





National Agricultural Marketing Council

**Annual Report on
Predetermined Objectives
2023/24**

I am honoured to present the 2023/24 Annual Report for the
National Agricultural Marketing Council (NAMC) to all stakeholders

A handwritten signature in black ink, enclosed within a large, hand-drawn oval. The signature is stylized and appears to be the name of the Chairperson of the NAMC.

Chairperson of the
National Agricultural Marketing Council

The Agriculture and Agroprocessing Master Plan is a product of negotiations between government, business, labour and civil society organisations in the agriculture and agro-processing sectors.



Stay informed about the activities of the AAMP by visiting our portal

www.namc.co.za/aamp/



agriculture, land reform
& rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

www.dalrrd.gov.za



About NAMC

The NAMC was established in terms of the Marketing of Agricultural Products Act No. 47 of 1996, as amended by Act No. 59 of 1997 and Act No. 52 of 2001. We are a statutory body reporting to the Minister of Agriculture, Land Reform and Rural Development.

Our mandate is captured in our four core divisions namely:



**Agribusiness
Development**



Agricultural Trusts



Statutory Measures



**Markets and
Economic Research
Centre (MERC)**



Our Vision

Strategic positioning of agriculture in a dynamic global market.



Our Mission

To provide marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa.

The work of the NAMC is aligned to the four strategic objectives as set out in Section 2 of the MAP Act, 1996 namely:



**Increasing market access
to all market
participants**



**More efficient marketing
of agricultural
products**



**Optimising export
earnings from
agricultural
products**



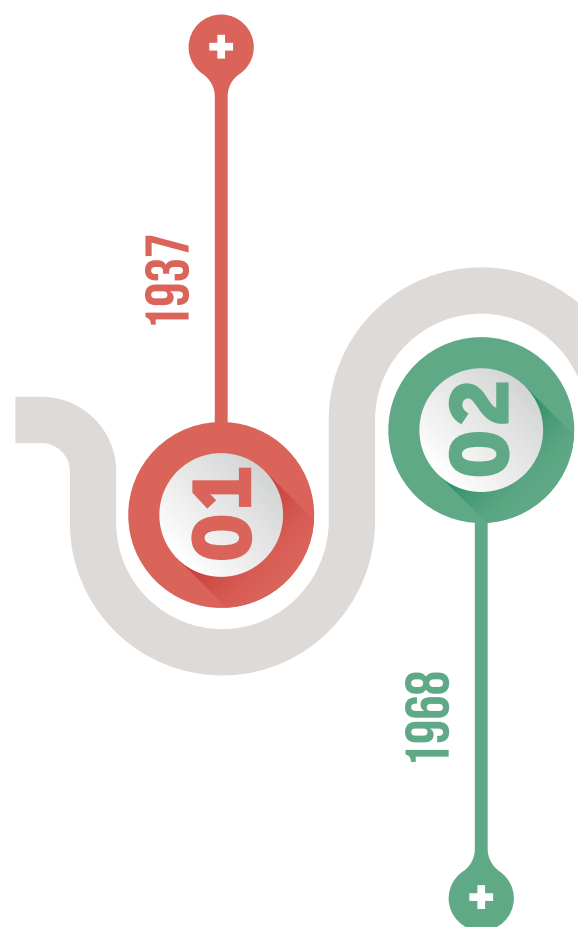
**Enhanced viability of
the agricultural
sector**



NAMC
Promoting market access for South African agriculture

The National Marketing Council (NMC) was formed to administer the 1937 Marketing Act and advise the Minister of Agriculture on the provision of the Act.

Evolution of National Agricultural Marketing Council



One of the intentions with the promulgation of the MAP Act was that the NAMC should operate “at arms-length” from the Department and subsequently became a statutory body. This meant that the NAMC will be only administering the MAP Act thereby serving as an advisory body. It also applied to the deregulation of the former Control Boards to Industry Trusts.

Marketing Act of 1937
was replaced by the 1968
Marketing Act

NMC changed to the National Agricultural Marketing Council

MAP Act amended to inter alia make provision for certain aspects regarding the transfer of staff from the Department to the NAMC

By this period, 80% of total agricultural production was subjected to statutory measures in South Africa



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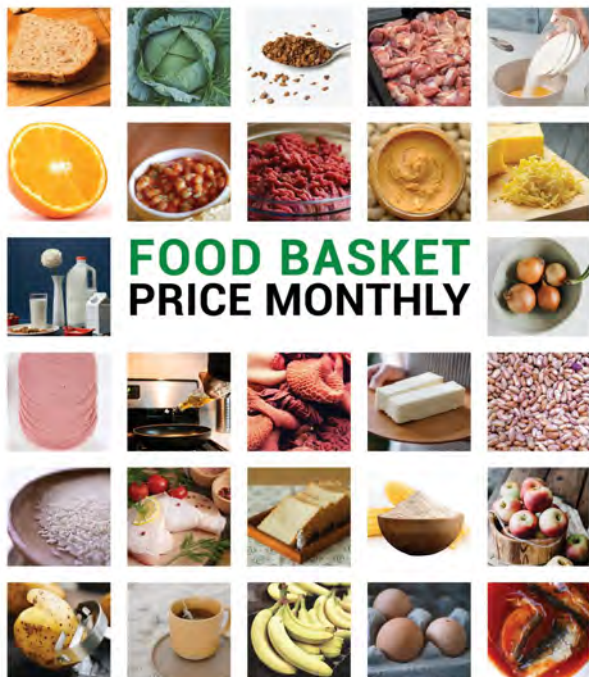
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NATIONAL AGRICULTURAL MARKETING COUNCIL

AGRO-FOOD CHAIN UNIT

“Tracks and report food price trends in South Africa to advise the Minister on any possible action that could be taken when national and household food security is threatened”



NAMC FOOD BASKET: 28 SELECTED FOOD ITEMS PRICES
Issue 98 – January 2024



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A circular collage of agricultural images. The top right shows a pig in a pen. The top left shows a sheep in a field. The middle left shows a corn cob. The bottom left shows a cow in a field.

PART A:

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME: National Agricultural Marketing Council

PHYSICAL ADDRESS: Block A, 4th Floor
535 Francis Baard Street, Arcadia
Pretoria, 0002

POSTAL ADDRESS: Private Bag X 935
Pretoria
0001

TELEPHONE NUMBER: 012 341 1115

FAX NUMBER: 012 341 1811

EMAIL ADDRESS: info@namc.co.za

WEBSITE ADDRESS: www.namc.co.za

EXTERNAL AUDITORS: Auditor - General South Africa

BANKERS: Standard Bank of South Africa

COMPANY/BOARD SECRETARY: Vacant

2. ABBREVIATIONS/ACRONYMS

AAMP	Agricultural Agro-processing Master Plan	MERC	Markets and Economic Research Centre
AGOA	African Growth and Opportunity Act	MTEF	Medium Term Expenditure Framework
AGRIBEE	Broad-Based Black Economic Empowerment in the agricultural sector	MTSF	Medium-Term Strategic Framework
AGSA	Auditor General of South Africa	NAMC	National Agricultural Marketing Council
ARC	Audit and Risk Committee	NDSF	National Spatial Development Framework
BBBEE	Broad-Based Black Economic Empowerment	NRMDP	National Red Meat Development Programme
CEO	Chief Executive Officer	PIDT	Potato Industry Development Trust
DALRRD	Department of Agriculture Land Reform and Rural Development	POMASA	Pome Fruit Producers Association
DFDC	Deciduous Fruit Development Chamber	PSET	Post-Secondary Education and Training
DPSA	Department of Public Service and Administration	SABPP	SA Board for People Practices
DSB	Dispute Settlement Body	SACTA	SA Cultivar and Technology Agency
EGD	European Green Deal	SAPPA	South African Pecan Producers Association
EU	European Union	SAPPO	South African Pork Producers Organisation
ERRP	Economic Reconstruction and Recovery Plan	SAWIS	SA Wine Information and Systems
FFA	FruitFly Africa	SAWITU	South African Wine Industry Transformation Unit
GDARD	Gauteng Department of Agriculture and Rural Development	SCOPA	Standing Committee on Public Accounts
GDP	Gross Domestic Product	S&DELC	Supply and Demands Estimates Committee
ICT	Information and Communication Technology	SLA	Service Level Agreement
IPCC	Intergovernmental Panel on Climate Change	SMAT	Smallholder Market Access Tracker
ISO	International Organisation for Standardisation	SOP	Standard Operating Procedure
ITAC	International Trade Administration Commission	TRC	Transformation Review Committee
KZN-EDAM	KwaZulu Natal Economic Development and Agricultural Movement	WINETECH	Wine Industry Network of Expertise and Technology
SAMAC	Macadamias South Africa	WOSA	Wines of South Africa
MAP Act	Marketing of Agricultural Products Act		

3. COUNCIL MEMBERS





4. FOREWORD BY THE CHAIRPERSON



INTRODUCTION

The National Agricultural Marketing Council (NAMC) plays a very critical role in the agricultural sector through its research work relating to trade, tracking of smallholder farmers' access to markets, inputs into agro-food chains, providing advisory services to stakeholders, directly affected groups and Minister of Agriculture.

NAMC is empowered by the Marketing of Agricultural Products Act (MAP Act) to regulate statutory levies through administering applications that are lodged by various industries. Investigations are conducted and recommendations made to the Minister of Agriculture for approval. We are also entrusted with a crucial responsibility to observe the state of the agricultural industry trusts and advise the Minister of Agriculture accordingly. The Minister is represented by trustees that are appointed in these industry trusts to provide oversight, champion transformation agenda and monitor programme of action.

Furthermore, NAMC is responsible for creating an enabling environment for smallholder farmers to access market through multipronged approaches guided by farmers' empowerment needs and capacity-building initiatives.

HIGH LEVEL OVERVIEW OF THE PUBLIC ENTITY'S STRATEGY AND THE PERFORMANCE OF THE PUBLIC ENTITY IN ITS RESPECTIVE SECTOR

Administration of Statutory Measures

During the period under review, the total funds collected through statutory levies as part of the 2023 survey amounted to approximately R1.075 billion, which is 9.1% higher than the 2022 survey's reported R986.1 million.

The 2023 survey shows that approximately R1.022 billion was spent on industry functions – an increase of 14.0% compared to the 2022 survey. Of the total expenditure, approximately 45.0% was spent on research, 19.8% on transformation projects, 10.0% on export promotion or market access, and 7.8% on information.

This is very impressive considering that the increase has a positive ripple effect in other areas that these funds are spent on.

The 2023 survey indicated that approximately 10.0% (R103.6 million) of total levy expenditure was allocated to export promotion and market access, compared with the roughly R81.0 million reported in the 2022 survey. The horticultural industries, and more specifically the deciduous fruit, dried fruit, pomegranate, table grape and wine industries, spent a major portion of their statutory funds on export promotion activities.

The market development levy in the deciduous fruit industry is used specifically to fund the market development programmes planned in Europe, Middle East and Far East.

The State of the Agricultural Industry Trusts

The eleven trusts' combined asset value is currently estimated at R2.57 billion, up by R83.6 million from the last review. The steady rebound in the global and local investment markets was the main factor driving the increase in the asset value of trusts.

NAMC convened an annual workshop with stakeholders to discuss Trusts' successes and challenges. Trusts reported increased asset values due to market recovery from COVID-19. The discussion emphasized the need for collaboration among agricultural trusts, especially those dealing with grains and lucerne. The wool industry shared plans to create an empowerment trust inspired by the mohair industry.

The AGRIBEE Sector codes were gazetted in 2017, and the NAMC revised its transformation guidelines in 2018 after consulting with the agricultural industry to conform to the sector codes.

The criteria stipulate that transformation must account for at least 20% of the entire levy income, with the rest percentages going towards management control and socioeconomic interventions, enterprise development (18%), and enterprise development (60%).

Other spending categories, such as farmer training and student bursaries, are having a significant influence on the industry's change. Trusts and levy income are essential for funding agricultural transformation. The proceeds from Trusts fund transformation, whereas levies are subject to a 20% transformation condition. The NAMC's transformation guidelines have proven effective in transforming the funding sector.

STRATEGIC RELATIONSHIPS

NAMC conducts research on trade trends and market assessments of the trade of agricultural products and render advice to the Minister of Agriculture as well as other stakeholders such as the International Trade Administration Commission (ITAC) regarding the merits of applications for trade remedies and tariffs.

The organisation disseminates policy advisories to promote evidence-based decision making by policymakers and industry captains on issues relating to the trade of South Africa's agricultural products.

During the 2023/24 financial year, managed to deliver its four quarterly reports titled Trade Probe, which are widely used by exporters and importers. The reports covered various themes providing analyses of the trade of agricultural products, trade performance in both local and international markets.

Furthermore, the entity analysed the performance of the tomato value chain. The study analysed the global and domestic tomato value chain, noting a consistent increase in tomato consumption and production driven by the health benefits associated with tomatoes.

However, both producers and processors of tomato products in South Africa face numerous challenges, including retail price fluctuations, climate uncertainty, and competition, which limit their significant participation in the value chain. The connection between production, agro-processing, and markets remains a major challenge for participants in the South African tomato value chain. Therefore, a well-defined value chain is crucial to eradicating poverty and promoting economic growth among tomato producers and traders.

CHALLENGES FACED BY BOARD

NAMC facilitates market access for farmers especially smallholder farmers who are mostly disadvantaged in terms of market information, compliance (SA and Global GAP certification), packaging, quality control, consistency, logistic planning and business linkages with potential buyers. This programme enables the NAMC to contribute to making the agricultural sector more inclusive and viable as a contributor to economic growth and transformation.

The market facilitation programme is guided by market analysis, market readiness of farmers, market demand and stakeholder intervention to support farmers in order to supply the identified market. During the period under review, NAMC linked 210 smallholder farmers with different markets. Out of the 210 farmers linked with markets, 128 are males; 82 females and 42 youth. The smallholder farmers are spread over three provinces in South Africa, which are KwaZulu Natal (37%), North West (36%), and Limpopo (27%).

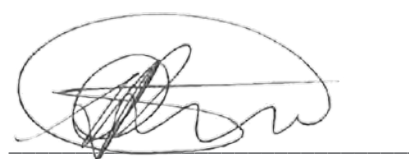
ACKNOWLEDGEMENTS/APPRECIATION

We are grateful to all stakeholders for their commitment towards inclusive growth and transformation of the agricultural sector. On behalf of all Council members, I would like to appreciate the NAMC management and employees for their resilience and tenacity under this difficult operational environment.

CONCLUSION

We are confident that the challenges that the organisation has experienced will be reversed in the upcoming financial year's medium-term period.

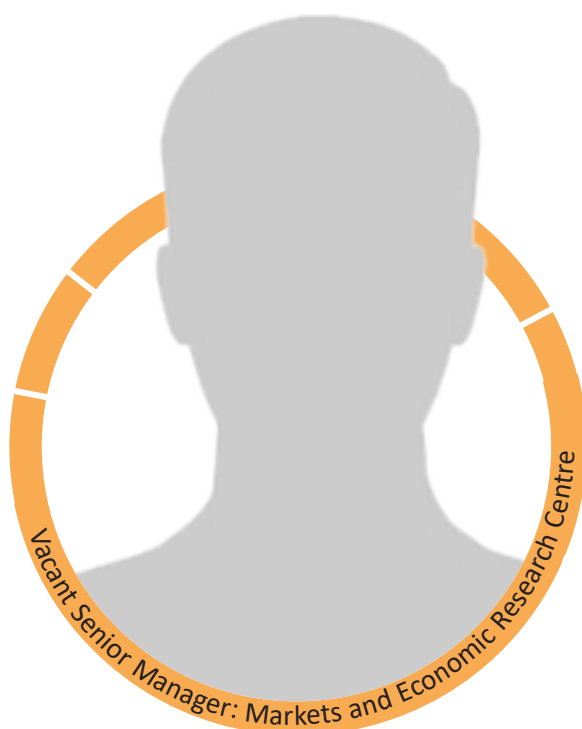
Sincerely,



Mr. Angelo Petersen
 Chairperson of the Council
 National Agricultural Marketing Council
 Date: 31 July 2024

5. EXECUTIVE MANAGEMENT





6. CHIEF EXECUTIVE OFFICER'S OVERVIEW



GENERAL OVERVIEW

The mandate of the National Agricultural Marketing Council (NAMC) is enshrined in the Marketing of Agricultural Products Act, no 47 of 1996, (MAP Act), which includes statutory and other regulatory measures as outlined in Section 9 (a) to (d) and (f).

The implementation of the regulatory measures includes investigations, recommendation to the Minister of Agriculture, oversee the administration, and monitor and review the application of statutory and other regulatory measures.

Furthermore, NAMC is also providing advisory services as outlined in Section 9 (e) of the MAP Act. The provision of advisory services commences by undertaking investigations into various aspects that affect the agricultural sector and advise the Minister of Agriculture regarding agricultural marketing policy and its application, coordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments, and the possibilities for and effects of promoting the objectives of the MAP Act.

REFLECTING ON THE OPERATIONA YEAR UNDER REVIEW

The NAMC commenced 2023/2024 financial year with excitement and enthusiasm because of progressive developments pertaining the implementation of the Agriculture and Agro-processing Master Plan (AAMP).

This is the plan that inspires hope and espouses for inclusivity and transformation in the agricultural sector. We are delighted that we have invested our energy, institutional capabilities and stakeholder mobilisation and engagement initiatives to address impediments that were delaying the effective implementation of the project. Thus far, we are satisfied with the progress that has been made during the period under review.

Enhancing records management systems

As part of our commitment to create an efficient and responsive systems, NAMC embarked on a process of improving its record management systems. Proper records management system is indispensable if the entity desires to centralise and digitise its records and institutional memory.

We have appointed a service provider to assist the organisation with proper archiving and compliant records management systems. We want to align ourselves with the National Archives and Records Service of South Africa Act (Act No. 43 of 1996). The significant amount of work has already been done and we are confident that the process will be finalised in the near future.

Business continuity

During the 2023/24 financial year, we are also excited that we have appointed experts to assist the organisation with the implementation of the business continuity plan and strategy. It is our view that the organisation should be capacitated in order to effectively respond timeously to unforeseen disruptions that have potential to affect NAMC capacity to deliver on its mandate.

The consultative process with business continuity experts is underway. We are looking forward to an all - encompassing business continuity roadmap that will take an organisation to the next level in respect of preparedness and regular simulations.

Office relocation

The office lease that we had with the landlord has expired. We currently negotiated with the landlord to grant us an extension of lease for the foreseeable future while we embark on a procurement process for a new office space.

The delay for procuring the office space before the expiry of the lease was because of possible cost-effective alternatives that were presented to

the organisation during the sixth administration tenure. We have since resuscitated the process and procurement processes are already in effect.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

The NAMC, like most organisations, experienced myriad challenges during the reporting period under review. Although some of these challenges are not strange to management, what is important to consider is the ripple effect and impact they have across the operational areas of the organisation, both in the short and long term.

Due to strain on the fiscus of the country and guidelines on cost containment measures, the amount of grant that NAMC receives from parliament has been dwindling for some years now. This downward and consistent trend in each financial year continue to adversely affect several areas of operations, impacting on the organisational effectiveness.

As a result of these constraints, the organisation, among other challenges, was not able to offer employees a salary increment that is linked to inflation. Secondly, we are struggling to retain critical workforce because we are not able to offer competitive remuneration packages. On the other hand, we are also not able to attract talent because of the financial constraints the organisation is experiencing.

In 2023/2024 financial year, our records show that eleven (11) employees resigned after they received job opportunities elsewhere. By and large, their reasons for their resignation are mostly around better remuneration packages.

According to the feedback from analysis that was done relating to the staff turnover, 50% is attributed to employees resigning because of better remuneration and we could not counter under the circumstances. Furthermore, and also to highlight the complexity of the challenges we are encountering as an organisation, there are also instances where potential employees rejected our remuneration offers because they viewed them as uncompetitive.

IMPACT OF FUNDING CONSTRAINTS ON ORGANISATIONAL EFFECTIVENESS

The financial constraints have a significant impact on the effectiveness of the organisation. In the period under review, NAMC lost critical personnel in the Finance and Administration Division. And this depletion or staff attrition happened towards the end of the financial year when the organisation was gearing up for the audit period. The departure of these key

employees in the Finance and Administration Division made it very difficult to conduct an effective and audit due to capacity challenges and loss of institutional memory. As a result, the organisation received a qualified audit, which is a regression from the results of the previous financial year.

CHALLENGES EXPERIENCED AND HOW RESOLVED

The positions of the Chief Financial Officer and Finance Manager are already filled. The process of filling Management Accountant and Supply Chain Management Coordinator positions is underway. We are confident that the strides that have been made will stabilise our Finance and Administration Division and recruitment process of other incumbents will be finalised in the third quarter of the 2024/2025 financial year.

