing the relative profitability of grains within a farm. This section provides a guideline in terms of the profitability of maize versus sunflower and soybeans. The responsibility still lies with each producer to do his gross margin calculations due to production costs radically differing from one farm to the next. These differences are due to e.g. each grain producer's unique system, the type of farming unit and the production practices.

#### Key points for the 2024/2025 season

##### INPUT PRICING

Input prices had a moderate overall decrease throughout the past year. Local fertiliser prices decreased by an average of 12,18% year on year, which can be attributed to the strengthening of the rand throughout the year. Fuel prices experienced a consistent decrease from October 2023 to October 2024.

International herbicide prices decreased by an average of 35,83% year on year for the months of September, while insecticide prices decreased by 16,16% and fungicide prices by 15,06%. It is worth noting that the rate of decrease has slowed down, leading to smaller average month to month price declines. The depreciation of the rand over the course of a year affects local prices, causing them not to decrease as much in dollar terms. As a result, international price decreases have not been experienced in the local market.

##### COMMODITY PRICES

The Safex wheat price is trading below the import parity of exporting nations such as the United States, Argentina, Germany and Australia putting a lot of strain on producers. This prompted an import tariff to be imposed and is currently in place to support the domestic wheat price. Throughout 2023/2024 there was a divergence between white and yellow maize prices with yellow maize prices increasing slower than white maize. White maize production was lower than expected due to the drought and other factors, leading to higher prices due to limited availability. In contrast, yellow maize production was more in line with demand, resulting in relatively stable prices.

##### WEATHER PREDICTIONS

The ENSO weather outlook is a relevant discussion point as the prospects of a La Niña event has increased for the following season. The current ENSO phase is that of a declining El Niño, and currently still very neutral meaning that should a La Niña event develop, it is likely to be weak and short-lived. The short and weak La Niña season suggests another rain-poor season for the Southern Africa summer grain crops, with the Australian Bureau of Meteorology expecting it to last up to the end of February and the US government forecaster expecting the persistence of La Niña up to March of next year.

## Compilation of budgets

Establishing production budgets before planting crops is becoming increasingly necessary and should not be taken lightly when making production decisions. No one can accurately predict the future with all its risks and uncertainties and the budgets are compiled based on some forecasts, historical data, assumptions, and experience. Considering this, producers – as budget users – should be aware that budgets, as well as the assumptions on which they are based, are subject to constant change.

The cost structure of the budgets consists of variable and fixed costs. Producers who do not make use of certain variable costs, can deduct it from the total variable costs. Although fixed costs vary dramatically from producer to producer, a placeholder amount is provided to calculate an estimated total production cost.

Forecasting the commodity price for the coming year is extremely difficult. The Safex future contract prices used in the calculations are as follows:

- Maize for delivery in July 2025 = R4 180/ton
- Sunflower for delivery in May 2025 = R8 300/ton
- Soybeans for delivery in May 2025 = R8 200/ton

The 2025 futures prices were determined by using the spot price of that particular contract month. Based on the location differential, handling costs and marketing commission, a producer price was calculated.

## Yield

A difficult determining factor when compiling budgets is determining the yield of the crop for the upcoming year due to the uncertainty of climatic conditions. When comparing the profitability of different crops, it's important to consider which yield scenarios should be used for each crop. For instance, if you were to harvest an average yield of 4 t/ha for maize, what would be the equivalent yield for sunflower or soybeans in the same climate and soil? Agronomists and industry specialists were consulted to determine the comparative yield scenarios for different crops.

## Input prices

### Seed

Recently, seed prices have seen significant increases across various crops. Specifically maize seed prices have risen by 13,9%, while soybean seeds have surged by 15,2%. Sunflower seed prices have climbed 15,7%, and sorghum seed prices have experienced a 16,6% increase.

These rising costs pose substantial challenges for producers, as they directly impact their overall production expenses. For instance, maize seeds account for approximately 16% of a producers' variable input costs, making it a crucial expense. Soybean seeds follow closely, comprising 15% of these costs. Sunflower seeds constitute 11% of the variable costs, and sorghum seeds, while the lowest, still represent 7%.

Given the already tight profit margins in agriculture, these increases in seed prices can squeeze producers' budgets further, potentially affecting their planting decisions and overall agricultural productivity.

### Fertiliser

Fertiliser prices decreased throughout the season as the average nitrogen price came down 13% and the average potassium price came down 32%. Phosphate prices however remained stable and only decreased by 0,66%.

Different assumptions are made in compiling the budgets. In the case of fertiliser (which represents the largest portion of a producer's variable costs), the budget incorporated an average of the price lists for N, P, and K from all fertiliser companies.

### Fuel

When calculating fuel costs, forecasts are determined using future rand/dollar exchange rates and future crude oil prices. The future price of fuel is very difficult to determine, but the expectation is that the total fuel cost per hectare will increase by approximately 6% year on year. The rand/dollar exchange rate may be influenced by the newly re-elected Trump administration's policy decisions on trade as well as trade relations between domestic and foreign governments.

**Chemicals**

The increase in chemical products varies depending on whether it is an herbicide, an insecticide or a pesticide. From data received from various local companies, agrochemical prices have decreased in the past year.

According to calculations, the total variable cost of maize is expected to decrease on average by 6,7% year on year (mostly depending on the region and time of purchases of inputs). The estimated increase will vary between different producers and across various regions, due to each producer making different purchases, different production practices and many more. We know that producers are price takers that these higher input costs cannot be passed on to consumers and that producers must absorb price increases.

**The cost structure of budgets**

The cost structure of the budget is composed of variable and fixed costs. In the budgets, variable costs are for example seed, fertiliser, herbicide and diesel. These costs differ as more or less of the input is used. The fixed or overhead costs are expenses incurred regardless of the level of production or output volumes. While fixed costs vary significantly among producers, a specific amount is allocated for estimating total production costs. These fixed costs must be added to the variable cost per hectare to determine the overall production cost.

**COMMERCIAL BUDGETS<sup>1</sup>**

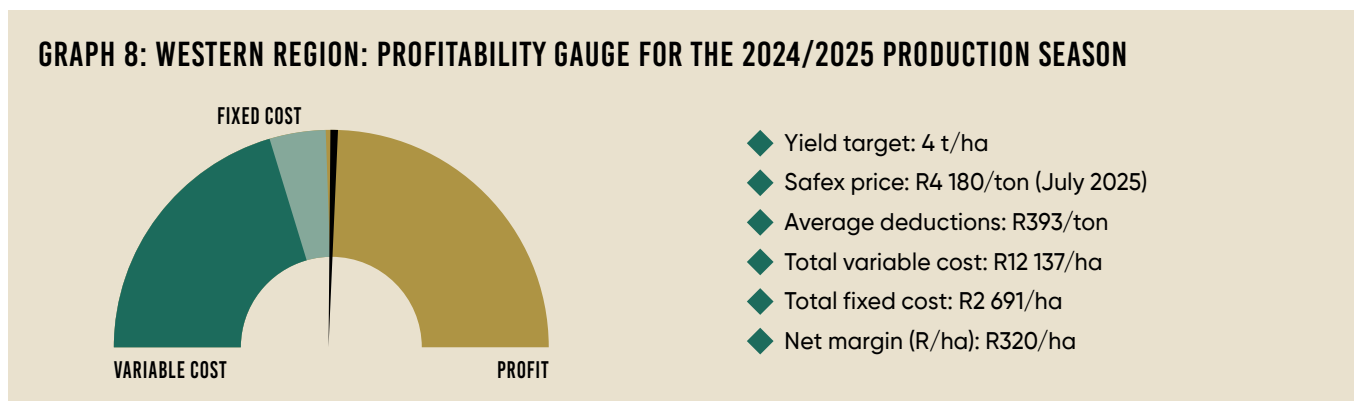
**Monthly profitability calculations for the 2023/2024 season**

Due to input costs constantly increasing, Grain SA monitored the profitability situation of grain and oilseeds every month since June 2023. As new information emerges every month, whether it is input costs such as fertiliser or fuel prices or the Safex price, the profitability situation for the upcoming summer grain season was estimated to give producers and the industry an idea of grain and oilseed profitability.

Fertiliser prices with their current downward pressure are very positive for producers. Fuel prices have decreased in the past few months, but this trend was halted with the expected price hike in November 2024. As South Africa imports a large part of its fuel, its producers are exposed to international markets.

**Western parts of the country**

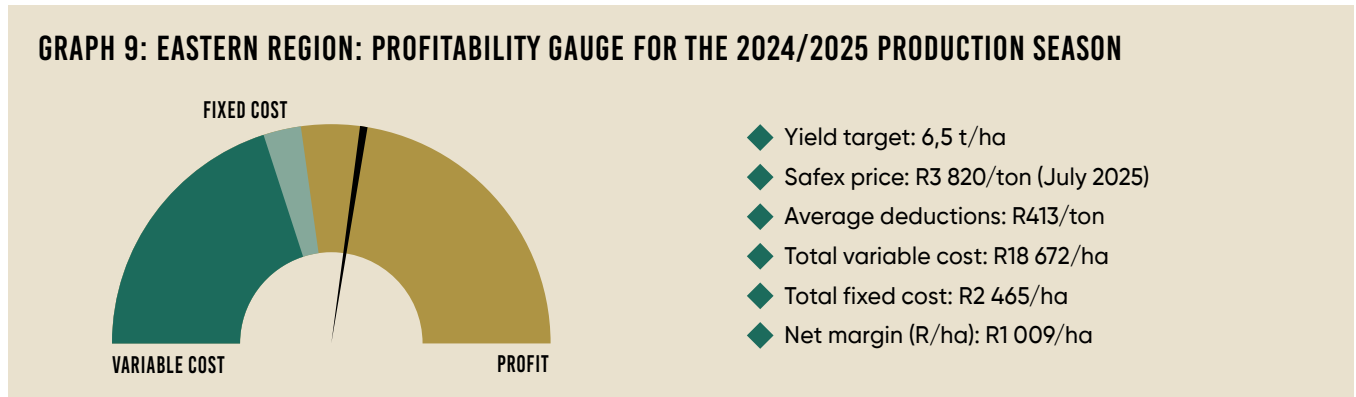
**Graph 8** shows the estimated total variable costs monthly for North West, with the first scenario compiled in the 2023/2024 production season to estimated production cost figures for the 2024/2025 production season, as compiled with input costs as available in August 2024.



<sup>1</sup> Disclaimer: The information herein has been obtained from various sources, the accuracy and/or completeness of which Grain SA does not guarantee and for which Grain SA accepts no liability. Any prices or levels contained herein are preliminary and indicative only and do not represent bids or offers. These indications are provided solely for your information and consideration.

*Eastern parts of the country*

**Graph 9** shows the estimated total variable costs monthly for Mpumalanga, with the first scenario compiled in the 2023/2024 production season to estimated production cost figures for the 2024/2025 production season, as compiled with input costs as available in August 2024.



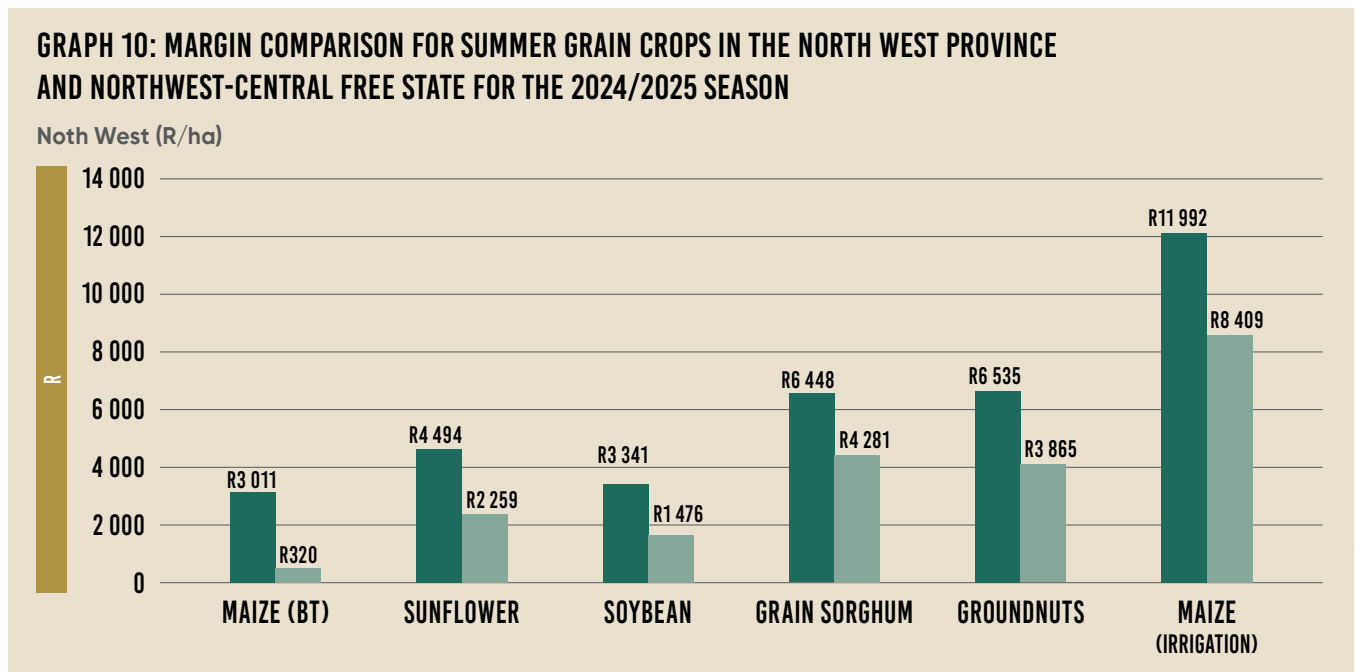
**Profitability calculation for the 2024/2025 season**

Grain SA is in the process of finalising the budgets for the 2024/2025 season. An illustration of the maize budgets and their performance against other crops is shown in **Tables 2 to 4**. The yield scenarios were based on assumptions for production conditions in different regions. These tables are compiled to indicate the difference in profitability between the various summer crops, but it is important to note that these figures may vary from one producer to the next.

