



Home of the South African farmer • Ikaya lomlimi waseNingizimu Afrika • Tuiste van die Suid-Afrikaanse boer • Lehae la balimi ba Afrika Borwa

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BELEIDSKOMITEE POLICY COMMITTEE

Agri SA Annual Report 2013 | 2014

Kommersieel
Commercial

Die Komersiële Beleidskomitee se werksfeer hou verband met die wyses waarop die koste van landbouproduksie en -bemarking verminder kan word, markgeleenthede wat ontsluit kan word en algemene inisiatiewe oor hoe om 'n meer mededingende en winsgewende omgewing vir die landbou te skep. Hierdie beleidskomitee funksioneer onder voorsitterskap van Harry Prinsloo. Hy word ondersteun deur Henk van Wyk as ondervoorsitter en Dawie Maree tree op as funksionaris.

HANDEL EN NYWERHEID

Landbouhandelsforum

Die Landbouhandelsforum (LHF) is 'n drieparty-forum bestaande uit verteenwoordigers van die privaatsektor, die arbeidsbeweging en die regering. Die forum handel met handelsverwante aangeleenthede van belang vir die landbousektor. Die LHF het in die verslagjaar onder meer die volgende sake gehanteer:

- Die onderhandelinge vir die drieparty-vryhandelsooreenkoms, of Tripartite Free Trade Agreement (T-FTA) (COMESA, EAC en SADC), is aan die gang. Daar is pogings om dit teen die einde van 2014 te finaliseer. Agri SA se affiliasies is daarop gewys dat hierdie T-FTA 'n groot invloed op inter-Afrika-handel sal hê;
- Ekonomiese vennootskapsooreenkoms (EPA) tussen die Suider-Afrikaanse Ontwikkelingsgemeenskap (SAOG) en die Europese Unie (EU). Hierdie ooreenkoms moet teen Oktober 2014 gefinaliseer word, sodat lande soos Lesotho hulle voorkeur-handelsreëlings met die EU kan behou;
- Die GI (geografiese indikasie) Beskermings- en Wyn-ooreenkoms met die EU. Die wyn- en melkbedrywe word hierdeur geraak;
- Die sitruswartvlekkwessie. Die EU het nog nie hulle siening rakende sitruswartvlek verander nie. Volgens die EU kan die swartvlek oorgedra word van die vrug na die boord, ten spyte dat navorsing die teendeel bewys;
- Wêreldhandelsorganisasie-onderhandelings. Die Bali-ministeriële vergadering is deur Agri SA se Uitvoerende Direkteur bygewoon; en
- Suider-Afrikaanse Doeane-unie (SADU). Kwessies soos die eensydige instelling van handelsbeperkende maatreëls deur lidlande, byvoorbeeld Namibië, en ook die feit dat Botswana sy grense periodiek sluit vir die uitvoer van onder meer tamaties.

Wêreldhandelsorganisasie Openbare Forum 2013

Die Wêreldhandelsorganisasie (WTO) hou jaarliks 'n openbare forum om die publiek in te lig oor die werking van die WTO, maar ook om die insette van rolspelers te ontvang wat nie noodwendig formeel by WTO-gesprekke en -onderhandelings betrokke is nie. Gedurende die verslagjaar het die World Farmers' Organisation (WFO), waarvan Agri SA lid is, ook een van die werksessies tydens die openbare forum aangebied met die oog daarop om die handelsbeleid wat deur die WFO aanvaar is, bekend te stel.



Harry Prinsloo

Gedurende die verslagjaar het die World Farmers' Organisation (WFO) ook een van die werksessies tydens die openbare forum aangebied met die oog daarop om die handelsbeleid wat deur die WFO aanvaar is, bekend te stel.

During the report year, the World Farmers' Organisation (WFO) also hosted one of the public forum work sessions with a view to announcing the trade policy accepted by the WFO.



The Commercial Policy Committee's sphere of work relates to the manner in which the cost of agricultural production and marketing can be reduced, market opportunities can be unlocked and general initiatives can be implemented to create a more competitive and profitable environment for agriculture. This policy committee functions under chairmanship of Harry Prinsloo, who is supported by Henk van Wyk as vice chair and Dawie Maree as functionary.

TRADE AND INDUSTRY

Agricultural Trade Forum

The Agricultural Trade Forum (ATF) is a tripartite forum consisting of representatives from the private sector, the labour movement and government. The forum deals with trade-related issues relevant to the agricultural sector. During the past year the ATF attended, amongst others, to the following:

- Negotiations regarding the Tripartite Free Trade Agreement (T-FTA) (COMESA, EAC and SADC) are under way. Attempts are made to finalise the agreement by the end of 2014. Agri SA's affiliates have been advised that the T-FTA would have a huge impact on intra-African trade;
- An Economic Partnership Agreement (EPA) between the Southern African Development Community (SADC) and the European Union (EU). This agreement must be finalised by October 2014, so that countries like Lesotho can retain their preferential trade arrangements with the EU;
- The GI (geographic indication) Protection Agreement and Wine Agreement with the EU. The wine and milk industries are mainly affected by this;
- The citrus black spot (CBS) issues. The EU has not yet changed their position on CBS. According to the EU, black spot can be transferred from the fruit to the orchard despite the fact that research had disproved this;
- World Trade Organisation negotiations. The Bali ministerial meeting was attended by Agri SA's Executive Director; and
- Southern African Customs Union (SACU). Issues such as the unilateral introduction of trade-restricting measures by member states, for example Namibia, as well as the fact that Botswana had periodically closed its borders for exports (including tomatoes).

World Trade Organisation Public Forum 2013

The World Trade Organisation (WTO) annually hosts a public forum to inform the public on the functioning of the WTO, but also to receive input from role players that are not necessarily involved formally in WTO discussions and negotiations. During the report year, the World Farmers' Organisation (WFO), of which Agri SA is a member, also hosted one of the public forum work sessions with a view to announcing the trade policy accepted by the WFO.

African Growth and Opportunity Act

Die 2013-forum van die African Growth and Opportunity Act (AGOA) het gedurende Augustus 2013 in Addis Ababa, Ethiopië, plaasgevind. Agri SA het die forum bygewoon as verteenwoordiger van die privaatsektor. AGOA is in 2000 in werking gestel en laat 39 kwalifiserende Afrika-lande, insluitend Suid-Afrika, toe om bepaalde produkte tariefvry na Amerika uit te voer. AGOA poog om ekonomiese ontwikkeling te bevorder en Afrika-ekonomieë se toetreding tot wêreldhandel te bespoedig deur 'n raamwerk te skep vir regerings, die privaatsektor en gemeenskappe om saam te werk om hul besigheid uit te brei.

AGOA sal teen 2015 verstryk, maar daar is aanduidings dat die Obama-administrasie wil poog om dit te verleng maar ook aan te pas. Die forum het juis ten doel gehad om hierdie verlenging te bespreek. Agri SA sal deur sy invloedseer, onder meer via die Landbouhandelsforum (LHF) en ook Besigheidsvereniging Suid-Afrika (BUSA), poog om AGOA te hernu aangesien die landbousektor by dié wetgewing van die Amerikaanse regering baat.

Cairns-groep boereleiers

'n Agri SA-afvaardiging het 'n vergadering van die Cairns-groep boereleiers (CGFL) in Argentinië bygewoon, waar voedselsekerheid en landbouhandel op die agenda was. Die gebrek aan vordering met die liberalisering van landbouhandel vereis dat Agri SA met produsente-organisasies van ander lande saamwerk wat ook so voel, ten einde momentum te gee aan die Wêreldhandelsorganisasie-onderhandelings.

African Growth and Opportunity Act

The 2013 forum of the African Growth and Opportunity Act (AGOA) took place during August 2013 in Addis Ababa, Ethiopia. Agri SA attended the forum as representative of the private sector. AGOA came into effect in 2000 and allows 39 qualifying African countries, including South Africa, to export certain products tariff-free to America. AGOA attempts to promote economic development and to expedite African economies' entry to world trade by creating a framework for government, the private sector and communities to work together to expand business.

AGOA will expire by 2015, but there are indications that the Obama administration wants to extend and also adjust it. The forum had in fact intended to discuss such an extension. Agri SA will, through its sphere of influence (among others, the Agricultural Trade Forum (ATF) and Business Unity South Africa (BUSA)), attempt to have the AGOA renewed as the agricultural sector benefits from this US legislation.

Cairns group farm leaders

An Agri SA delegation attended a meeting of the Cairns Group Farm Leaders (CGFL) in Argentina with food security and agricultural trade on its agenda. The lack of progress with the liberalisation of agricultural trade requires from Agri SA to cooperate with like-minded producer organisations from other countries to give momentum to World Trade Organisation (WTO) negotiations. At this meeting the CGFL considered its future role and contributions towards WTO negotiations.



Die CGFL het sy toekomstige rol in en bydrae tot WHO-onderhandelings tydens die vergadering oorweeg.

Die doel van die CGFL is nie tydens die vergadering bevestig nie maar dit het duidelik geword dat die groepering as sodanig selfs 'n belangriker rol kon speel, gegewe die wêreld se voedselsekerheid-uitdagings. Weens die beskerming en ondersteuning van die landbousektore, veral in ontwikkelde lande, bly die landbou die mees verwronge sektor in die wêreld – 'n situasie wat die CGFL steeds aandag aan wil gee, veral gegewe die beperkte sukses tydens die Doha-rondte van die WHO.