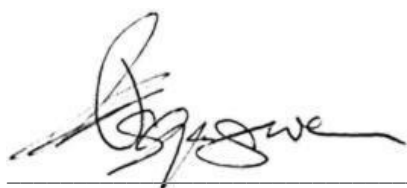
OUTLOOK/ PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

To alleviate the impact of funding constraints, management under the guidance of the Council has embarked on a process of mobilising financial resources with a view to adopt a hybrid funding model. The Council has already approved a resource mobilisation strategy and management has started to explore partnerships with various organisations that have interest in the sector. We are confident that these engagements will yield the desired outcomes. As guided by the MAP Act, the resource mobilisation implementation plan will be subject to Ministerial approval..

ACKNOWLEDGEMENTS OR APPRECIATION

I would like to sincerely appreciate all NAMC employees and management for their elasticity, unwavering dedication and maturity under these challenging circumstances. Their hard work is highly commendable. Sincere gratitude also goes to the Council for diligent oversight, guidance and leadership in this difficult period.

Sincerely,



Dr Simphiwe Ngqangweni
 Chief Executive Officer
 National Agricultural Marketing Council
 Date: 31 July 2024

7. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the Annual Report are consistent. The Annual Report is complete, accurate, and free from any omissions. The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice and the relevant frameworks and guidelines issued by the National Treasury. The Accounting Authority is responsible for the preparation of the Annual Financial Statements and the judgements made regarding this information.

The Accounting Authority is responsible for establishing and implementing a system of internal controls that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the entity for the financial year ended 31 March 2024.

Yours faithfully,



Dr Simphiwe Ngqangweni
Chief Executive Officer:
National Agricultural Marketing Council
Date: 31 July 2024

Yours faithfully,



Mr Angelo Petersen
Chairperson:
National Agricultural Marketing Council
Date: 31 July 2024

8. STRATEGIC OVERVIEW



Vision

The Vision of the NAMC is captured as the “strategic positioning of agriculture in a dynamic global market”.

This Vision is aligned to the DALRRD’s Mission which includes “...improve agricultural production to stimulate economic development and food security through, amongst others, innovative sustainable agriculture and promotion of access to opportunities for youth, women and other vulnerable groups.

It also speaks to the sustainable agricultural productivity element of the DALRRD’s Impact Statement. As stated in the DALRRD’s Strategic Plan for 2020-2026, “Sustainable Agricultural Productivity refers to a functioning system which ensures that food is produced optimally using available resources including adequate access to fertile land, water, agricultural inputs, funding, markets, production capability (i.e., research, biosecurity, skills, etc.) within the short and long term”.

Specifically, the NAMC Vision indirectly responds to:

Priority 2: Economic Transformation and Job Creation

Outcome: Investing in accelerated inclusive growth and Re-industrialization of the economy and emergence of globally competitive sectors:

- Create jobs through Job Summit Commitments and other public sector employment programmes; and
- Create a conducive environment that enables national priority sectors to support industrialisation and localisation, leading to increased exports, employment, and youth- and women-owned SMME participation.

Priority 3: Education, Skills, and Health

Outcome:

- Expand access to Post-Secondary Education and Training (PSET)
- Extension policy reviewed to support the implementation of the Agriculture and Agro-processing Master Plan and provide advisory services to commodity groups.

Priority 5: Spatial Integration, Human Settlements and Local Government

Outcome: Integrated service delivery, settlement transformation and inclusive growth in rural and urban places

- Develop and implement district/metro Joined-Up Plans
- Develop Regional Spatial Development Frameworks.

9. LEGISLATIVE AND OTHER MANDATES

The Marketing of Agricultural Products (MAP) Act and its subsequent amendments

The mandate of the NAMC is enshrined in the MAP Act, which authorises the establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products, e.g., the introduction of statutory measures. The NAMC is established by Section 3 of the MAP Act, and the functions of the NAMC particularly feature in section 9 of the Act, which stipulates the “Functions of Council”:

1. Subject to the provisions of section 2, the Council

- a. shall, when requested by the Minister, or of its own accord, investigate, in terms of section 11(2), the establishment, continuation, amendment or revocation of statutory measures affecting the marketing of agricultural products, evaluating the desirability, necessity or efficiency and if necessary, proposing alternatives to the establishment, continuation, amendment or repeal of a statutory measure and report to and advise the Minister accordingly.
- b. shall prepare and submit to the Minister for consideration statutory measures and changes to statutory measures which the Minister directs it to prepare.
- c. shall, whenever requested by the Minister and at least once annually, report on the activities of the Council.
- d. may direct any institution or body of persons designated for the purpose of the implementation or administration of a statutory measure in terms of section 14, to furnish the Council with such information pertaining to a statutory measure as the Council, the Minister or the parliamentary committees may require.
- e. may undertake investigations and advise the Minister regarding:
 - i. agricultural marketing policy and the application thereof.
 - ii. the co-ordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments.
 - iii. the possibilities for promoting the objectives mentioned in section 2(2); and
 - iv. the effect of that the marketing of products has on the objectives mentioned in section 2(2).
- f. shall monitor the application of statutory measures and report thereon to the Minister and shall evaluate and review such measures at least every two years.

2. Copies of all reports which are submitted to the Minister in terms of subsection (1) shall simultaneously be dispatched to the parliamentary committees for their information.

The NAMC performs the above-mentioned mandate in support of the four (4) objectives of the MAP Act, i.e.:

- a. Increasing market access to all market participants.
 - b. Promoting efficiency in the marketing of agricultural products.
 - c. Optimising export earnings from agricultural products; and
 - d. Enhancing the viability of the agricultural sector
- Support addressing of development objectives and local needs through piloting, refinement, and implementation of the District Development Coordination Model
 - Identify and use derelict government land and buildings in urban and rural areas as a catalyst for spatial transformation in support of the NSDF and IUDF objectives, including land and agrarian reform. (9 993 Ha identified – custodianship of national DPWI identified for human settlements purposes)
 - National Spatial Development Framework (NSDF)
 - Sustainable land Reform



Mission

The Mission of the NAMC is to “provide agricultural marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa”. The Mission is aligned to the Vision of the NAMC and expresses the core functions that the NAMC performs as stipulated in Section 9 of the MAP Act No 47 of 1996.



Core Business Values

The following values are adopted as our commitment to entrench and deepen the “NAMC” way, both in our behaviour and service offering:



Integrity

(honesty / ethical / trustworthy / transparent)



Assertiveness

(accountable / responsible / reliable / taking ownership / confident)



Collaboration

(consultative / teamwork / participative / co-operative)



Service excellence

(performance driven / target oriented / service oriented / motivated / committed / diligent)



Fairness

(equal treatment / respectful / tolerance / consistency)



Objectivity

(analytical / rational / attention to detail / conceptual)



Innovation

(creative / pro-active / adaptive / flexible / initiative)

10. ORGANISATIONAL STRUCTURE

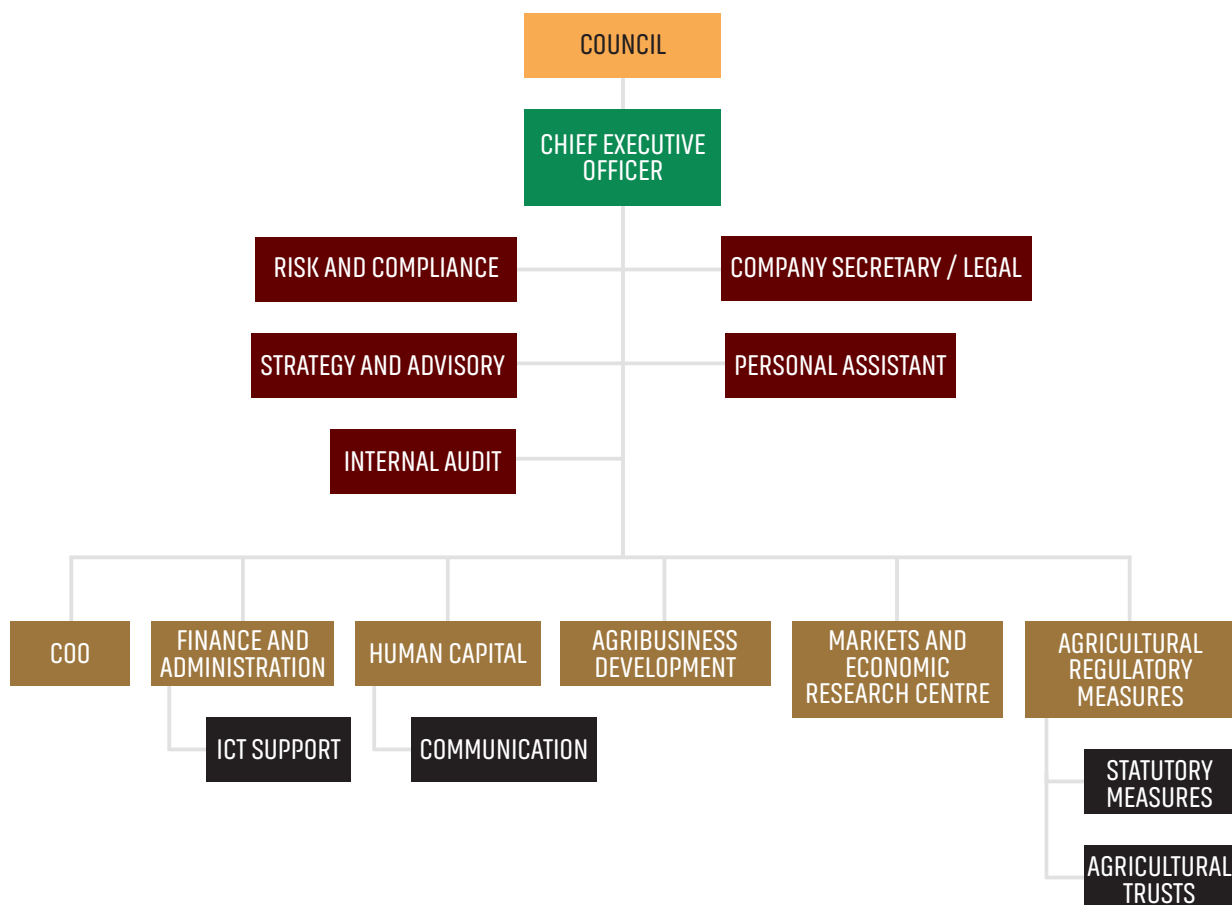


Figure 1: NAMC Organisational Structure

OUR ECONOMISTS HAVE BEEN AT THE CENTRE OF OFFERING INSIGHTS INTO CURRENT **AGRICULTURAL** DISCOURSE



Find out what's trending on
our blog at www.namc.co.za



@NAMCsoeZA

A circular collage of five agricultural images. At the top right is a pig in a pen. To its left is an orange on a tree. Below the orange is a sheep in a field. To the left of the sheep is a close-up of a yellow corn cob. At the bottom left is a cow in a field.

PART B:

PERFORMANCE
INFORMATION

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the predetermined objectives heading in the audit of the annual performance report section of the auditor's report. Refer to page 101 of the Auditors Report, published as Part F: Financial Information.

2. SITUATIONAL ANALYSIS

The performance and achievements of the NAMC are directly impacted by external and internal factors and contexts. The external context includes the advent of the global coronavirus (COVID-19) in 2019, and the regulations instituted in South Africa to curb the spread of the pandemic. After rallying in the third quarter of 2022, South African gross domestic product (GDP) declined by 1.3% in the fourth quarter (October–December). After contracting by a revised 1.1% in the fourth quarter of 2022, real gross domestic product (GDP) edged higher in the first quarter of 2023 (January – March), expanding by an estimated 0.4%.

The manufacturing and finance industries were the major drivers of growth on the supply side of the economy. The demand side was lifted by exports, with smaller positive contributions for household, government, and investment spending. Internally, the NAMC will respond to the external environment and contribute to the role played by the sector towards the economy through the availability of financial (budget) and human (skills) resources. The NAMC through the adoption of the Economic Reconstruction and Recovery Plan (ERRP) as well as the Agriculture and Agro-processing Master Plan (AAMP) are some of the examples that the NAMC will contribute to the economy.

2.1. EXTERNAL ENVIRONMENT ANALYSIS

2.1.1. CLIMATE CHANGE

Between the years 2011 and 2020, the global surface temperature rose from 0.95 to 1.20°C when compared to the increase observed over the period of 1850–1900. In comparison to 1850–1900, the global surface temperature increased by 0.99°C during the

2001–2020 period. The pace of increase in the global surface temperature since 1970 has exceeded, with high confidence, the rates of growth for at least the last 2000 years and for any previous 50-year period. According to the 2023 report of the Intergovernmental Panel on Climate Change (IPCC), climate-exposed sectors, including agriculture, fisheries, tourism, and forestry among others, have shown signs of economic impact.

For instance, the devastation of houses and infrastructure, the loss of assets and income, the security of food and human health, and the negative consequences on gender and social fairness have all had an impact on individual lifestyles. In South Africa, climate change risks have been observed as a shift towards early and delayed rainfall. This has resulted in a shorter growing season and a rise in the frequency of mid-season dry spells, droughts, and floods, all of which are expected to become more common and intense because of predicted climate change.

2.1.2. TRADE RELATED

(a) Citrus Growers' Association of Southern Africa (CGA) vs EU WTO dispute

Towards the end of June 2024 South Africa establishment of two panels at a meeting of the Dispute Settlement Body (DSB) of the World Trade Organization (WTO) to examine what, in South Africa's view, are unscientific and discriminatory measures placed on citrus imported from South Africa by the European Union (EU).

The panel will include personnel from the Department of Agriculture, Land Reform and Rural Development (DALRRD), the Department of Trade, Industry and Competition (the DTIC) and the Citrus Growers' Association of Southern Africa (CGA).

This follows the EU's regulations for the Citrus Black Spot (CBS) and False Codling Moth (FCM). The regulations are being challenged by the South African government to protect the livelihoods and what appears to be unfair protectionism by the EU. The matter has progress with South African government presenting its case at the WTO in Geneva end of June 2024. This is an ongoing matter, and it requires the outmost attention for various reasons. 1) in 2023, the EU accounted for at least 36% of South Africa citrus exports. 2) the citrus industry supports at least 14 000 jobs at farm level and many more across the value chain. Should the EU continue with the implementation of these measures, or intensify them in any way, the profitability of hundreds of growers will be negatively affected, and the industry will suffer severe revenue and job losses.

(b) Risks of geopolitics

Since 1994, South Africa's agricultural exports have significantly increased both in value and in volume, thanks to the trade agreements signed over the past 30 years. In 2023, South Africa's agricultural exports reached yet another record of US\$13.3 billion (R244.7 billion). Africa remains the largest market for South Africa's agricultural product exports followed by Asia, the EU, Americas and the Oceania. International trade is under extraordinary pressure, as crises ranging from continued supply chain disruptions to heightened geopolitical rivalries compound stains on the global economy. Moreover, the merits of free trade are increasingly being questioned in economies around the world. An example of this would be that of South Africa and USA which provides AGOA.

African Growth and Opportunity Act (AGOA) is a United States of America (USA) trade Act that was passed on May 18, 2000, as Public Law 106 of the 200th Congress but is coming to an end in 2025 with a possibility for extension. The Act is offered to African countries that are respect the rule of law, human rights, and labour norms and South Africa remains a beneficiary for now. South Africa's agricultural products access the USA market duty free. Despite contributing around 6% of all agricultural exports by South Africa, AGOA is critical for South Africa given the EU market access uncertainty.

This is mainly an issue for citrus, a key exportable agricultural product for South Africa.

In 2023, South Africa's agricultural exports to the USA through the AGOA reached US\$498.2 million (R9.1 billion) down from last year's US\$532.0 million recorded in 2022. While the AGOA has had a positive impact on the South African agricultural industry, in recent years the has been a growing uncertainty due to geopolitical "affiliation". South Africa's relationship with Russia and recently the court case against Israel have following the war in Gaza, the country's future eligibility for the AGOA remains questionable. This is even more so given that the USA is going to the poles and administration might change.

2.1.3.THE EUROPEAN UNION (EU) GREEN DEAL

Climate change and environmental degradation is increasingly threatening the global food systems and environmental sustainability. The high temperatures, variable rainfall patterns, and other extreme weather events such as droughts, floods, heatwaves, and cyclones, associated with climate change are contributing to the reduction in agricultural yields, disrupting food supply chains, and displacing communities worldwide.

In an attempt to mitigate climate change and environmental degradation, the European Union (EU) member states enacted the EU Green Deal (EGD) in 2019. The EU aims to be a global leader in climate change mitigation by ensuring that Europe is climate neutral by 2050. Moreover, the EGD aims to ensure a clean and efficient energy transition, protecting biodiversity and ecosystems, a healthy food system, efficient and environmentally friendly transport, and an industry strategy for a competitive green and digital Europe.

European Commission has adopted a set of proposals to make the EU's climate, energy, and transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. The EU's goals are to ensure food security in the face of geopolitical uncertainties, climate change, and biodiversity loss, reduce the environmental and climate footprint of the EU food system, strengthen the EU food system's resilience, and lead a global transition toward competitive sustainability from farm to fork.

Due to the mirror clauses associated with the EGD climate policies, several countries willing to trade with the EU need to align with the set of policies applicable to the EU producers. Consequently, given that EU is one of South Africa's biggest trading partners in terms of agricultural trade, South African exporters to the EU will need to adapt to this change, to assure their long-term competitiveness in this changing market..

2.1.4. RISKS AROUND AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA)

In value terms, South Africa's exports are close to half of its agricultural output. In 2022, they reached a record high of US\$12.8 billion (R211.1 billion). In market terms, Africa remains the largest market for South Africa's agricultural exports accounting for 37% in 2022. Asia came in second with 27%, the EU came in third with 19% of exports, and the Americas came in fourth with 6%. Specific to the AGOA, South Africa's agricultural products find a sizable market amounting to US\$648 million (R12.7 billion) in 2022, making up between 5-6% of South Africa's overall agricultural exports. AGOA is a United States of America trade act that was passed on May 18, 2000, as Public Law 106 of the 200th Congress.

It has been renewed over the years and will expire in 2025, with renewal options. The legislation significantly expands market access for South Africa to the USA.

To qualify for and remain eligible for AGOA, South Africa must work to improve its rule of law, human rights, and respect for essential labour norms. AGOA

is more essential for South Africa in other industries, such as automobiles and machinery, and less so in agriculture.

While the AGOA has had a positive impact on the South African agricultural industry, it is still in its early stages, with industries that benefit exporting fresh fruit, particularly oranges, almonds, processed fruit, wine, alcohol, dairy products, and fruit and vegetable juice. However, the US is considering numerous other exportable high-value agricultural items from South Africa, most notably avocados, for which negotiations have made great progress. However, political conflicts or misunderstandings between South Africa and the USA have caused uncertainty over South Africa's future eligibility for the AGOA.

Aside from minor trade issues such as chicken in 2015, the Russia-South Africa relationship remains the primary risk for South Africa as an AGOA recipient. Despite these reservations, South Africa will host the 2023 AGOA in November, despite disagreements between the two countries.

2.1.5. THE FARM - TO - FORK STRATEGY

The Farm - to - Fork Strategy is an essential component of the European Green Deal, which seeks to make Europe the first continent to reach carbon neutrality by 2050. This strategy aims to develop a sustainable, equitable, healthy, and environmentally friendly food system. The Farm to Fork Strategy contains nine specific goals, including a 50% reduction in the use of chemical pesticides and fertilizers by 2030, a reduction in the sale of antimicrobials in farming and aquaculture, an increase in the amount of land utilized for organic farming, and a reduction in food waste. It also aims to ensure that by 2030, all school children have access to healthy, sustainable meals.

Furthermore, it seeks to label food products with nutritional and environmental information, promote sustainable eating habits, empower farmers, and fund research on sustainable food systems. Despite being a long-term vision, the strategy has already yielded beneficial effects, such as a reduction in pesticide and fertilizer use and an increase in organic farms, all of which contribute to the EU's attempts to attain climate neutrality and become a global leader in sustainable food systems by 2050.

South Africa can align with the EU's Farm to Fork Strategy by supporting and incorporating the coordinated aspects of the National Food Security Strategy (NFSS). For instance, NFSS should emphasize supporting farmers financially and technically, investing in sustainable agriculture research and development, promoting sustainable diets, reducing food waste, improving food safety, and collaborating internationally to promote global sustainable food systems.

2.2 INTERNAL ENVIRONMENT ANALYSIS

The NAMC prides itself on a team of highly qualified and experienced economists that strategically place the organisation at the forefront of providing policy advisory to the policymakers and directly affected stakeholders. However, challenges related to capacity building remain and readily available analytical tools may compromise the role of MERC in providing timeous, relevant economic advice based on scientific research to the stakeholders.

The policy advice emanates from the research outputs that MERC produces throughout the year. The research output includes food price monitoring, food cost, commodity value chain analysis, trade policy analysis and identification of market opportunities as well as models to integrate smallholder farmers into the formal agricultural markets.

To address this challenge, there is a need to conduct a needs analysis to establish the inventory of analytical tools and access to data sources necessary to conduct research as well as build capacity to ensure that the skill development and capacity development initiatives are fit for purpose.

The NAMC's contribution of its core divisions to this mandate is summarized in the table below.