*Western parts of the country*

An example of the maize budgets and their performance against other crops is shown in Table 2. The yield scenarios were based on assumptions for production conditions in the Western Part of the country (North West province and northwest-central Free State). This figure is compiled to indicate the difference in profitability between the various summer crops (maize, sunflower and soybeans). It's important to understand that these figures can differ depending on the producer.

While Table 2 (on page 112) shows estimated production costs for the North West province and northwest-central Free State, **Graph 10** again illustrates the gross and net margin situation.



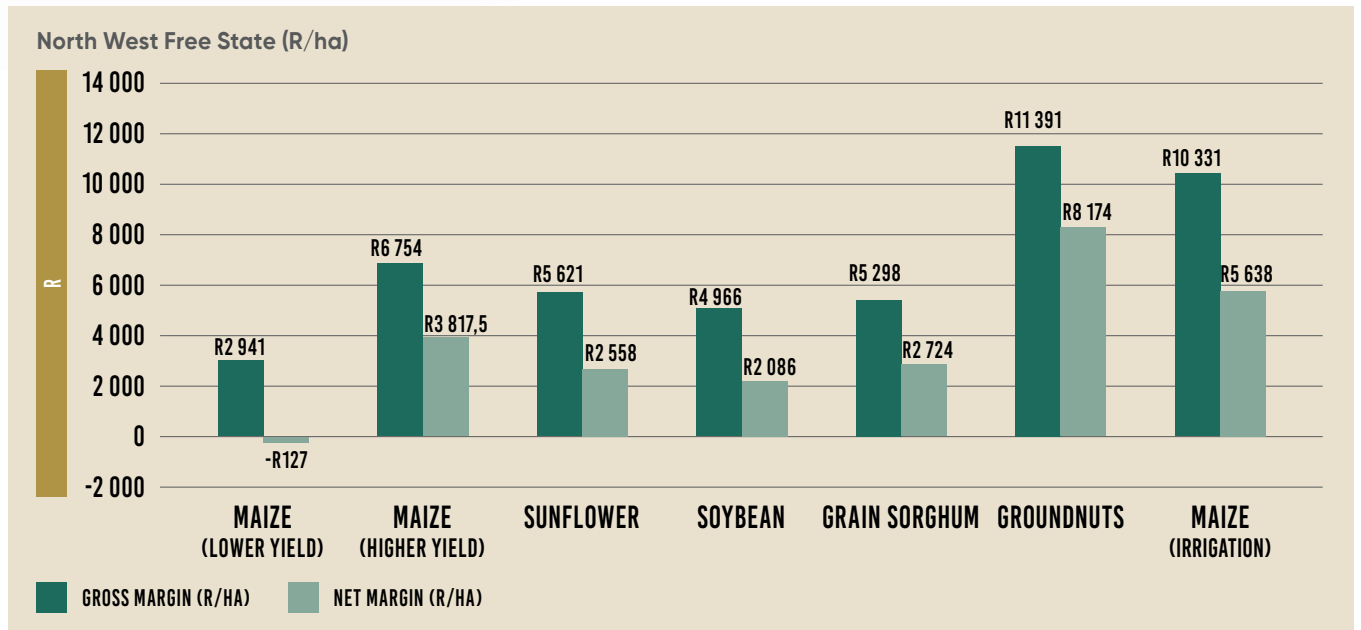


TABLE 2: COMPARISON OF PRODUCTION COST BUDGETS FOR SUMMER GRAINS FOR THE 2024/2025 SEASON (WESTERN REGION)

	NORTH WEST			
	MAIZE (BT)	SUNFLOWER	SOYBEAN	MAIZE (IRRIGATION)
<b>1. Income</b>				
Yield target (t/ha)	4	1,25	1,75	11
Safex price (best grade) (R/ton)	R4 180	R8 300	R8 200	R4 180
Deductions (R/ton)	R393	R443	R311	R393
Net farm gate price (R/ton)	R3 787	R7 857	R7 889	R3 787
<b>Gross income (R/ha)</b>	<b>R15 148</b>	<b>R9 821</b>	<b>R13 806</b>	<b>R41 657</b>
<b>2. Variable costs</b>				
Seed	R1 871,29	R752,03	R1 203,93	R4 451,25
Fertiliser	R3 186,20	R1 109,90	R1 997,90	R10 377,10
Lime	R203,13	R203,13	R203,13	R203,13
Fuel	R1 747,44	R1 420,12	R1 251,24	R1 492,52
Repairs	R711,20	R616,10	R622,13	R896,78
Herbicides	R764,27	R264,91	R1 288,79	R1 190,31
Pesticide	R806,60	R110,20	R1 591,77	R662,70
Input insurance	R677,16	R191,65	R273,44	-
Grain price hedging	R1 101,75	R167,05	R469,93	R2 692,83
Crop insurance	R394,66	R196,56	R981,59	R1 033,64
Production credit interest	R673,49	R295,61	R580,68	R1 646,11
<b>Total variable cost (R/ha)</b>	<b>R12 137,21</b>	<b>R5 327,28</b>	<b>R10 464,53</b>	<b>R29 664,97</b>
<b>Total fixed cost (R/ha)</b>	<b>R2 690,41</b>	<b>R2 235,47</b>	<b>R1 864,75</b>	<b>R3 582,62</b>
<b>Total cost (R/ha)</b>	<b>R14 827,62</b>	<b>R7 562,75</b>	<b>R12 329,28</b>	<b>R33 247,59</b>
<b>3. Gross margin (R/ha)</b>	<b>R3 011</b>	<b>R4 494</b>	<b>R3 341</b>	<b>R11 992</b>
<b>4. Net margin (R/ha)</b>	<b>R320</b>	<b>R2 259</b>	<b>R1 476</b>	<b>R8 409</b>

	NORTH WEST FREE STATE				
	MAIZE (LOWER YIELD)	MAIZE (HIGHER YIELD)	SUNFLOWER	SOYBEAN	MAIZE (IRRIGATION)
<b>1. Income</b>					
Yield target (t/ha)	4	6	1,75	2,25	14
Safex: Estimated price (R/ton)	R4 180	R4 180	R8 300	R8 200	R4 180
Deductions (R/ton)	R420	R420	R449	R218	R420
Net farm gate price (R/ton)	R3 760	R3 760	R7 851	R7 982	R3 760
<b>Gross income (R/ha)</b>	<b>R15 040</b>	<b>R22 560</b>	<b>R13 739</b>	<b>R17 960</b>	<b>R52 640</b>
<b>2. Variable costs</b>					
Seed	R1 567,25	R2 390,06	R760,99	R1 671,82	R7 122,00
Fertiliser	R3 798,00	R5 789,20	R1 645,70	R2 660,30	R14 116,66
Lime	R179,49	R179,49	R179,49	R179,49	R179,49
Fuel	R1 677,48	R1 598,17	R1 699,16	R1 604,38	R1 988,28
Repairs	R786,39	R802,30	R742,02	R724,06	R736,89
Herbicides	R764,27	R823,52	R882,60	R1 288,79	R1 355,29
Pesticide	R806,60	R806,60	R617,91	R1 591,77	R1 062,49
Input insurance	R265,20	R397,80	R267,37	R350,21	-
Grain price hedging	R1 202,92	R1 571,46	R255,43	R585,68	R3 842,47
Crop insurance	R380,18	R570,28	R617,01	R1 616,36	R1 471,76
Production credit interest	R671,38	R877,07	R450,48	R721,03	R2 347,75
<b>Total variable cost (R/ha)</b>	<b>R12 099,17</b>	<b>R15 805,95</b>	<b>R8 118,14</b>	<b>R12 993,87</b>	<b>R42 309,47</b>
<b>Total fixed cost (R/ha)</b>	<b>R3 067,87</b>	<b>R2 936,53</b>	<b>R3 063,51</b>	<b>R2 879,50</b>	<b>R4 692,28</b>
<b>Total cost (R/ha)</b>	<b>R15 167,04</b>	<b>R18 742,48</b>	<b>R11 181,65</b>	<b>R15 873,37</b>	<b>R47 001,75</b>
<b>3. Gross margin (R/ha)</b>	<b>R2 941</b>	<b>R6 754</b>	<b>R5 621</b>	<b>R4 966</b>	<b>R10 331</b>
<b>4. Net margin (R/ha)</b>	<b>-R127</b>	<b>R3 817,5</b>	<b>R2 558</b>	<b>R2 086</b>	<b>R5 638</b>

The key fact is that sunflower (on paper) remains a stalwart crop for the North West Province, although the occurrence of diseases (specifically sclerotinia) on sunflowers has been affecting yields the last few seasons. According to calculations, should the Safex prices materialise, summer grain production in the western parts of the country generally seems to be relatively profitable excluding maize that is planted on marginal yield potential soils when total input costs (fixed costs plus variable costs) are taken into consideration.

### Eastern parts of the country

Tables 3 and 4 (on page 114 and 115) set out the production costs for the eastern parts of the country (eastern Free State and eastern Highveld). The production costs of maize, sunflower and soybeans with different yield targets are compared for the eastern Free State while only maize and soybeans are compared in the eastern Highveld.

According to the production cost calculations, the variable cost of producing maize in the eastern Free State for a 5,0 t/ha yield target is ± R15 295/ha while it is ± R16 689 for a 6,0 t/ha yield target in the eastern Highveld. The estimated total maize variable costs for the 2024/2025 production season have decreased between R2 000 p/ha and R3 000 p/ha since last season, for the eastern parts of the country. If the Safex price is realised at the estimated budgeted input costs (excluding fixed costs), a producer in the eastern Free State will have to harvest 4,07 t/ha to break even whereas a producer in the eastern Highveld needs to harvest 5,55 t/ha.

Table 3 further illustrates the breakdown of input costs to produce soybeans and sunflowers. Given the input costs (fixed plus variable costs), as shown in Table 3 for soybeans at the given Safex price, a yield of approximately 1,73 t/ha in the eastern Free State and 1,48 t/ha on the eastern Highveld is required to break even.

**TABLE 3: BUDGETS FOR THE EASTERN FREE STATE**

	MAIZE (BT)	SUNFLOWER	SOYBEAN
<b>1. Income</b>			
Yield target (t/ha)	5	1,25	1,8
Safex: Estimated price (R/ton)	R4 180	R8 300	R8 200
Deductions (R/ton)	R424	R453	R210
Net farm gate price (R/ton)	R3 756	R7 847	R7 990
<b>Gross income (R/ha)</b>	<b>R18 780</b>	<b>R9 809</b>	<b>R14 382</b>
<b>2. Variable costs</b>			
Seed	R2 806,94	R671,46	R2 006,27
Fertiliser	R4 368,91	R1 643,19	R1 933,27
Lime	R671,97	-	-
Fuel	R1 628,71	R1 212,71	R1 294,07
Repairs	R874,46	R737,06	R691,65
Herbicides	R594,15	R252,55	R1 126,87
Pesticide	R703,17	R925,37	R1 414,55
Input insurance	R366,21	R218,64	R464,22
Grain price hedging	R1 352,89	R209,30	R508,34
Crop insurance	R689,15	R421,78	R1 222,38
Production credit interest	R1 238,73	R369,66	R626,37
<b>Total variable cost (R/ha)</b>	<b>R15 295,30</b>	<b>R6 661,70</b>	<b>R11 287,98</b>
<b>Total fixed cost (R/ha)</b>	<b>R3 101,61</b>	<b>R2 393,96</b>	<b>R2 507,21</b>
<b>Total cost (R/ha)</b>	<b>R18 396,91</b>	<b>R9 055,66</b>	<b>R13 795,19</b>
<b>3. Gross margin (R/ha)</b>	<b>R3 485</b>	<b>R3 147</b>	<b>R3 094</b>
<b>4. Net margin (R/ha)</b>	<b>R383</b>	<b>R753</b>	<b>R587</b>

**Graph 11** presents the information illustrated and calculated in **Table 3** and **4**. Graph 11 shows a gross margin (blue bar: variable costs only) comparison as well as a net margin (red bar: variable + fixed costs) comparison between these crops.