Die CGFL-lede, insluitend Agri SA, het ooreengekom om 'n ontleding te doen van wat hierdie groepering moet doen, hoe dit gedoen moet word en hoe die boodskap doeltreffend gekommunikeer kan word. Dit impliseer dat die CGFL sy strategie tans hersien – 'n proses wat teen einde Augustus 2014 afgehandel moet word. Australië se National Farmers' Federation sal voortgaan om hierdie groepering te lei. Agri SA het omvattende insette oor die toekoms van die organisasie gelewer.

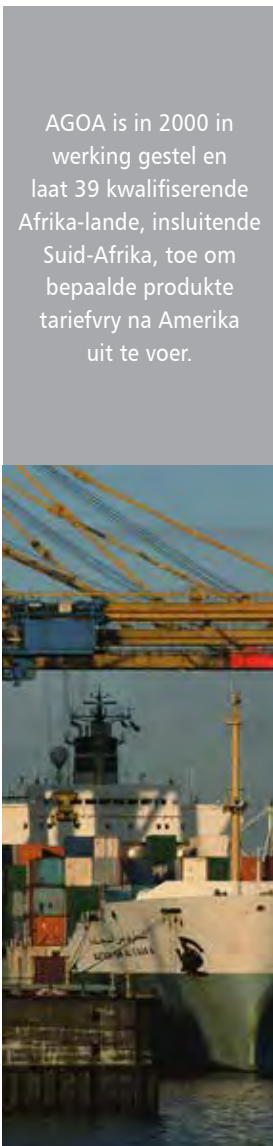
Besoeke aan portefeuljekomitees

Agri SA en die voormalige voorsitter van dié beleidskomitee, Elaine Alexander, het gedurende die verslagjaar 'n voorlegging gemaak aan die portefeuljekomitee vir handel en nywerheid insake handelsverwante sake wat 'n uitwerking op die landbousektor het. Die portefeuljekomitee het die behoefte aan voortgesette skakeling uitgespreek. Die komitee het ook aangedui dat hulle verdere inligting rakende landbouverwante probleme wil bekom.

Suider-Afrikaanse Konfederasie van Landbou-unies

Landbou-belanghebbendes in die Suider-Afrikaanse Ontwikkelingsgemeenskap-streek bespreek elke jaar sleutel-aangeleenthede met betrekking tot die sektor by die beleidskonferensie van die Suider-Afrikaanse Konfederasie van Landbou-unies (SACAU), waarvan Agri SA 'n lid is. Die 2014-konferensie, wat in Mei 2014 in Maseru (Lesotho) gehou is, het gefokus op moontlike voordele vir Suider-Afrika gegewe die toename in globale vraag na veeprodukte. Die veranderende wêreld-ekonomie, bevolkingsgroei, verstedeliking en styging in bestebare inkomste en gepaardgaande dieetvereistes van verbruikers het die behoefte aan veeprodukte tot rekordvlakke opgestoot. Hierdie neigings bied beslis geleentheid vir veeboere, maar dit sal enorme verbetering in produktiwiteit vereis, veral met veranderende klimaatstoestande. Sleutelboodskappe het uit die konferensie gespruit, met inbegrip van die volgende:

- Afrika, en spesifiek sub-Sahara-Afrika, het die grootste potensiaal vir 'n styging in landbouproduksie;
- Dit is belangrik om markte so vry en deursigtig as moontlik te hou;
- Gemeenskaplike prioriteitsaangeleenthede ten opsigte van vee is geïdentifiseer. Dit sluit in dieregesondheid, handel, navorsing, ontwikkeling en produktiwiteit;



AGOA is in 2000 in werking gestel en laat 39 kwalifiserende Afrika-lande, insluitende Suid-Afrika, toe om bepaalde produkte tariefvry na Amerika uit te voer.

The purpose of the CGFL was not questioned during the particular meeting but it became clear that the grouping as such has an even more important role to play given the world's food security challenges. Due to the protection of and support to the agricultural sectors of predominantly developed countries, agriculture remains the most distorted sector in the world, a situation the CGFL still seeks to address, especially given the limited progress having been made during the Doha-round of the WTO.

The members of the CGFL, which includes Agri SA, agreed to do an analysis of what should be done by this grouping; how it should be done and to communicate its message effectively. This implies that the CGFL is reviewing its strategy – a process to be completed before the end of August 2014. Australia's National Farmers' Federation will continue to lead the grouping. Agri SA provided comprehensive inputs with regard to the future of the organisation.

Appearance before portfolio committee

Agri SA and the former chair of this policy committee, Elaine Alexander, during the past report year made a submission to the Portfolio Committee for Trade and Industry on trade-related matters that have an effect on the agricultural sector. The portfolio committee expressed a need for further liaison. The committee also indicated that they want more information regarding agriculture-related problems.

Southern Africa Confederation of Agricultural Unions

Agricultural stakeholders from the Southern African Development Community region every year discuss key issues pertaining to the sector at the policy conference of the Southern Africa Confederation of Agricultural Unions (SACAU), of which Agri SA is a member. The 2014 conference, held in Maseru (Lesotho) in May 2014, focused on whether Southern Africa could capitalise on the increasing global demand for livestock products. The changing world economy, population growth, urbanisation, increases in disposable income and resultant changing dietary requirements of consumers pushed the demand for livestock products to record levels. These trends definitely present opportunities for livestock farmers, however, massive productivity improvement will be necessary, especially with changing climatic conditions. Key messages resulted from the conference, include the following:

- Africa, and specifically sub-Sahara Africa, has the greatest potential for increased agricultural production;
- It is important to keep markets as free and transparent as possible;
- Common priority issues affecting livestock were identified. These include animal health, trade, research and development and productivity;
- Access to finance; and
- Cultural beliefs contribute to slow progress in improving productivity in the livestock sector.



- Toegang tot finansiering; en
- Kulturele praktyke dra by tot die trae vordering wat gemaak word met die verbetering van produktiwiteit in die veesektor.

Hierdie boodskappe is oorgesit in voorstelle en aksieplanne oor wat benodig word om voordele vir boere te verhoog en om die prestasie van die veesektor te verbeter.

EKONOMIESE SAKE

Besigheidenheid Suid-Afrika

Agri SA is deel van die sakebeweging Besigheidenheid Suid-Afrika (BUSA), as deel van die unisektorale kategorie van lede. Gedurende die verslagjaar het Agri SA ook deelgeneem aan onder meer beleidsformulering in dié liggaam ten opsigte van Swart Ekonomiese Bemagtiging (SEB), die Wetsontwerp op die Onteining van Landbougrond, Wet op die Herstel van Grondregte, die Wetsontwerp op die Lisensiering van Besighede, kommentaar op die nasionale begroting, elektrisiteitstariefverhogings, hidrouliese rotsbreking of 'fracking' vir skaliegas, handelsbeleid, geadmistrateerde pryse, die Nasionale Ontwikkelingsplan (NDP), arbeidskwessies, Wet op die Uitbreiding van Sekerheid van Verblyfreg, handelsooreenkomste (bv. AGOA, SADC-COMESA-EAC Tripartite FTA, BRICS) en ander aspekte wat die sakegemeenskap in die algemeen, en dus ook die landbou, beïnvloed.

Belastingkomitee vir kleinsake

Die Davis-belastingkomitee het gevra vir insette oor die belasbaarheid van klein tot medium sakeondernemings as deel van hul navorsing oor verskeie aspekte van die belastingstelsel in Suid-Afrika. Hoewel die belastingstelsel vir die landbou steeds 'n aantal elemente bevat om die eiesoortige aard van die bedryf te akkomodeer, het Agri SA dit nodig geag om hierop te reageer, veral ten opsigte van wat vereis word om werkskepping en 'n verbetering in die maatskaplike bedeling in landelike gebiede aandag te gee.

Die aard van die primêre landbousektor is sodanig dat ondernemings meestal as klein besighede beskou kan word, gegewe die tersaaklike omskrywing van klein en groot sake-ondernemings. Vanuit 'n belasting-oogpunt is dit noodsaaklik dat die regulatoriese omgewing nie die geleentheid vir landbou-ontwikkeling wat reeds bestaan, kniehalter nie. Belasting moet werkskepping en behoud van die bestaande werksmag so ver moontlik bevorder. Nuwe toetreders tot die landbousektor moet ondersteun word, vaardigheidsontwikkeling moet verhoog word en ontwikkeling van die maatskaplike infrastruktuur moet ondersteun word. Agri SA het tersaaklike voorstelle geformuleer wat aan die komitee voorgelê is.

Interaksie met die Land Bank

Interaksie met die Land Bank vind voortdurend plaas rakende aspekte soos beleidsrigtings, wat ontwikkelingsfinansiering vir kleinskaalse boere, finansiële hulp aan boere wat geraak word deur rampe soos droogte of vloede en wat finansiële hulp benodig, insluit. So byvoorbeeld poog Agri SA om in oorleg met die Land Bank en die Nywerheidsontwikkelingskorporasie spesiale reëlins

These messages have been translated into proposals and action plans that are required to increase benefits for farmers and enhance the performance of the livestock sector.

ECONOMIC AFFAIRS

Business Unity South Africa

Agri SA forms part of the business movement, Business South Africa (BUSA), under the unisectoral category of members. During the report year Agri SA also participated within this body in policy formulation with regard to Black Economic Empowerment (BEE), the Expropriation of Agricultural Land Bill, the Restitution of Land Rights Act, the Licensing of Businesses Bill, commentary on the national budget, electricity tariff increases, hydraulic fracturing (fracking) for scale-gas extraction, trade policy, administered prices, the National Development Plan (NDP), labour issues, the Extension of Security of Tenure Act, trade agreements (e.g. AGOA, SADC-COMESA-EAC Tripartite FTA, BRICS) and other aspects that impact on the business community in general and therefore also on agriculture.