Table 1: Core Divisions contribution to the NAMC mandate

Division	Contribution to the NAMC mandate
Agribusiness Development	The agribusiness development division contributes to the NAMC mandate by designing market access models that enable farmers to participate in the new and existing markets as well as facilitate market access for farmers.
Agricultural Industry Trusts	The Agricultural Industry Trusts plays a role in ensuring that the assets of the trusts are safeguarded and used to ensure the viability of the agricultural sector.
Markets and Economic Research Centre (MERC)	Is mandated to provide timeous and relevant market and economic advice which is scientific and evidence-based to the Minister of Agriculture, Land Reform and Rural Development and the Directly Affected Groups (DAGs) to ensure that the South African agricultural sector is strategically positioned in a globally dynamic environment.
Statutory Measures	The NAMC investigate applications for statutory measures in terms of the MAP Act and advises the Minister accordingly.

2.2.1. Administration of the Statutory Levy System

The purpose of statutory levies as approved by the Minister and promulgated in terms of the MAP Act, is to finance generic functions as identified by the relevant agricultural industries. The NAMC is instrumental in facilitating the implementation of the statutory levy system in the agricultural sectors, but once approved, the relevant industries are collecting the statutory levies and the NAMC is only performing a monitoring function.

At present, the NAMC facilitates the implementation of statutory measures for about 80% of total agricultural production, and collectively industries have raised R1.075 billion of statutory levies in the 2023, up with approximately 9.1% compared to the previous year. The promulgation of statutory measures plays a critical role, in the enhancement of the viability and competitiveness of the agricultural sector. They also play a critical role in the enhancement of inclusivity in the sector, through the levy portion allocated to transformation.

2.2.2. Research-based Policy and Statutory Measure/s Proposals through the MERC Division

The NAMC was tasked by the Minister of the Department of Agriculture, Land Reform and Rural Development (DALRRD) to coordinate the research and development of the AAMP. The process is at the tail-end to finalise the commitments and interventions for sectoral inclusive growth, investment, sustainable jobs, food security and development. The NAMC on behalf of DALRRD also researched and contributed a chapter to the Presidents' Economic Reconstruction and Recovery Plan (ERRP) which was announced by the President on 14 October 2020. Both the ERRP and AAMP provides an economic planning framework for the sector to enhance public institutional capacity and the design of public-private partnerships to develop commodity value chains and inclusive growth.

Guided by the economic frameworks, the NAMC through its Market and Economic Research Centre (MERC), Statutory Measures, Agribusiness and Agricultural trusts, will provide advice to policymakers, industry captains and directly affected groups to effectively implement the practical solutions outlined in the AAMP and ERRP. Some of the NAMC's outputs that contain advisory to stakeholders include annual statutory measures survey, food price monitoring, food cost, commodity value chain analysis, trade policy analysis and identification of market opportunities as well as models to integrate smallholder farmers into the formal agricultural markets

2.2.3. Management of Agricultural Industry Trusts

The NAMC manages the appointment of Ministerial trustees on the current 11 Agricultural Industry Trusts. These Trusts advance transformation in the agricultural sector by using their funds to support previously disadvantaged individuals through various activities including farmer enterprise development and skills development support. Under the guidance of the NAMC the asset (monetary and fixed property) value of the Trusts has grown and is currently valued at over R2.4 billion.

2.2.4. Market Access for Smallholder Farmers

Despite the numerous support programmes for smallholder farmers that the NAMC has implemented in the past, market access for these farmers remains a challenge due to the lack of comprehensive support, inconsistent production, fluctuating quality and transport costs to markets. The NAMC's Agribusiness Development division design Market access models that enable farmers to participate into the new and existing markets as well as facilitate market access for

farmers. The market facilitation programme is guided by market analysis, market readiness of farmers, market demand and stakeholder intervention to support farmers in order to supply the identified market. These programmes enable the NAMC to contribute in making the agricultural sector more inclusive and viable as a contributor to economic growth and transformation.

2.2.5. Organisational capacity

The NAMC core staff is made up of economists and this has turned the organization into a breeding pot for agricultural economists in the country. The highly qualified and experienced economists strategically place the NAMC in the fore front of providing policy advisory to the policymakers and directly affected stakeholders. Moreover, the NAMC has recruited and upskilled young economists to drive research intelligence and marketing policy analysis for the sector. This suggests that the organization has capable human capacity to drive the new strategy.

2.3 Key Policy developments and legislative changes

The aim of the NAMC is to provide strategic agricultural marketing advice to the Minister responsible for the National Department of Agriculture, Land Reform and Rural Development and all directly affected groups in the agricultural sector. The goal is to promote the achievement of the objectives of the MAP Act, which are to:

- a) Increase market access for all market participants,
- b) Promote the efficiency of the marketing of agricultural products,
- c) Optimise export earnings from agricultural products, and
- d) Enhance the viability of the agricultural sector.

During the period under review, there were no policy developments or legislative changes.

3 STRATEGIC OUTCOME - ORIENTED GOALS

Strategic Outcome Oriented Goals.	1. The NAMC delivers on its mandate and core functions. 2. A viable and efficient agricultural sector generating optimal earnings (Domestic and International) 3. Enhanced market access for the agricultural sector
Impact statement	A viable and inclusive agricultural marketing system contributing to food security, socioeconomic growth, and sustainable development

The three business strategic goals were identified as pillars that underpin the NAMC's mission. These goals are aligned to the objectives as outlined in the Marketing of Agricultural Product Act.

4 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: OUTCOME 1: NAMC DELIVERS ON ITS MANDATE AND CORE FUNCTIONS

PURPOSE: This programme aims to ensure that the NAMC functions optimally through effective business processes, corporate governance, and resource support services.

Contribution to Outcomes and Impact

The collective outputs of Programme 1 are responsive to Outcome 1 which is “The NAMC delivers on its mandate and core functions”. They indicate the extent to which the NAMC has been managed and governed in compliance with applicable legislation and regulations. It also indicates the level of functionality of the NAMC and its commitment and contribution to increasing market access for the agricultural sector across its value chain.

All the outputs and their respective indicators respond to the functional, the management and the governance elements required for the NAMC to deliver on its mandate and core functions as expressed in the outcome. The unqualified audit and budget spend indicators focus primarily on prudent, effective, and efficient financial management as the enabler of service delivery and achievement of all non-financial performance targets of the Department.

The “Achievement of all Corporate Support Services targets in operational plans of each financial year” output focuses primarily on the functionality element of the outcome due to the critical services provided by the sub-programmes of the Corporate Services Unit. These services include ensuring the Department has the required human resource capacity to perform its work, the work of the department is communicated to all external role-players and beneficiaries and that ICT connectivity and uptime facilitates and enables speedy, effective, and efficient implementation of all core and corporate services.

Importantly, the outputs and output indicators of this Programme are the strategic enablers of service delivery by the core function programme areas of the NAMC and their respective outcomes, i.e., creating an enabling policy and/or statutory environment for the growth and development of the agricultural sector and ensuring that the sector is viable, inclusive, and competitive as a key economic sector.

All the outputs of the NAMC individually and collectively contribute to the outcomes and impact statement of the NAMC.

Contribution to Women, Youth and Persons with Disabilities

The programme’s contribution to improving the lives of women, youth and persons with disabilities is located in its supply chain management and human resource management sub-programmes. The NAMC strives to spend 30% of its total procurement budget for each financial year on businesses owned by women, 20% on businesses owned by youth and 5% on businesses owned by persons with disabilities.

In addition to this, the NAMC sets a target of spending 70% of its total annual procurement budget to local suppliers, some of which have women, youth and persons with disabilities in their ownership/management or staff structures.

The NAMC continues to strive to achieve the Department of Public Service and Administration (DPSA) targets of 50% women employed in SMS positions and 2% employment of persons with disabilities. These targets are not reflected as outputs in the APP but instead are reflected in the Operational Plans of the Corporate Services Unit of the NAMC.

Planned Performance

The outputs, output indicators and targets in respect of Outcome 1 remains constant over the MTEF. However, any changes introduced to the strategic and political priorities of the Department over the MTEF period may impact on some of the outputs, indicators and targets of this Programme Area which delivers on Outcome 1.

The programme is currently structured in accordance with the following sub-programmes:

- Office of the CEO
 - Risk and Compliance Unit
- Finance and Administration Division
 - Supply Chain Management Unit
 - ICT Support Unit
- Human Capital and Communication Division
 - Communication Unit

PROGRAMME 2: OUTCOME 2: A VIABLE AND EFFICIENT AGRICULTURAL SECTOR GENERATING OPTIMAL EXPORT EARNINGS

PURPOSE: To provide quality research outputs to stakeholders in support of agricultural marketing, trade, policy advisory and statutory measures implementation.

Contribution to Outcomes and Impact

The collective outputs of Programme 2 speak to Outcome 2 which is “A viable and efficient agricultural sector generating optimal export earnings”. They indicate the extent to which the NAMC has:

- Contributed to creating an enabling policy and statutory environment for the growth, development, and transformation of the agricultural sector as a key economic role-player. The outputs and output indicators of this Programme represent the mandate and core functions of the NAMC as reflected in the MAP Act. All the outputs of the NAMC individually and collectively contribute to the outcomes and impact statement of the NAMC.
- Effectively administered statutory measures which is critical for economic growth, the creation of employment and the transformation of the sector to be more inclusive. The outputs and output indicators of this Programme also represent the mandate and core functions of the NAMC as reflected in the MAP Act.
- Effectively administered to the agricultural trusts. The Trusts are vehicles to enhance and advance the transformation and development of the agricultural sector through the trusts’ funds expenditure. Each financial year, 20% of the trusts’ funds are set aside and directed into interventions that develop the sector such as capacity development of smallholder farmers and the provision of farm inputs.

Contribution to Women, Youth and Persons with Disabilities Planned Performance

The outputs, output indicators and targets remain constant over the MTEF. This is because the reports and statutory measures, as well as their quarterly and annual targets, that must be developed and submitted are legislated requirements. However, the targets pertaining to statutory measures must be read as indicative because these targets deal with needs-based and market flux matters and contexts which are subject to changes.

The programme consists of contributions from the following sub-programmes:

- Markets and Economic Research Centre (MERC)
 - Trade Research Unit
 - Agro-Food Chains Research Unit
 - Smallholder Market Access Research Unit
- Statutory Measures Division
- Agricultural Trusts Division

PROGRAMME 3: OUTCOME 3: ENHANCED MARKET ACCESS FOR AGRICULTURAL SECTOR PARTICIPANTS

PURPOSE: To design market access models that are aimed at increasing market access, encouraging new business development and capacity building for farmers/agri-businesses.

Contribution to Outcomes and Impact

The collective outputs of Programme 3 articulate to Outcome 3, which is “Enhanced market access for the agricultural sector participants”. They indicate the extent to which the NAMC has increased domestic and international commercial market access, especially for smallholder farmers. Such access is a key contributor to making the sector more inclusive and facilitating its viability as a contributor to economic growth and transformation.

All the outputs of the NAMC individually and collectively contribute to the outcomes and impact statement of the NAMC.

Contribution to Women, Youth and Persons with Disabilities

This Programme does not make any direct quantitative contribution to improving the lives of women, youth, and persons with disabilities. However, the Programme contributes to improving the lives of women, youth and persons with disabilities is also reflected in the number of smallholder farmers comprising of these marginalised groups that the NAMC supports and provides services to.

Planned Performance

The outputs, output indicators and targets in respect of Outcome 3 remains constant over the MTEF.

The programme is currently structured in accordance with the following sub-programmes:

- Agribusiness Development Division

PROGRAMME 1: OUTCOME 1: NAMC DELIVERS ON ITS MANDATE AND CORE FUNCTIONS

Purpose	This programme aims to ensure that the NAMC functions optimally through effective business processes, corporate governance, and resource support services
Sub-Programmes	- Office of the CEO - Finance and Administration - ICT Support Unit - Human Capital - Communication

PROGRAMME 1: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

Outputs	Output Indicators	Planned Annual Targets	Annual Targets April 2023 – March 2024	Actual Achievement April 2023 - March 2024	Reasons for Deviation	Comment on Annual Performance
Unqualified Audit Report	Unqualified audit report per financial year	1	1	0	Capacity constraints in the Finance and Administration Division.	The action plan will be developed and implemented to address the findings.
100% Budget spent	% of budget spent	100%	100%	97%	Savings on salaries and reduction of expenses on administration costs	No comment
Achievement of Human Capital targets in operational plans of each financial year	Number of Human Capital reports produced each financial year	4	4	4	Not applicable	No comment

Outputs	Output Indicators	Planned Annual Targets	Annual Targets April 2023 – March 2024	Actual Achievement April 2023 - March 2024	Reasons for Deviation	Comment on Annual Performance
Achievement of Corporate Communication targets in operational plans of each financial year	Number of Corporate Communications reports produced each financial year	4	4	4	Not applicable	No comment
Achievement of ICT services targets in operational plans of each financial year	Number of ICT reports produced each financial year on the following: - ICT Security enhances; - ICT Continuity support; - WAN/LAN availability monitoring; and - Continuous improvement	4	4	4	Not applicable	No comment

PROGRAMME 2: OUTCOME 2: A VIABLE AND EFFICIENT AGRICULTURAL SECTOR GENERATING OPTIMAL EXPORT EARNINGS

Purpose	To provide quality research outputs to stakeholders in support of agricultural marketing, trade, policy advisory and statutory measures implementation.
This programme is aligned to the following objectives of the MAP Act.	▪ The promotion of the efficiency of the marketing of agricultural products. ▪ Optimization of export earnings from agricultural products; and ▪ The enhancement of the viability of the agricultural sector.
Sub-Programmes	▪ Statutory Measures Division ▪ Markets and Economic Research Centre (MERC) - Trade Research Unit - Agro-Food Chains Unit ▪ Agricultural Industry Trusts Division

PROGRAMME 2: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

Outputs	Output Indicators	Planned Annual Targets	Annual Targets April 2023 – March 2024	Actual Achievement April 2023 - March 2024	Reasons for Deviation	Comment on Annual Performance
Statutory Measures Applications	100% of received Statutory Measures applications are investigated each financial year.	100%	100%	100%	Not applicable	No comment
Status of Statutory Measures Reports submitted to the Minister	Number of Status of Statutory Measures Reports submitted to the Minister each financial year	1	1	1	Not applicable	No comment
Approved Trade Remedies, value chain research, advisory reports and Investigations	Number of trade advisory briefs/commentaries produced	4	4	4	Not applicable	No comment
	Number of value chain analysis produced for each financial year	1	1	1	Not applicable	No comment
Status report on agricultural industry trusts	Number of status reports on agricultural industry trusts submitted to the Minister	1	1	1	Not applicable	No comment

Outputs	Output Indicators	Planned Annual Targets	Annual Targets April 2023 – March 2024	Actual Achievement April 2023 - March 2024	Reasons for Deviation	Comment on Annual Performance
Transformation report on interventions funded through trusts funds and levies	Number of transformation reports submitted to the Minister	1	1	1	Not applicable	No comment
Approved Market intelligence reports to Minister and directly affected stakeholders.	Number of Market Intelligence reports produced	12	12	12	Not applicable	No comment
	Number of Grain Supply and Demand Estimates Reports produced	12	12	12	Not applicable	No comment
	Number of Farm to Retail Price Spread Reports produced	4	4	4	Not applicable	No comment
	Number of Food Price Monitor Report produced	4	4	4	Not applicable	No comment
	Number of Trade Fruit Flow reports produced	4	4	4	Not applicable	No comment
	Number of Food Basket Price Monthly reports produced	12	12	12	Not applicable	No comment
	Number of Food Cost Review Report produced	1	1	1	Not applicable	No comment
	Number of Macro-Digest Labour reports produced	4	4	4	Not applicable	No comment
	Number of Macro-Digest Gross Domestic Product reports produced	4	4	4	Not applicable	No comment

PROGRAMME 3: OUTCOME 3: ENHANCED MARKET ACCESS FOR THE AGRICULTURAL SECTOR PARTICIPANTS

Purpose	To design market access models that are aimed at increasing market access, encouraging new business development and capacity building for farmers/agri-businesses.
This programme is aligned to the following objectives of the MAP Act.	Increasing market access for all market participants.
Sub- Programmes	- Agribusiness Development Division - Markets and Economic Research Centre (MERC) - Smallholder Market Access

PROGRAMME 3: OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

Outputs	Output Indicators	Planned annual targets	Annual Targets April 2023 – March 2024	Actual Achievement April 2023 - March 2024	Reasons for Deviation	Comment on Annual Performance
Increased number of farmers accessing market opportunities	Number of Smallholder farmers linked to market opportunities.	80	80	210	130	Additional farmers attended market access sessions and could not be turned away.
	Number of Smallholder Market Access Tracker (SMAT) to Minister and DAGs each financial year.	4	4	1	¹ The actual target was 1 (one) but it was recorded as 4 (four). The difference is as a result of the target that was captured wrongly.	No comment
	Number of Agripreneur reports produced each financial year	4	4	4	Not applicable	No comment

¹ The actual target was 1 (one) but it was recorded as 4 (four) in the APP. The difference of three (3) is as a result of the target that was mistyped

Outputs	Output Indicators	Planned annual targets	Annual Targets April 2023 – March 2024	Actual Achievement April 2023 - March 2024	Reasons for Deviation	Comment on Annual Performance
	Number of Smallholder Market Estimates reports produced each financial year	12	12	11	² The target for this indicator was recorded as 12, however, one (1) report falls out of the reporting period, which implies that the achieved reports in 2023/2024 financial year are only 11.	No comment
	Number of production scheme/ transformation initiatives designed	2	2	2	Not applicable	No comment

² The target for this indicator was recorded as 12, however, one (1) report falls out of the reporting period, which implies that the achieved reports in 2023/2024 financial year are only 11.

NARRATIVE INFORMATION

PROGRAMME 1: OUTCOME 1: NAMC DELIVERS ON ITS MANDATE AND CORE FUNCTIONS

Sub - programme 1: Office of the Chief Executive Officer

Risk Management

The Risk and Compliance Unit was established in terms of the Public Finance Management Act (PFMA), Treasury Regulations, Public Sector Risk Management Framework, and ISO 31000. In ensuring compliance with the requirements of the Public Sector Risk Management Framework, the Risk and Compliance Unit has an approved Annual Risk and Compliance Implementation Plan and approved Business Continuity Plan, which states a defined approach for the implementation, monitoring and executing risk management in the organisation, and for achieving desired outcomes.

In assisting the entity to attain its mandate and meet expectations of the shareholder and the various stakeholders, the Risk and Compliance Function is empowered to perform the following:

- a) Facilitate risk identification sessions, risk mitigations, risk reporting and risk monitoring on the strategic, project and operational risk levels together with Risk Champions/ Risk owners.
- b) Implementation of the Business Continuity Management strategy
- c) Implementation of the Fraud Prevention Strategy
- d) Implementation of the Compliance and Ethics programme
- e) Implementation of the Combined Assurance Plan

The Risk and Compliance Unit is stationed under the office of the CEO and provides its report to the Risk Management Committee, Audit and Risk Committee and Council for oversight purposes.

The element of risk is inherent in any business, and in the current situation, it is encountered more in the space in which the entity provides market access to smallholder farmers, to reduce unemployment and achieve reductions in the levels of poverty.

It is in this regard that Risk Management is an important element of the organisational strategy and daily operational activities that impact on the organisational performance and financial position of the entity. In implementing our strategy, the NAMC believes that risk management remains the responsibility of each employee in the organisation and should be incorporated into the daily operations of the entity.

The incorporation of risk management into daily activities prevents occurrences of losses, and promotes the reduction of fraud and corruption, the reduction of irregular, fruitless and wasteful expenditure, and the optimisation of resources.

Strategic Risk Profile

During the term of the Council, the Council and the Management Committee undertook a risk assessment to identify risks and the creation of opportunities. From the organisational strategic plan and annual performance targets for the 2023/2024 financial year, strategic risk exposure was identified relating to:

- a) Fraud and Corruption
- b) Financial sustainability
- c) Stakeholder relations
- d) Information and Communication Technology
- e) Human Capital
- f) Regulatory Environment
- g) Business Continuity

Fraud and Corruption

In accordance with the Public Finance Management Act, the Protected Disclosure Act and the Prevention and Combating of Corrupt Activities Act, the Risk and Compliance Unit reviewed the Fraud Prevention Policy and Strategy and the Whistleblowing Policy to focus on fraud prevention.

The NAMC has a zero-tolerance approach towards fraud and corruption. Furthermore, the entity has an approved Declaration of Interest Policy and Integrity and Ethics Management Policy, which ensure that the values of the entity are exercised by all parties concerned.

For reporting incidents of fraud, corruption and unethical behaviour, the NAMC has a whistleblowing facility available to all stakeholders, through which reports may be made in confidence on matters of fraud, corruption and unethical behaviour. Incidents regarding fraud and corruption are reported to the Audit and Risk Committee and Risk Management Committee Chairperson, as and when they come to the attention of the Risk and Compliance Unit from the Service Provider.