In summary, the figure shows that summer grain cultivation in the eastern parts of the country is largely profitable and that the expected higher commodity prices for the upcoming season generally support profitability. In the graph, it is noticeable that the profitability of sunflower and soybeans is better than that of maize for the eastern regions. Although sunflower is planted on a small scale in the eastern Free State, the profitability outlook also looks relatively promising.

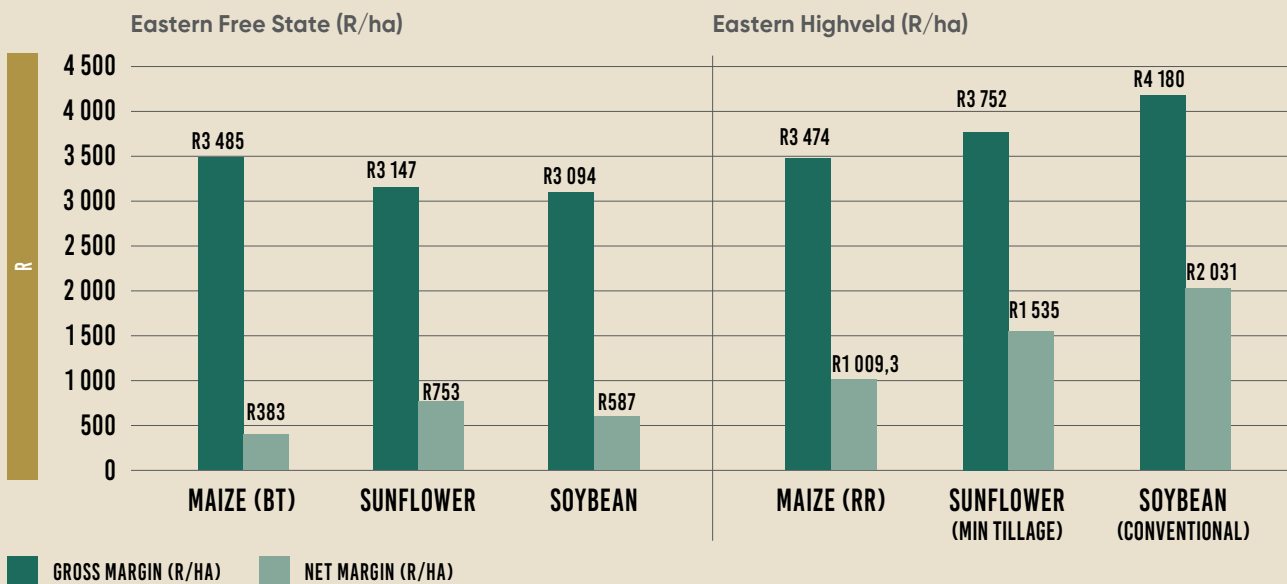
### Irrigation

There is a significant difference when the cost per hectare between dry land and irrigation is compared. The difference in variable cost is mainly due to the higher plant density under irrigation increasing both seed and fertiliser costs. Except for the price increases in input costs, irrigation producers are suffering under the constant increase in the cost of, for example, electricity, water and pivot maintenance. **Table 5** shows the estimated production costs for irrigation crops for the Northern Cape and Limpopo for the 2024/2025 production season.

TABLE 4: BUDGETS FOR THE EASTERN HIGHVELD

	MAIZE (RR)	MAIZE (MIN TILLAGE)	SOYBEAN (CONVENTIONAL)
<b>1. Income</b>			
Yield target (t/ha)	6,5	6	2
Safex: Estimated price (R/ton)	R3 820	R3 820	R8 200
Deductions (R/ton)	R413	R413	R160
Net farm gate price (R/ton)	R3 407	R3 407	R8 040
<b>Gross income (R/ha)</b>	<b>R22 146</b>	<b>R20 442</b>	<b>R16 080</b>
<b>2. Variable costs</b>			
Seed	R4 466,66	R3 880,91	R2 006,88
Fertiliser	R6 043,30	R5 367,70	R3 528,69
Lime	R252,75	R252,75	-
Fuel	R1 618,89	R1 419,70	R1 344,78
Repairs	R733,78	R695,88	R552,14
Herbicides	R594,15	R574,15	R1 024,58
Pesticide	R703,17	R703,17	R810,66
Input insurance	R465,06	R398,62	R313,56
Grain price hedging	R1 852,96	R1 656,26	R532,68
Crop insurance	R904,80	R814,32	R1 125,60
Casual labour	-	-	-
Production credit interest	R1 036,09	R926,10	R660,32
<b>Total variable cost (R/ha)</b>	<b>R18 671,60</b>	<b>R16 689,56</b>	<b>R11 899,89</b>
<b>Total fixed cost (R/ha)</b>	<b>R2 464,56</b>	<b>R2 217,07</b>	<b>R2 149,16</b>
<b>Total cost (R/ha)</b>	<b>R21 136,16</b>	<b>R18 906,63</b>	<b>R14 049,05</b>
<b>3. Gross margin (R/ha)</b>	<b>R3 474</b>	<b>R3 752</b>	<b>R4 180</b>
<b>4. Net margin (R/ha)</b>	<b>R1 009,3</b>	<b>R1 535</b>	<b>R2 031</b>

GRAPH 11: MARGIN COMPARISON FOR SUMMER GRAIN CROPS IN THE EASTERN FREE STATE AND EASTERN HIGHVELD FOR THE 2023/2024 SEASON



If the Safex price and the estimated budgeted input costs are realised, it appears that irrigation producers would be able to cover their variable costs when planting maize and sunflowers, but the picture looks quite different if the fixed cost component is considered. Limpopo soybeans and Northern Cape maize are projected to incur a loss for the 2024/2025 season. Given the fixed costs, maize production under irrigation is particularly challenging and must achieve above-average yields.

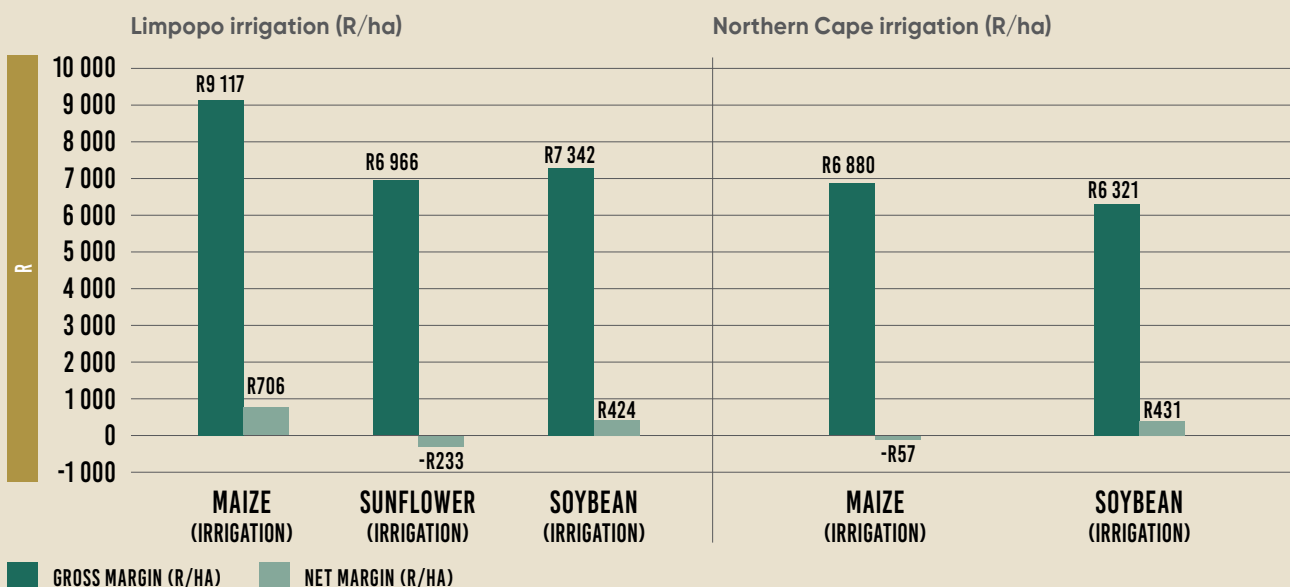
**TABLE 5: LIMPOPO IRRIGATION BUDGET**

	MAIZE (IRRIGATION)	SOYBEAN (IRRIGATION)	SUNFLOWER (IRRIGATION)
<b>1. Income</b>			
Yield target (t/ha)	12	3	2
Safex: Estimated price (R/ton)	R3 810	R8 200	R8 300
Deductions (R/ton)	R329	R89	R303
Net farm gate price (R/ton)	R3 481	R8 111	R7 997
<b>Gross income (R/ha)</b>	<b>R41 772</b>	<b>R24 333</b>	<b>R15 994</b>
<b>2. Variable costs</b>			
Seed	R6 231,75	R3 442,22	R331,67
Fertiliser	R9 660,60	R2 786,50	R1 945,40
Fuel	R1 942,49	R1 634,87	R1 544,23
Repairs	R698,62	R571,68	R564,24
Herbicides	R875,51	R442,73	R1 103,86
Pesticide	R58,97	R441,22	R252,72
Irrigation cost	R5 892,60	R3 969,80	R1 420,00
Grain price hedging	R3 183,75	R773,14	R248,40
Contract harvesting	R850,00	R850,00	R400,00
Crop insurance	R1 411,07	R1 338,32	R383,86
Aerial spray	R85,00	R200,00	-
Production credit interest	R1 764,87	R916,53	R457,92
<b>Total variable cost (R/ha)</b>	<b>R32 655,23</b>	<b>R17 367,00</b>	<b>R8 652,30</b>
<b>Total fixed cost (R/ha)</b>	<b>R8 410,73</b>	<b>R7 198,70</b>	<b>R6 918,01</b>
<b>Total cost (R/ha)</b>	<b>R41 065,96</b>	<b>R24 565,70</b>	<b>R15 570,31</b>
<b>3. Gross margin (R/ha)</b>	<b>R9 117</b>	<b>R6 966</b>	<b>R7 342</b>
<b>4. Net margin (R/ha)</b>	<b>R706</b>	<b>-R233</b>	<b>R424</b>

**TABLE 6: NORTHERN CAPE IRRIGATION BUDGET**

	MAIZE (IRRIGATION)	SOYBEAN (IRRIGATION)
<b>1. Income</b>		
Yield target (t/ha)	15	4
Safex: Estimated price (R/ton)	R3 810	R8 200
Deductions (R/ton)	R601	R204
Net farm gate price (R/ton)	R3 209	R7 996
<b>Gross income (R/ha)</b>	<b>R48 135</b>	<b>R31 984</b>
<b>2. Variable costs</b>		
Seed	R8 001,85	R2 674,94
Fertiliser	R14 109,05	R7 636,80
Fuel	R1 724,83	R998,62
Repairs	R536,70	R329,75
Herbicides	R824,68	R631,65
Pesticide	R3 552,14	R1 950,86
Irrigation cost	R7 453,84	R6 849,40
Contract harvesting	R1 100,00	R1 250,00
Crop insurance	R955,95	R1 919,04
Aerial spray	R500,00	-
Interest on production (R/ha)	R2 496,31	R1 421,97
<b>Total variable cost (R/ha)</b>	<b>R41 255,35</b>	<b>R25 663,03</b>
<b>Total fixed cost (R/ha)</b>	<b>R6 936,80</b>	<b>R5 890,00</b>
<b>Total cost (R/ha)</b>	<b>R48 192,14</b>	<b>R31 553,03</b>
<b>3. Gross margin (R/ha)</b>	<b>R6 880</b>	<b>R6 321</b>
<b>4. Net margin (R/ha)</b>	<b>-R57</b>	<b>R431</b>

**GRAPH 12: MARGIN COMPARISON FOR SUMMER GRAIN CROPS IN THE NORTHERN CAPE AND LIMPOPO FOR IRRIGATION FOR THE 2023/2024 SEASON**





## REGIONAL MEETINGS 2023/2024

# Grain SA meets producers at regional level once more

During the reporting period, Grain SA again undertook a series of regional meetings over almost two months that took the organisation across the country to more than 1 000 grain and oilseeds producers. It will always be one of Grain SA's priorities to be involved at grassroots level.

In order to visit producers in more than 33 different regions of South Africa, a Grain SA team comprising directors and personnel undertook this tour in the run-up to Congress to address the most important issues for each region and to emphasise the role and function of the organisation. The team held a total of 41 meetings in a period of seven weeks.