Tax committee on small business

The Davis Tax Committee invited input on the taxation of small and medium enterprises as part of their research on various aspects of the taxation system in South Africa. Although the tax system for the agricultural sector still contains a number of elements to deal with the peculiar nature of the industry, Agri SA deemed it necessary to respond in this regard especially with respect to what is required in relation to enhance employment creation and improving the social dispensation in rural areas.

By its very nature the primary agricultural sector can be regarded as comprising mostly of small businesses, given the particular definition for small and medium sized businesses. From a taxation focus it is imperative that the regulatory environment should not impede the opportunities for agricultural development that still exist, taxation should be conducive towards employment creation and maintaining the current labour force to the fullest possible extent, new entrants into the agricultural sector should be supported, skills development should be enhanced and support to the development of social infrastructure be granted. Agri SA formulated related proposals, which were submitted to the committee.

Interaction with the Land Bank

Interaction with the Land Bank takes place around aspects such as policy, which includes development financing for small-scale farmers and financial aid to farmers affected by disasters such as drought or floods. In this way, for example, Agri SA attempts to negotiate, in consultation with the Land Bank and the Industrial Development Corporation, for special arrangements for farmers in the event of disasters (lower interest rates or longer repayment periods).

Agricultural sector engage with the South African Reserve Bank

Representatives from organised agriculture was afforded an opportunity in July 2013 to



vir boere te beding vir laer rentekoerse of langer terugbetalingstydperke in geval van rampe.

Landbousektor skakel met die Suid-Afrikaanse Reserwebank

Verteenwoordigers van georganiseerde landbou het in Julie 2013 'n geleentheid gehad om landbou-aangeleenthede en uitdagings met Gill Marcus, Goewerneur van die Reserwebank, en ander bestuurslede van die bank te bespreek. Dit was deel van 'n uitreikprogram om die bank se interaksie met belanghebbendes te verbeter, om kommunikasiekanale te verbeter en om idees uit te ruil. Die bank beskou die landbousektor as 'n sleutelspeler in die Suid-Afrikaanse ekonomie.

Agri SA is gevra om 'n voorlegging te doen wat 'n oorsig van die landbousektor gee teen die agtergrond van globale en plaaslike uitdagings. In sy voorlegging het Agri SA die Nasionale Ontwikkelingsplan-doelwitte ten opsigte van die landbou beklemtoon en die drywers van strukturele veranderinge bespreek. Aandag is ook gegee aan die impak van 'n fluktuerende wisselkoers op insetkoste, asook uitvoerverdienstes, handelsvooruitsigte vir die sektor, die moontlikheid vir verbeterde waardetoevoeging, streeksontwikkelinggeleenthede en 'n aantal globale uitdagings wat boere in die gesig staar. In Agri SA se voorlegging en daaropvolgende besprekings is heelwat aandag bestee aan faktore wat ontwikkeling strem asook oplossings wat vooruitsigte kan verbeter.

Dieselterugbetalingstelsel

Na aanleiding van die probleme wat ondervind is met betrekking tot die dieselterugbetalingstelsel, veral as gevolg van 'n gebrek aan voldoende rekordhouding deur produsente, het die Suid-Afrikaanse Inkomstediens (SARS) in Oktober 2013 'n voorgestelde wysiging aan Skedule 6 van die Wet op Doeane en Aksyns gepubliseer. Ingevolge hierdie voorgestelde wysiging sou produsente se kwalifiserende dieselaankope met 30% verminder word om voorsiening te maak vir potensiële nie-kwalifiserende aankope, wat nie deur logboeke gestaaf kon word nie.

Agri SA en verskeie ander organisasies het kommentaar ingedien op die voorgestelde wysiging wat aangedui het dat dié vermindering van 30% buitensporig is. Die kommentaar het daartoe gelei dat die finale wysiging wat gepubliseer is aangepas is om voorsiening te maak vir 'n 20% vermindering. Hierdie wysiging het dus tot gevolg dat, waar produsente nie voldoende rekord gehou het van dieselverbruik in die vorm van logboeke vir die periode tussen 1 November 2009 en 31 Maart 2013 nie, kwalifiserende dieselaankope met 20% verminder sal word om voorsiening te maak vir potensiële nie-kwalifiserende aankope. Vanaf 1 April 2013 sal slegs logboeke aanvaar word as geldige bewyse in terme van die dieselterugbetalingstelsel.

'n Gewysigde definisie van 'n logboek is op 13 Desember 2013 gepubliseer. SARS het op 10 Februarie 2014 'n werkwinkel gehou om die logboeke en die inhoud daarvan te bespreek. Agri SA en verskeie ander rolspelers het die vergadering

By its very nature the primary agricultural sector can be regarded as comprising mostly of small businesses, given the particular definition for small and medium sized businesses.



discuss agricultural issues and challenges with Gill Marcus, Governor of the South African Reserve Bank, and other executive members of the bank. This was part of an outreach programme to enhance the bank's interaction with stakeholders, improve channels of communication and to exchange ideas. The agricultural sector is regarded by the bank as a key player in the South African economy.

Agri SA was requested to do a presentation, giving an overview of the agricultural sector against the backdrop of the global and domestic challenges. In its presentation, Agri SA highlighted the National Development Plan's objectives with respect to agriculture and discussed drivers of structural changes. Attention was given to the effect of a fluctuating exchange rate on input cost as well as export earnings, trade prospects of the sector, the scope for improved value adding, regional developmental opportunities as well as a number of global challenges faced by all farmers. In this presentation and subsequent discussions, much attention was given to factors constraining development as well as solutions that could enhance prospects.

Diesel refund system

In the light of problems experienced with the diesel refund system, especially due to a lack of accurate record keeping by producers, the South African Revenue Service (SARS) published a proposed amendment to Schedule 6 of the Customs and Excise Act in October 2013. In terms of the proposed amendment, producers' qualifying diesel purchases would be reduced by 30% to make provision for potential non-qualifying purchases that cannot be substantiated by logbooks.

Agri SA and various other organisations submitted commentary on the proposed amendment, indicating that the 30% reduction was excessive. These comments led to the final amendment being adjusted to make provision for a 20% reduction. This amendment meant that, where producers failed to keep sufficient records of diesel consumption in the form of logbooks for the period between 1 November 2009 and 31 March 2013, qualifying diesel purchases would be reduced by 20% to make provision for potential non-qualifying purchases. As from 1 April 2013, only logbooks would be accepted as valid evidence in terms of the diesel refund system.

A revised definition of a logbook was published on 13 December 2013. On 10 February 2014 SARS hosted a workshop to discuss the logbooks and the content thereof. Agri SA and various other role players attended the workshop and provided input regarding practical considerations relating to the keeping of logbooks. According to the published definition, it is also important to note that supporting documentation should be kept to substantiate diesel refund claims.

The diesel refund received by farmers was increased as from 2 April 2014 from 175.0c/l to 187.8c/l on 80% of the permitted diesel use. This increase emanates from Minister Pravin Gordhan's announcement in February 2014 in his national budget.

bygewoon en insette gemaak rakende die praktiese oorwegings met betrekking tot die byhou van logboeke. Dit is belangrik om daarop te let dat, ook volgens die gepubliseerde definisie, stawende dokumentasie ook bygehou moet word om 'n dieselterugbetalingseis te ondersteun.

Die dieselterugbetaling wat boere ontvang, is van 2 April 2014 verhoog vanaf 175.0c/l na 187.8c/l op 80% van die toegelate dieselverbruik. Dié verhoging spruit uit Minister Pravin Gordhan se aankondiging in Februarie 2014 tydens die nasionale begroting.

Staatsrede

Agri SA beskou president Zuma se Junie 2014-staatsrede as 'n aanduiding dat die regering meer sal fokus op die implementering van die bestaande Nasionale Ontwikkelingsplan (NDP). Die feit dat die president die ekonomie uitgelig het as sentrale fokuspunt is uiters positief vir die landbou. Die president het uitgebrei oor armoedeverligting, 'n afname in bestaande ongelykhede en hoë vlakke van werkloosheid. Hy het erken dat hierdie drie uitdagings – wat reeds vir 'n geruime tyd ekonomiese prestasie in Suid-Afrika kniehalter – slegs voldoende aandag kan kry deur middel van ekonomiese groei. Agri SA se standpunt is dat die probleem slegs opgelos kan word indien landelike ekonomiese groei bewerkstellig kan word. Die behoefte aan volhoubare voedselproduksie deur kommersiële landbou is dus nie onderhandelbaar nie. Die landbousektor is weer eens geteiken as een van die sektore wat 'n aansienlike bydrae moet lewer tot werkskepping, tot een miljoen addisionele werkgeleenthede teen die jaar 2030. Die regering sal ernstig moet kyk na die arbeidsomgewing en gepaardgaande wetgewing wat dit reguleer.

Agri SA verwelkom die verwysing na 'n meer effektiewe energiesektor, wat groei sal aanmoedig. Die landbou en die landelike omgewing kan 'n verdere bydrae lewer tot energie-opwekking, maar slegs indien die prosesse vir kleinskaalse kragopwekking gefinaliseer word. Agri SA is ook positief dat skaliegas-ontwikkeling, wat as 'n spelbreker geïdentifiseer is, binne bestaande omgewingswetgewing hanteer sal word.

Die kort verwysing in die staatsrede na die heropening van die grondeise-proses was slegs 'n erkenning van die proses. Die praktiese implementering daarvan bly egter 'n uitdaging en Agri SA wil nou betrokke wees by die proses ten einde te verseker dat grondhervorming regverdig en prakties geïmplementeer word. Agri SA is verbind tot samewerking met die regering en al die betrokke ministers ten einde nasionale groei te verbeter, om voedselsekerheid te verseker en om implementering van grondhervorming op 'n ekonomies lewensvatbare basis te fasiliteer tot voordeel van almal in die land.