Conflict of interest

In the implementation of the Declaration of Interest Policy, and for purposes of minimising conflicts of interest, all employees are required to complete declaration of interest forms on an annual basis or as and when required. All employees who participate in Bid Specification, Bid Evaluation Committee and Bid Adjudication Committees in terms of the supply chain management process, and all employees who

participate in the tender processes on regular basis, are required to sign a declaration of interest form. Should an official be found to be conflicted in any way, they are expected to declare such conflict of interest and recuse themselves from the affected procurement process.

Compliance with laws and regulations

To improve the culture of compliance with legislation and policies, Compliance Risk Management Policy and Compliance Risk Management Framework have been approved by the Council. The entity has a 'Regulatory Compliance Universe', which encompasses fifty-six pieces of legislation. For purposes of maintaining order in this 'universe', the entity has a compliance monitoring plan, which is used to monitor compliance with the applicable legislation on a regular basis and to report on issues of non-compliance, with a view to applying remedial actions to non-compliance. It is the intention of the compliance function to implement, in full, the approved compliance framework, with a view to ensuring that we operate in line with the Generally Accepted Compliance Framework.

Corporate Governance Support

The NAMC is established in terms of the Marketing of Agricultural Products Act, No. 47 of 1996, as the primary legislation, supported by the Public Finance Management Act and the King Code of Corporate Governance.

Minister of Agriculture, Land Reform and Rural Development

In terms of PFMA, Section 62, the Minister of Agriculture is the executive authority responsible for a public entity under the ownership control of the national or provincial executive and must exercise the executive ownership control powers to ensure that the public entity complies with the Act and financial policies.

Accounting Authority

In terms of Section 50 of the PFMA, the Council serves as the Accounting Authority of the NAMC, and its fiduciary duty is to ensure the protection of the entity's assets and records. The Council must always act with fidelity, honesty and integrity, and serve in the best interests of the public entity in managing the financial affairs of the public entity.

Role of the Accounting Authority

The Council has a responsibility to perform the following:

- Steer and set direction.
- Approve policy and planning.
- Oversee and monitor the implementation of policy.
- Ensure accountability.

The Council and its committees conduct their affairs according to approved charters, which indicate the Council's role and responsibilities, as well as those of its committees.

Sub-programme 2: Finance and Administration

Finance and Administration

The purpose of Finance and Administration division is to provide effective management of finances, ensure that there are sound internal controls, ensure efficient and effective supply chain management systems and processes and that there are adequate information technology systems within NAMC.

Strategic Reviews and Compliance with Strategic Objectives

Quarterly reports aligned to the outputs as stated in the strategic plan were presented to various stakeholders throughout the financial year. Monthly and quarterly reviews of programmes' expenditures against the budget were conducted throughout the year

Financial Management

The division provide effective and efficient financial management support, ensuring that there is proper budget management system in place. Monthly budget variance reports are presented to Mancom monthly to enable proper decision making by management and to monitor the spending trends throughout the year. Monthly management accounts were also produced and reported monthly to Mancom and quarterly to Audit and Risk and the Council. All reports as requested by various stakeholders were submitted timeously as and when requested.

Supply Chain Management

The division renders supply chain management services to NAMC. The SCM unit ensures compliance with all regulatory requirements governing procurement practices in public sector. During the financial year there has been a significant improvement on compliance with laws and regulations as irregular expenditure also decreased from R2 million in the previous financial year to R25 000 in the current financial year. The determination test on past irregular expenditure was performed and the irregular expenditure condoned by Council. The unit through adherence to key internal

controls such as segregation of duties, implementation of SCM checklist which are being reviewed every time the legislation changes, monthly monitoring of procurement processes, monthly review of contract register has played a great role in ensuring that there is no material noncompliance to rules and regulations.

Information and Communication Technology

The Informational and Communication Technology is understaffed, and majority of functions are outsourced to an external service provider. The service provider's performance has been assessed in line with deliverables as stated in the service level agreement (SLA). Monthly reports have been submitted to CFO and quarterly reports have been presented to ICT Steering Committee which plays an oversight role regarding ICT strategy, policies etc. These quarterly reports also get tabled at the Audit and Risk committee and ultimately to the Council.

Risk Assessment and Management

Finance and Administration Division recognises the importance of risk management in ensuring that its objectives are achieved. The Finance and Administration Division's risk register and controls to mitigate the risks were reviewed and updated.

Functioning of the Audit and Risk Committee

The NAMC's Audit and Risk Committee continued to function throughout the year. Various reports as requested and those imposed by statutes were presented to the committee as part of their fiduciary responsibilities.

Internal Audit Function

The role of Internal Audit is to provide independent, objective assurance and consulting activity which is designed to add value and improve the organisation's operations and the achievement of organisational objectives.

The internal audit function of the NAMC is outsourced to Nexia SAB & T.

The following audits were undertaken during the financial year:

- Financial controls review,
- Supply chain management
- Follow-up review on audit findings,
- Asset Management
- Information Communication technology and
- Performance Information.

PROGRAMME 2: OUTCOME 2: A VIABLE AND EFFICIENT AGRICULTURAL SECTOR GENERATING OPTIMAL EXPORT EARNINGS

STATUTORY MEASURES

Introduction

The MAP Act makes provision for the application and implementation of the following statutory measures, namely -

- Statutory levies (section 15 of the MAP Act);
- Control of exports of agricultural products (section 16);
- Records and returns (section 18); and
- Registration (section 19).

Statutory measures are normally promulgated for a period of four years, after which the relevant industry must apply to the Minister for the continuation of measures if they wish to continue to make use of statutory measures. Recently, the NAMC decided that commodity organisations can apply to the Minister that statutory measures relating to registrations and records & returns, be valid for a period of eight years. The MAP Act stipulates the procedures that must be followed in order to investigate an application for the establishment, continuation, amendment or repeal of statutory measures. Some of the procedures involve the following, namely that the Council shall:

- Publish a notice setting out particulars of the request and an explanation in connection therewith in the Government Gazette and such magazines or newspapers as may be sufficient to bring the request to the attention of directly affected groups, and inviting such directly affected groups to submit any comments relating to the request within a specified time (normally 14 days);
- Consider such comments to ensure that there is sufficient support amongst directly affected groups for the proposed statutory measure; and
- Report on its findings and make a recommendation to the Minister.

Statutory levies are implemented for the purpose of funding essential generic functions, such as research, information, generic promotion, transformation, etc. in a particular agricultural industry. All levy applications must have a business plan and reasonable level of industry support. The NAMC follows the guideline that there must be indications that two-thirds of levy payers representing two-thirds of production, should support an application. In January 2021 the NAMC adopted a document titled "Standard Operation Procedure (SOP) for the approval process of statutory measure applications". This document was updated in April 2024.

To influence how the statutory levy funds should be spent, the NAMC requires that approximately 70 % of levy funds should be spent on functions such as research, information, export promotion, etc., at least 20 % on transformation and not more than 10 % on the administration of the levy.

A levy must not exceed 5 % of the price realised by a specific agricultural product at the first point of sale (average price at the first point of sale over a period not exceeding three years). The NAMC has compiled guidelines on what should be regarded as administration costs, generic promotions, and transformation. These guidelines were compiled after the relevant agricultural industries were consulted.

Application for statutory measures

Section 10 of the MAP Act stipulates that a directly affected group may request the Minister to establish, continue, amend or repeal one or more statutory measures. Directly affected groups refer to any group of persons which is party to the production, sale, purchase, processing, or consumption of an agricultural product and includes labour employed in the production or processing of such product.

It is important to understand that the application for statutory measures by commodity organisations, is a voluntary process. It is also important to note that the NAMC is not involved in the administration and collection of statutory levies, except for a monitoring function in this regard.

Support from directly affected groups for statutory measures

The MAP Act stipulates that an application for statutory measures must contain particulars or evidence of support by directly affected groups. For the past almost two decades the NAMC used the guideline that two-thirds of directly affected groups, representing two thirds of the production, must support an application for statutory measures. This is only a guideline and much larger support is preferable for the successful administration of statutory measures in the agricultural sector.

Conditions of approval

Statutory levies are normally approved for a period of up to four years. In addition to this period, the Minister approves statutory levies on the following conditions

- That approximately 70% of the levy income is spent on generic functions such as consumer education, export promotions, information, research, etc.
- That not more than 10% of levy income is spent on

administration costs.

- That a minimum 20% of levy income is spent on transformation activities, including the development of emerging farmers and other role players in line with the NAMC's transformation guidelines.
- That the statutory levy income and expenditure are audited by the Auditor General, with the percentage allocated towards transformation clearly indicated.
- That surplus funds do not form part of the assets of the administrator, and that surplus fund only be utilised with the approval of the Minister upon the lapsing of the statutory period (for example, after four years);
- That the administrator submits an employment equity plan for the NAMC to monitor progress on employment equity within the relevant institution.
- That the administrator maintains a database of black role players and their market share to monitor the progress of transformation in the relevant industry; and
- That the NAMC has observer status on the board of the administrator to ensure compliance with the original intent of the application.

Surplus funds

The MAP Act stipulates that "any levies remaining in the possession of or under the control of any person or body after the period for which such levies were approved, shall be utilized in a manner determined by the Minister". In most cases, statutory levies are approved for a period of four years. During the past few years, the NAMC follows the guideline to recommend to the Minister that all surplus funds must be used for transformation activities, unless levy administrators can convince the NAMC to recommend otherwise.

The past few years, more levy administrators have highlighted the fact that in cases where administrators of statutory levies request for the continuation of levies, and where they operate as a going concern, it may cause financial difficulties if all surplus funds be solely used for transformation activities, leaving administrators at a deficit and unable to cover operational expenditure including salaries, accommodation and other commitments during the first few months of a new four year levy period.

During its May 2018 meeting, the NAMC debated this issue, and it was concluded that, depending on the merits of each case, a maximum of two months of levy income in a relevant industry, may be used to cover operating expenditure (salaries, accommodation, and other commitments) of administrators in order for them to operate as a going concern. In April 2024, the two months of levy income was increased to four months.

Summary of statutory measures

The following table summarises the statutory measures that were applicable in the South African agricultural sector during the 2023/24 financial year:

Table 2: Statutory Measures Applicable During the 2022/2023 Financial Year

Industry	Administration body	Statutory Measures		
		Statutory levy	Records and returns	Registration
Citrus	SA Citrus Growers' Association	✓	✓	✓
Cotton	Cotton SA	✓	✓	✓
Dairy	Milk SA	✓	✓	✓
Deciduous fruit	HORTGRO	✓	✓	✓
Dried vine fruit (raisins)	Raisins South Africa	✓	✓	✓
Fruit industry	Agrihub		✓	✓
Fruit fly	Fruit Fly Africa	✓		
Fynbos (proteas)	Cape Flora SA	✓	✓	✓
Maize, winter cereals, sorghum and oilseeds	South African Grain Information Service		✓	✓
Lucerne	National Lucerne Trust	✓	✓	✓
Lupines	SA Cultivar and Technology Agency (SACTA)	✓		
Macadamias	SA Macadamia Growers' Association	✓	✓	✓
Milk	Milk Producers' Organisation		✓	✓
Olives	South African Olive Industry Association	✓	✓	✓
Pecan nuts	SA Pecan Producers' Association	✓	✓	✓
Pomegranates	Pomegranate Association of South Africa	✓	✓	✓
Pork	SA Pork Producers' Organisation	✓	✓	✓
Potatoes	Potatoes SA	✓	✓	✓
Red meat	Red Meat Levy Admin	✓	✓	✓
Soybeans	SA Cultivar and Technology Agency (SACTA)	✓		
Table eggs	SA Poultry Association	✓	✓	✓
Table grapes	SA Table Grape Industry	✓	✓	✓
Wine	SA Wine Information and Systems (SAWIS); Wine Industry Network of Expertise and Technology (WINETECH); Wines of South Africa (WOSA) and South African Wine Industry Transformation Unit (SAWITU)	✓	✓	✓
Winter cereals	SACTA	✓		
Wool	Cape Wools SA		✓	✓

Total statutory levy income

The total funds collected through statutory levies as part of the 2023 survey amounted to approximately R1.075 billion, which is 9.1% higher than the 2022 survey's reported R986.1 million.

TABLE 3: Total statutory levy income – 2023 survey

Product	Levy income 2023 survey	Total value of product at the first point of sale	Levy income as a percentage of the value of the product
	R	R	%
Citrus (exported)	262 925 472	27 124 767 000	1,0%
Cotton lint	4 122 032	396 350 000	1,0%
Dairy products	61 293 766	21 842 000 000	0,3%
Deciduous Fruit	168 961 765	10 071 415 900	1,7%
Dried fruit	13 216 129	1 363 328 000	1,0%
Fynbos (proteas)	1 323 423	254 832 785	0,5%
Lucerne	2 807 518	5 486 420 000	0,1%
Lupines (SACTA)	147 365	50 943 201	0,3%
Macadamias	52 709 761	3 106 360 000	1,7%
Olives	2 229 988	75 712 576	2,9%
Pecan nuts	12 739 434	1 904 300 000	0,7%
Pomegranates	1 382 519	142 549 436	1,0%
Pork	51 360 123	8 863 849 365	0,6%
Potatoes	51 408 150	10 840 000 000	0,5%
Red meat	52 221 890	49 890 674 000	0,1%
Soybeans (SACTA)	86 822 508	13 692 110 000	0,6%
Table eggs	9 265 514	12 450 000 000	0,1%
Table grapes	43 412 645	8 930 000 000	0,5%
Wine	123 741 673	7 437 300 000	1,7%
Winter cereal (SACTA)	73 243 697	12 091 026 000	0,6%
TOTAL	1 075 335 372	196 013 938 263	0,5%

The MAP Act stipulates that a statutory levy may not exceed 5% of the price realised for a specific agricultural product at the first point of sale. The maximum of 5% must be based on a guideline price, calculated as the average price at the first point of sale over a period not exceeding three years. For the 2023 survey, the total levy income as a percentage of the value of agricultural products at the first point of sale is approximately 0.5%.

Total statutory levy expenditure

The 2023 survey shows that approximately R1.022 billion was spent on industry functions – an increase of 14.0% compared to the 2022 survey. Of the total expenditure, approximately 45.0% was spent on research, 19.8% on transformation projects, 10.0% on export promotion/market access, and 7.8% on information.

Table 4: Allocation of levy expenditure: 2023 survey

Functions funded	2021 survey R	2022 survey R	2023 survey R	2023 %
Administration	52 949 652	48 829 202	54 522 048	5,3
Information	64 593 792	60 072 980	79 555 284	7,8
Research	268 581 600	421 316 576	460 064 529	45,0
Transformation	147 236 706	179 226 062	202 113 148	19,8
Export promotion/ market access	61 031 638	81 015 134	103 565 687	10,1
Consumer education / promotion	58 111 407	61 152 393	71 130 610	7,0
Production development	11 390 985	6 613 468	6 849 795	0,7
Plant improvement	1 717 815	938 373	4 706 905	0,5
Quality control	32 631 993	36 867 535	39 883 442	3,9
TOTAL	698 245 588	896 031 723	1 022 391 448	100

Administration

The NAMC's guidelines on the utilisation of levy funds stipulate that not more than 10% of levies collected should be used for administrative purposes. The 2023 survey shows that, in total, all levy administrators spent approximately 5.3% (R54.5 million) of levies collected on administration costs, which is well below the guideline of 10%. Audit fees are one of the major components of administration costs.

Information

For the 2023 survey, approximately 7.8% (R79.6 million) of total levy expenditure was allocated to the information function. The cotton, fynbos and the pecan nut industries spent proportionally the most on information and industry liaison. Statutory measures relating to records and returns and registrations play an important role in an effective information function.

The information and the analysis thereof make market signals visible for the role players in the industry and for Government institutions and contribute significantly to the achievement of the relevant objectives of the Act. It also facilitates communication in the industry aimed at matters of common interest such as technical issues, food safety, product standards and other issues regarding the improvement of the viability of the industry.

Confidential information of any person subject to a statutory measure, obtained by the administrator through the implementation, administration, and enforcement of these statutory measures, are dealt with in accordance with section 23 (2) of the Act.

Research

Research is the generic function that receives the largest proportion of total statutory levies and a steady increase in levies spent on research is evident over the past 10 years. The 2023 survey shows that approximately 45.0% (or R460.1 million) of total levy expenditure was allocated to the research function. The citrus industry is by far the biggest collector of statutory levies, and they allocated R156.1 million (or 61.9% of total expenditure) to the research function. It is also important to note that South Africa is the second biggest exporter of citrus products in the world.

Transformation

Since 2000 statutory levies were approved, with the provision that approximately 10% of levy income should be spent on transformation activities. In August 2005, this guideline was changed to approximately 20%, and in 2010 it was changed again, with the provision that at least 20% of levy income should be used for transformation activities.

In 2018 the NAMC adopted new transformation guidelines, in line with the AgriBEE scorecard, to increase the return on investment of funds being used for transformation. Although the 'at least 20 %' provision was not changed, the NAMC adopted specific generic transformation guidelines with the focus on enterprise development.

In terms of the 2018 transformation guidelines, levy administrators should, on an annual basis and three months before the start of a financial year, submit a business plan in respect of transformation activities envisaged for the coming financial year. Six months after the close of a particular financial year, levy administrators should also report on actual transformation activities, by comparing their activities with the budget for that financial year. The NAMC appointed a Transformation Review Committee to manage this process.

The NAMC further endorsed the view of the then Department of Agriculture that all its stakeholders should adhere to the Employment Equity Amendment Act, No 47 of 2013, which strives to achieve equity in the workplace by promoting equal opportunities and fair treatment in employment, and to ensure equitable representation in all occupational levels in the workforce. Therefore, administrators of statutory levies will be requested to submit an employment equity plan, with the racial composition of the staff employed by the statutory levy administrator, with every new statutory levy application to the NAMC and the Minister.

According to the 2023 survey, approximately 19.8% (R202.1 million) was spent on transformation projects, compared with R179.2 million reported in the previous survey, being an increase of 12.8%. It is important to note that statutory levies relating to deciduous fruit market access and the FruitFly Africa (deciduous fruit) be approved without the condition that 20% be allocated to transformation activities. This is in line with the condition of approval for all statutory levies, namely that at least 20% of statutory levy income must be used for transformation activities.

Consumer education / local promotions

According to the 2023 survey, approximately 7.0% (R71.3 million) of total levy expenditure was spent on consumer education or local promotions, compared with the R61.2 million reported in the previous survey. The dairy, olive, pork, potato, red meat and table egg industries spent a major part of statutory levies on consumer education/local promotions. The dairy industry allocated 35.8% of levy funds towards this function, while the olive industry allocated 62.7% of levy funds towards consumer education and local promotions for marketing their produce.

Export promotion and market access

The 2023 survey indicated that approximately 10.0% (R103.6 million) of total levy expenditure was allocated to export promotion and market access, compared with the roughly R81.0 million reported in the 2022 survey. The horticultural industries, and more specifically the deciduous fruit, dried fruit, pomegranate, table grape and wine industries, spent a major portion of their statutory funds on export promotion activities. The market development levy in the deciduous fruit industry is used specifically to fund the market development or consumer education programmes planned in Europe, Middle East and Far East.

Quality control

The function of quality control is becoming more important. It is mainly undertaken by the cotton, dairy, lucerne, pork, red meat and table egg industries to ensure that consumers have peace of mind when using their products. These industries spent approximately 20%, each, of the relevant expenditure on the quality control function. Approximately R39.8 million (3.9% of total levy expenditure) was spent on quality control in the 2023 survey.

In the red meat industry, the Meat Classification Function is the responsibility of the Department of Agriculture and is being done in terms of the Agricultural Product Standards Act (Act No 119 of 1990). Due to various reasons, South African Meat Industry Company (SAMIC) was appointed as an assignee to perform this function on behalf of the Department. Although SAMIC is performing this function on behalf of the Department, the red meat industry is paying for this function as part of the statutory levy allocations.

Plant improvement

The deciduous fruit industry spent approximately R4.7 million (0.5% of total levy expenditure) on plant improvement in the 2023 survey. Over the past number of years, much less of the statutory levy funds has been spent on the plant improvement function. The assumption can be made that much of the activities previously financed under the plant improvement function are now being absorbed under the research function.

Production development

Although only a small percentage of statutory levy expenditure was allocated to production development, the red meat industry spent approximately R6.8 million (0.7% of total levy expenditure) on production development.

TRADE RESEARCH UNIT

In support of the broader mandate of NAMC and the MERC division, the Trade Research Unit focuses on the identification of existing and potential export market opportunities for South African agricultural products. In addition, the Unit conducts research on trade trends and market assessments of the trade of agricultural products and render advice to the Minister of Agriculture, Land Reform and Rural Development (DALRRD) as well as other stakeholders such as the International Trade Administration Commission (ITAC) regarding the merits of applications for trade remedies and tariffs.

Lastly, the Unit disseminates policy advisories to promote evidence-based decision making by policymakers and industry captains on issues relating to the trade of South Africa's agricultural products.