**TABLE 1: STATISTICS OF GRAIN SA REGIONAL MEETINGS**

### NUMBER OF PRODUCERS REACHED

	2023	2024	% change per person
Western Cape	228	233	2%
Commercial	436	710	63%
Developing	176	148	-16%
<b>Total</b>	<b>840</b>	<b>1 091</b>	<b>30%</b>

Source: Grain SA

These discussions with more than 1 100 members presented an opportunity to become aware once again of the unique challenges that face producers in each region, including with regard to diversity. Grain SA carefully noted the issues, and they were subsequently discussed at Congress or placed on the agenda to be dealt with in the future.

## POINTS RAISED AT REGIONAL MEETINGS

A number of problems were placed on the agenda by producers at these meetings.

1. A lively interest was shown in the alternative differential system. The JSE is currently testing an alternative differential system for soybeans. The operation and success of the system are being monitored carefully by Grain SA and regular communication takes place with members and the JSE.
2. The diesel rebate was mentioned frequently, particularly with regard to the diesel costs and the quality of the diesel that is available. In the course of the year, Grain SA introduced a diesel quality monitoring programme to conduct quality tests among members.
3. Producers expressed a strong need for more communication from Grain SA regarding their role and successes, as well as clarity on when the organisation achieves a victory on behalf of its members. (See the report by Communication and Influence on page 31 regarding the integrated communication strategy.)
4. The discussion on the soybean breeding and technology levy also occupied a lot of time, with producers demanding measurable results and clear benefits before accepting the value of the levy. Grain SA discussed the breeding and technology levy thoroughly at the past Congress. It was resolved that the levy would be approved for three years and that success criteria for the levy would be drafted.
5. Some producers mentioned that levy deductions at silos were unclear regarding what deductions were allowed (statutory versus voluntary levies). It was also mentioned that Grain SA loses levy income from loadings on farms, which are becoming increasingly common.

6. Prices of chemicals and industry value chain. Grain SA focuses on making the industry as transparent as possible and also addressing part of the value chain that does not add value. The organisation is constantly involved in discussions with agrochemical manufacturers to move closer to producers.
7. Producers requested Grain SA to discuss the availability of insurance for cold damage in wheat with insurance companies. Grain SA is currently taking this up with companies.
8. Exclusive benefits to Grain SA members were often requested at meetings. Although certain exclusive benefits are already in place (see the Levy Report on page 28), Grain SA focuses continually on investigating, assessing and negotiating additional benefits for members.

## DEVELOPING PRODUCERS

From discussions with developing producers it was clear that challenges had to be faced on many levels, and that such meetings offered an important solution to providing valuable information.

1. A critical issue was the timing of the hedging of crops and how to navigate through market fluctuations to ensure profits. This issue underlines the importance of Phahama Grain Phakama (PGP) in providing training on commodity marketing.
2. Government support and services were an important discussion point, leading to enquiries about assistance with the acquisition of inputs and public-private partnerships, particularly with entities like PGP. The lack of access to inputs and mechanisation and overall processes involved in addressing systemic obstacles to success, particularly to black producers, requires innovative approaches and robust support mechanisms.
3. Supply chain management emerged as an urgent matter requiring strategies necessitating the streamlining of input supply. In addition, it remains essential to investigate ways of providing financial assistance, including crop insurance and subsidies. Through these enquiries and dialogue stakeholders attempt to promote resilience and innovation in the agricultural sector, thus paving the way for sustainable growth and development.

The questions that were raised at meetings reflected various aspects that relate to agriculture, government support, challenges facing producers and strategies for improvement. Specific enquiries were also made about Grain SA and its programmes and how it functions in the space of developing producers.





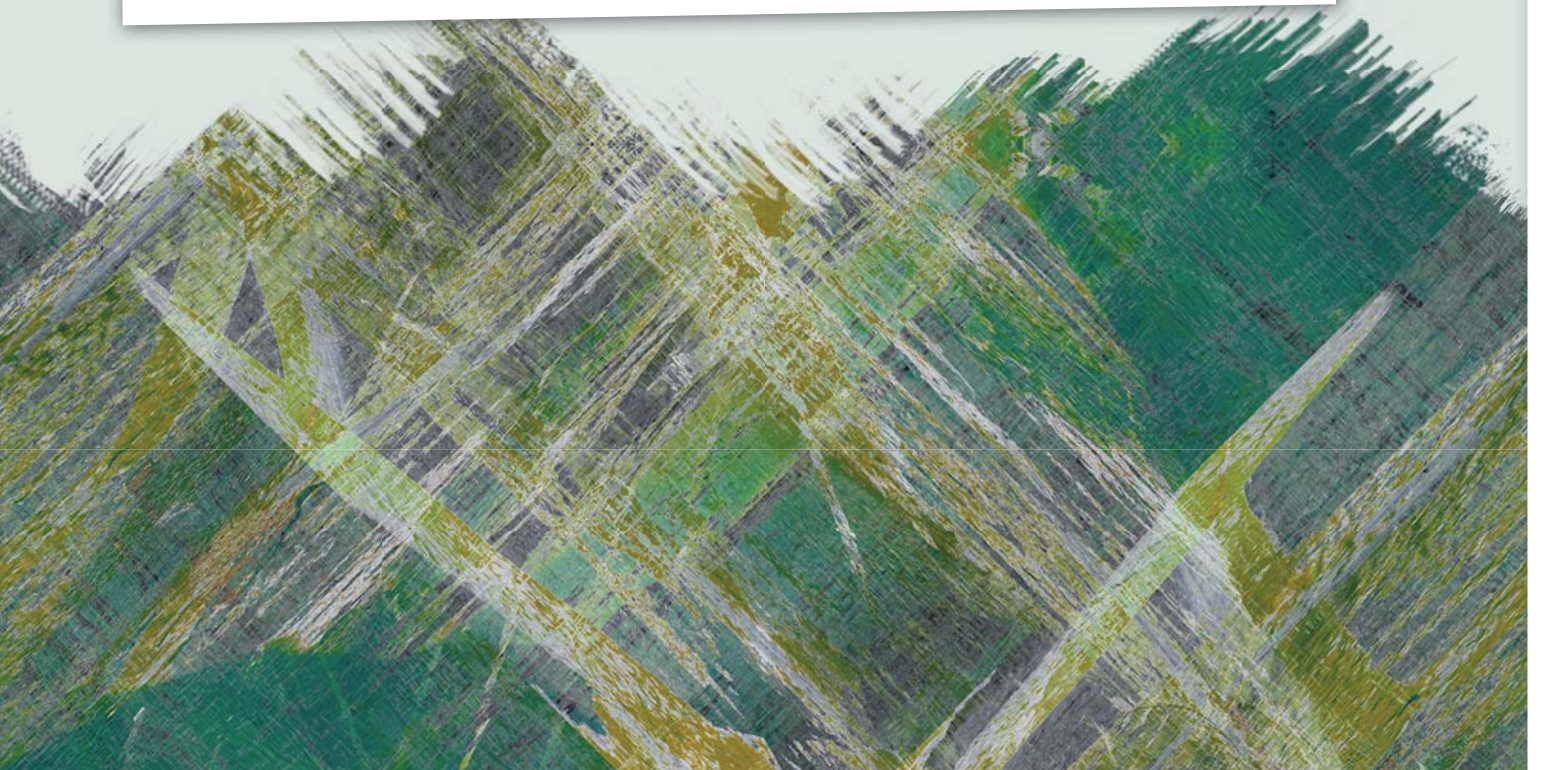
# General information

<b>Country of incorporation and domicile</b>	South Africa
<b>Registration number</b>	045-605-NPO
<b>Nature of business and principal activities</b>	The group of entities incorporated in South Africa functions to promote the interests of grain producers within South Africa.
<b>Grain South Africa Board</b>	DJM Mathews (Chairperson) RP Krige (Vice-Chairperson) J M Mathebula (Vice-Chairperson) Assisted and on behalf of the Grain South Africa Board members as listed on page 125.
<b>Audit committee</b>	S Barac (Chairperson – independent) DJM Mathews D Minnaar JM Mathebula J de Kock JA du Plessis RP Krige TF van Rooyen
<b>Business address</b>	Alenti Office Park – Block C 457 Witherite Road The Willows Pretoria 0041
<b>Postal address</b>	PO Box 74087 Lynnwood Ridge 0040
<b>Bankers</b>	First National Bank Limited Standard Bank Limited
<b>Level of assurance</b>	These financial statements have been audited in compliance with the applicable requirements of Grain South Africa Constitution.
<b>Auditor</b>	PricewaterhouseCoopers Inc. Registered Auditors
<b>Group secretary</b>	NJ Vermaak
<b>Compilers</b>	Lloyd Viljoen Chartered Accountants (SA)
<b>Published</b>	27 February 2025

# INDEX

The reports and statements set out below comprise the annual financial statements presented to the members:

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Statement of Changes in Equity	132
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Notes to the Consolidated and Separate Financial Statements	141 - 159





# Grain South Africa Board responsibilities and approval

The Grain South Africa Group Board is required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group of entities and the organisation as at the end of the financial year and the results of its operations and cash flow for the period then ended, in conformity with the IFRS for SME<sup>®</sup> Accounting Standard. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the IFRS for SME<sup>®</sup> Accounting Standard and are based upon appropriate policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Grain South Africa Group Board acknowledge that they are ultimately responsible for the system of internal control established by the group of entities and the organisation and place considerable importance on maintaining a strong control environment. To enable the Grain South Africa Group Board to meet these responsibilities, they set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group of entities and the organisation and all employees are required to maintain the highest ethical standards in ensuring the group of entities and separate organisation business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group of entities and the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the group of entities and separate organisation. While operating risk cannot be fully eliminated, the group of entities and the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Grain South Africa Group Board is also responsible for the control over, and the security of the group of entities and the organisation's website and where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information of the group of entities and separate organisation.

The Grain South Africa Group Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The Grain South Africa Group Board has reviewed the group of entities and the organisation's cash flow forecast for the year to 30 September 2025 and, in the light of this review and the current financial position, they are satisfied that the group of entities and the organisation have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group of entities and the organisation's annual financial statements. The consolidated and separate annual financial statements have been examined by the group of entities and separate organisation's external auditor and their audit report is presented on pages 127 to 129.

While operating risk cannot be fully eliminated, the group of entities and separate organisation endeavours to minimise it.

The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of the Grain South Africa Group Board. The Grain South Africa Group Board believes that all representations made to the external auditor during their audit are valid and appropriate.

The consolidated and separate annual financial statements as set out on pages 130 to 159, including the directors report set out on pages 124 to 126 which have been prepared on the going concern basis, were approved and authorised by the Grain South Africa Group Board on 26 February 2025 were signed on its behalf by:



Derek Mathews  
CHAIRPERSON



Richard Krige  
VICE-CHAIRPERSON





# Grain South Africa Board report

The Grain South Africa Board has the pleasure in submitting their report on the financial statements of Grain South Africa Group ("the group") and Grain South Africa ("Grain SA" or "the organisation") for the year ended 30 September 2024.

## NATURE OF BUSINESS

### Main business and operations

Grain South Africa group of entities and the organisation is incorporated in South Africa and is a group of entities that functions to promote the interests of grain producers within South Africa. The group of entities and the organisation operates in South Africa.

There have been no material changes to the nature of the group of entities or the organisation's business from the prior year.

### Review of activities

The consolidated and separate financial statements have been prepared in accordance with the IFRS for SME<sup>®</sup> Accounting Standard. The accounting policies have been applied consistently compared to the prior year.

The operating results and state of affairs of the group of entities and the organisation are fully set out in the financial statements and do not in our opinion require any further comment.

## GOING CONCERN

The group of entities and the organisation's annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Cash flow forecasts are prepared and monitored on a continuous basis. The Grain South Africa Group Board is satisfied that the group of entities and the organisation have a sound financial position and that it has access to sufficient resources to continue trading in the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The Grain South Africa Board is not aware of any new material changes that may adversely affect the group of entities and the organisation. The Grain South Africa Board is also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation that may affect the group.

## EVENTS DURING AND AFTER REPORTING DATE

During the period under review, Grain South Africa entered into a transaction to sell part of its business as a going concern to Nampo (Pty) Ltd, a wholly owned subsidiary. This transaction includes Properties 1 and 7, as detailed in Note 3. The transaction as a whole has been concluded, but the transfer of the aforementioned immovable properties are contingent upon approval by the Congress of Grain South Africa, scheduled for March 2025. The properties subject to approval will not adversely affect the remaining resources of Grain South Africa or compromise its ability to continue as a going concern.

The Grain South Africa board is not aware, except for the properties mentioned above, of any material events occurring after the reporting period and up to the date of this report that would have a material impact on these financial statements.