Hersiening van landbouwetgewing

Gedurende die verslagjaar is daar goeie vordering gemaak met die prosesse om landbouwetgewing te hersien, 'n proses wat reeds in 2012 afgeskop het. 'n Aansienlike aantal van die 23 konsepwetsontwerpe wat aanvanklik vir hersiening beoog was, is reeds gereed gemaak vir die parlementêre proses, wat oor twee jaar sal strek. Benewens die wetgewing waarvoor reeds in die vorige verslagjaar gerapporteer is, het die volgende wetgewing prioriteitsaandag geniet:

State of the nation address

Agri SA regards President Zuma's state of the nation address (SONA), in June 2014, as an indication that government will focus more on the implementation of the existing National Development Plan (NDP). The fact that the President had highlighted the economy as central focus point is extremely positive for agriculture. The president elaborated on poverty relief, a reduction in existing inequalities and the high levels of unemployment. He acknowledged that these three challenges, which have for some time hampered economic progress in South Africa, could only be resolved through higher economic growth. Agri SA's view is that the problem can only really be addressed if rural economic growth occurs. The need for sustainable food production by commercial agriculture is therefore non-negotiable. The agricultural sector was once again targeted as one of the sectors that must make a considerable contribution to job creation; it is expected from the sector to create one million additional jobs by 2030. The government will have to look seriously at the labour environment and the accompanying legislation that regulates it.

Agri SA welcomed the reference to a more efficient energy sector, which will encourage growth. Agriculture and the rural environment can make a further contribution to energy generation, but only if the processes for small-scale energy generation are finalised. Agri SA is also positive that shale-gas development, which has been identified as a game-changer, will be dealt with within existing environmental legislation.

The brief reference in the SONA to the reopening of the land claims process was merely an acknowledgement of the process. The practical implementation thereof, however, remains a challenge and Agri SA will be closely involved in the process to ensure that land reform is implemented fairly and practically. Agri SA is committed to working with government and all the ministers concerned to improve national growth, to ensure food security and to facilitate the implementation of land reform on an economically viable basis to the benefit of all citizens of the country.

Review of agricultural legislation

During the report year good progress was made with the process of reviewing agricultural legislation – a process which kicked off in 2012. A considerable number of the 23 draft bills initially envisaged for review, have already been prepared for the parliamentary process, which will extend over two years. Besides the legislation already reported on in the previous report year, the following also enjoyed priority attention:

- **National Animal Pounds Bill**

The Red Meat Producers' Organisation (RPO), which is an affiliate of Agri SA, established a committee to study the draft bill and to provide comments on inter alia the imminent danger of stray animals on public roads. The RPO comments, after consulting with provincial organisations of Agri SA, have been forwarded to the Department of Agriculture, Forestry and Fisheries.



- **Nasionale Skutwetsontwerp**

Die Rooivleis Producente Organisasie (RPO), wat by Agri SA geaffilieer is, het 'n komitee op die been gebring om die konsepwetgewing te bestudeer en kommentaar te lewer op onder meer die potensieële gevaar van diere op openbare paaie. Die RPO se kommentaar is ná afloop van konsultasies met provinsiale organisasies van Agri SA aan die Departement van Landbou, Bosbou en Visserye voorgelê.

- **Nasionale Wetsontwerp op Veld- en Bosbrande**

Die voorstelle vir wetgewing maak voorsiening vir die effektiewe administrasie van die nasionale Wet op Veld- en Bosbrande deur alle regeringsvlakke asook vir die daarstelling van die Bosbou-hulpbronne Hersieningsraad (Forestry Resources Review Board). Die wysiging van artikel 4 ingevolge waarvan eienaars van staatsgrond en munisipaliteite moet aansluit by brandbestrydingsverenigings (sogenaamde FPA's); artikel 7 waar die minister lenings of ander hulp moet verskaf aan FPA's wat jaarliks deur brande geraak word, en die delegering van magte aan lede van die provinsiale uitvoerende raad en munisipaliteite word veral verwelkom.

- **Wetsontwerp op Misstowwe en Veevoer**

Die wetsontwerp in sy huidige vorm bevat kontroversiële bepalings wat aandag moet geniet, byvoorbeeld die registrasie van en beheer oor boere as tuisvermengers van hul eie voer of misstowwe. Die wetsontwerp is aan die Portefeuļjekomitee vir Landbou, Bosbou en Visserye voorgelê, waar die Troeteldierkosbedryfsvereniging die Misstofvereniging van Suid-Afrika (MVSA), Suid-Afrikaanse Raad op Verbruikersgoedere (CGCSA) en die Rooivleisbedryfsforum (RMIF) deelgeneem het aan besprekings. Die komitee was nie tevrede dat alle kommentaar van belanghebbendes voldoende deurtrap is nie en dat genoeg konsultasie met kleinskaalse boere plaasgevind het nie. Die wetsontwerp is terugverwys na die Departement van Landbou, Bosbou en Visserye vir verdere aandag.

- **Wetsontwerp op die Lisensiering van Besighede**

Die Wetsontwerp op die Lisensiering van Besighede is in die Staatskoerant gepubliseer, met 'n uitnodiging aan die publiek om kommentaar te lewer. In die verlede was landbou-ondernemings uitgesluit, maar besighede soos onder meer padstalle en gastehuse gaan nou ook by hierdie wetgewing ingesluit word. Die Departement van Handel en Nywerheid (*diti*) het in Januarie 2014 'n openbare konsultasie gehou om verdere kommentaar op die konsepwet in te win.

Die wetgewing is sterk teengestaan deur verskeie organisasies, insluitende informele handelaars, groot formele besighede en regslui. Die algemene gevoel is dat dit wat die wetgewing ten doel stel, naamlik om 'n databasis van besighede by te hou, deur registrasie en nie wetgewing gedoen kan word. Die *diti* het te kenne gegee dat die konsepwet weer hersien gaan word en dat daar weer geleentheid vir konsultasie by 'n later geleentheid sal wees.

Agri SA beskou president Zuma se staatsrede as 'n aanduiding dat die regering meer sal fokus op die implementering van die bestaande Nasionale Ontwikkelingsplan. Die feit dat die president die ekonomie uitgelig het as sentrale fokuspunt is positief vir die landbou.



- **National Veld and Forest Fire Bill**

The legislative proposals provide for the effective administration of the National Veld and Forest Fire Act, by all spheres of government as well as the establishment of the Forestry Resources Review Board. The amendment of section 4 where owners of state land and municipalities must join fire protection associations (FPA); section 7 where the Minister must give loans, grants or other assistance to FPA's that are affected by fires on an annual basis; and delegation of powers to members of the executive council (MECs) and municipalities, are especially welcomed.

- **Fertilisers and Feeds Bill**

The bill in its present form contains some controversial matters that must be addressed, for example the registration and control over farmers as home mixers of their own feed or fertiliser. The bill was presented to the portfolio committee on agriculture, forestry and fisheries, with the Pet Food Industry Association of Southern Africa; the Fertiliser Society of South Africa; the Consumer Goods Council of South Africa and the Red Meat Industry Forum (RMIF) attending the discussions. The committee was not satisfied that the comments of the stakeholders were sufficiently addressed and that consultation with small scale farmers was adequate. The bill was referred back to the Department of Agriculture, Forestry and Fisheries for further attention.

- **The Licensing of Businesses Bill**

The Licensing of Businesses Bill was published in the Government Gazette, with an invitation to the public to comment. In the past agri-businesses had been excluded, but businesses – including roadside stalls and guesthouses – will now also be included in this legislation. The Department of Trade and Industry (*diti*) held public consultations in January 2014 to obtain further comments on the bill.

The legislation was strongly opposed by various organisations, including informal traders, large formal businesses and legal counsel. The general feeling was that the legislation's aim, namely to maintain a database of businesses, could be addressed through registration and not legislation. The *diti* indicated that the draft bill would be reviewed again and that there would be a further opportunity for consultation.

Presidential task team: Economic growth and job creation

Agri SA has welcomed the decision to appoint a presidential task team to inquire into the reasons for slow economic growth and job creation as well as unsatisfactory investment by the private sector. Note was taken of the fact that the task team would hold discussions with representative organisations of the different sectors. Agriculture will have to be one of the focus areas of this task team, given the priority that various government documents already afford this sector. Agri SA will keep its members abreast of progress made in this regard.

Presidensiële taakspan: Ekonomiese groei en werkskepping

Agri SA het die besluit verwelkom om 'n presidensiële taakspan aan te stel wat ondersoek moet doen na die redes vir trae ekonomiese groei en werkskepping asook onbevredigende investering deur die private sektor. Daar word kennis geneem dat die taakspan met verskillende sektore se verteenwoordigende organisasies gesprek sal voer. Die landbou sal een van hierdie taakspan se fokusareas moet wees, gegewe die prioriteit wat verskeie regeringsdokumente reeds aan dié sektor verleen. Agri SA sal sy lede op hoogte hou van vordering in hierdie verband.

Geïntegreerde Voedsel- en Voedingsekerheidsinisiatief

Agri SA het vergaderings oor die Geïntegreerde Voedsel- en Voedingsekerheidsinisiatief (IFNSI) bygewoon. President Zuma was die voorsitter. Die doel van hierdie vergaderings was om die president, ministers en betrokke belanghebbendes in te lig oor vordering met die voorgestelde implementeringsplan vir die IFNSI vir die 2013/2014 finansiële jaar. Benewens Agri SA, was verteenwoordigers van bedryfsorganisasies ook teenwoordig.