During the 2023/24 Financial Year, the Unit managed to deliver its four quarterly reports of the NAMC-DALRRD Trade probe which is widely used by exporters and importers. The reports covered various themes providing analyses of the trade of agricultural products, trade performance in both local and international markets.

The Unit also managed to publish four quarterly reports of South African Fruit Trade Flow which assesses the performance of South African fruits in the current season and unpacks factors that allow South Africa to successfully supply both domestic and international markets. The report covered various citrus, deciduous and subtropical fruits.

In terms of ITAC commentaries, for the 2023/24 Financial Year the Unit received four requests to comment on merits of trade remedies on commodities such as poultry meat, palm oil, paprika, and frozen vegetables. The Unit also submitted several advisory notes the office of the Minister on issues relating to the impact of creating temporary rebates on chicken imports, implications of droughts on summer grains, as well as the poultry market inquiry. The Unit has also produced commentaries on the quarterly trade

performance of South Africa's agricultural sector, and the role of the African Growth Opportunity Act (AGOA). Lastly, the Unit was involved in several cross divisional work including Section 7 investigations on goats, fresh produce exports to the African continent, and on wildlife ranching.

The unit consistently interacts with the media through articles, interviews on radio and television, and other platforms in order to shed light on a variety of current topics concerning the agricultural industry. In 2023/24, at least 15 radio and television interviews were done, and over 15 articles appeared in a variety of newspapers.

AGRICULTURAL INDUSTRY TRUSTS DIVISION

The activity of the NAMC's Agricultural Industry trusts was founded and receives its mandate from Section 26 (1 and 2) of the Marketing of Agricultural Products Act (MAP Act), which regulates "assets, liabilities and contractual rights and obligations of Control Boards." Under the guidance of the trusts' deeds, the eleven agricultural sector trusts are mandated to expand and safeguard their assets while using the money received from investments to fund industry operations including market access, research and development, and transformation, to name a few.

While the NAMC participates as an observer, the division works closely with each Trust to guarantee that the Minister of Agriculture, Land Reform, and Rural Development is represented on the board of the Trusts. Additionally, in its capacity as an intermediary between the Minister and the trusts, the NAMC works with the 11 administrators of industrial trusts to plan the yearly report on the state of the trusts. Through the Transformation Review Committee (TRC), the division closely collaborates with the statutory measures unit and the agribusiness development division to guarantee that industry applications for statutory levies (the transformation component) comply with the transformation standards.

Table 5: Trusts' asset bases for the 2021/2022 and 2022/2023 financial years:

TRUST NAME	2021/2022 (R' 000)	2022/2023 (R' 000)	Change (R' 000)
Citrus Industry	17 631	18 982	1 351
Trust Deciduous Fruit Industry Development Trust	20 654	22 802	2 148
Potato Industry Development Trust	29 722	24 130	-5 592
Meat Industry Trust	54 547	62 214	7 667
Mohair Trust	301 397	299 738	-1 659
Wool Trust Total	582 514	634 541	52 027
National Lucerne Trust	1 966	1 799	-167
Maize Trust	1 062 492	1 113 557	51 066
Trust Oil and Protein Seeds Development Trust	345 482	321 758	-21 256
Sorghum Trust	24 421	24 967	546
Winter Cereals Trust	47 192	47 192	0
Total	2 488 018	2 571 680	83 662

Source: Trust Balance sheets and own calculations (2024)

The eleven trusts' combined asset value is currently estimated at R2.57 billion, up R83.6 million from the last review. The steady rebound in the global and local investment markets was the main factor driving the increase in the asset value of trusts. The Minister may designate or remove ministerial trustees upon the expiration of their tenure or in the case of a resignation, according to the Trust Deeds.

On the boards of 10 agriculture industry trusts, the Minister nominated twenty Ministerial Trustees. After Mr. Elton Greeve resigned, the Minister named Ms. Wendy Petersen to the position of ministerial trustee on the Deciduous Fruit Development Trust board. In the Mohair Trust, Mr. A Dladla took Dr. N Hadi's place as a ministerial trustee. Reappointed to the Oil and Protein Seeds Development Trust were Mr. Shandu and Ms. Makgatho. After the Minister appointments of the trustees, the unit held an induction for new ministerial trustees.

The session focused on the NAMC's role and the governance of industry trusts to prepare trustees for their responsibilities.

The Agricultural Industry Trust Unit held an annual workshop with stakeholders to discuss Trusts' successes and challenges. Trusts reported increased asset values due to market recovery from COVID-19. The discussion emphasized the need for collaboration among agricultural trusts, especially those dealing with grains and lucerne. The wool industry shared plans to create an empowerment trust inspired by the mohair industry. The AGRIBEE Sector codes were gazetted in 2017, and the NAMC revised its transformation guidelines in 2018 after consulting with the agricultural industry to conform to the sector codes.

The criteria stipulate that transformation must account for at least 20% of the entire levy income, with the rest percentages going towards management control and socioeconomic interventions, enterprise development (at least 18%), and enterprise development (at least 60%). The pledge is upheld by the relevant trusts and levy administrators, thanks to the agricultural trusts and statutory measures unit. Other spending categories, such as farmer training and student bursaries, are having a significant influence on the industry's change.

The NAMC visited a number of businesses during the period under review to confirm that the projects that were reported were, in fact, operational and that their status matches what the industries had reported. The TRC visited the following industries and saw their projects: Cape Flora South Africa, Milk South Africa, Macadamias South Africa (SAMAC), Raisins SA, and Potato Industry Development Trust (PIDT).

Table 6: Agricultural Trust and levy income/expenditure on transformation over the years (2017/18 to 2022/23)

Financial Year	Trusts (R)	Levies (R)	Total (R)
2017/18	61 374 228	113 382 930	174 757 158
2018/19	66 423 430	116 601 648	183 025 078
2019/20	76 615 120	124 393 310	201 008 430
2020/21	63 068 176	147 236 706	210 304 882
2021/22	56 007 226	179 226 062	235 233 288
2022/23	81 956 019	178 310 118	260 266 137

Trusts and levy income are essential for funding agricultural transformation. The proceeds from Trusts fund transformation, whereas levies are subject to a 20% transformation condition. The NAMC's transformation guidelines have proven effective in transforming the funding sector.

In the 2022/23 financial year, Trusts and levy administrators spent R260.3 million on transformation initiatives, a R25 million increase from the previous year's total of R235.2 million. Trusts contributed R82 million, while levy administrators provided R178.3 million. Increased spending may indicate a renewed focus on transformation initiatives driven by increased funding allocation.

The 20% transformation spending of the total levy income, which helps black farmers and agripreneurs in businesses that use statutory levies, is the primary focus of the NAMC transformation guidelines. Companies must present a business plan outlining their transformation efforts and budget when applying for statutory levies.

The TRC has received and examined six (6) transformation proposals/plans from the following organisations: Hortgro, Milk South Africa (Milk SA), South African Pecan Producers Association (SAPPA), South African Wine Industry (SA Wine), Deciduous Fruit Development Chamber (DFDC), and Pome Fruit Producers Association (POMASA).

Section 4 of the NAMC transformation guidelines indicates that the NAMC TRC may conduct site visits at any given time to verify the progress of transformation projects as part of monitoring and evaluating transformation activities. In the 2022/23 financial year, the TRC conducted six (6) site visits to transformation projects implemented by levy administrators, including: Milk South Africa, Macadamias South Africa (SAMAC), Raisins SA, Hortgro, Potato Industry Development Trust, Cape Flora South Africa.

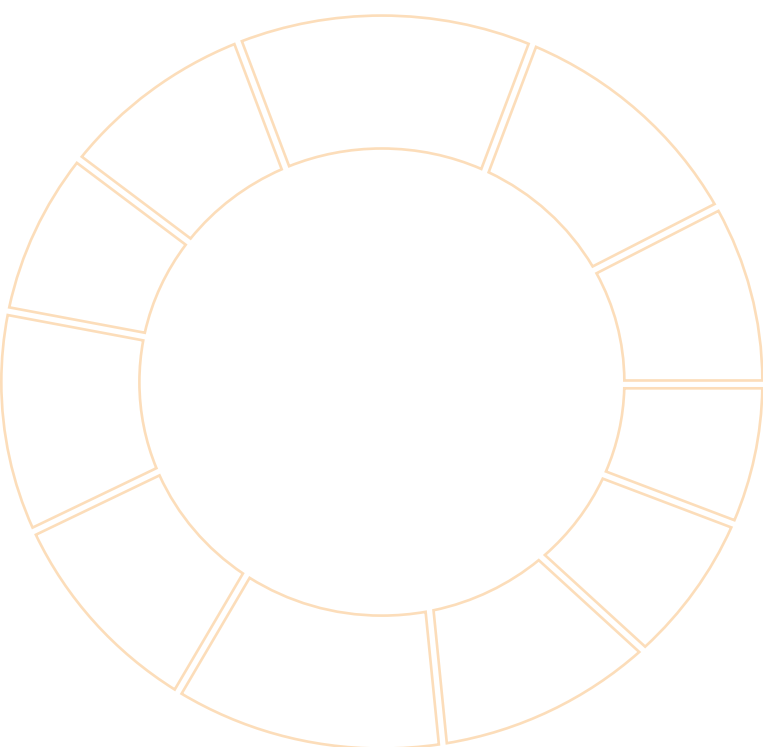
In order to forge closer linkages and to monitor and direct industry transformation initiatives, NAMC TRC members took part in a variety of industry transformation committees. The TRC took part in the following transformation committee meetings during the period under review: the business development meeting of the South African Pork Producers Organisation (SAPPO), the Mohair Empowerment Trust, the Raisins South Africa Transformation Committee, the South African Poultry Association (SAPA) Transformation Committee, and the Potato South Africa (PSA) Transformation Committee meeting.

AGRO-FOOD CHAINS RESEARCH UNIT

Within the Agro-Food Chains Research Unit, research focuses on assessing the competitiveness in agricultural value chains and the application of economic models to draw evidence-based recommendations bound to enhance the efficiency of the sector. For the 2023/24 financial year, the unit analysed the performance of the tomato value chain. The study analysed the global and domestic tomato value chain, noting a consistent increase in tomato consumption and production driven by the health benefits associated with tomatoes.

However, both producers and processors of tomato products in South Africa face numerous challenges, including retail price fluctuations, climate uncertainty, and competition, which limit their significant participation in the value chain. The connection between production, agro-processing, and markets remains a major challenge for participants in the South African tomato value chain. Therefore, a well-defined value chain is crucial to eradicating poverty and promoting economic growth among tomato producers and traders.

The unit also compiled and published 44 regular reports, including monthly Grain Supply and Demand Estimates reports, quarterly Farm to Retail Price Spread reports, quarterly Food Price Monitor reports, monthly Food Basket Price Monthly reports, quarterly Input Cost Monitor reports, quarterly Poultry Products Price Monitor reports and quarterly Macro-Digest Labour reports.



PROGRAMME 3: OUTCOME 3: ENHANCED MARKET ACCESS FOR THE AGRICULTURAL SECTOR PARTICIPANTS

AGRIBUSINESS DEVELOPMENT DIVISION

The Agribusiness Development Division facilitates market access for farmers especially smallholder farmers who are mostly disadvantaged in terms of market information, compliance (SA and Global GAP certification), packaging, quality control, consistency, logistic planning and business linkages with potential buyers. This programme enables the NAMC to contribute to making the agricultural sector more inclusive and viable as a contributor to economic growth and transformation.

This is achieved by working collaboratively with the existing network of partners with the respective knowledge and resources. The market facilitation programme is guided by market analysis, market readiness of farmers, market demand and stakeholder intervention to support farmers in order to supply the identified market. The NAMC linked 210 smallholder farmers with different markets during the financial year 2023/2024. Out of the 210 farmers linked with the market, 128 are male; 82 are female and 42 youth. The smallholder farmers are spread over three provinces in South Africa: KwaZulu Natal (37%), North West (36%), and Limpopo (27%).

Actual Achievement for Quarter 1

During the period in review, the Agribusiness Development Division linked 21 smallholder farmers with Ultimate Growers (PTY) LTD to supply various vegetables such as spinach, cabbages, tomatoes, onions, and green beans. The group of participating farmers organized themselves into Tafelkop Farmers Association, located in Groblersdal under Elias Motsoaledi municipality in Limpopo province. Out of the 21 smallholder farmers, 11 are female, 10 male and 2 youth. The TFA operates on 192 hectares collectively, however, only 109 hectares was committed to the vegetables and supplying the identified market.

Actual Achievement for Quarter 2

The NAMC in partnership with the Jozini Local Department of Agriculture Land Reform and Rural Development linked twenty-eight (28) smallholder farmers with Miente Manufacturing Pty (Ltd), an agro-processing facility for groundnuts and grains in Silverton, Pretoria and exports its products to the neighboring African countries like Tanzania. The farmers are in uMkhanyakude District municipality in the KwaZulu Natal province. Out of the 28 participating farmers, 14 are female and 14 are male and 6 youth. The farmers collectively operate on approximately

293 hectares of communal/family-owned land. The farmers also produce a variety of grains and vegetables, including green beans, tomatoes, potatoes, green peppers, eggplants, spinach, lettuce, garlic, coriander, as well as livestock such as poultry and piggeries.

During the period in review, the Agribusiness Development Division also linked 35 farmers from Limpopo (Tzaneen, Ha Mphaila, Makhado and Mutale) with UCG market to supply chilies. Out of the 28 participating farmers, 14 are female and 21 are male and 4 youth. Farmers were given an opportunity to supply red fresh chilies for a period of three years starting from the year 2023. The market requires SA GAP, record keeping, water test, water availability and soil test. Farmers are operating on approximately 190.8 hectares of land.

Actual Achievement for Quarter 3

During the period in review, the Agribusiness Development linked 23 smallholder farmers with the Caldham Ducks (Pty) (Ltd) market to supply ducks. Caldham is located in Camperdown, Pietermaritzburg whilst the participating farmers are located in the Estcourt area under Inkosi Langalibalele Local Municipality. Out of the 23 participating smallholder farmers, 16 are male and 7 are female, while 9 are youth. The farmers collectively operate on 280.8 hectares of land which is communal land. Farmers are producing different commodities which include citrus, vegetables, fruits and livestock. The smallholder farmers are affiliated with the KwaZulu Natal Economic Development and Agricultural Movement (KZN-EDAM), which is a representation of the smallholder farmers from all the twelve KZN Districts Municipalities.

Actual Achievement for Quarter 4

During the period under review, the NAMC in collaboration with Enterprise iLembe linked 27 farmers with the Academy of Agriculture and Agribusiness Pty (Ltd) market, to supply essential oils plants for processing. The essential oils farmers are situated in the surrounding areas under iLembe District municipality. They will be supplying their produce at the AAA processing facilities located at the Dube Trade port AgriZone 2 in King Shaka International Airport.

The participating farmers are situated throughout iLembe District in the areas of Ndwedwe, Maphumulo, KwaDukuza, Stanger, Verulam, Mandeni. In this group there is 14 male, 13 female and 9 are youth. They collectively operate on 584.7 hectares of communal and leased land. The farmers produce various commodities which include different kinds of vegetables, essential oils such as aloe, rosemary

and rose geranium, tea tree, cannabis, sugar cane, field crops and livestock. However, they have agreed on producing essential oils, specifically rosemary collectively, for the purpose of the AAA market.

The Division also linked 76 farmers with NWK limited Lichtenburg to supply maize. Farmers were profiled at North West province, Mooifontein and surrounding areas. Apart from maize, farmers also produce other grain /field crops such as sunflower, wheat, soya, beans, groundnuts and cotton; livestock (cattle, goats, sheep) and poultry (broilers, layers, ducks etc.). The grains are planted using rotational method. Demographics stands as follows; 22 female, 54 Males, 13 youth. The farmers are operating on 10 796 ha of either private land or leased land.

Production Scheme Design

The agriculture and agro-processing master plan promote inclusive growth in the sector achieved through a district-based commodity value chain development that is safeguarded by comprehensive farmer support, data and evidence-based policies and equitable access to land, water, competitive markets, technology and research. Implementing these AAMP interventions will ensure food security, jobs and reduction of inequality in the country.

To implement the AAMP interventions, sector players must recognize the crucial role of both commercial and emerging farmers, and their existence must be sustained through meaningful partnerships with government and markets. The support provided must be tailored to the needs and growth prospects of commercial and emerging farmers as they are at different levels of development and participation in the global linked value chains.

Emerging farmers refers to new entrants in agriculture, that is, subsistence, small-scale and medium scale farmers, who are predominantly black and were historically denied by law to farm commercially and sell to formal markets. To make emerging farmers operate in a modern commercial and market-linked manner, not necessarily making them large scale, a Production Scheme concept is proposed which will results in a structured arrangement of emerging farmers, expanded production output, economies of scale with bargaining power to access affordable agricultural inputs and seeds, government support and secured market offtake agreements.

During the period in review, the Agribusiness Development Division facilitated the design of two production schemes as one of the delivery models of the AAMP. The design is guided by the production scheme framework, to be implemented through

a private and public partnership. Two concept documents were finalized i.e., Cotton and Mohair Production Scheme, informed by engagements between the public and private sector.

SMALLHOLDER MARKET ACCESS UNIT

The smallholder Market Access Unit focuses on providing information to increase the understanding of market access challenges faced by and opportunities available to smallholder producers.

It also proposes well-informed interventions/solutions relevant policy insights. During the 2023/24 financial year, the unit published a monthly Smallholder Market Access Estimates report indicating the estimated (30%) share of quantity and turnover of the produce supplied by smallholder farmers into the National Fresh Produce Markets. The report further indicates the monthly price changes for fresh produce traded in these markets.

The unit conducted a Smallholder Market Access Tracker (SMAT) baseline study on the maize sector. The baseline discovered that maize producers have access to various markets, including millers, retailers, wholesalers, animal feed manufacturers, silos, other farmers, households in neighbouring communities, and “other” markets. This is commendable, and it has the potential to improve farmers’ overall perceptions of the markets by allowing them to quit those they perceive negatively.

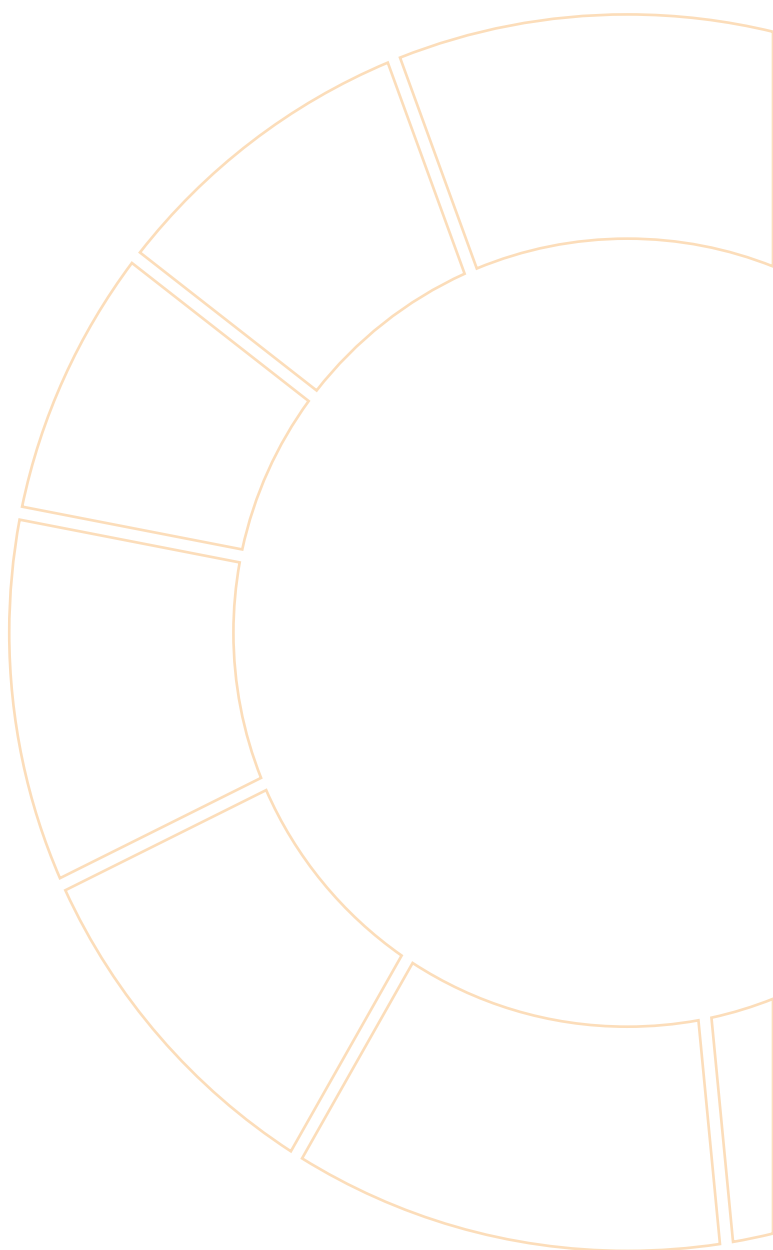
However, some markets that appear to dominate in their respective provinces do get perceived negatively by farmers, particularly in fairness of the markets on grading and pricing of the product as well as convenience of supplying these markets. It was recommended that the NAMC considers studying the market perspective as stated in the SMAT initiative’s concept note, while farmers were encouraged to unite, develop, and upscale cooperative strategies that benefit them economically while enhancing their development.