## GRAIN SOUTH AFRICA BOARD

The Grain South Africa board of the organisation during the year and up to the date of this report are as follows:

### Composition of the Grain South Africa Board:

**D Mathews (Chairperson)**

**JM Mathebula (Vice-Chairperson)**

**RP Krige (Vice-Chairperson)**

**G Pretorius**

**J du Plessis**

**C van Zyl**

**F Geldenhuys**

**W Grobler**

**D Laas**

**P Botha**

**J Swanepoel**

**A Groesbeek**

**R Pretorius**

**G Roos**

**E du Plessis**

**W Groothof**

**R Küsel**

**P Zietsman**

**W Hattingh**

**H Jansen van Rensburg**

**N Claassen**

**J Breytenbach**

**M Groenewald**

**P van Zyl**

**W Marais**

**T van Rooyen**

**D Minnaar**

**D Kruger**

**A Kirsten**

**J de Kock**

**R Pholo**

**MT Sibiyi**

**C Mthimkulu**

**R Swart**

**T Ntonga**

**P Stuurman**



## SECRETARY

NJ Vermaak is the secretary appointed.

## INDEPENDENT AUDITOR

PricewaterhouseCoopers Inc. was the independent auditors for the year under review.

## INTEREST IN SUBSIDIARIES

Details of material interests in subsidiaries are presented in the consolidated and separate annual financial statements in note 5.

The interest of the group in the profit/(loss) of its subsidiaries for the year ended 30 September 2024 and 30 September 2023 are as follows:

SUBSIDIARY	% HOLDING 2024	% HOLDING 2023	PROFIT/(LOSS) 2024	PROFIT/(LOSS) 2023
			<b>R</b>	<b>R</b>
Nampo Proprietary Limited	100%	100%	(276 954)	(498 432)
<b>Special purpose entity*</b>				
Phahama Grain Phakama NPC	*	*	5 947 568	3 988 150
Commercial Producers Trust	*	-	5 041 747	-

\* *Special purpose entity over which the organisation has control. Commercial Producers Trust is included in these financial statements from 1 October 2023.*



# Independent auditor's report

To the Members of Grain South Africa Group

## OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Grain South Africa (the Organisation) and its subsidiaries (together the Group) as at 30 September 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard.

### What we have audited

Grain South Africa Group's consolidated and separate financial statements set out on pages 130 to 159 comprise:

- the consolidated and separate statements of financial position as at 30 September 2024;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including *International Independence Standards*).

## OTHER INFORMATION

The Grain South Africa Board are responsible for the other information. The other information comprises the information included in the document titled '*Annual Report 2024*'. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE GRAIN SOUTH AFRICA BOARD FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Grain South Africa Board are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the IFRS for SMEs Accounting Standard, and for such internal control as the Grain South Africa Board determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Grain South Africa Board are responsible for assessing the Group and the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Grain South Africa Board either intend to liquidate the Group and/or the Organisation or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Grain South Africa Board.
- Conclude on the appropriateness of the Grain South Africa Board' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Grain South Africa Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**PricewaterhouseCoopers Inc.**

**Director: HB Eksteen**

**REGISTERED AUDITOR**

**Johannesburg, South Africa**

**27 February 2025**



# STATEMENT OF FINANCIAL POSITION

as at 30 September 2024

	NOTES	GROUP		ORGANISATION	
		2024	2023	2024	2023
		R	R	R	R
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	44 775 111	29 419 444	24 823 818	27 913 578
Intangible assets	4	1 654 385	1 422 376	-	1 422 376
Investments in subsidiaries	5	-	-	1	1
Deferred tax	9	1 116 033	-	-	-
Other financial assets	11	117 047 021	38 731 030	20 889 058	31 249 829
Trust funds	12	-	-	-	-
<b>Total non-current assets</b>		<b>164 592 550</b>	<b>69 572 850</b>	<b>45 712 877</b>	<b>60 585 784</b>
<b>Current assets</b>					
Inventories	6	276 624	318 005	-	318 005
Trade and other receivables	8	27 134 495	26 274 652	3 548 316	14 210 021
Current tax assets	10	156 767	-	-	-
Loan to group entity	13	-	-	66 415 093	1 707 753
Cash and cash equivalents	14	58 224 320	28 553 020	7 117 251	17 309 770
<b>Total current assets</b>		<b>85 792 206</b>	<b>55 145 677</b>	<b>77 080 660</b>	<b>33 545 549</b>
<b>Total assets</b>		<b>250 384 756</b>	<b>124 718 527</b>	<b>122 793 537</b>	<b>94 131 333</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Trust fund		55 921 021	-	-	-
Accumulated surplus		102 076 359	67 407 857	80 191 579	57 108 655
Reserves		32 838 114	8 872 317	32 838 114	8 872 317
<b>Total equity</b>		<b>190 835 494</b>	<b>76 280 174</b>	<b>113 029 693</b>	<b>65 980 972</b>
<b>Current liabilities</b>					
Trade and other payables	15	59 549 262	48 438 353	9 539 357	28 150 361
Loan from group entity	17	-	-	224 487	-
<b>Total current liabilities</b>		<b>59 549 262</b>	<b>48 438 353</b>	<b>9 763 844</b>	<b>28 150 361</b>
<b>Total equity and liabilities</b>		<b>250 384 756</b>	<b>124 718 527</b>	<b>122 793 537</b>	<b>94 131 333</b>

The accounting policies on pages 134 to 140 and the notes on pages 141 to 159 form an integral part of the financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2024

	NOTES	GROUP		ORGANISATION	
		2024	2023	2024	2023
		R	R	R	R
Revenue	18	150 151 578	118 380 210	41 944 726	34 965 967
Other income	19	2 002 940	2 229 911	-	63 510 222
Other expenses	20	(135 687 860)	(105 821 245)	(24 834 359)	(85 894 604)
Other gains and (losses)	21	11 089 919	2 782 193	1 075 004	2 119 532
<b>Surplus from operating activities</b>	22	<b>27 556 577</b>	<b>17 571 069</b>	<b>18 185 371</b>	<b>14 701 117</b>
Finance income	23	6 172 582	2 427 077	4 897 553	1 807 310
Finance costs		-	-	-	-
<b>Surplus before tax</b>		<b>33 729 159</b>	<b>19 998 146</b>	<b>23 082 924</b>	<b>16 508 427</b>
Income tax credit	24	939 343	-	-	-
<b>Surplus for the year</b>		<b>34 668 502</b>	<b>19 998 146</b>	<b>23 082 924</b>	<b>16 508 427</b>
<b>Other comprehensive income net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>34 668 502</b>	<b>19 998 146</b>	<b>23 082 924</b>	<b>16 508 427</b>

The accounting policies on pages 134 to 140 and the notes on pages 141 to 159 form an integral part of the financial statements.



## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2024

### GROUP

	Trust fund	Reserve fund*	Accumulated surplus	Total
	R	R	R	R
<b>Balance at 1 October 2022</b>	-	8 872 317	47 409 711	56 282 028
<b>Changes in equity</b>				
Surplus for the year	-	-	19 998 146	19 998 146
Total comprehensive income for the year	-	-	19 998 146	19 998 146
<b>Balance at 30 September 2023</b>	-	<b>8 872 317</b>	<b>67 407 857</b>	<b>76 280 174</b>
<b>Balance at 1 October 2023</b>	-	8 872 317	67 407 857	76 280 174
<b>Changes in equity</b>				
Surplus for the year	-	-	34 668 502	34 668 502
Total comprehensive income for the year	-	-	34 668 502	34 668 502
Increase through changes in ownership interests in Commercial Producers Trust	55 921 021	-	-	55 921 021
Levy fund contribution	-	23 965 797	-	23 965 797
<b>Balance at 30 September 2024</b>	<b>55 921 021</b>	<b>32 838 114</b>	<b>102 076 359</b>	<b>190 835 494</b>

### ORGANISATION

	Reserve fund*	Accumulated surplus	Total
	R	R	R
<b>Balance at 1 October 2022</b>	8 872 317	40 600 228	49 472 545
<b>Changes in equity</b>			
Surplus for the year	-	16 508 427	16 508 427
Total comprehensive income	-	16 508 427	16 508 427
<b>Balance at 30 September 2023</b>	<b>8 872 317</b>	<b>57 108 655</b>	<b>65 980 972</b>
<b>Balance at 1 October 2023</b>	8 872 317	57 108 655	65 980 972
<b>Changes in equity</b>			
Surplus for the year	-	23 082 924	23 082 924
Total comprehensive income	-	23 082 924	23 082 924
Levy fund contribution	23 965 797	-	23 965 797
<b>Balance at 30 September 2024</b>	<b>32 838 114</b>	<b>80 191 579</b>	<b>113 029 693</b>

\* Included in Reserves is R3 000 000 which was ringfenced and approved by Congress in 2018. R127 683 of this Reserve was utilised in 2021 in line with Congress approval. The remaining balance is R2 872 317.

The accounting policies on pages 134 to 140 and the notes on pages 141 to 159 form an integral part of the financial statements.

# STATEMENT OF CASH FLOWS

for the year ended 30 September 2024

	NOTES	GROUP		ORGANISATION	
		2024	2023	2024	2023
		R	R	R	R
<b>Net cash flows from/(used in) operations</b>	29	<b>55 155 134</b>	15 711 468	<b>(2 904 145)</b>	5 499 834
Interest received		-	536 752	-	536 752
Income taxes paid	30	<b>(333 457)</b>	-	-	-
<b>Net cash flows from/(used in) operating activities</b>		<b>54 821 677</b>	16 248 220	<b>(2 904 145)</b>	6 036 586
<b>Cash flows used in investing activities</b>					
Proceeds from sales of property, plant and equipment		-	50 421	-	39 556
Purchase of property, plant and equipment		<b>(18 787 799)</b>	(4 019 236)	-	(4 019 236)
Purchase of intangible assets		<b>(775 110)</b>	(1 096 883)	-	(1 096 883)
Proceeds from disposal of other financial assets		-	-	-	3 373 397
Purchase of unlisted shares		-	-	-	(1)
Purchase of other financial assets		<b>(5 587 468)</b>	(10 723 252)	-	(10 723 252)
Proceeds from disposal of other financial assets		-	3 273 880	-	-
Loan advanced to group entity		-	-	<b>(7 600 000)</b>	-
Proceeds of loan to group entity		-	-	<b>311 626</b>	-
<b>Cash flows used in investing activities</b>		<b>(25 150 377)</b>	(12 515 070)	<b>(7 288 374)</b>	(12 426 419)
Net increase / (decrease) in cash and cash equivalents		<b>29 671 300</b>	3 733 150	<b>(10 192 519)</b>	(6 389 832)
Cash and cash equivalents at beginning of the year		<b>28 553 020</b>	24 819 870	<b>17 309 770</b>	23 699 602
Cash and cash equivalents at end of the year	14	<b>58 224 320</b>	28 553 020	<b>7 117 251</b>	17 309 770

The accounting policies on pages 134 to 140 and the notes on pages 141 to 159 form an integral part of the financial statements.



# ACCOUNTING POLICIES

for the year ended 30 September 2024

## 1. GENERAL INFORMATION

Grain South Africa Group is incorporated in South Africa. Grain South Africa Group of entities consist of: Grain South Africa a non-profit organisation, Phahama Grain Phakama NPC a Non-Profit Company, Nampo Proprietary Limited a private company with limited assets and activities and Commercial Producers Trust is a trust involved in agricultural research.

The Grain South Africa Group of entities and the organisation function to promote the interest of grain producers within South Africa. The registered office is Block C, Alenti Office Park, 457 Witherite Avenue, The Willows, Pretoria.

## 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated and separate annual financial statements have been prepared on a going concern basis in accordance and in compliance with the IFRS for SME® Accounting Standard issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention except for other financial assets measured at fair value and are presented in South African rands.

### 2.1 Common control

#### *Common control transactions*

Transactions that involve entities that are controlled by the same party before and after the transaction are referred to as common control transactions. These transactions are excluded under the scope of IFRS for SME section 19: Business Combinations and therefore the Organisation has developed its own policy. The Organisation takes into account the particular facts and circumstances surrounding the transaction.

In the current financial year, assets and liabilities were transferred between holding and subsidiary entities. The Organisation has applied predecessor accounting to these transactions. The predecessor method of accounting transfers assets and liabilities at the predecessor carrying values, requiring no fair value measurement. No goodwill is recognised on transfer and any difference between the consideration given and the aggregate carrying value of the assets and liabilities is included in equity. All transfers that occurred within the Organisation took place at the carrying values of the assets and liabilities.

The Organisation has used the prospective presentation method. Any assets and liabilities are incorporated prospectively from the date on which the business combination between entities under common control occurred. The Organisation has used this method as it is impractical to retrospectively present the transaction.

### 2.2 Consolidation – subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities

and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-entities transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

## 2.3 Significant judgements and sources of estimation uncertainty

### *Critical judgements in applying accounting policies*

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in future could differ from these estimates which may be material to the annual financial statements.

### *Key sources of estimation uncertainty*

#### **USEFUL LIVES AND RESIDUAL VALUES OF PROPERTY, PLANT AND EQUIPMENT**

The group and organisation review the residual values and estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. Various factors are considered by management, such as the historical pattern of usage of similar assets, the price obtained for similar assets that have actually been sold and the extent to which the assets capacity will be utilised in the future. When the estimated useful life of an asset differs from previous estimates the change is applied prospectively in the determination of the depreciation charge.