Vanuit georganiseerde landbou se perspektief is dit belangrik om daarvan kennis te neem dat hierdie projek ook binne die bestek val van hoofstuk 6 van die Nasionale Ontwikkelingsplan, wat handel oor landelike ontwikkeling. Kommersiële boere kan help met en ook voordeel trek uit hierdie projek en behoort deel te neem aan die mentorskap-kant van die projek. Agri SA sal in die toekoms samesprekings hou met die Departement van Landelike Ontwikkeling en Grondhervorming ten einde 'n roetekaart te vind vir die pad vorentoe wat deelname betref aan die projekte wat met voedselsekerheid handel, hetsy huishoudelik of op nasionale vlak.

Drieledige vergadering van kundiges in landboustatistieke oor die bevordering van indiensneming- en werkloosheidstatistieke

Agri SA het 'n uitnodiging van Besigheidenheid Suid-Afrika (BUSA) om 'n verteenwoordiger na die vergadering oor arbeidstatistieke van die Internasionale Arbeidsorganisasie (ILO) te stuur, aanvaar. Die doel van die vergadering was om die kantoor van die ILO behulpsaam te wees met die hersiening van sake wat verband hou met die statistiese meting van die ekonomies aktiewe bevolking, indiensneming, werkloosheid en onder-indiensneming.

'n Groot gedeelte van die vergadering het oor die definiëring van werk, indiensneming en arbeidsgebruik gegaan. Daar is ook gepoog om beter produktiwiteitsmetings te bekom. Die vergadering het 'n voorgestelde hersiene konsepbesluit oor hierdie onderwerpe bespreek. Die konsepbesluit is aan die 19th International Conference of Labour Statisticians, wat aan die einde van 2013 in Genève, Switserland gehou is, voorgelê. Die vergadering vind elke vyf jaar plaas en neem dan rigtinggewende besluite oor die insameling en rapportering van arbeidstatistieke.

Belasting op toegevoegde waarde

Agri SA en verteenwoordigers van ander landbou-organisasies het met die Nasionale Tesourie en

Integrated Food and Nutrition Security Initiative

Agri SA attended meetings, which was chaired by President Jacob Zuma, on the Integrated Food and Nutrition Security Initiative (IFNSI). The purpose of these meetings was to inform the president, ministers and relevant stakeholders on progress and the proposed implementation plan for the IFNSI for the financial year 2013/2014. Apart from Agri SA, representatives of commodity organisations were also present.

From organised agriculture's viewpoint it is important to note that this project also falls within the ambit of chapter 6 of the National Development Plan, which deals with rural development. Commercial farmers can assist and benefit from the project and should take part in the mentoring side of the project. Agri SA will in future have discussions with the Department of Rural Development and Land Reform to map a way forward for the participation in the projects that deals with food security, whether it is on household or on national level.

Tripartite meeting of experts in agricultural statistics relating to job creation and unemployment statistics

Agri SA accepted an invitation from Business Unity South Africa (BUSA) to send a representative to the International Labour Organisation (ILO) meeting on labour statistics. The purpose of the meeting was to assist the ILO office with the review of matters relating to the statistical measurement of the economically active population, employment, unemployment and under-employment.



die Suid-Afrikaanse Inkomstediens (SARS) vergader, waar besprekings gefokus het op die belasting op toegevoegde waarde (BTW)-bepalings (soos vervat in die Wet op Belasting op Toegevoegde Waarde, 1991) wat ondernemers ('n boer) toelaat om sekere goedere teen 'n nulkoers aan te koop; die geskiedenis van aanvaarding van die nulkoers-bepaling in sy huidige vorm en wyse; die administratiewe uitdagings wat verband hou met nakoming van die nulkoers-bepaling; en die voorstel om die nulkoers-bepaling te skrap.

Die skrapping van die nulkoers van sekere landbou-insette sal finansiële implikasies vir boere inhou. Die sektor is gevra om kommentaar te lewer op SARS se voorstelle voordat dit gepubliseer word as konsepwetgewing vir kommentaar. Sodoende het Agri SA sommige van die bedryfsorganisasies in die landbousektor byeen gebring waar die aangeleentheid verder bespreek is.

Dit is voor die hand liggend dat Agri SA graag die integriteit van die stelsel wil behou wat, soos aangedui, steeds van werklike belang vir die sektor is. Die onvermoë van die sektor om kostestygings van hierdie aard summier aan te gee en die impak daarvan op toegang tot finansiering is addisionele aangeleenthede wat oorweeg moet word.

Agri SA is nie daarvan oortuig dat die nulkoers as sodanig die kernoorzaak van die probleem is nie maar meen dat bedrog kan plaasvind as gevolg van uitset-BTW wat nie aan SARS verklaar en oorbetal word nie. Indien daar gemeen word dat die betrokke BTW-registrasiesertifikaat aanleiding kan gee tot bedrog, is Agri SA bereid om opsies te vind om die geldigheid van laasgenoemde te verseker.

RAMP- EN RISIKOBESTUUR

Nasionale Rampbestuursadviesforum

Die Nasionale Rampbestuursadviesforum (NDMAF), waarvan Agri SA 'n lid is, het vier keer in die verslagjaar vergader om sake wat verband hou met ramp- en noodhulp te bespreek. Inligting wat bekom is uit die notules van vergaderings van die NDMAF, dui daarop dat finansiële toekennings vir die boekjare 2011/2012 tot 2014/2015 aan die landbou voorsien is, en waaronder R304 miljoen vir vloedhulp gegaan het, R193.5 miljoen vir droogtehulp, die beheer van peste en plaë het R171.7 miljoen ontvang terwyl die allokasie vir die herstel van rivierbeddings en die bou van waterbane R297.7 miljoen beloop het. Oor hierdie betrokke boekjare is daar ongeveer R967 miljoen aan hulpverlening in die landbou bestee.

Oesversekering

Agri SA, in samewerking met die Suid-Afrikaanse Versekeringsvereniging (SAIA) en die Departement van Landbou, Bosbou en Visserye, was deel van die proses om 'n verwysingsraamwerk te skep vir die ontwikkeling van 'n landbouversekeringsbeleid deur middel van 'n privaat-openbare vennootskap. Agri SA het verneem dat die maatskappy Andisa Agri (in vennootskap met Agrista) aangestel is as konsultante

The abolishment of "zero rating" of certain agricultural inputs will have financial implications for farmers. The sector was requested to comment on the SARS proposals before being published as draft legislation for public comment.



A major part of the meeting dealt with the definition of work, employment and use of labour. An attempt was also made to obtain better productivity measurements. The meeting discussed a proposed revised draft resolution on these matters. The draft resolution was presented to the 19th International Conference of Labour Statisticians held in Geneva, Switzerland at the end of 2013. The meeting takes place every five years, where direction giving resolutions are adopted on the gathering of and reporting on labour statistics.

Value-added tax

Agri SA and representatives of other agricultural organisations attended a meeting with the National Treasury and the South African Revenue Service (SARS) to discuss value-added tax (VAT) legislative provisions (as contained in the Value-Added Tax Act, 1991) that allows a vendor being a farmer to acquire certain goods at the zero rate; the history of adopting the zero rating provision in the current form and manner; the administrative challenges associated with ensuring compliance with the zero rating provision; and the proposal to repeal the zero rating provisions.

The abolishment of "zero rating" of certain agricultural inputs will have financial implications for farmers. The sector was requested to comment on the SARS proposals before being published as draft legislation for public comment. In doing so, Agri SA brought together some of the commodity organisations in the agricultural sector, where the matter at hand was further discussed.

It goes without saying that Agri SA wishes to maintain the integrity of the system, which is, as indicated, still of real importance to the sector. The inability of the sector to merely pass on cost increases of this nature and the impacts on access to financing are additional matters requiring consideration.

Agri SA is not convinced that zero rating as such is the root cause of the problem but that fraud can arise as a result of output VAT not being declared and paid to SARS. If the particular VAT registration certificates are viewed as possibly leading to fraudulent activities, Agri SA is prepared to explore options to ensure the authenticity of the latter.

DISASTER AND RISK MANAGEMENT

National Disaster Management Advisory Forum

The National Disaster Management Advisory Forum (NDMAF), of which Agri SA is a member, met four times during the report year to discuss matters relating to disaster and emergency aid. Information obtained from the minutes of NDMAF meetings indicated that financial aid were made to agriculture for the financial years 2011/2012 to 2014/2015, including R304 million for flood relief and R193.5 million for drought relief, with R171.7 million for pest control, while R297.7 million was allocated for repairing river beds and for building water lanes. During these financial years approximately R967 million was spent on disaster relief in agriculture.

om die beleidsdokument wat aan die begin van 2014 gefinaliseer is, te ontwikkel. Daar word verwag dat die konsultasieproses met belanghebbendes 'n aanvang sal neem direk nadat hierdie werksgroep die verslag bestudeer het.

Die Nasionale Droogte-taakspan

Hierdie taakspan het verskeie vergaderings gedurende die verslagjaar gehou. Benewens hierdie vergaderings word 'n stelsel van droogte-indikatoren ook ontwikkel deur die Droogte-indikator sub-taakspan, in samewerking met Agri SA en die Universiteit van die Vrystaat, om leiding te verskaf aan die sektor en ander instellings oor sekere droogte-drempels en hoe om toepaslik op te tree onder sekere omstandighede.