The general recommendations involve various stakeholders. As a result, collaboration and alignment of targets was emphasized, signifying the establishment of the value chain round tables and production schemes as part of the implementation of the Agriculture and Agro-processing Master Plan (AAMP). The findings of the SMAT are envisaged to assist the grain value chain round table with policy debate and the grain production scheme with the formulation of more effective programmes for the achievement of market access while promoting inclusive growth in South African agriculture.

Furthermore, the unit produce a quarterly Agripreneur, which creates a platform for agripreneurs and farmers, particularly smallholders, to share their knowledge, skills, challenges, experiences, and insights.

The Agripreneur publication promotes and profiles aspects of South African agriculture and packages the sector as an attractive brand for aspiring agripreneurs. During the 2023/24 financial year the Agripreneur shared information on Agri-tourism and the Mohair Empowerment Trust through a continuous series of articles.

The report also covered several inspiring stories of women and young agripreneurs from agriculture and non-agriculture background underpinning the value of the sector in economic growth and development, while promoting upscaled support programmes.



LINKING PERFORMANCE WITH BUDGETS

Table 7: Linking Performance with Budget

Programme/ activity/ objective	2023/2024			2022/2023		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	30 971	30 709	262	30,279	28,716	1,563
Markets and Economic Research Centre (MERC)	12 088	11 167	921	11,920	12,742	(822)
Statutory Measurers	3 341	3 449	(108)	3,483	3,086	397
Agricultural Trusts	2 863	3 270	(407)	2,948	3,351	(403)
Agribusiness Development	3 707	3 657	50	3,583	3,696	(113)
Total	52 970	52 252	718	52,213	51,591	622

Strategy to overcome areas of underperformance

The NAMC's budget for the year under review was R52.9 million. There is a surplus of R718 000 as at the end of the reporting period. The underspending on the budget is due to savings due to the moratorium on filling of vacant positions, reduction in operating expenses such as legal expenses, consultants etc. Most of the funds were spent on employee costs, Council, and oversight committee fees and to further the mandate of NAMC as per the MAP Act.

REVENUE COLLECTION

Table 8: Revenue Collection

Sources of revenue	2023/2024			2022/2023		
	Budget	Actual Amount collected	(Over)/Under collection	Budget	Actual Amount collected	(Over)/Under collection
Government Grant	49 771	49 771	-	48,535	48,535	-
Sponsorship Revenue	-	1 490	(1 490)	-	2,904	(2,904)
Rendering of service	800	339	461	1,578	324	1,254
Interest Income	2 400	4 323	(1 923)	2,100	2,273	(173)
Other	-	685	(685)	-	258	(258)
Total	52 971	56 608	(3 637)	52,213	54,294	(2,081)

Sponsorship Revenue: These are funds received on various projects during the year as part of a collaboration with other relevant industry bodies such as Cassava Value Chain Analysis project.

Rendering of service: This is the management fee received from projects administered by NAMC.

Interest income: The NAMC had a favourable bank balance due to funds from projects and the approved retention of surplus in the previous financial years resulting in increased interest received from the bank.



Amidst the unpredictable climatic conditions, let's develop South Africa's cassava value chain for industrialization, job creation, and food security among others.

Check out this novel portal for this emerging value chain:

www.namc.co.za/about-cassava-project/



PART C:

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

INTRODUCTION

The Government has identified good corporate governance as being one of the key focus areas within the public sector, leading to the creation of the Protocol on Corporate Governance in the Public Sector, which encompasses the recommendations by the King Codes on Corporate Governance.

The NAMC undertakes to promote good corporate governance, which will encourage an efficient, effective, and transparent business enterprise.

PORTFOLIO COMMITTEE

Parliament exercises its oversight role over the NAMC by evaluating its performance and interrogating its annual financial statements and other relevant documents. This oversight role is fulfilled by the Portfolio Committee on Agriculture, Forestry and Fisheries and by the Standing Committee on Public Accounts (SCOPA).

The Portfolio Committee oversees service delivery and performance in accordance with the mandate and strategy of the NAMC. The Committee reviews financial and non-financial information, such as efficiency and effectiveness measures, and therefore reviews the non-financial information contained in the Annual Reports of the NAMC.

SCOPA Oversight

SCOPA oversees the financial performance and accountability of the NAMC in terms of the PFMA, and it, therefore, reviews the annual financial statements and audit reports from the Auditor General of South Africa.

EXECUTIVE AUTHORITY

Parliament oversees the Executive Authority, which is required to provide it with full and regular reports concerning matters under its control. The Executive Authority for the NAMC is the Minister of Agriculture, Land Reform and Rural Development. The MAP Act, No. 47 of 1996, provides that the Executive Authority can appoint or dismiss members of the Council, including the Chairperson, Deputy-Chairperson, and members of Council.

The appointment procedure for Council members is set out in subsection (4) of the MAP Act. Before the expiration of a member's term of office, the procedure set out in subsection (4) of the MAP Act must be followed for the appointment of a successor.

The NAMC Council submits quarterly reports on actual performance against pre-determined objectives to the Executive Authority within 30 days of the end of a quarter.

ACCOUNTING AUTHORITY / COUNCIL

The MAP Act, No. 47 of 1996, provides guidelines for the composition of the Council. The Minister of Agriculture, Land Reform and Rural Development is responsible for appointing one of the members of the Council to the position of Chairperson and another member as Vice-Chairperson. The Council is composed of 10 members. The current Council was appointed on 25 May 2021, and their term of office will end on 25 May 2025.

Functions of Council

According to Section 9 of the MAP Act, No. 47 of 1996, the functions of Council are as follows:

- (1) Subject to the provisions of section 2, the Council;
 - (a) shall, when requested by the Minister, or of its own accord, investigate in terms of section 11 (2), the establishment, continuation, amendment or revocation of statutory measures and other regulatory measures affecting the marketing of agricultural products, evaluating the desirability, necessity or efficiency of, and if necessary proposing alternatives to, the establishment, continuation, amendment or repeal of a statutory measure, or other regulatory measure, and to report to and advise the Minister accordingly;
 - (b) shall prepare and submit to the Minister for consideration statutory measures and changes to statutory measures which the Minister directs it to prepare.
 - (c) shall, whenever requested by the Minister, and at least once annually, report on the activities of the Council.
 - (d) may direct any institution or body of persons designated for the implementation or administration of a statutory measure in terms of section 14; to furnish the Council with such information pertaining to a statutory measure as the Council or the Minister (or the parliamentary committees) may require.

- (e) may undertake investigations and advise the Minister regarding:
 - (i) the agricultural marketing policy and the application thereof.
 - (ii) the co-ordination of agricultural marketing policy in relation to national economic, social and development policies and international trends and developments; and
 - (iii) the possibilities for promoting the objectives mentioned in section 2 (2);and
- (iv) the effect that marketing of products has on the objectives mentioned in section 2 (2) shall monitor the application of statutory measures and report thereon to the Minister and shall evaluate and review such measures at least every two years.
- (f) shall prepare a budget of its expenses, in consultation with the Director-General, on an annual basis for approval by the Minister.

(2) Copies of all reports which are submitted to the Minister in terms of subsection (1) shall simultaneously be dispatched to the parliamentary committees for their information.

Council Charter

The Council is governed by a Charter, as recommended by the King Codes on Corporate Governance, which details the roles, structures and functions of the Council and its composition.

COMPOSITION OF THE COUNCIL

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship	Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team	No. of meetings attended
Mr Angelo Petersen	Chairperson: Council	May 2021	Not applicable	Post Graduate Diploma in Leadership Development (cum Laude (University of Stellenbosch).	Angelo Petersen is an experienced senior executive, board chairperson, director, and is experienced in dealing with the complexities and dynamics of public and private sector institutions, board governance and challenging stakeholders. He has collaborated with multidisciplinary teams, bringing forward innovative ideas and implementing transformative initiatives that have resulted in enhanced operational efficiency, increased revenue generation, and improved stakeholder engagement, which has earned him a reputation as a trusted advisor and partner in the agri-business sector, where he consistently delivers impactful outcomes.	Angelo is currently owner and CEO of Petropulos Advisory and Associates, non-executive chairperson of the National Agricultural Marketing Council, Capespan Farms, Capespan Namibia, Hortgro Legacy Foundation and non-executive director of Agri Enterprises, Hortgro, Agricultural Produce Agents Council (Apac), he furthermore, serves on the Advisory Board of the Thebe Food Services Group. Prior to this, he was the Chairperson of the Perishable Products Exports Control Board and Executive Head: Corporate Services and subsidiary board director at global fruit and logistics player, the Capespan Group (CGL) from 1999 to 2019. From 1990 to 1999 he held various senior human resources roles with the International Colleges Group and Boeresake Group. Angelo holds a Post Graduate Diploma in Leadership Development (cum laude) from Stellenbosch University and is an alumnus of the USB's Africa Directors Board Leadership Programme (2019).	None	5 out of 5

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship	Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team	No. of meetings attended
Ms Fezeka Mkile	Council Member	May 2021	Not applicable	Bachelor of Administration (University of Durban Westville), Diploma Office Management and Information Technology (Infotech College), Introduction to Corporate Governance and Board Effectiveness, Being a Director, Parts 1-5, Governance of Ethics, Financial insights for Non- financial Directors, Mastering Chairmanship (Institute of Directors Southern Africa), Certificate of Competence in Leadership and Team Building (Ubumbo Research and Development).	Agribusiness Development	She is a Non-executive Director of different Companies: She previously served as the chair of the National Agricultural Marketing Council's Human Resource and Remuneration Committee. She is the Chairperson of the Cookhouse Wind farm Community Trust and serve as an Independent Trustee. She is a Board member of Renewables Cookhouse Wind Farm 1(RF) (Pty) LTD and serve in the Social and Ethics Committee. She is an Independent Trustee of Fort Hare Piggery Trust and Fort Hare Dairy Trust and chairs both their Social and Ethics Committees. Fezeka is member of the Institute of Directors of Southern Africa (IoDSA) in good standing.	Member of HR and R Committee	5 out of 5
Ms Thandeka Ntshangase	Deputy Chairperson Council	May 2021	Not applicable	Bachelor of Commerce (University of Kwa-Zulu Natal)	Strategic Business Planning and Execution. Corporate Governance and Strategy. Finance, Budgeting and Cost Management. Risk or Change Management and Performance Metrics. Policy and Procedure Development	Director and Shareholder of Logico Logistics, Member of the PSIRA Council, Non-Executive Director, Chairperson of Projects and Finance Committee- KZN Agribusiness Development Agency, and Non- Executive Director and Deputy Chairperson- Mjindi Farming (Pty) Ltd.	None	3 out of 5
Mr Sifiso Mhlaba	Council Mem- ber	May 2021	Not applicable	Master of Business Administration (MBA) University of Stellenbosch Business School, Master of Science (M. Sc) In Applied Economics. Washington State University, USA. BSc Honours in Agriculture Economics (Cum Laude) North West University. Being a director part 1 - 4, Governance of Ethics (IoDSA)	Market research and analysis Policy analysis and evaluation Agricultural Trade research and analysis Competition and Regulatory Economics Financial Modelling Project Management	Director: Davhuka Investments; Director: Umvongothi Holdings	Member of the HR and RC	5 out of 5

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship	Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team	No. of meetings attended
Dr Thembi Xaba	Council Member	May 2021	Not applicable	PhD in Business Management Administration (University of Stellenbosch Business School) Masters degree in development finance AACSB/EQUIS/AMBA accredited. Advanced Diploma in Economics Policy	Strategic influence Analytical Abilities Financial Management Reporting Writing Project Management Negotiation Skills Deal Structuring	As an Executive, she also serves on the various Boards and Committees; Crookes Brother Limited - JSE listed (Chairperson: Human Capital Committee), Gibela Business Incubator (Chairperson: Human Resource and REMCO) , National Empowerment Fund as Member of the Risk and Portfolio Management Committee, Winter Cereal Trust as a Ministerial Trustee. She has also served as Non-Executive Director for the Joburg Market where she chaired the Audit and Risk Committee	Chairperson of the Human Resource and Remuneration Committee	10 out of 12

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship	Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team	No. of meetings attended
Professor Andre Jooste	Council Member	May 2021	Not applicable	PhD in Agricultural Economics (University of the Free State); MSc in Agricultural Economics (University of Pretoria); BSc (Hons) in Agricultural Economics (University of Pretoria); BSc in Agricultural Economics (University of Pretoria)	Conducting Market, policy, rural and industry analysis. Value Chain analysis. Market Research	André's experience in the agricultural sector spans 28 years. As an academic, he was an Associate Professor and Chairperson of the Department of Agricultural Economics at the University of the Free State. At the National Agricultural Marketing Council, he spearheaded the establishment of the Markets and Economic Research Centre (MERC) and developed it into an acknowledged policy advisory unit in the South African and international context. As a Chief Executive Officer, he led Potatoes SA, an industry organization, in strategy development and implementation of its core business mandates, including the building of business and public sector relations. André joined the Department of Agricultural Economics at the Stellenbosch University as Professor on 1 March 2021. In 2013 he was awarded Agriculturalist of the Year for the Agricultural Writers SA North. André has extensive experience in conducting market, policy, rural and industry analysis. This includes, amongst others, implementation of management information systems, identification and use of applicable market research methodologies, compiling industry wide strategies, conducting surveys and value chain analysis. He also specializes in international trade issues and its implications at various levels.	Chairperson Red Meat Research and Development Trust Project Committee. Chairperson of the Grain and Oilseed Demand and Supply Estimates Committee. Member of the Steering Committee of the South African Node of the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN). Non-Executive Director and Shareholder Elardus Park Properties; Ad Hoc consultancy projects. Chairperson: Maize and Wheat Forums	5 out of 5

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship	Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team	No. of meetings attended
Ms Nonie Mokose	Council Member	May 2021	Not applicable	Currently a PhD Candidate: University of the Free State (Sustainable Food and Nutrition) Masters in Agriculture (Rural Development): University of Pretoria 2018 [Empowerment of black farmers and the effectiveness of empowerment initiatives in the South African potato industry] BSc. Nutritional Sciences: Cornell University (1985 to 1988) Global Restaurant Management Diploma: McDonalds Corporation (2012) Professional Course on Leadership in Sustainable Development Goals Domestication (LSDG) addressing poverty, inequality and unemployment: energy, food security and water: Green Capacity (2017) Certificate in Sustainable Agriculture, Mineral Microbe, Plant and Pest Management: Nutri-Tech Solutions (2008) Certificate in Fertigation and Irrigation (Intermediary Level): Fertigation Academy (2008) Consultant Skills Certificate: TSE Consulting, Lausanne Switzerland (Burson- Marsteller Sports) 2007 Certificate: ARC Hydroponics and Greenhouse Production (2006) Certificate: ARC Introduction to Pig Production Certificate (2004) Mentoring and Coaching: Vega (2003) Open Data Management in Agriculture, Nutrition and Land course: Global Open Data for Agriculture and Nutrition (GODAN) 2018 Introduction to Foresight for Development	Ms Mokose is a highly experienced Food Industry Executive, Sustainable Agricultural Leadership Professional, Commercial Potato Farmer, Management and Development Executive, Transformation and Empowerment Practitioner, Strong Negotiator, Marketing Executive with over 28 years strategic, operations and general management experience in Socio-Economic Development, Primary and Secondary Agricultural Production, Retail Buying and Product Development, and Classical Marketing within various Food industries and own enterprises. Innovative and results driven, has a proven track record of providing innovative leadership and development in food and agricultural industries. In addition, has demonstrable skills in primary agricultural production and agro-processing, and in providing effective business and technical solutions in the development of black agricultural enterprises and individuals. Has operated under a dual mandate of commercial and socio-economic development relevant to the SA economic landscape. A strong proponent of sound corporate governance and ethics. She has produced annual reports in compliance with relevant legislation – and the required reporting frameworks (e.g. Value Reporting). Ms Mokose has extensive experience serving on Boards and board committees, within both the private and public sectors. She is highly experienced executive, and entrepreneur Cross-Sectional Food Industry (Nutritional Sciences) and Agriculture experience whose vision is to utilise business acumen to enhance stakeholder value.	University of Pretoria: Agriculture and Rural Development Student Mentor (2023) Kgodiso Development Trust PepsiCo: Independent Trustee and Board Member (2021 to current): Chairperson Credit and Investment Committee (2021 to current) Central University of Technology: Free State (CUT) - Member of Council; (2019 to current) Planning Finance and Resources Committee (2019 to March 2024) ; member of Senate (March 2024 to current ; Member Honorary Degrees and Awards Committee Board member of the National Agricultural Marketing Council (NAMC) - (2017 – 2021 and 2021 to current) Audit and Risk Committee member of the NAMC (2017- 2021 and 2021 to current) Agri Mega NPC: Chairperson (2013 to 2015) Potato Industry Development Trust (PIDT) Ministerial Trustee (2010 to 2015) Potatoes South Africa (PSA): Member of National Council, Board, Marketing Committee, Chairperson: Transformation Committee (2008 to 2015) NAMC Smallholder Market Access Tracker Reference Group Member (SMAT) (2016 to 2017) African Women's Entrepreneurship Program SA: Director (2012 to 2018) Agri Mega Enterprises: Director (2012 to 2015)	Audit and Risk Committee Member	5 out of 5

Name	Designation (in terms of Public entity board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorship	Other committees or task teams (e.g. Audit Committee/ Ministerial Task Team	No. of meetings attended
Ms Shandini Naidoo	Council Member	May 2021	Not applicable	LLB LAW (WITS) BA International Relations (WITS) LLM International Economic Law (UNISA)	Legal and Risk Management Legal Advisory Legal Compliance Company Secretary Business Development Legal Research International Trade Advisory and Policy Business proposals	AVOPORT PTY LTD	None	5 out of 5
Mr Gerhard Schutte	Council Member	May 2021	Not applicable	Master's degree in agriculture, Baccalaureus Honours in Agriculture (Animal Nutrition), Bachelor of Science in Agriculture.	Red Meat Farming, Executive Management, CEO: National Red Meat Producers Organisation	Member of the CEO Forum; Vice- Chairperson of National Animal Health; Forum Board; Member of Onderstepoort Advisory Board; Member of National Agricultural Research Forum; Manager of National Stock Theft Forum; Member of Predation Management South Africa; Director and Executive Member of Red Meat Industry Forum.	None	5 out of 5
Mr. Jan Mocke	Council Member	February 2024	Not applicable	Mr. Jan Mocke is a qualified electronic engineer (University of Pretoria) and completed a Masters in Business Leadership (Unisa SBL).	After working as consulting engineer, he joined the IDC for several years. He later spent many years in senior management positions in agricultural organisations, including Sapekoe Estates and Mount Carmel Farms. He was also the COO at the Joburg Market for seven years, which included a year as Acting CEO. He now works as an independent consultant on the development of fresh produce markets and agriculture projects across Africa. He is playing an instrumental role in the design and construction of the new Mpumalanga International Fresh Produce Market, introducing various industry leading features.	Mr. Mocke currently serves as a NED on the Board of the Tshwane Economic Development Agency. He is the Chair of the Projects and Investment Committee and Chair of the Finrisk Committee. He is also member of the HR and Remuneration Committee and the Social and Ethics Committee. He also served for three terms on the Board of the Joburg Market as NED and Chairperson of the Operations Committee. This included a period as Chairperson of the Board.	None	1 out of 5

Table 10: Meetings for Committees of the Council

No.	Name	Role	No. of meetings attended
1	Mr Paul Slack	Chairperson	7 out of 7
2	Mr Simphiwe Dzegwa	Audit and Risk Committee Member and Chairperson of the Risk Management Committee	7 out of 7
3	Professor Andre Jooste	Council Member	5 out of 7
4	Ms Nonie Mokose	Council Member	7 out of 7
5	Mr Sazi Ndwandwa	Independent Member of the Audit and Risk Committee	6 out of 7

Table 11: Human Resources and Remuneration Committee Meetings

No.	Name	Role	No. of meetings at-tended
1	Dr Thembi Xaba	Chairperson of the HR and RC and Council Member	4 out of 4
2	Ms Fezeka Mkile	Council Member	4 out of 4
3	Mr Sifiso Mhlaba	Council Member	4 out of 4
4	Mr Gerhard Schutte	Council Member	4 out of 4

Table 12: Risk Management Committee Meetings

NO.	Name	Role	No. of Meetings attended
1.	Mr S Dzegwa	Chairperson and Audit and Risk Committee Member	4 out of 4
2.	Dr S. Ngqangweni	Chief Executive Officer	4 out of 4
3.	Ms I. Mathatho	Chief Financial Officer	4 out of 4
4.	Ms N. Simelane	Senior Manager: Human Capital and Communication Division	4 out of 4
5.	Dr N. Tempia	Senior Manager: Markets and Economic Research Centre	4 out of 4
6.	Mr S. Burger	Senior Manager: Statutory Measures Division	3 out of 4
7.	Ms K. Mosoma	Senior Manager: Agribusiness Development Division	2 out of 4
8.	Mr B. Nyhodo	Senior Manager: Agricultural Industry Trusts Division	1 out of 4
9.	Mr MD Mohale	Communication Manager	2 out of 3
10.	Ms N Shelembe	Risk and Compliance Manager	4 out of 4
11.	Mr S Ndwandwa	Member of Risk Management Committee	1 out of 2

RISK MANAGEMENT

Risk management is, in essence, about proactively identifying and understanding the factors and events that may impact upon the achievement of strategic and operational objectives, including the managing, monitoring, and reporting of risks and opportunities. It is in this regard that the Risk and Compliance Unit of the NAMC was established, based on the prescripts of the Public Finance Management Act, Treasury Regulations and the Public Sector Risk Management Framework issued by the National Treasury.