#### **UNDUE COST OR EFFORT**

The Grain South Africa Group Board believes that due to the fact that there are no significant stakeholders to the group to whom the fair value of the investment property will benefit, the obtaining annual valuations for each property, would result in excessive costs (through valuer's fees) in comparison to the benefits that the users of these financial statements would receive from having the information.

The Grain South Africa Group Board has therefore applied the undue cost or effort exemption in respect of the group's investment properties. As a result, investment property has been transferred to property, plant and equipment and is accounted for in terms of the relevant accounting policy set out in note 2.6 and 2.7.

## 2.4 Investment in subsidiaries

An investment in a subsidiary is accounted for at cost less accumulated impairment losses.

## 2.5 Income

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue for the organisation is defined as management fees, rental income and members contributions.

Revenue for the group is defined as sale of goods, rendering of services, admin and management fees, rental income, members contribution, sponsorships and project income.

Revenue from sale of goods is recognised to the extent that the group has transferred the significant risks and rewards of ownership of goods to the buyer and it is probable that economic benefits associated with the transaction will flow to the group and organisation and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Management fees is recognised to the extent that the organisation has rendered services under an agreement provided that the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the organisation.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, income shall be recognised only to the extent of the expenses recognised that are recoverable.

Members contributions are voluntary and are accountable when the funds are received.

Rental income is calculated on an accrual basis in accordance with the essence of the applicable agreements recognised. Rental income is recognised on a straight-line basis over the rental period, even if payments are not made on a straightforward basis, or where payments are structured to increase in line with inflation.

Other income for the group and organisation consists of donations, sundry income and cost recovery.

Revenue and other income is calculated at the fair value of the consideration received or receivable and represents the receivables for services provided in the normal course of business, after deduction of value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the organisation's right to receive payment has been established, and is shown as other income.

## 2.6 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit or loss. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The group and organisation accounts for investment property as property, plant and equipment using the cost – depreciation – impairment model.

## 2.7 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment also include investment property for which fair value cannot be determined without undue cost or effort on an ongoing basis.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the organisation, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes cost incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the organisation and the cost can be measured reliably.

Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Land is not depreciated. Depreciation of an asset commences when the asset is available for use as intended by management.

Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation.

The useful lives of property, plant and equipment have been assessed as follows:

<b>Asset class</b>	<b>Useful life/depreciation rate</b>
Land and buildings	0 - 10% Straight line
Machinery	20% Straight line
Motor vehicles	20% Straight line
Fixtures and fittings	20% Straight line
Office equipment	20% Straight line
Computer equipment	20% Straight line
Other fixed asset	20% Straight line

When indicators are present that the useful life and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposable proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

## 2.8 Intangible assets

Intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives.

<b>Asset class</b>	<b>Useful life/amortisation rate</b>
Computer software	33% Straight line

## 2.9 Financial instruments

The group and organisation applies the provisions of Section 11 and 12 of IFRS for SMEs<sup>®</sup> Accounting Standard.

### *Initial recognition*

A financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument in another entity. Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments. The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of contractual arrangement. Classification is re-assessed on an annual basis.

### *Initial measurement*

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### *Financial instruments at amortised cost*

These include trust funds, loan to (from) group entities, cash and cash equivalents, trade and other receivables, and trade and other payables. Those debt instruments which meet the criteria in section 11.8 (b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount

is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### ***Financial instruments at fair value***

All other financial instruments, including other financial assets, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

#### ***Financial instruments at cost***

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

#### ***Derecognition***

##### **FINANCIAL ASSETS**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership or control of the financial assets are transferred.

##### **FINANCIAL LIABILITIES**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

##### **TRADE AND OTHER RECEIVABLES**

Trade receivables are measured at initial recognition at transaction price and subsequently calculated at amortised cost using the effective interest rate method, less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in profit or loss when there is objective proof that the assets is irrecoverable. Significant financial problems of the debtor, the likelihood that the debtor will be declared bankrupt or undergo financial restructuring and default on arrears of payments are considered as indicators that trade debtors are subject to impairment. The recognised provisions are calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flow, discounted at the effective interest rate method with initial recognition.

Trade and other receivables are classified as financial assets at amortised cost.

##### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as a current liability on the statement of financial position.

Cash and cash equivalents are classified as financial assets at amortised cost.

##### **TRADE PAYABLES**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables are classified as financial liabilities at amortised cost.

##### **LOANS TO AND FROM GROUP ENTITIES**

These include loans to and from subsidiaries and related parties which are recognised initially at fair value plus direct transaction costs.

Loans to and from related parties are classified as financial assets of liabilities at amortised cost.

## **2.10 Inventories**

Inventories consists of beverages and diesel.

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

## 2.11 Tax

### *Current tax assets and liabilities*

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

### *Deferred tax assets and liabilities*

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

When management assess the extent to which it is probable that taxable profit will be available against which potential deferred tax assets can be utilised, they take into consideration that the utilisation of assessed losses are limited to the greater of 80% of the taxable income or R1 million in the year of assessment.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### *Tax expenses*

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

## 2.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

### *Operating leases as lessor*

Operating lease income is recognised as an income on a straight - line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

### *Operating leases as lessee*

Operating lease payments are recognised as an expense on a straight - line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

## 2.13 Trust funds

Trust funds consist of trust funds invested and the corresponding trust creditors for the utilisation of funds for specific projects as approved by the Congress.

## 2.14 Employee benefit obligations

### *Short-term employee benefits*

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### *Defined contribution plans*

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

## 2.15 Impairment of non-financial assets

The group and organisation assesses at each reporting date whether there is any indication that property, plant and equipment and intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently gets reversed, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognized immediately in profit or loss.

## 2.16 Provisions and contingencies

Provisions are recognised when:

- the group and organisation has an obligation at the reporting date as a result of a past event;
- it is probable that the group and organisation will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the year ended 30 September 2024

## 3. PROPERTY, PLANT AND EQUIPMENT

Balances at year end and movements for the year:

	<b>GROUP</b>							
	Land and buildings	Machinery	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other fixed assets	Total
	R	R	R	R	R	R	R	R
<b>Reconciliation for the year ended 30 September 2024</b>								
<b>Balance at 1 October 2023</b>								
At cost	56 456 297	3 726 386	1 739 332	2 716 967	405 341	3 653 153	651 862	69 349 338
Accumulated depreciation	(29 999 261)	(3 329 360)	(304 380)	(2 431 040)	(399 634)	(2 952 530)	(513 689)	(39 929 894)
<b>Carrying amount</b>	<b>26 457 036</b>	<b>397 026</b>	<b>1 434 952</b>	<b>285 927</b>	<b>5 707</b>	<b>700 623</b>	<b>138 173</b>	<b>29 419 444</b>
<b>Movements for the year ended 30 September 2024</b>								
Additions	12 192 468	4 758 527	9 429	73 905	255 165	1 280 193	218 112	18 787 799
Depreciation	(2 067 602)	(416 424)	(360 533)	(163 366)	(20 628)	(341 867)	(61 712)	(3 432 132)
<b>Property, plant and equipment at the end of the year</b>	<b>36 581 902</b>	<b>4 739 129</b>	<b>1 083 848</b>	<b>196 466</b>	<b>240 244</b>	<b>1 638 949</b>	<b>294 573</b>	<b>44 775 111</b>
<b>Closing balance at 30 September 2024</b>								
At cost	68 648 765	5 155 553	1 553 566	371 499	261 118	2 009 416	356 285	78 356 202
Accumulated depreciation	(32 066 863)	(416 424)	(469 718)	(175 033)	(20 874)	(370 467)	(61 712)	(33 581 091)
<b>Carrying amount</b>	<b>36 581 902</b>	<b>4 739 129</b>	<b>1 083 848</b>	<b>196 466</b>	<b>240 244</b>	<b>1 638 949</b>	<b>294 573</b>	<b>44 775 111</b>

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

## GROUP

	Land and buildings		Machinery		Motor vehicles		Fixtures and fittings		Office equipment		Computer equipment		Other fixed assets		Total	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
<b>Reconciliation for the year ended 30 September 2023</b>																
<b>Balance at 1 October 2022</b>																
At cost	53 335 696	3 375 594	322 413	2 730 933	400 671	3 504 447	539 316	64 209 070								
Accumulated depreciation	(28 439 344)	(3 098 263)	(171 142)	(2 264 588)	(357 283)	(2 865 375)	(459 113)	(37 655 108)								
<b>Carrying amount</b>	<b>24 896 352</b>	<b>277 331</b>	<b>151 271</b>	<b>466 345</b>	<b>43 388</b>	<b>639 072</b>	<b>80 203</b>	<b>26 553 962</b>								
<b>Movements for the year ended 30 September 2023</b>																
Additions	3 120 601	350 793	1 416 919	21 379	4 671	323 795	112 546	5 350 704								
Depreciation	(1 559 917)	(231 098)	(133 238)	(201 797)	(42 352)	(225 793)	(54 576)	(2 448 771)								
Disposals	-	-	-	-	-	(36 451)	-	(36 451)								
<b>Property, plant and equipment at the end of the year</b>	<b>26 457 036</b>	<b>397 026</b>	<b>1 434 952</b>	<b>285 927</b>	<b>5 707</b>	<b>700 623</b>	<b>138 173</b>	<b>29 419 444</b>								
<b>Closing balance at 30 September 2023</b>																
At cost	56 456 297	3 726 386	1 739 332	2 716 967	405 341	3 653 153	651 862	69 349 338								
Accumulated depreciation	(29 999 261)	(3 329 360)	(304 380)	(2 431 040)	(399 634)	(2 952 530)	(513 689)	(39 929 894)								
<b>Carrying amount</b>	<b>26 457 036</b>	<b>397 026</b>	<b>1 434 952</b>	<b>285 927</b>	<b>5 707</b>	<b>700 623</b>	<b>138 173</b>	<b>29 419 444</b>								

## ORGANISATION

	Land and buildings	Machinery	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other fixed assets	Total
	R	R	R	R	R	R	R	R
<b>Reconciliation for the year ended 30 September 2024</b>								
<b>Balance at 1 October 2023</b>								
At cost	56 456 297	3 726 286	364 583	2 646 091	404 012	3 435 270	651 862	67 684 401
Accumulated depreciation	(29 999 261)	(3 329 360)	(195 196)	(2 419 373)	(399 388)	(2 914 556)	(513 689)	(39 770 823)
<b>Carrying amount</b>	<b>26 457 036</b>	<b>396 926</b>	<b>169 387</b>	<b>226 718</b>	<b>4 624</b>	<b>520 714</b>	<b>138 173</b>	<b>27 913 578</b>
<b>Movements for the year ended 30 September 2024</b>								
Depreciation	(1 633 218)	-	-	-	-	-	-	(1 633 218)
Disposals*	-	(396 926)	(169 387)	(226 718)	(4 624)	(520 714)	(138 173)	(1 456 542)
<b>Property, plant and equipment at the end of the year</b>	<b>24 823 818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 823 818</b>
<b>Closing balance at 30 September 2024</b>								
At cost	56 456 296	-	-	-	-	-	-	56 456 296
Accumulated depreciation	(31 632 478)	-	-	-	-	-	-	(31 632 478)
<b>Carrying amount</b>	<b>24 823 818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 823 818</b>

\* The disposals refer to the assets which formed part of the sale of business (see note 25).

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

## ORGANISATION

	Land and buildings	Machinery	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other fixed assets	Total
	R	R	R	R	R	R	R	R
<b>Reconciliation for the year ended 30 September 2023</b>								
<b>Balance at 1 October 2022</b>								
At cost	53 335 696	3 375 494	189 909	2 661 309	399 342	3 363 670	539 316	63 864 736
Accumulated depreciation	(28 439 344)	(3 098 263)	(171 142)	(2 264 588)	(357 283)	(2 865 375)	(459 113)	(37 655 108)
<b>Carrying amount</b>	<b>24 896 352</b>	<b>277 231</b>	<b>18 767</b>	<b>396 721</b>	<b>42 059</b>	<b>498 295</b>	<b>80 203</b>	<b>26 209 628</b>
<b>Movements for the year ended 30 September 2023</b>								
Additions	3 120 601	350 793	174 674	20 127	4 671	235 824	112 546	4 019 236
Depreciation	(1 559 917)	(231 098)	(24 054)	(190 130)	(42 106)	(187 374)	(54 576)	(2 289 255)
Disposals	-	-	-	-	-	(26 031)	-	(26 031)
<b>Property, plant and equipment at the end of the year</b>	<b>26 457 036</b>	<b>396 926</b>	<b>169 387</b>	<b>226 718</b>	<b>4 624</b>	<b>520 714</b>	<b>138 173</b>	<b>27 913 578</b>
<b>Closing balance at 30 September 2023</b>								
At cost	56 456 297	3 726 286	364 583	2 646 091	404 012	3 435 270	651 862	67 684 401
Accumulated depreciation	(29 999 261)	(3 329 360)	(195 196)	(2 419 373)	(399 388)	(2 914 556)	(513 689)	(39 770 823)
<b>Carrying amount</b>	<b>26 457 036</b>	<b>396 926</b>	<b>169 387</b>	<b>226 718</b>	<b>4 624</b>	<b>520 714</b>	<b>138 173</b>	<b>27 913 578</b>

### 3.2 Additional disclosures

Assets whose title is restricted and pledged as security:

1. Remainder of the farm Marthaville 911, Bothaville district, Province Free State; \*
2. Section 6 (2) of the farm Rietfontein Hart 512, Bothaville district, Province Free State;
3. Remainder of Portion 2 of the farm Rietfontein Hart 512, Bothaville district, Province Free State;
4. The farm Nampo 1203, Bothaville district, Province Free State;
5. Remainder of the farm Doorpan South 858, Bothaville district, Province Free State;
6. Section 3 of the farm Eden 327, Bothaville district, Province Free State;
7. Unit 10, 11, 12 and 13 on the Sectional Plan no. SS096/2012 in the scheme known as SS Alenti Office Park, City of Tshwane Metropolitan Municipality held under Deed of Transfer ST12932/2012. \*

\* Refer to note 25 (Disposal of business activities) in respect of the proposed sale of properties 1 and 7 above.