Benewens die konsep van verwysingsplase, waar die doel is om 'n stelsel van verwysingsplase te formaliseer en te implementeer gebaseer op praktiese ondervinding en navorsing oor 'n lang periode van droogtebestuur, maak die taakspan ook van die volgende gebruik vir vergelykingsdoeleindes: *Palmer Drought Severity Index (PDSI)*, *Crop Moisture Index (CMI)*, *Standardised Precipitation Index (SPI)* en die *Normalised Difference Vegetation Index (NDVI)*.

Kommandowurm-uitbraak

Sporadiese kommandowurm-uitbrake is gedurende die verslagjaar aange meld. Agri SA, in samewerking met die Direktooraat Insetbeheer en Ramp- risikobestuur en Klimaatverandering van die Departement van Landbou, Bosbou en Visserye (DAFF), het daarin geslaag om weer befondsing te kry vir die aankoop van chemikalieë en spuittoerusting om die plae te bestry. Waar nodig, het boere en plaaswerkers opleiding ontvang in die metodes wat hiervoor aangewend word. Daar is ooreengekom dat verdere opnames gedoen sal word om die omvang van die kommandowurm-uitbrake en die skade wat aangerig is, te bepaal. In die lig hiervan, sal DAFF versoek word om kommandowurms as plaag te verklaar ingevolge die Wet op Landbouplae.

Die stand van droogte

Gedurende die verslagjaar was groot dele van die land in die wurggreep van ernstige droogte. Veral in die Noordwes-provinsie waar potensiële oesskade van tussen 40% en 50% gerapporteer is, het die droogte ook gepaard gegaan met swak weidingstoestande en grootskaalse veeverkope. Vergaderings is met die Land Bank se senior bestuur gehou, wat bygewoon is deur Agri SA, Agri Noordwes, African Farmers' Association of South Africa (AFASA) en sommige landboubesighede, om die moontlikheid van produksienelings teen 'n verlaagde rentekoers vir die komende seisoen te beding. Hierdie moontlikheid is ook met die Nywerheidontwikkelingskorporasie (NOK) bespreek.

Die verkryging van fondse vir noodhulp was belangrik en onderhandelinge is ook op ministeriële vlak gevoer. Agri SA het 'n dringende beroep op die provinsiale en plaaslike owerhede gedoen om die verklaring van distrikte as rampgebiede ingevolge die Wet op Rampbestuur spoedig te hanteer. Aan die einde van Julie 2013 is die Noordwes-provinsie as droogte-rampgebied verklaar en 'n bedrag van R43.5 miljoen is vir hulpverlening bewillig.

Crop insurance

Agri SA, in collaboration with the South African Insurance Association (SAIA) and the Department of Agriculture, Forestry and Fisheries, was part of the process to design the terms of reference for the development of an agricultural insurance policy framework through a public-private partnership. Agri SA has been informed that the company, Andisa Agri (partnering with Agrista), has been appointed as consultants to develop the policy document that was finalised at the beginning of 2014. It is expected that the consultation process with stakeholders will start soon after the report has been studied by the working group.

The National Drought Task team

This task team held several meetings during the report year. In addition to these meetings, a system of drought indicators are also being developed by the Drought Indicator Sub-task Team in collaboration with Agri SA and the University of the Free State, to guide the sector and other institutions regarding certain dryness thresholds and to act appropriately under certain circumstances.

Apart from the concept of reference farms where the objective is to formalise and implement a system of reference farms based on practical experience and research over a long period of drought management, the task team will also use the following as benchmarks: the Palmer Drought Severity Index (PDSI), the Crop Moisture Index (CMI), the Standardised Precipitation Index (SPI) and the Normalised Difference Vegetation Index (NDVI).

Armyworm outbreak

Sporadic armyworm outbreaks were reported during the report year. Agri SA, in conjunction with the Directorates Input Control and Disaster Risk Management and Climate Change of the Department of Agriculture,



Vloede

In voorleggings aan die Nasionale Rampbestuuradviesforum, waarvan Agri SA lid is, word gemeld dat ernstige vloede gedurende die jaar voorgekom het in die Kaapse Wynland, die Sentrale Karoo, Eden, die Overberg en in Limpopo en Mpumalanga. Hierdie gebiede is as rampgebiede verklaar ingevolge die Wet op Rampbestuur. Die betrokke dokumente is by die Departement van Landbou, Bosbou en Vissery asook die Nasionale Rampbestuursentrum ingedien vir verdere aandag. Hierdie dokumente/syfers moet nog geverifieer word ten einde vir die nodige finansiële hulp aansoek te doen.

DIEREGESONDHEID

Nasionale Dieregesondheidsforum

Die Nasionale Dieregesondheidsforum (NAHF) bestaan uit verteenwoordigers van al die diereproduksie-bedryfsorganisasies en ander relevante organisasies in die dieregesondheidsbedryf en vergader op 'n gereelde grondslag. Die NAHF is verantwoordelik vir, onder meer, doeltreffende skakeling ten opsigte van dieresiektes en enige tersaaklike aangeleentheid wat 'n uitwerking kan hê op die gesondheid van die nasionale kudde.

Een van die suksesse in die verslagjaar is die terugvoer wat van die OIE (World Organisation for Animal Health) ontvang is wat die herinstelling van die bek-en-kloseer-vrye status van Suid-Afrika bevestig. Belangrike sake wat gedurende die verslagjaar ook op die forum se agenda was, was onder meer die bedreiging van *peste des petits ruminants* (PPR), Johnes-siekte, 'n nuwe permitstelsel insake die invoer van lewende hawe en Afrika-perdesiekte.

PLAASLIKE REGERING

Munisipale eiendomsbelasting

Agri SA het 'n voorlegging gemaak aan die parlementêre Portefeuljekomitee vir Plaaslike Regering oor die Wysigingswetsonwerp op Munisipale Eiendomsbelasting. Een van die sleutelkwessies in die wetsontwerp is 'n voorgestelde verandering aan die omskrywing van landbou-eiendom. Die huidige wetgewing sluit steeds wildboerdery by die betrokke definisie van landbou-eiendom uit, wat as't ware beteken dat die grond wat hiervoor gebruik word nie kwalifiseer vir die spesifieke bedeling nie, dit wil sê, die korting waarop ander landbou-verwante bedrywe geregtig is.

Agri SA het in die verlede verskeie voorleggings aan die Departement van Koöperatiewe Regering en Tradisionele Sake (CoGTA) gemaak om aandag te gee aan dié saak deur die insluiting van wildplase in die omskrywing van landbou-eiendom.

Die verhoudelike bedeling ('ratio') ingevolge waarvan die landbousektor kwalifiseer vir 'n korting van ten minste 75% van die koers wat van toepassing is op residensiële

Gedurende die verslagjaar was groot dele van die land in die wurggreep van ernstige droogte. Veral in die Noordwes-provinsie waar potensiele oesskade van tussen 40% en 50% gerapporteer is, het die droogte ook gepaard gegaan met swak weidingstoestande en grootskaalse veeverkope.



Forestry and Fisheries (DAFF), succeeded again in securing funding for the purchase of chemicals and spray equipment to combat pests. Where necessary, farmers and farm workers received training in the methods used for this purpose. It was agreed that further surveys would be conducted to determine the extent of the armyworm outbreaks and the damage caused. In light of this, DAFF will be requested to declare armyworm as a pest in terms of the Agricultural Pests Act.

Drought status

During the report year large parts of the country experienced a devastating drought. In the North West province, in particular, where potential crop damage of between 40% and 50% was reported, the drought was accompanied by poor grazing conditions and large-scale livestock sales. Meetings were held with the Land Bank's senior management, which were attended by Agri SA, Agri North West, African Farmers' Association of South Africa (AFASA) and some agribusinesses, to negotiate the possibility of production loans at a lower interest rate for the coming season. This possibility was also discussed with the Industrial Development Corporation (IDC).

Obtaining funds for emergency aid was critical and negotiations in this regard were also held at ministerial level. Agri SA called on the provincial and local authorities to deal swiftly with the declaration of districts as disaster areas in terms of the Disaster Management Act. At the end of July 2013, North West was declared a disaster area and an amount of R43.5 million was allocated for disaster relief.

Floods

In submissions to the National Disaster Management Advisory Forum, of which Agri SA is a member, it was stated that serious floods occurred during the year in the Cape Winelands, Central Karoo, Eden, Overberg, Limpopo and Mpumalanga. These areas have been declared as disaster areas in terms of the Disaster Management Act and relevant documents were handed in at the Department of Agriculture, Forestry and Fisheries as well as the National Disaster Management Centre for further attention. These documents/figures still had to be verified in order to apply for the necessary financial assistance.

ANIMAL HEALTH

National Animal Health Forum

The National Animal Health Forum (NAHF), consisting of representatives from all animal production commodity organisations and other relevant organisations in the animal health industry, meets on a regular basis. The NAHF is responsible for, among other things, effective liaison around animal diseases and any relevant matter that could have an impact on the health of the national herd.

One of the successes during the report year was the feedback received from the

eiendom sal ook hersien word, wat aandui dat kortings wat algemeen van toepassing is deur die betrokke verhouding ondervang sal word. Dit sal hopelik die verwarring uitkakel wat in die verlede oor hierdie aangeleentheid bestaan het.

Artikel 3(4) van die wet sal blykbaar verander om slegs dienste wat deur die boerderygemeenskap voorsien word en die maatskaplike en ekonomiese welstand van plaaswerkers in ag te neem wanneer kortings en vrystellings vir die landbousektor oorweeg word. Agri SA het aangedui dat dit aanvaarbaar is, mits die algemene korting (75%) behou word en die voorgestelde veranderings van toepassing sal wees wanneer verdere kortings oorweeg word.