The realisation of the Risk Management Strategy was executed through a Risk Management Implementation Plan, approved by the Council. The Risk Management Implementation Plan is meant to guide and assist in implementing the activities that will assist in serving the organisation.

The Risk Implementation Plan empowers the Risk and Compliance Unit to perform the following

- Facilitation of risk identification,
- Risk mitigation.
- Risk monitoring and reporting at the operational, project and strategic levels.
- Implementation of the approved fraud prevention policy.
- Implementation of the approved continuity management policy.
- Implementation of the compliance and ethics programme; and
- Implementation of the combined assurance framework.

INTERNAL CONTROL

The Council has the ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. This function is delegated to the executive management to ensure that the risks are properly managed. The controls throughout the entity focus on the critical risk areas identified and confirmed by management.

The Council relies on the Audit and Risk Committee, Risk Management Committee, and Internal Auditors to monitor and report on the status of the internal controls at the NAMC. These controls are designed to provide a cost-effective assurance that assets are safeguarded and that the available working capital is managed efficiently, effectively, and economically.

Organisational policies, procedures and the delegation of authority provide direction, accountability, and division of responsibilities, and contain self-monitoring mechanisms. The designed internal controls are closely monitored by both management and internal audit, and actions are taken to correct deficiencies identified.

INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

The Audit and Risk Committee plays an important role in ensuring that the entity functions according to good governance, accounting, and audit standards. The Committee also monitors the adoption of appropriate risk management arrangements, and a brief description of these is as follows:

- Key activities and objectives of the internal audit
- Specify summary of audit work done
- Key activities and objectives of the Audit and Risk Committee
- Attendance of Audit and Risk Committee meetings by Audit and Risk Committee members.

FRAUD AND CORRUPTION

The NAMC has an approved Whistle Blowing and Fraud Prevention Policy, which is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the entity. The NAMC has zero tolerance towards fraud and corruption; in addition, the entity has a Declaration of Interest Policy which ensures that the values of the entity are maintained and upheld.

MANAGING CONFLICT OF INTEREST

Managing the risk of conflict of interest, it is a requirement that all officials in the supply chain management unit and all internal staff participating in the tender/procurement committees – whether bid specification, bid evaluation or bid adjudication – complete and sign declaration of interest forms and the code of conduct. In instances where an affected party is conflicted, it is a requirement that recusal be made and that the matter of conflict be declared and registered.

CODE OF CONDUCT

The NAMC code of conduct sets out the standard social norms, regulations, and responsibilities that employees must adhere to in performing their duties. Investigations have been conducted in instances of misconduct because of non-compliance with policies.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

This report presents a comprehensive annual update on the Occupational Health and Safety (OHS) status for the NAMC. It summarizes the initiatives undertaken, the progress achieved, and the challenges faced in fostering a secure and healthy workplace environment for our employees. The report covers the period from 01 April 2023 to 31 March 2024.

The OHS Policy and Management

NAMC remains steadfast in its commitment to employee health and safety through a clearly defined and approved OHS policy. This policy is regularly communicated and reviewed to maintain its legal relevance and effectiveness. Additionally, a dedicated OHS Committee has been established to monitor and guide the implementation of safety protocols and initiatives. The committee meets every quarter and OHS pertinent issues are discussed. The committee also monitored respective changes in legislation and can update the policy with due communication accordingly.

Risk Assessment and Control

Thorough risk assessments were carried out across all office areas to identify potential hazards. This allowed us to implement appropriate control measures. Regular inspections and audits ensured compliance with safety protocols, and any hazards identified were promptly addressed with corrective actions. The risk register was also updated every quarter.

Training and Education

During the reporting period, all employees participated in the OHS training and due workshops programs, with the assistance of Agbiz. These sessions covered various topics, including injuries and illnesses, employee well-being, increased productivity, compliance with regulations, handling, identification and control of hazardous materials, and general health and safety awareness.

Incident Reporting and Investigation

A robust incident reporting system encouraged employees to report any workplace incidents, accidents, or near misses. Each reported incident around office safety and security was thoroughly investigated to identify root causes and areas for improvement, with corrective actions swiftly implemented to prevent recurrence. The Office lease will expire on the 31 July 2024, the NAMC is busy with the procurement process to obtain new office accommodation and the OHS aspects have been highlighted including matters that would address employees with disabilities.

Emergency Preparedness

Emergency response plans were developed, regularly communicated, and tested. Evacuation drills were conducted to ensure all employees were familiar with emergency procedures and assembly points. Regular inspections and maintenance were performed on emergency equipment, such as fire extinguishers and first aid kits.

Mental Health and Well-being

Recognizing the critical importance of mental health in the workplace, NAMC implemented initiatives to support employee well-being via the specialist service provider Lyra previously known as ICAS. These included awareness campaigns, access to mental health resources through a designated service provider, and employee assistance programs.

Challenges Encountered

Despite significant progress in maintaining a safe and healthy work environment, some challenges were faced during the reporting period. These included incomplete participation in a fire drill due to remote work arrangements, and limitations of the current office space, which cannot accommodate all employees simultaneously.

The first floor was let go during the Covid Pandemic to introduce the Working from Home Policy and to ensure cost saving on the total rental amount. Maintaining consistent adherence to safety protocols and addressing minor evolving risks associated with housekeeping also posed challenges, yet the challenges are constantly monitored and addressed.

Future Focus Areas

Based on observations and feedback, the following areas will be prioritized for improvement in the coming year:

- New office accommodation
- Preventative measures for injuries and illness
- Promoting employee well-being and positive work culture
- Boost productivity, motivation and efficiencies, and support to business continuity
- Reduced costs and compliance to regulations
- Enhanced communication and training on emerging safety issues, including remote work safety.
- Continued reinforcement of safety protocols and promotion of a safety-first culture.
- Strengthening mental health support initiatives and promoting work-life balance.
- Regular reviews and updates of risk assessments to address changing work conditions and emerging hazards.
- Exploring innovative technologies and solutions to enhance safety practices.

AUDIT AND RISK COMMITTEE REPORT

Introduction

The Audit and Risk Committee is pleased to present its report for the 2023/2024 financial year. The Audit and Risk Committee exists as an independent statutory committee appointed by the Council of the National Agricultural Marketing (“NAMC”). The Committee operates within the approved Audit and Risk Committee Charter and complies with all relevant legislation in executing its responsibilities in terms of the PFMA and

Treasury Regulations and the requirements of King 1V. The duties and responsibilities of the Committee are outlined in the report below.

Composition

The Audit and Risk Committee comprises of three Independent Members namely Mr Paul Slack (the Chairperson), Mr Simphiwe Dzengwa and two Council Members namely Ms N Mokose and Prof A Jooste.

During the 2023/2024 financial year, two (2) Independent committee members’ namely, Ms L Mothae (Chairperson) and Dr P Dala employment contracts ended. The Council appointed Mr Paul Slack as the Independent Chairperson and Mr Simphiwe Dzengwa as the Independent Committee members.

The Chief Executive Officer, Chief Financial Officer, Chairperson of the Information Communication Technology Steering Committee, and the Risk and Compliance Manager are all standing invitees to the Audit and Risk Committee meetings. Representatives from Nexia SAB&T (Internal Auditors) and the Auditor General also attended the meetings.

The table below discloses relevant information of the Audit and Risk Committee members.

Table 13: Audit and Risk Committee Information

No	Name	Qualifications	Internal or external member	If the internal, position in the department	Date appointed	No. of meetings attended
1	Mr Paul Slack	CA(SA)	Independent Member	Not applicable	01/07/2021	7 out of 7
2	Mr Simphiwe Dzengwa	MBA	Independent Member	Not applicable	01/12/2021	7 out of 7
3	Ms Nonie Mokose	Master of Agriculture in Rural Development	Council Member	Not applicable	25/05/2021	7 out of 7
4	Professor Andre Jooste	PhD Agricultural Economics	Council Member	Not applicable	25/05/2021	5 out of 7
5	Mr Sazi Ndwandwa	CA (SA), MPhil (Management Coaching)	Independent Member	Not applicable	25/05/2021	6 out of 7

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices

- a. To assist the Council in its evaluation of the adequacy and effectiveness of the internal control systems, governance, accounting practices, information systems, risk management and auditing processes applied within the NAMC's day to day management of its business.
- b. To facilitate and promote communication between the Council, Management, the External Auditors and internal auditors on matters which fall within the responsibilities of the Committee.
- c. To ensure the risk and compliance areas of NAMC operations to be covered in the scope of Internal and External audits.
- d. To ensure the accounting and auditing concerns identified from the internal and external audits conducted during the period under review are addressed.
- e. To ensure NAMC compliance with legal and regulatory provisions, the MAP Act and the PFMA as well as the Treasury Regulations; and
- f. To ensure the independence and objectivity of the Internal and External Auditors

The effectiveness of internal control

Below are the primary activities are undertaken by the Audit and Risk Committee in assessing the effectiveness of internal controls

- a) Reviewed the effectiveness of internal control systems by approving the risk-based Internal Audit Plan and reviewed internal audit reports every quarter.
- b) Assessed the adequacy, reliability and accuracy of financial information provided by management.
- c) Reviewed the effectiveness of the internal audit function, and thorough assessment of the quality of reports submitted to the committee.
- d) Reviewed the NAMC's processes for compliance and legal and regulatory provisions.
- e) Reviewed the NAMC's processes for risk management and ethics management.
- f) Reviewed the expertise, resources, and experience of the organisation's finance function.
- g) Reviewed, and where appropriate, recommended

changes to the Annual Financial Statements as presented by the NAMC for the year ended 31 March 2024.

- h) Reviewed the accounting policies and practices, as reported in the Annual Financial Statements, and confirmed that these were appropriate.
- i) Reviewed the information of the predetermined objectives as reported in the Annual Report.
- j) Reviewed the AGSA's Management Report and management's response thereto.
- k) Reviewed adjustments resulting from the audit of the NAMC.
- l) Provided a channel of communication between the Accounting Authority and management, internal auditors, and external auditors.
- m) Ensured that a combined assurance model was applied to provide a coordinated approach to all assurance activities and ensured that it was appropriate to address all significant risks faced by the NAMC

The key outcomes following the above assessment procedures include

Our review of the findings highlighted by Internal and External Audit revealed several weaknesses. These were raised with management, and some were adequately and effectively addressed, hence most remain as a work in progress.

The Audit and Risk Committee acknowledges the non-compliance with concern; and continues to advise Council to take decisive, and timely actions to address the incident of irregular expenditure, contract management and overarching mismanagement of the organisation. The Audit and Risk Committee further advised the Council to take immediate initiation of investigations, followed by consequence management and strengthening of controls, highlighting management's commitment to preventing a reoccurrence thereof.

In line with the PFMA requirements, the internal auditor's objectives are to provide the Audit and Risk Committee and management with objective assurance that the internal controls are appropriate and effective. This is achieved by means of an objective appraisal and evaluation of the risk management processes, internal controls and governance processes, as well as identifying corrective action and suggested enhancements to the controls and processes.

The Audit and Risk Committee ensured that the organisation's internal audit function was independent and had the necessary resources and authority to discharge its duties. Nexia SAB & T are the appointed internal auditors for the NAMC. Their contract ended on 31 January 2022, and they were re-appointed

through the tender process on 19 April 2022. No audits were undertaken other than a follow-up on findings from both Internal and External audits.

The internal auditors are fully supported by management, Council and the Audit and Risk Committee and have full, unrestricted access to all organisational activities, records, property, and personnel. During the period under review, the internal auditors conducted a follow-up on the prior year's audit findings review. The results were reported to management and the Audit and Risk Committee and Council.

Having considered, analysed, and reviewed the combined assurance information provided by management, Internal Audit, external auditors and the management risk committee, the Audit and Risk Committee confirms that:

- a. The internal controls of the organisation were somewhat effective in isolated material aspects throughout the period under review.
- b. Some of the identified weaknesses associated with non-compliance with the Supply Chain Management were addressed, however, there is room for improvement.
- c. Appropriate policies supported by reasonable and prudent judgement and statements were somewhat applied.
- d. A reasonable degree of effective controls is in place to safeguard assets, though not adequate to the required standards.
- e. The Financial Statements comply, in all material respects, with the relevant provisions of the PFMA of 1999 and GRAP.
- f. The skills, independence, audit plan, reporting, and overall performance of the external auditors were acceptable.
- g. The finance function is under capacitated; however, some degree of skills, knowledge and expertise exists in the function.

Whistleblowing

NAMC has appointed Deloitte Tip-offs Anonymous (Pty) Ltd to provide anonymous tip-off services. The contract commenced on 01 August 2022 and will end on 31 July 2025, unless terminated earlier by either party.

Deloitte will provide whistleblowing services to the NAMC, with the overall goal of providing a secure, confidential facility for stakeholders to raise concerns regarding criminal or unethical activities pertaining to the NAMC.

The Whistleblowing Policy and Fraud Prevention Policy has been reviewed approved during the special Council meeting held 30 June 2023.

External Auditors

The Audit and Risk Committee independently engaged the Auditor General and the Committee is satisfied that it has adequately discharged its legal and regulatory responsibilities.

The Committee has reviewed and accepted the Auditor General's final Management Report and Audit Opinion relating to the Annual Financial Statements, Audit of Performance Information and Compliance with legislation as well as the audit findings issued by the Auditor General which are to be addressed per the mitigation action plans as agreed between NAMC and the AGSA.

Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

- Reviewed the appropriateness of accounting policies.
- Reviewed the appropriateness of assumptions made by management in preparing the financial statements.
- Reviewed the significant accounting and reporting issues and understood their impact on the annual financial statements.
- Reviewed the annual financial statements and considered that they are complete, consistent with prescribed accounting practices and information known by the Committee; and
- Obtained assurance from Management concerning the completeness and accuracy of the annual financial statements.

Irregular, Fruitless and Wasteful Expenditure

In the financial year under review, irregular expenditure amounting to R25 000 and fruitless and wasteful expenditure amounting to R33 000 were incurred. The determination tests for the past irregular expenditure were completed and the Council condoned a total of R154 millions of irregular expenditure. The determination tests for the remaining balance of irregular expenditure were not finalised in the current financial year and management is working on this to ensure that there is conclusion.

Governance of Risk

The Audit and Risk Committee has continued to fulfil its oversight role regarding:

- Enterprise risk management.
- Compliance Management.
- Anti-Corruption and Fraud.
- Business Continuity Management; and
- Combined Assurance.

During the 2023/2024 financial year, the Risk Management Committee and Audit and Risk Committee highlighted the need for the NAMC to conduct a Determination Test for the irregular expenditure that has been incurred by the entity. This was recommended to Council, and it was subsequently resolved that a service provider will be appointed to conduct the determination test. The process of which has been initiated, therefore as of financial year-end, there was no Determination test that has been conducted.

During quarter 3 of 2023/2024 financial year a submission of an amount of R154 004 941.10 has been condoned by Council.

Internal Audit

The Audit and Risk Committee discharged its responsibility to approve the annual and three-year rolling plan and consider Internal Audits quarterly reports and the mitigation action plans as agreed between NAMC and Internal Audit. The Committee further ensured that Internal Audit remained independent, and objective and had the necessary resources, standing and authority within the NAMC to enable it to discharge its duties.

Conclusion

The Audit and Risk Committee recommended the approval of the audited annual financial statements and the audit outcome for the financial year ended 31 March 2024 at its special meeting held on 30 July 2024 and these annual financial statements and audit outcomes were duly approved by the Council on 31 July 2024 to be included in the NAMC Annual Report for the financial year ended 31 March 2024. The Audit and Risk Committee will provide oversight and monitor management's action plans to address the negative audit outcome.



Mr. Paul Slack
Chairperson of the Audit and Risk Committee
National Agricultural Marketing Council
Date: 31 July 2024

BBBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed entities in terms of section 13(g) (1) of the broad-based black economic empowerment act 53 of 2003 as amended by act 46 of 2013.

Table 14: Compliance to the BBBEE requirements

Name of Sphere of Government / Public Entity / Organ of State:	National Agricultural Marketing Council
Registration Number (If Applicable):	Not applicable
Physical Address:	536 Francis Baard Street, Meintjiesplein Building, Block A, 4th Floor, Arcadia, 0007
Type of Sphere of Government / Public Entity / Organ of State:	Public Entity
Organisation Industry / Sector	Agricultural Sector

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Circle relevant answer	Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	Yes ☒ No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing and implementing a preferential procurement policy	Yes ☒ No	If Yes, please attach Preferential Procurement Policy as well as the compliance report of implementation thereof in the Annual Report
Determining qualification criteria for the sale of state-owned enterprises	Yes ☒ No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing criteria for entering into partnerships with the private sector	Yes ☒ No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	Yes ☒ No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report

Approved by



Mr. Angelo Petersen
 Chairperson
 National Agricultural Marketing Council
Date: 31 July 2024

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A circular collage of agricultural images. The top right shows a pig in a pen. The top left shows a sheep in a field. The middle left shows a corn cob. The bottom left shows a cow in a field.

PART D:

HUMAN RESOURCE MANAGEMENT

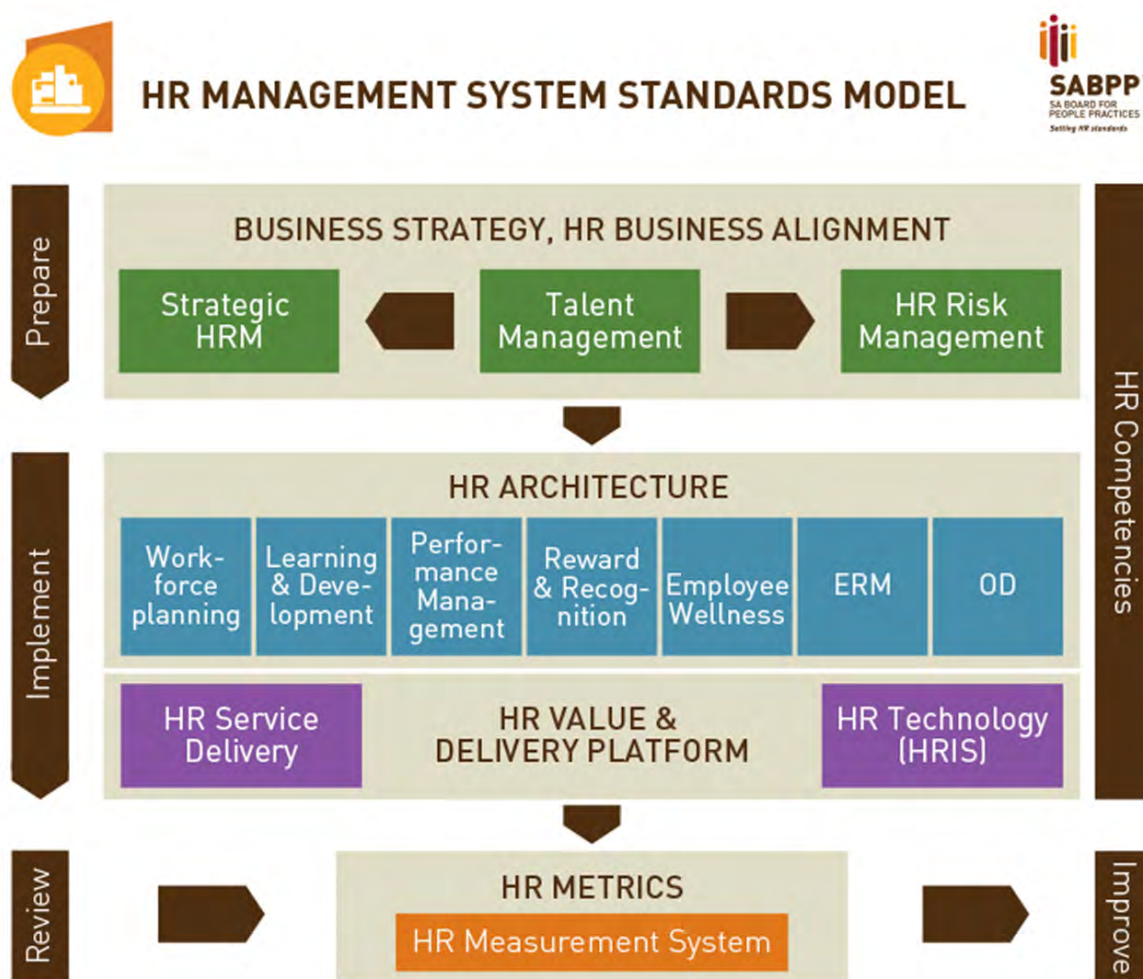
HUMAN RESOURCE MANAGEMENT

INTRODUCTION

The Human Capital Division plays a critical role in ensuring that the National Agricultural Marketing Council (NAMC) has adequate capacity, with the requisite skills to achieve its strategic objectives. This is achieved through strengthening our initiatives and striving to create a positive employee experience to promote a high-performance culture.