## 4. INTANGIBLE ASSETS

Reconciliation of changes in intangible assets:

	<b>GROUP</b>
	Computer software
	R
<b>Reconciliation for the year ended 30 September 2024</b>	
<b>Balance at 1 October 2023</b>	
At cost	3 301 973
Accumulated amortisation	(1 879 597)
<b>Carrying amount</b>	<b>1 422 376</b>
<b>Movements for the year ended 30 September 2024</b>	
Acquisitions	775 110
Amortisation	(543 101)
<b>Intangible assets at the end of the year</b>	<b>1 654 385</b>
<b>Closing balance at 30 September 2024</b>	
At cost	2 197 486
Accumulated amortisation	(543 101)
<b>Carrying amount</b>	<b>1 654 385</b>
<b>Reconciliation for the year ended 30 September 2023 – Group</b>	
<b>Balance at 1 October 2022</b>	
At cost	2 205 090
Accumulated amortisation	(1 778 433)
<b>Carrying amount</b>	<b>426 657</b>
<b>Movements for the year ended 30 September 2023</b>	
Acquisitions	1 096 883
Amortisation	(101 164)
<b>Intangible assets at the end of the year</b>	<b>1 422 376</b>
<b>Closing balance at 30 September 2023</b>	
At cost	3 301 973
Accumulated amortisation	(1 879 597)
<b>Carrying amount</b>	<b>1 422 376</b>

## 4. INTANGIBLE ASSETS (CONTINUED)


**Computer software**

R

<b>Reconciliation for the year ended 30 September 2024</b>	
<b>Balance at 1 October 2023</b>	
At cost	3 301 973
Accumulated amortisation	(1 879 597)
<b>Carrying amount</b>	<b>1 422 376</b>
<b>Movements for the year ended 30 September 2024</b>	
Disposals*	(1 422,376)
<b>Intangible assets at the end of the year</b>	<b>-</b>
<b>Closing balance at 30 September 2024</b>	
At cost	-
Accumulated amortisation	-
<b>Carrying amount</b>	<b>-</b>
<b>Reconciliation for the year ended 30 September 2023</b>	
<b>Balance at 1 October 2022</b>	
At cost	2 205 090
Accumulated amortisation	(1 778 433)
<b>Carrying amount</b>	<b>426 657</b>
<b>Movements for the year ended 30 September 2023</b>	
Acquisitions	1 096 883
Amortisation	(101 164)
<b>Intangible assets at the end of the year</b>	<b>1 422 376</b>
<b>Closing balance at 30 September 2023</b>	
At cost	3 301 973
Accumulated amortisation	(1 879 597)
<b>Carrying amount</b>	<b>1 422 376</b>

\* The disposals refer to the assets which formed part of the sale of business (see note 25).

## 5. INVESTMENTS IN SUBSIDIARIES

The amounts included on the statements of financial position comprise the following:

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	R	R	R	R
Investments in subsidiaries	-	-	1	1
<b>Investment in subsidiary:</b>				
<b>Carrying amount of investments in subsidiaries</b>				
Nampo Proprietary Limited	-	-	1	1

The subsidiary is incorporated in South Africa and share the year end of the group. The carrying amounts of subsidiary is shown gross of impairment losses.

## 6. INVENTORIES

Inventories comprise:

	2024	2023	2024	2023
	R	R	R	R
Beverages	276 624	318 005	-	318 005

## 7. FINANCIAL ASSETS

Carrying amount of financial assets by category:

	GROUP		
	At fair value through surplus or deficit	Debt instruments at amortised cost	Total
	R	R	R
<b>Year ended 30 September 2024</b>			
Other financial assets (Note 11)	117 047 021	-	117 047 021
Trade and other receivables excluding non-financial assets (Note 8)	-	24 619 411	24 619 411
Cash and cash equivalents (Note 14)	-	58 224 320	58 224 320
	<b>117 047 021</b>	<b>82 843 731</b>	<b>199 890 752</b>
<b>Year ended 30 September 2023</b>			
Other financial assets (Note 11)	38 731 030	-	38 731 030
Trade and other receivables excluding non-financial assets (Note 8)	-	25 318 903	25 318 903
Cash and cash equivalents (Note 14)	-	28 553 020	28 553 020
	<b>38 731 030</b>	<b>53 871 923</b>	<b>92 602 953</b>

## 7. FINANCIAL ASSETS (CONTINUED)

	ORGANISATION		
	At fair value through surplus or deficit	Debt instruments at amortised cost	Total
	R	R	R
<b>Year ended 30 September 2024</b>			
Other financial assets (Note 11)	20 889 058	-	20 889 058
Loan to group entity (Note 13)	-	66 415 093	66 415 093
Trade and other receivables excluding non-financial assets (Note 8)	-	2 146 007	2 146 007
Cash and cash equivalents (Note 14)	-	7 117 251	7 117 251
	<b>20 889 058</b>	<b>75 678 351</b>	<b>96 567 409</b>
<b>Year ended 30 September 2023</b>			
Other financial assets (Note 11)	31 249 829	-	31 249 829
Loan to group entity (Note 13)	-	1 707 753	1 707 753
Trade and other receivables excluding non-financial assets (Note 8)	-	13 683 553	13 683 553
Cash and cash equivalents (Note 14)	-	17 309 770	17 309 770
	<b>31 249 829</b>	<b>32 701 076</b>	<b>63 950 905</b>

## 8. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise:

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	R	R	R	R
Trade receivables	24 555 086	25 133 580	1 967 954	13 505 500
Trade receivables impairment	(120 998)	-	-	-
Trade receivables – net	24 434 088	25 133 580	1 967 954	13 505 500
Prepaid expenses	622 721	187 390	-	187 390
Deposits	185 323	185 323	178 053	178 053
Value added tax	1 892 363	768 359	1 402 309	339 078
<b>Total trade and other receivables</b>	<b>27 134 495</b>	<b>26 274 652</b>	<b>3 548 316</b>	<b>14 210 021</b>

## 9. DEFERRED TAX

### Reconciliation of deferred tax movements

	<b>GROUP</b>
	<b>2024</b>
	R
<b>Opening balance at 1 October 2023</b>	
(Charged)/credited to surplus or deficit	
Wear and tear	(91 523)
Other financial assets	(582 693)
Provision for doubtful debts	24 502
Income received in advance	733 576
Accrued employee cost	606 257
Interest not allowed	425 914
<b>Closing balance at 30 September 2024</b>	<b>1 116 033</b>

## 10. CURRENT TAX ASSETS

Current tax assets comprise the following balances:

	<b>GROUP</b>		<b>ORGANISATION</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	R	R	R	R
Net current tax asset from all items being set off	<b>156 767</b>	-	-	-

## 11. OTHER FINANCIAL ASSETS

Other financial assets incorporates the following balances:

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	R	R	R	R
FNB Investment	-	7 961 579	-	7 961 579
Sanlam investments - Commercial Producers Trust	<b>61 814 749</b>	-	-	-
Sanlam Investments - Nampo (Pty) Ltd	<b>26 443 437</b>	-	-	-
Sanlam investments - Grain South Africa	<b>20 273 468</b>	23 014 120	<b>20 273 468</b>	23 014 120
Sanlam investments - Phahama Grain Phakama NPC	<b>7 899 777</b>	6 895 608	-	-
Senwes Limited	<b>615 590</b>	274 130	<b>615 590</b>	274 130
Standard Bank guarantee	-	585 593	-	-
	<b>117 047 021</b>	38 731 030	<b>20 889 058</b>	31 249 829

The fair values of the investments are based on the quoted market price on date of reporting.

## 12. TRUST FUNDS

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	R	R	R	R
<b>Levy Fund</b>				
Trust funds	-	31 582 199	-	31 582 199
Trust payable	-	(31 582 199)	-	(31 582 199)
	-	-	-	-
<b>Recapitalisation project (RECAP)</b>				
Trust funds	263 721	1 272 320	-	-
Trust payable	(263 721)	(1 272 320)	-	-
	-	-	-	-
<b>Eastern Cape Mechanisation</b>				
Trust funds	310 472	289 434	-	-
Trust payable	(310 472)	(289 434)	-	-
	-	-	-	-
<b>Beyond Abundance</b>				
Trust funds	3 232 557	8 625 349	-	-
Trust payable	(3 232 557)	(8 625 349)	-	-
	-	-	-	-
<b>AB InBev</b>				
Trust funds	2 901 638	7 802 833	-	-
Trust payable	(2 901 638)	(7 802 833)	-	-
	-	-	-	-
<b>SACTA</b>				
Trust funds	2 739 320	6 868 210	-	-
Trust payable	(2 739 320)	(6 868 210)	-	-
	-	-	-	-
<b>Standard Bank &amp; Kgodiso Trust project</b>				
Trust funds	97 450	872 681	-	-
Trust payable	(97 450)	(872 681)	-	-
	-	-	-	-
<b>Maize Trust</b>				
Trust funds	688 540	398 601	-	-
Trust payable	(688 540)	(398 601)	-	-
	-	-	-	-
<b>OPDT</b>				
Trust funds	265 871	552 827	-	-
Trust payable	(265 871)	(552 827)	-	-
	-	-	-	-

### 13. LOAN TO GROUP ENTITY

Loan to group entity comprises the following balances:

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	R	R	R	R
Loans to Nampo (Pty) Ltd	-	-	66 415 093	1 707 753

The loan is unsecured, a portion of the loan (R50 000 000) bears interest at 9,25%. The interest is included in the loan balance. This loan is to be settled in the next twelve months as part of the "Sale of business" transaction. (see note 25)

Grain South Africa has subordinated its loan in favour of external creditors for the shorter of twelve months or until the company's assets fairly valued exceed its liabilities. It will be replaced with a long term loan on finalisation of the transaction.

### 14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in current assets:

	2024	2023	2024	2023
	R	R	R	R
<b>Cash</b>				
Cash on hand	9 005	52 583	-	9 542
Balances with banks	27 191 406	28 500 437	3 973 488	17 300 228
	<b>27 200 411</b>	<b>28 553 020</b>	<b>3 973 488</b>	<b>17 309 770</b>
<b>Cash equivalents</b>				
Short term investments	31 023 909	-	3 143 763	-
	<b>58 224 320</b>	<b>28 553 020</b>	<b>7 117 251</b>	<b>17 309 770</b>
<b>Net cash and cash equivalents:</b>				
Current assets	<b>58 224 320</b>	<b>28 553 020</b>	<b>7 117 251</b>	<b>17 309 770</b>

### 15. TRADE AND OTHER PAYABLES

Trade and other payables comprise:

	2024	2023	2024	2023
	R	R	R	R
Trade payables	35 139 530	22 345 874	1 156 639	7 538 912
Trade payables - related parties	-	-	5 892 454	1 092 938
Income received in advance	17 576 400	5 640 869	-	-
Other payables	2 565 264	16 735 523	2 490 264	16 735 523
Accrued employee costs	4 268 068	3 716 087	-	2 782 988
<b>Total trade and other payables</b>	<b>59 549 262</b>	<b>48 438 353</b>	<b>9 539 357</b>	<b>28 150 361</b>

## 16. FINANCIAL LIABILITIES

Carrying amount of financial liabilities by category:

<b>GROUP</b>	
Debt instruments at amortised cost	
R	
<b>Year ended 30 September 2024</b>	
Trade and other payables excluding non-financial liabilities (Note 15)	35 139 530
<b>Year ended 30 September 2023</b>	
Trade and other payables excluding non-financial liabilities (Note 15)	22 345 874

<b>ORGANISATION</b>	
Debt instruments at amortised cost	
R	
<b>Year ended 30 September 2024</b>	
Loan from group entity (Note 17)	224 487
Trade and other payables excluding non-financial liabilities (Note 15)	7 049 093
	7 273 580
<b>Year ended 30 September 2023</b>	
Trade and other payables excluding non-financial liabilities (Note 15)	8 631 850

## 17. LOAN FROM GROUP ENTITY

Loan from group entity comprise:

	<b>GROUP</b>		<b>ORGANISATION</b>	
	2024	2023	2024	2023
	R	R	R	R
Commercial Producers Trust	-	-	224 487	-

This loan does not bear interest and is to be settled within the following twelve months.