Die portefeuljekomitee het omvattende interaksie hieroor gehad maar daar is uiteindelik gevoel dat dit ontoepaslik is dat landbou-eiendom wildboerdery insluit, daarom het die wetsontwerp [B33B-2013], wat in Maart 2014 gepubliseer is, dit nie ingesluit onder die omskrywing van landbou-eiendom nie. Die portefeuljekomitee het gevoel dat die aktiwiteit van wildboerdery nie substansieel bydra tot voedselsekerheid in die land nie.

Skakeling het plaasgevind oor die kwessie dat wildvleis geëet kan word, maar die punt is gemaak dat baie min mense in die land dit eet en dat dit daarom nie vir basiese bestaan benodig word nie maar eerder as luukse of ongewone voedsel beskou word. Daar is gevrees dat insluiting van wildboerdery mense kan aanmoedig om oor te skakel na wildplase ten einde die 75% korting te kry en daar is gevoel dat dit nie aanvaarbaar is nie, gegewe die land se behoeftes. Agri SA het verdere verhoë aan CoGTA gerig om wild in te sluit by die betrokke definisie en opvolg-samesprekings is ook aangevra.



INFRASTRUKTUUR

Infrastruktuur: Beleidstandpunt

Agri SA was sentraal tot die skryf van 'n Agri-sector Unity Forum (ASUF)-beleidstandpunt insake infrastruktuur wat tydens die ASUF-konferensie in Februarie 2014 gedien het. Hierdie standpunt is egter slegs 'n breë algemene standpunt. Dit is noodsaaklik om 'n omvattende verslag oor die infrastruktuurknel-punte in landbou saam te stel. In dié verband is besluit om 'n opname te doen by al Agri SA se affiliasies oor die omvang en impak van infrastruktuurknel-punte. 'n Vraelys in dié verband is aan alle affiliasies voorsien.

Die opname sal gebruik word vir die opstel van 'n beleidstandpunt vir doeleindes van onder meer potensieël gesprekke met die Portefeuljekomitee vir Vervoer en ander rolspelers en insette wat gemaak moet word vir SIP11-projekte (strategic integrated projects).

Padinfrastruktuur

In opvolging van die besoek van Agri SA aan die Departement van Vervoer (DoT) in die vorige verslagjaar insake die trekkerbestuurderlisensies, die registrasie van landbouwerktuie en die vrystelling van stropers van sekere regulasies van die Wet op Nasionale Padverkeer, asook spesifiek met verband tot die vervoer daarvan, is skrywes aan die departement gerig om skriftelike uitklaring oor die aangeleentheid te kry.

OIE (World Organisation for Animal Health), which confirmed the reinstatement of South Africa's foot-and-mouth disease-free status. Important matters on the forum's agenda during the report year included the threat of *peste des petits ruminants* (PPR), Johne's disease, a new permit system for importing livestock and African horse sickness.

LOCAL GOVERNMENT

Municipal property rates

Agri SA made a submission to the Parliamentary Portfolio Committee on Local Government on the Municipal Property Rates Amendment Bill. One of the key issues contained in the bill is a proposed change to the definition of agricultural property. The current act still excludes game farming from the particular definition of agricultural property, which in fact means that the land used in this regard does not qualify for the specific dispensation, i.e. rebates that other agri-related industries are entitled to.

Agri SA had made numerous submissions in the past to the Department of Co-operative Governance and Traditional Affairs (CoGTA) to have this matter rectified by including game farms in the definition of agricultural property.

The 'ratio' dispensation whereby the agricultural sector qualifies for a rebate of at least 75% of rates applicable to residential areas is also up for revision, indicating that rebates of a general application will be captured by the particular ratio. This will hopefully address the confusion that existed on this matter in the past.

Section 3(4) of the act will apparently be changed to only include services provided by the farming community and the social and economic welfare of farm workers as consideration when rebate reductions and exemptions to the agricultural sector are contemplated. Agri SA indicated that this was acceptable, provided that the general rebate (75%) would be maintained and that the proposed changes would be applicable when further rebates were considered.

The portfolio committee had quite extensive engagements on these issues but finally felt that it was inappropriate that agricultural property should include game farming, so the Bill [B33B-2013], published in March 2014, did not have that included under the definition of agricultural property. The portfolio committee felt that the activity of game farming does not substantially contribute to "food security" in the country.

There were engagements around the question that game could be eaten, but the point was made that it was eaten by very few people in the country, and not for basic subsistence, but as a luxury or unusual foodstuff. There were fears that inclusion of game farming may encourage people to convert their arable land to game farms, in order to get the 75% rebate, and it was felt that this was not appropriate in view of the country's needs. Agri SA made further presentations to CoGTA to include game in the particular definition and follow-up discussions were also requested.

Agri SA het voorstelle oor trekkerbestuurslisensie gemaak wat die departement na 'n tegniese komitee verwys het. Hierdie voorstelle is nie aanvaar nie. Die departement sou, nadat die redes vir weiering aan Agri SA verskaf is, in gesprek tree met dié organisasie om dit beter te verduidelik. Daar is reeds navrae gedoen na hierdie redes en moontlike gesprek, maar antwoorde en 'n afspraak word nog afgewag.

Opwekking en inskakeling van hernubare energie

Agri SA het gedurende die verslagjaar in gesprek getree met Eskom om uitklaring te kry oor die beleid insake die opwekking en inskakeling van alternatiewe energiebronne in die nasionale netwerk deur kleinskaalse energieprodusente. Dit blyk dat die opwekking en inskakeling van elektrisiteit op klein skaal, dit wil sê minder as 1MW, nie so eenvoudig is nie, aangesien daar aan verskeie tegniese aspekte voldoen moet word. Daar is ook nog geen beleid opgestel rondom die prys vir die aankoop van elektrisiteit van kleinskaalse produsente nie, maar wel vir groot verskaffers van elektrisiteit.

Georganiseerde landbou het 'n versoek tot Eskom gerig om so spoedig moontlik 'n kommunikasiestuk op te stel om die stand van sake uiteen te sit wat gesirkuleer kan word aan affiliasies van Agri SA sowel as aan die verskillende Eskom-streke om te verseker dat almal dieselfde boodskap ontvang en oordra. Dié kommunikasie is aan Agri SA se affiliasies voorsien.

Eskom is besig om die raamwerk, beide tegnies en in terme van prys en proses, te ontwikkel vir die opwekking en inskakeling van hernubare energie op klein skaal, maar hierdie terugkoopprysstrategie is nie vir hom 'n groot prioriteit nie. Die voorlegging in hierdie verband behoort in November 2014 aan die Eskom-raad gedoen te word, waarna dit aan Nersa gegee sal word vir goedkeuring en implementering teen April 2015. Agri SA is ook besig om 'n lessenaarstudie insake die opwekking van kleinskaal-elektrisiteit te doen.

Elektrisiteitsinfrastruktuur

Die tegniese werkgroep, bestaande uit Eskom en georganiseerde landbou, het in die verslagjaar vergader om sake van gemeenskaplike belang te bespreek. Dié werkgroep is op die been gebring om tegniese sake van landboubelang te koördineer. Eskom het aan georganiseerde landbou terugvoering gegee rakende beplande onderhoud aan infrastruktuur. Verdere sake wat bespreek is, sluit in die skoonmaak van serwitute, die toets van meters, impak van voëllewe op kragonderbrekings en die optrede van Eskom-kontrakteurs.

Gauteng-hoofwegverbeteringsprojek se e-tolstelsel

Nuwe tariewe vir verskillende kategorieë is op 9 Oktober 2013 in die staatskoerant gepubliseer vir kommentaar. Agri SA het reeds in die vorige verslagjaar oor die uitwerking van die e-tolstelsel op die landbou gerapporteer. Uit die gepubliseerde tariewe blyk dit dat daar 'n verdere verlaging was van die aanvanklike tariewe wat in die vooruitsig gestel is, sowel as die vasstelling van 'n maksimum maandelikse

Organised agriculture asked Eskom to, as soon as possible, compile an information document setting out the state of affairs, which can be circulated to Agri SA's affiliates as well as the various Eskom regions to ensure that everyone receives and conveys the same message.



INFRASTRUCTURE

Infrastructure: Policy position

Agri SA was central to the compilation of an Agri-sector Unity Forum (ASUF) position paper on infrastructure which was presented to the ASUF conference in February 2014. This, however, was merely a broad general position. It is essential that a comprehensive report on the infrastructure problems experienced in agriculture be compiled. It was decided to conduct a survey among all Agri SA's affiliates on the extent and impact of such problems and a questionnaire in this regard was distributed to all affiliates.

The survey will be used to compile a policy position paper for purposes of, among others, potential discussions with the Portfolio Committee for Transport and other role players and the inputs that have to be made for SIP11 projects (strategic integrated projects).

Road infrastructure

In follow-up of Agri SA's visit to the Department of Transport (DoT) during the previous report year to discuss tractor drivers' licences, the registration of agricultural implements and the exemption of combine harvesters from certain regulations of the National Road Traffic Act, as well as specifically in relation to the transportation thereof, letters were addressed to the department to obtain written clarification on these matters.

Agri SA had made proposals regarding tractor drivers' licences, which the department referred to a technical committee. These proposals were not accepted. After providing Agri SA with the reasons for this, the department was to meet with Agri SA to give a more detailed explanation. Enquiries have already been made but these reasons and a possible meeting are still awaited.

Generation and incorporation of renewable energy

During the report year, Agri SA held discussions with Eskom to obtain clarity on its policy around the generation and incorporation of alternative energy sources in the national network by small-scale energy producers. It seems that the generation and incorporation of electricity on small scale, i.e. less than 1MW, is not that simple because various technical aspects have to be complied with. Further, there is as yet no policy around the price for purchasing electricity from small-scale producers, but there is a policy in place for large suppliers of electricity.

Organised agriculture asked Eskom to, as soon as possible, compile an information document setting out the state of affairs, which can be circulated to Agri SA's affiliates as well as the various Eskom regions to ensure that everyone receives and conveys the same message. Agri SA forwarded this communication to its affiliates.

Eskom is in the process of developing a framework, both technical and in terms of

bedrag. Die gebruik van e-tolskysies behels egter verdere kostevordele. Hoewel Agri SA nie ten gunste is van die e-tolstelsel of dit teenstaan nie, het die organisasie gewys op die noodsaak om landbouvoervoer gunstiger te hanteer, aangesien vrag gewoonlik slegs in een rigting ter sprake is.

TEGNOLOGIE-ONTWIKKELING EN -OORDRAG

Wysigingswetsontwerp op die Landbounavorsingsraad

As deel van die proses om landbou-verwante wetgewing te hersien, is die Wysigingswetsontwerp op die Landbounavorsingsraad opgestel. Die doel van die wetsontwerp is om die lewensgehalte van alle mense in Suid-Afrika te verbeter, met inagneming van die omgewing, deur die bevordering en ontwikkeling van die landboubedryf, deur die generering en oordrag van tegnologie en deur die inisiëring, onderneming, handhawing, koördinerende, bevordering en aanmoediging van onafhanklike strategiese en toegepaste wetenskaplike navorsing.

Statutêre voorsiening is gemaak vir liggame soos die Nasionale Landbounavorsingsforum (NARF) en 'n inter-regering Tegnieese Komitee vir Landbou, Bosbou en Visserye as regeringstrukture wat optree as 'n ekonomiese, bemarking- en koöperatiewe werkgroep en dien as skakeling-platform tussen nasionale en provinsiale departemente oor landbousake. Baie van die voorgestelde veranderinge aan die Wet op Landbounavorsing, 1990, is van 'n wetlike, administratiewe en tegniese aard. Die wysigingswetsontwerp baan dus die weg vir die skep van 'n nuwe wetsontwerp vir die hele Nasionale Landbounavorsingstelsel (NARS), dit wil sê, die Wetsontwerp op Landbounavorsing.

Nasionale Landbounavorsingsforum-stuurkomitee

Agri SA word verteenwoordig in die Nasionale Landbounavorsingsforum (NARF)-stuurkomitee. Gedurende die verslagjaar is belangrike aangeleenthede in verband met die voorgestelde navorsing- en ontwikkelingsagenda ter tafel gelê, insluitend navorsingsprioriteite vir die Navorsing- en Tegnologiesfonds (RTF) van 2013 tot 2014 (kort/mediumtermyn). Die hoof-bedryfsgroepe, naamlik katoen, rooivleis, sagtevrugte, tafeldruie, sorghum, wyn en mielies, sal hieruit voordeel trek.

Die RTF sal bestuur word deur die Nasionale Navorsingstigting (NRF), wat 'n mandaat in hierdie verband van die Departement van Landbou, Bosbou en Visserye (DAFF) het.

Die gewysigde Navorsing- en Ontwikkelingsbeleid, wat die bosbou- en visserye-sektore sal insluit, is afgehandel. Agri SA, as een van die hoof-belanghebbendes van die NARF, was betrokke by die formulering van die verwysingsraamwerk, veral wat betref die basis vir doelstellings om konsensus en 'n geïntegreerde benadering tot landbounavorsing en tegnologie-ontwikkeling en -oordrag te bewerkstellig met die oog op nasionale groei, maatskaplike welsyn, omgewingsvolhoubaarheid, voedselsekerheid en die beplanning van landbounavorsing en tegnologie-oordrag aan die sektor.

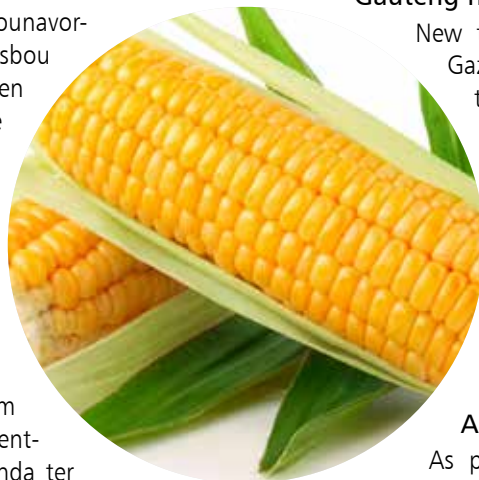
price and process, for the generation and incorporation of renewable energy on small scale, but this buy-back strategy is not a top priority for Eskom. A presentation in this regard should be made to the Eskom board in November 2014, after which it will be referred to Nersa for approval and implementation by April 2015. Agri SA is also in the process of conducting a desk study on small-scale generation of electricity.

Electricity infrastructure

The technical working group, consisting of Eskom and organised agriculture, met during the report year to discuss matters of common interest. The working group was established to coordinate technical aspects of agricultural importance. Eskom provided organised agriculture with feedback on the planned maintenance to infrastructure. Other matters that were discussed include the clearing of servitudes, the testing of meters, the impact of bird life on power outages and the conduct of Eskom contractors.

Gauteng highway improvement project's e-toll system

New tariffs for the different categories were published in the Government Gazette on 9 October 2013. Agri SA had already reported on the impact of the e-toll system on agriculture in the previous report year. Judging from the published tariffs, it seems that a further reduction in the initial tariffs is envisaged, as well as the determination of a maximum monthly amount. The use of e-toll tags, however, entails further cost benefits. Although Agri SA is neither for nor opposed to the e-toll system, the organisation has pointed out the need for the transportation of agricultural products to be treated more favourably since cargo is normally only transported one way.



TEGNOLOGIE DEVELOPMENT AND TRANSFER

Agricultural Research Council Amendment Bill

As part of the process to review the agricultural related legislation, the Agricultural Research Council Amendment Bill, was drafted. The objects of the Bill are to improve the quality of life of the people of South Africa, with due regard to the protection of the environment by promoting and developing the agricultural industry, by generating and transferring technology and through initiating, undertaking, fostering, co-ordination, promoting, encouraging and causing to be undertaken independent strategic and applied scientific research.

Legal provision has been made for bodies like the National Agricultural Research Forum (NARF) and an inter-governmental Technical Committee on Agriculture, Forestry and Fisheries being structures of government to act as an economic, marketing and cooperative working group and serve as a liaison platform between national and provincial departments on agricultural matters. Many of the proposed changes to the Agricultural Research Act, 1990, are of legal, administrative and technical nature. The amendment bill therefore, paves the way for the creation of a new bill for the entire National Agricultural Research System (NARS), i.e. the Agricultural Research Bill.



Gedurende die verslagjaar is belangrike aangeleenthede in verband met die voorgestelde navorsing- en ontwikkelingsagenda ter tafel gelê, insluitend navorsingsprioriteite vir die Navorsing- en Tegnologiesfonds (RTF) van 2013 tot 2014 (kort-/mediumtermyn).



Die NARF-aksieplan vir 2013/2014 asook die konsep-verwysingsraamwerk is goedgekeur vir voorlegging aan die 9de volle vergadering (plenary) van NARF in 2014.

Agri SA het hierdie 9de volle vergadering van die Nasionale Landbounavorsingsforum (NARF) in Mei 2014 bygewoon. Die hoofdoel van die vergadering was om verslag te doen oor sake waaraan aandag gegee is sedert die vorige NARF-vergadering (8ste) in Oktober 2008. Hierdie verslag is voorgelê deur die NARF-bestuursekretaris, wat Agri SA geprys het vir sy hulp aan die NARF. Volgens hom het die NARF in die eerste plek 'n groot mylpaal bereik, naamlik konsensus om die Nasionale Landbounavorsingstelsel (NARS) te bekragtig en goed te keur as basis vir ontsluiting van produksie-verwante kwessies in die landbousektor.

National Agricultural Research Forum Steering Committee

Agri SA is represented on the National Agricultural Research Forum (NARF) Steering Committee and during the report year important issues pertaining to the proposed research & development agenda, including research priorities for the Research and Technology Fund (RTF) from 2013 to 2014 (short/medium term), were tabled. The main commodity groups i.e. cotton, red meat, deciduous fruit, table grapes, sorghum, wine and maize will benefit.

The RTF will be managed by the National Research Foundation (NRF), which has been mandated by the Department of Agriculture, Forestry and Fisheries.

The revised Research and Development Policy, which will include the sectors of forestry and fisheries, has also been concluded. Agri SA, as one of the main stakeholders of NARF, was involved in the drafting of the terms of reference (ToR), especially in laying the basis in the objectives to facilitate consensus and an integrated approach to agricultural research, technology development and transfer to enhance national economic growth, social welfare, environmental sustainability, food security as well as the planning of agricultural research and technology transfer for the sector.

The NARF action plan for 2013/2014 as well as the draft terms of reference of NARF was approved for submission to the 9th plenary of the NARF in 2014.

Agri SA attended this 9th plenary meeting of the National Agricultural Research Forum in May 2014. The main objectives of this plenary was to report on matters attended to since the last NARF plenary (8th), which was held in October 2008. This report was presented by the executive secretary of the NARF, who commended Agri SA in assisting the NARF. It was noted that, first of all, the NARF reached a major milestone: reaching consensus to endorse and approve the National Agricultural Research System (NARS) as basis for unlocking the production related concerns in the agricultural sector.