## 18. REVENUE

Revenue comprises:

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	R	R	R	R
Admin and management fees received	9 099 696	9 427 882	-	4 964 076
Members contributions	40 119 847	28 597 467	40 314 404	28 597 467
Sponsorships	6 941 406	6 357 869	-	-
Rendering of services	69 493 481	-	-	-
Rental income	2 252 857	1 404 424	1 630 322	1 404 424
Project income	15 139 081	10 720 302	-	-
Sale of goods	7 105 210	589 838	-	-
<b>Total revenue</b>	<b>150 151 578</b>	<b>57 097 782</b>	<b>41 944 726</b>	<b>34 965 967</b>

## 19. OTHER INCOME

Other income comprises:

	2024	2023	2024	2023
	R	R	R	R
Cost recovery	2 002 940	2 229 911	-	2 227 794
Commercial income	-	61 282 428	-	61 282 428
<b>Total other income</b>	<b>2 002 940</b>	<b>63 512 339</b>	<b>-</b>	<b>63 510 222</b>

## 20. OTHER EXPENSES

Other items requiring separate disclosure:

	2024	2023	2024	2023
	R	R	R	R
Auditors remuneration – fees	927 622	552 189	728 453	456 569
Employee benefit expenses	34 488 298	29 921 909	-	29 921 909
Professional services	2 520 303	2 429 588	24 860	2 362 618
Repairs and maintenance	3 218 832	2 353 880	-	2 353 880

## 21. OTHER GAINS AND (LOSSES)

Other gains and (losses) comprise:

	2024	2023	2024	2023
	R	R	R	R
Gain or (loss) on disposal of assets	(18 547)	13 970	-	13 525
Gain or (loss) on foreign exchange differences on statements of comprehensive income items	(1 504)	3 168	-	3 168
Other fair value gains and (losses)	11 109 970	2 765 055	1 075 004	2 102 839
<b>Total other gains and (losses)</b>	<b>11 089 919</b>	<b>2 782 193</b>	<b>1 075 004</b>	<b>2 119 532</b>

## 22. SURPLUS FROM OPERATING ACTIVITIES

Surplus from operating activities includes the following separately disclosable items:

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	R	R	R	R
<b>Other operating expenses</b>				
Property plant and equipment				
– depreciation	<b>3 432 132</b>	2 448 771	<b>1 633 217</b>	2 289 255
Intangible assets				
– amortisation	<b>543 101</b>	101 164	-	101 164

## 23. FINANCE INCOME

Finance income comprises:

	2024	2023	2024	2023
	R	R	R	R
Interest received	<b>4 738 743</b>	1 954 388	<b>4 638 086</b>	1 414 052
Dividends received	<b>1 433 839</b>	472 689	<b>259 467</b>	393 258
<b>Total finance income</b>	<b>6 172 582</b>	2 427 077	<b>4 897 553</b>	1 807 310

## 24. INCOME TAX (CREDIT)

Grain SA is exempt in terms of section 30B of the Income Tax Act and as such all its income is exempt from income tax in terms of section 10(1)(d)(iv)(bb) of the Act.

Phahama Grain Phakama meets the requirements of a Public Benefit Organisation set out in section 30(3) of the Income Tax Act 58 of 1962. The entity is exempt from income tax in terms of section 10(1)(cN) of the Act.

### 24.1 Income tax recognised in surplus or deficit:

	2024	2023	2024	2023
	R	R	R	R
<b>Current tax</b>				
Current year	<b>176 690</b>	-	-	-
<b>Deferred tax</b>				
Current year	<b>(1 116 033)</b>	-	-	-
<b>Total income tax (credit)</b>	<b>(939 343)</b>	-	-	-

## 24.2 The income tax for the year can be reconciled to the accounting surplus as follows:

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	R	R	R	R
Surplus before tax from operations	33 729 159	19 998 146	23 082 924	16 508 427
Income tax calculated at 27,0% (2023: 28,0%)	9 106 873	5 599 481	6 232 389	4 622 360
Tax effect of				
Exempt income	(9 432 099)	(5 739 042)	(6 232 389)	(4 622 360)
Dividends received	(79 930)	-	-	-
Land and buildings – permanent difference	117 284	-	-	-
Investment fees attributable to exempt fees	10 183	-	-	-
Fair value adjustments not taxable (20%)	(145 673)	-	-	-
Legal and consulting fees	112 183	-	-	-
Take on difference – Leave pay provision	(493 587)	-	-	-
Assessed loss recognised	(134 577)	139 561	-	-
<b>Tax charge</b>	<b>(939 343)</b>	-	-	-

## 25. DISPOSAL OF BUSINESS ACTIVITIES

### Restructuring of business activities:

During the period under review Nampo (Pty) Ltd, a wholly owned subsidiary acquired the non-membership operations of Grain South Africa as a going concern.

The transfer of immovable property, being the properties listed as 1 and 7 under Note 3 to the financial statements, is reliant on the approval by members at the Congress of Grain South Africa Group.

### The financial statement items sold as part of the transaction:

	Nampo (Pty) Ltd	Total
	R	R
Cash and cash equivalents	43 544 462	43 544 462
Accounts receivable	12 677 205	12 677 205
Accounts payable	(4 954 098)	(4 954 098)
Other debtors	510 053	510 053
Movable assets	1 456 542	1 456 542
<b>Intangible assets</b>	1 422 376	1 422 376
Borrowings	24 432 695	24 432 695
Business liabilities	(17 617 147)	(17 617 147)
Inventory	318 005	318 005
<b>Subtotal</b>	<b>61 790 093</b>	<b>61 790 093</b>
Interest accrued (Note 13 and 23)	4 625 000	4 625 000
<b>Loan advanced (Note 13)</b>	<b>66 415 093</b>	<b>66 415 093</b>

## 26. EVENTS DURING AND AFTER THE REPORTING DATE

During the period under review, Grain South Africa entered into a transaction to sell part of its business as a going concern to Nampo (Pty) Ltd, a wholly owned subsidiary. This transaction includes Properties 1 and 7, as detailed in Note 3. The transaction as a whole has been concluded, but the transfer of the aforementioned immovable properties is contingent upon approval by the Congress of Grain South Africa, scheduled for March 2025. The properties subject to approval will not adversely affect the remaining resources of Grain South Africa or compromise its ability to continue as a going concern.

The Grain South Africa board is not aware, except for the properties mentioned above, of any material events occurring after the reporting period and up to the date of this report that would have a material impact on these financial statements.

## 27. GOING CONCERN

The group of entities and separate organisation's annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Cash flow forecasts are prepared and monitored on a continuous basis. The Grain South Africa Group Board is satisfied that the group of entities and separate organisation have a sound financial position and that it has access to sufficient resources to continue trading in the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The Grain South Africa Board is not aware of any new material changes that may adversely affect the group of entities and separate organisation. The Grain South Africa Board is also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation that may affect the group.

## 28. RECLASSIFICATION OF PRIOR YEAR AMOUNTS

Comparative figures have been reclassified to be consistent with current year classification and presentation:

	<b>GROUP</b>		
	As previously presented	Re-classification amount	As currently presented
	R	R	R
<b>Amounts were reclassified as follows:</b>			
<b>Year ended 30 September 2023</b>			
Other income	61 465 286	2 047 053	63 512 339
Administrative expenses	(2 403 724)	2 403 724	-
Other expenses	(102 909 500)	(2 911 745)	(105 821 245)
Other gains and (losses)	445	2 781 748	2 782 193
Fair value adjustment	2 102 839	(2 102 839)	-
Revenue	58 653 507	(1 555 725)	57 097 782
Finance income	3 089 293	(662 216)	2 427 077
<b>Total reclassification of prior year amounts</b>	<b>19 998 146</b>	<b>-</b>	<b>19 998 146</b>

**ORGANISATION**

	As previously presented	Re-classification amount	As currently presented
	R	R	R
<b>Year ended 30 September 2023</b>			
Revenue	35 331 685	(365 718)	34 965 967
Other income	63 527 166	(16 944)	63 510 222
Administrative expenses	(2 063 439)	(1 219 408)	(3 282 847)
Other expenses	(84 197 132)	1 585 377	(82 611 755)
Other gains and (losses)	-	2 119 532	2 119 532
Fair value adjustment	2 102 839	(2 102 839)	-
<b>Total reclassification of prior year amounts</b>	<b>14 701 119</b>	<b>-</b>	<b>14 701 119</b>

**29. CASH FLOWS FROM OPERATING ACTIVITIES**
**GROUP**
**ORGANISATION**

	2024	2023	2024	2023
	R	R	R	R
<b>Surplus after tax</b>	<b>34 668 502</b>	19 998 146	<b>23 082 924</b>	16 508 427
<b>Adjustments for:</b>				
Business disposal	-	-	<b>(12 568 762)</b>	-
Depreciation and amortisation	<b>3 975 233</b>	2 549 935	<b>1 633 217</b>	2 390 419
Fair value gains and losses	<b>(11 109 970)</b>	(2 102 839)	<b>(1 075 004)</b>	(2 102 839)
Finance income	<b>(6 172 582)</b>	(3 089 293)	<b>(4 871 381)</b>	(1 807 310)
Gains and losses on disposal of non-current assets	-	(13 970)	-	(13 525)
Impairment losses and reversal of impairment losses recognised in surplus or deficit	<b>128 900</b>	-	-	-
Income tax expense	<b>(939 343)</b>	-	-	-
Levy contribution	-	-	<b>4 556 802</b>	-
Non-cash movement: Property, plant and equipment	-	(1 331 468)	-	-
Levy fund reserve take-on	<b>23 965 797</b>	-	-	-
Non-cash movement in other financial assets	<b>475 049</b>	-	-	-
<b>Change in operating assets and liabilities:</b>				
Decrease/(increase) in inventories	<b>41 381</b>	(1 315)	-	(1 315)
(Increase)/decrease in other operating receivables	<b>(988 191)</b>	(9 375 241)	<b>(2 083 324)</b>	(4 417 981)
Increase/(decrease) in trade accounts payable	<b>11 110 358</b>	9 077 513	<b>(11 578 617)</b>	(3 348 291)
Increase in short term loans	-	-	-	(1 707 751)
<b>Net cash flows from/(used in) operations</b>	<b>55 155 134</b>	15 711 468	<b>(2 904 145)</b>	5 499 834

## 30. INCOME TAX PAID

### Income tax paid

	GROUP		ORGANISATION	
	2024	2023	2024	2023
	R	R	R	R
Amounts (receivable)/payable at the end of the year	(156 767)	-	-	-
Less deferred tax included in taxation expense	(1 116 033)	-	-	-
Taxation included in other comprehensive income	939 343	-	-	-
	<b>(333 457)</b>	-	-	-

## 31. RELATED PARTIES

### Group entities

Subsidiaries Refer note 5

### Other related parties:

Entity name	Nature of relationship
Phahama Grain Phakama NPC	Entity overseen by key management
Commercial Producers Trust	Entity involvement by key management
OT Doyer	Key Management
DJM Mathews	Key Management
RP Krige	Key Management
JM Mathebula	Key Management

The Board as set out in Board report.

### Management remuneration:

	2024	2023	2024	2023
	R	R	R	R
Grain South Africa Board management*	<b>2 362 615</b>	2 101 801	-	2 101 801

\* Compensation for the 2024 year was paid by Nampo (Pty) Ltd for services rendered to the group.



## Related party transactions and balances

## ORGANISATION

	Nampo (Pty) Ltd	Phahama Grain Phakama NPC	Commercial Producers Trust	Total
	R	R	R	R
<b>Year ended 30 September 2024</b>				
<b>Related party transactions</b>				
Services paid	20 425 120	-	-	20 425 120
Revenue from rendering of services	-	2 588 026	-	2 588 026
<b>Outstanding balances for related party transactions</b>				
Amounts payable (Note 15)	(5 892 454)	-	-	(5 892 454)
<b>Outstanding loan accounts</b>				
Amounts payable (Note 17)	-	-	(224 487)	(224 487)
Amounts receivable (Note 13)	66 415 093	-	-	66 415 093
<b>Year ended 30 September 2023</b>				
<b>Related party transactions</b>				
Revenue from rendering of services	-	2 063 744	-	2 063 744
<b>Outstanding balances for related party transactions</b>				
Amounts payable (Note 15)	-	(1 092 938)	-	(1 092 938)
<b>Outstanding loan accounts</b>				
Amounts receivable (Note 13)	1 707 753	-	-	1 707 753



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