The division is committed to maintaining a diverse and inclusive work environment that recognizes the skills and capabilities of our employees. The Human Capital Division is pleased to present the 2023/24 Annual report. The report is aligned to the SABPP thirteen (13) HR Standards as outlined in the diagram below.

DIAGRAM 1: SABPP THIRTEEN (13) HR STANDARDS



HUMAN CAPITAL STRATEGY

Our strategic human capital management processes link the HR functions with the strategic objectives of the NAMC. It is aimed at establishing HR initiatives that support high performance and promotes the organisation's vision, mission and values. We have aligned our Human Capital Strategy to our policies to provide a guideline on the employer – employee relationship and to create a suitable working environment that fosters transparency and adherence to our governance structures.

In light of the above, the Human Capital Unit has reviewed the following policies and procedures and strategy

- Employee Wellness Policy;
- Training and Development Policy; and
- Occupational Health and Safety Policy and Procedure.
- Occupational Health and Safety Charter
- Performance Management and Development Policy
- Leave and Incapacity Policy and Procedure
- Secondment Policy
- Remuneration Policy
- Talent Management Strategy.

The review ensures that our policies are in compliance with the relevant legislations and the standards of good practice in the application of human resources processes.

HUMAN CAPITAL RISK MANAGEMENT

The Human Capital risk register is in place to ensure that the Human Capital Unit activities and people management practices are within the governance, risk and compliance framework and integrated reporting model of the organisation. The following risks were identified with the Human Capital environment during 2023/24 financial year:

- Capacity and Retention constraints due to budget limitations.
- Inability to attract skilled personnel, which poses a risk to the organisation's performance;
- Lack of resources to fill critical positions in the organisational structure;
- Risk of loss of institutional knowledge.
- Inadequate implementation of good practices in dealing with labour relations matters and conflict management.
- Talent Acquisition and retention Management.
- Employee Relations Management.
- Risk to employee occupational health
- Risk to employee performance and organisational

performance due to capacity constraints. (Freezing of positions initiative from National Treasury – Cost Containment).

- Inability to attract and retain skilled personnel.
- Organisational Development (lack of funds and resources to fully implement the approved structure) the 14 additional positions remain non-funded.
- Ineffective or poor management of Registry or Records; and
- Inadequate implementation of good practices in dealing with labour relations matters – Legal Services not yet appointed.

The identified risks are continuously monitored, and mitigation plans are in place to address critical issues as outlined in the risk register.

LEARNING AND DEVELOPMENT

Our Learning and Development strategy was established to identify and address performance gaps within the organisation. This is to ensure that our current and future learning and development activities support the achievement of the NAMC's objectives and builds our talent pool and capabilities. Human Capital seeks to build the capabilities of our employees and accelerate their professional, academic and skills development. Bursaries and training initiatives are funded through Agri-SETA's discretionary grants.

The Human Capital Unit coordinated the following training during 2023/24 financial year:

Table 15: Training Facilitated

NAME OF THE PROGRAMME	THE NUMBER OF EMPLOYEES ATTENDED
Business Etiquette	14
Recruitment and Selection Awareness Workshop	38
Onboarding, Orientation, and Induction Programme	26
Health and Safety – Evacuation Awareness	26
Job Evaluation Awareness Session and Results	2
Sanlam and Discovery Presentations on Employee Benefits	45
Basic Condition of Employment Act and Bursary Policy Awareness Workshop	20
Recruitment and Selection Policy Awareness	36
Employee Wellness and HIV/AIDS Policy	40
Report Writing Training	21
Conflict Management Training	3
Induction, Orientation and Onboarding	16
Disciplinary Code and Incapacity Code Policy and Procedure	42
Change Management	15
Performance Management and Development, Grievance Policy, Training and Development, and Remuneration Policy	43
Bid Committees Training	45

4.1. Bursaries and Graduate Placements

The NAMC received approval of R391 250.00 for the 2023 academic year bursary continuations, as well as R620 100.00 to appoint thirteen (13) 2023/24 graduate placements

4.1.1. Graduate placement programme key achievements for 2023/24

The graduate placement for 2023/2024 was implemented on 01 April 2023 and terminated on 31

March 2024. The internship and graduate development committee was fundamental in offering assistance and guidance to the candidates that participated.

On their termination they have highlighted the following learnings and appreciation:

a. Project Contribution

They had the opportunity to contribute to the AAMP project and other initiatives within the NAMC. This experience allowed them to develop skills in administration and related competencies, such as project management, teamwork, and problem-solving.

b. Research and Analysis

They conducted in-depth research on MERC related topics and issues, which provided valuable insights for the division and the team at large. Their analysis helped inform strategic decision-making and MERC specific outcomes achieved as per their deployment.

c. Process Improvement

Through their internship, they have identified areas for process improvement within Risk and Compliance, Supply Chain Management, Human Capital and Communications, ICT, Legal and Finance. They have proposed specific recommendations and solutions related to streamline workflows and enhance efficiency, resulting in quantifiable improvements and benefits.

d. Cross - Functional Collaboration

They have collaborated with colleagues from different departments e.g. Agri-Business/ MERC/Trust and Statutory Measures (ARMD). This experience allowed them to gain a broader understanding of the organisation's operations and fostered effective communication and teamwork.

e. Professional Development

During their graduate placements and internship, they have participated in the NAMC training programs, workshops, or learning opportunities. These experiences helped them enhance their skills and expand their knowledge in areas such as:

- Technical skills development
- Communication skills
- Industry knowledge
- Research and analysis
- Presentation skills
- Continued professional development.

The graduates placed were grateful for the valuable learning experience and the opportunity to contribute to the NAMC. The placement has equipped them with practical skills, knowledge, and insights that will be invaluable as they continue their academic and professional journey. They are confident that the lessons learned, and relationships built during their tenure within the NAMC will serve them well in their future endeavours. They look forward to staying connected and potentially contributing to future projects or collaborations. They request to be assisted with industry absorption where there are employment opportunities.

4.2. Graduate Placements and Internship Committee

The purpose of the Committee is to oversee the implementation of the graduate placement and internship programmes within the NAMC. The committee is responsible for the following:

- **Planning and designing the internship program:** Collaborate with other committee members to create an effective internship program that aligns with the organization's goals and objectives;
- **Contributing to the development of the Internship policy and procedures:** Create policies and procedures for the program, including guidelines for selecting interns, providing and identifying training and support, and evaluating their performance;
- **Recruiting and selecting interns in consultation with Human Capital:** Help to advertise the internship program, screen and select candidates, and conduct interviews to ensure that the selected interns meet the organization's requirements;
- **Providing training and support:** Work with other committee members to create training programs for interns, including orientation and ongoing training sessions, and provide support to interns during their internship;
- **Evaluating interns' performance:** Evaluate the interns' performance throughout the internship program and provide feedback to help them improve their skills;
- **Building relationships with partner organizations:** Be responsible for building relationships with partner organizations and communicating with them about the internship program; and
- **Ensuring compliance with legal and ethical standards:** Ensure that the internship program complies with all legal and ethical standards, including employment laws and regulations.
- **Monitoring the program's success:** Track and analyse the program's success, including intern retention rates, feedback from supervisors and interns, and the overall impact of the program on the organization.

4.3. Succession Planning

The division has identified critical positions within organization and developing action plans for individuals to assume those positions as part of succession planning. There has been a notable turnover that has had a bearing on the process. Vacancies will have to be filled under the constraints of poor attraction and retention mechanisms key issues revolving around remuneration. The table below outlines the process undertaken by Human Capital and Communication Division.

Table 16: Succession Planning Process

SUCCESSION PLANNING ACTIVITIES	PROGRESS (DUE DATE)
Identifying critical positions in the NAMC	Completed
Identifying High potential employees	In progress pending finalisation of recruitment in some core divisions
Developing succession plan and development plan	In progress
Implementing a succession plan for the identified high-potential employees	30 December 2023
Developing retention plan	31 March 2024
Identify key employees for leadership development	31 March 2024
Monitor the implementation against the set targets.	Continuous

WORKFORCE PLANNING

Workforce planning is significant in ensuring that the organisation has the required number of people with the requisite skills, knowledge and competencies to achieve our strategic objectives. Through this process, we assess our workforce profile against current and future organisational needs to ensure that:

- The NAMC has the right number of competent people, at the right place, at the right time, doing the right work;
- Critical and scarce skills are allocated sufficient funding; and
- The organisational structure is aligned with the NAMC mandate.

The following positions were advertised during 2023/24 financial year:

- Human Capital Practitioner;
- Risk and Compliance Officer;
- Manager: Trade Unit; and
- Economist: Smallholder Market Access.
- Economist: Agro-Food Chains
- Manager: Smallholder Market Access
- Internship: SCM
- Internship: Finance
- Risk and Compliance Officer
- Internship: Human Capital
- Senior Manager: MERC

- Chief Financial Officer: Finance and Administration Division
- Supply Chain Management Coordinator for Finance and Administration Division
- Economist: Trade Research
- Grain Specialist: MERC
- Executive Strategy and Advisory: CEO's Office
- Research Assistant: Casava Project
- 2024/25 Internship / Graduate placement.

The following Agriculture Agro-processing Master Plan (AAMP) project secondments and contract positions were also advertised during 2023/24 financial year:

- Monitoring and Evaluation Coordinator;
- Administrative Officer;
- ICT Technician;
- Supply Chain Management Coordinator;
- Industry Transformation Coordinator; and
- Supply Chain Management Officer.
- Industry Transformation Coordinator: AAMP Secondment Contract
- Research Value Chain Coordinator: Secondment Position
- Economist Research Coordinator under AAMP.

5.1. Appointments

The Human Capital and Communication Division facilitated the following contract and permanent appointments during the reporting period:

Table 17: Appointments

NUMBER OF EMPLOYEES	RACE	GENDER
1 x Manager: Communication	African	Male
1 x Financial Administrator	African	Female
8 x Graduate Placement	African	Female
9 x Graduate Placement	African	Male
1 x Senior Economist: Trade Research	African	Male
1x Economist: Agro - Food Chains Research	African	Male
1 x Human Capital Practitioner	African	Female
1 x Economist: Smallholder Market Access	African	Male
1 x Finance Intern	African	Male
1 x SCM Intern	African	Female

The Human Capital and Communication Division also facilitated the following contract and permanent appointments:

Table 18: Secondments and Contract Positions

NUMBER OF EMPLOYEES	RACE	GENDER
1x Research and Value Chain Coordinator	African	Male
1x Production Schemes Coordinator	African	Female
1x Human Capital Coordinator	African	Male
1x Secretary	African	Female
1x Monitoring and Evaluations Officer	African	Female
1x Communication and Automation Specialist	African	Male
1x Supply Chain Management Officer	African	Female
1x Administration Officer	African	Female
1x ICT Officer	African	Female
1x Performance Information Reporting: Secondment	African	Male
1x Economist Research Coordinator: Secondment AAMP	African	Male
1x Industrial Transformation Coordinator: AAMP	African	Female
1x Research and Value Chain Coordinator: AAMP	African	Male

5.2. Challenges experienced during 2023/24 financial year.

The Human Capital Division has been experiencing challenges in attracting suitably qualified candidates to appoint into some of the critical positions. The challenges arise from the following:

- Cost Containment for the freezing of post
- Reduction of the total cost to company salary package of the positions.
- Lack of funds to attract talent to the NAMC; and
- Lowering the requirements of some positions to accommodate the available budget.

5.3. Terminations

Table 4 outlines the terminations that were facilitated during the reporting period. The NAMC would like to keep the turnover rate below 10%, currently and for this period the turnover rate is at 4.1% .

Table 19: Terminations

NUMBER OF EMPLOYEES	REASON FOR TERMINATION	RACE	GENDER
1 x Financial Administration	End of Contract	African	Female
4 x Interns	Resignation	African	1 Male and 3 Female
11 x Interns	End of Contract	African	6 x Male and 5 x Female
1 x Agricultural Economist	Resignation	African	Male
1 x Manager: Trade Unit	Resignation	African	Male
1 x Company Secretary and Legal Services	Termination	African	Male
1 x Human Capital Practitioner	Resignation	African	Female
1 x Manager: Trade	Resignation	African	Male
1 x Manager: Smallholder Market Access	Resignation	African	Male
1x Economist: Trade	Resignation	African	Female
1x Economist: Agricultural Regulatory Measures	Resignation	African	Male
1x Senior Manager: MERC	Separation Agreement	African	Female
1x Cleaner	Contract Ended	African	Female
1 x Supply Chain Management Coordinator	Resignation	African	Female
1x Chief Financial Officer	Resignation	African	Female
1 x Grain Specialist: MERC	Resignation	African	Male
1 x Administrative Officer: AAMP	Resignation	African	Female

PERFORMANCE MANAGEMENT

The Performance Management and Development Policy and Procedure has been reviewed to ensure transparency and consistency in the application of performance management in the organisation and to ensure the following:

- Alignment of performance management to the NAMC's strategic objectives;
- An increase in the certainty of job roles, accountability and transparency of both employees and the organisation to optimise resource utilisation;
- Improved employee development and engagement;
- Early warning signs for under-performance and timely interventions; and
- The creation of a culture of performance in the organisation amongst all employees including recognising excellent performance and curtailing and correcting poor performance.

The Human Capital Unit facilitated the performance evaluations of all quarters in the financial year. Furthermore, all employees were workshopped on the new changes that were incorporated into the approved policy.

The Council approved the performance bonuses for the 2022/23 financial year, in line with the approved Performance Management and Incapacity Policy. Of the evaluated employees, forty (40) employees qualified for the performance bonus and three (3) employees did not qualify.

Two (2) employees received a pro-rated performance bonus as they were not evaluated for one quarter each, one (1) employee did not receive the bonus as he had not finished his probation period at the end of March 2023. One (1) employee did not receive the bonus due to poor performance during 2022/23 financial year and her average score was less than 59%. One (1) employee did not qualify for the bonus due to prolonged illness and was not evaluated for all four quarters. The scoring allocation for the 2022/23 financial year is outlined in the table below

The scoring allocation for the 2022/23 financial year is outlined in the table below:

Table 20: The Staff Performance

RATING	PERFORMANCE RANGE	NUMBER OF EMPLOYEES	BONUS ALLOCATION
5 Rating Employees	91 – 100%	2	2.06% and 1.56%
4 Rating Employees	81 – 90%	3	1.46% and 0.96%
3 Rating Employees	60 – 80%	36	0,86% and 0,36%
2 Rating Employees	31 – 59%	1	0
0-1 Rating Employees	0 – 30%	1	0
TOTAL NUMBER OF EMPLOYEES		43	

Employees were given the bonus payment notification letters, and the performance bonuses were paid in November 2023.

The newly approved Performance Management and Incapacity Policy was implemented as of 01 July 2023. It is important to note that the score rating of three (3) will no longer qualify for the bonus in the future.

Table 21: Estimated Performance Bonus Calculation

NO	DESCRIPTION	RATING (SCORES)	PERFORMANCE RANGE	BONUS RANGE (MULTIPLE)
5.	Clearly Outstanding	5	80% - 100%	1.6 - 2 months' salary
4.	Exceeds Job Requirements	4	61% - 79%	0.5 - 1.5 months' salary
3.	Meets Job Requirements	3	60%	No bonus awarded
2.	Requires Further Development	2	31% - 59%	No bonus awarded
1.	Below Job Requirements	1	0% - 3%	No bonus awarded

REWARDS AND RECOGNITION

7.1. Long Service Award and Performance Recognition Certification

7.1.1. Long Service Award

The following employees were recognised for long service:

- Three (3) employees were recognised for ten (10) years of long service.
- Three (3) employees were recognised for fifteen (15) years of long service.

7.1.2. Performance Recognition Certification

For this period, ten (10) employees were recognised for their performance through certification. These employees were recognised for their high performance during the CEO's Engagement Session to boost the NAMC's motivation and engagement. By making them feel appreciated for their efforts that encourages them to continue performing at a high level and strive for excellence in their work.

This initiative of recognising high performers helps in retaining top talent within the organisation. Employees who feel valued and appreciated are more likely to stay with the organisation rather than seeking opportunities elsewhere. High performers and high potential employees often set the bar for productivity within the organisation. By recognizing and rewarding their efforts, it encourages others to emulate their behaviour, leading to improved overall productivity across the team or organisation.

Recognising high performance fosters a culture of excellence within the organization. It sends a message that hard work, dedication, and exceptional results are valued and celebrated, encouraging others to strive for similar levels of performance. Recognition acts as positive reinforcement for desired behaviours and outcomes. It reinforces the importance of meeting or exceeding expectations, which can contribute to continuous improvement and growth within the organisation.

Recognising high performance boosts employee morale and creates a positive work environment. It enhances job satisfaction and contributes to a sense of pride in one's work and achievements.

High-performing employees often contribute significantly to the success and competitiveness of the organization. Recognising their efforts helps in maintaining a competitive edge by retaining top talent and sustaining high levels of performance.

In summary, recognizing high performance is essential for fostering a positive work culture, retaining top talent, driving productivity, and maintaining a competitive advantage in today's dynamic business environment.

ORGANISATIONAL DEVELOPMENT

The NAMC Organisational Structure was approved on 26 October 2021, with some of the proposed positions being approved as non-funded. The Agriculture Agro-processing Master Plan project structure was developed in consultation with the Project Manager during 2023/24 financial year. The structure focuses on the key areas of the project, to ensure that we appoint and second the right people with the requisite skills and capabilities to deliver on the project objectives. The re-signing of the Service Level Agreement (SLA) between the NAMC and the Department of Agriculture, Land Reform and Rural Development has been finalised. The Human Capital and Communication Division is assisting the AAMP Project Manager with the filling of the positions.

Post the communication of the turnover report to the organisation there are initiatives that need to be considered in line with the availability of the budget such as:

8.1. Leadership development programs: Provide leadership training and development opportunities for current and aspiring leaders. These programs can focus on enhancing essential skills such as communication, emotional intelligence, conflict resolution, and decision-making. By investing in leadership development, organizations can improve the capabilities and effectiveness of their leaders.

8.2. Feedback and performance management: Establish a robust feedback and performance management system that encourages regular communication between leaders and employees. This system should include mechanisms for employees to provide feedback on leadership effectiveness, and leaders should receive constructive feedback and support for their growth and development.

8.3. Mentoring and coaching: Implement mentoring or coaching programs where experienced leaders or external coaches provide guidance and support to current leaders. This

can help leaders enhance their skills, overcome challenges, and develop their leadership style. Coaching can be especially beneficial for leaders who need individualized attention and guidance.

8.4. Transparent and inclusive communication: Foster a culture of transparent and inclusive communication within the organization. Leaders should communicate openly, share information effectively, and actively listen to employees' concerns and feedback. Transparent communication helps build trust and creates an environment where employees feel valued and heard.

8.5. Performance-based promotions and rewards: Establish a fair and transparent system for promotions and rewards based on merit and performance. This encourages leaders to focus on developing their skills and supporting their team members effectively. It also promotes a culture of accountability and encourages leaders to align their actions with the organization's values and goals.

8.6. Employee engagement initiatives: Implement initiatives to enhance employee engagement and satisfaction. This can include regular team-building activities, recognition programs, opportunities for professional growth, and work-life balance initiatives. Engaged employees are more likely to be motivated and productive, and positive leadership plays a significant role in fostering engagement.

8.7. Continuous feedback channels: Establish mechanisms for ongoing feedback from employees to leaders. This can include regular surveys, suggestion boxes, or anonymous feedback platforms. It allows employees to express their concerns, offer suggestions, and provide input on leadership practices, helping leaders identify areas for improvement and take corrective actions.

8.8. Leadership accountability: Hold leaders accountable for their actions and behaviours. Establish clear expectations for leadership behaviour and performance and ensure that leaders are evaluated based on their ability to create a positive work environment, support their team, and achieve organizational objectives.

It's important to note that these interventions should be implemented systematically and consistently, and the organization's leadership must be committed to making positive changes. By addressing poor leadership through these interventions, organizations can foster a healthier and more productive work environment

EMPLOYEE WELLNESS

The Human Capital Unit recognises the need for wellness in the workplace to create an environment that promotes healthy behaviours and improves the work/life balance of the employees. The Human Capital Unit continues to provide employee wellness, which is crucial in the workplace for several reasons. When employees feel supported in their well-being, it positively impacts their morale. At the NAMC we prioritise wellness that fosters a sense of belonging and care, leading to happier and more satisfied employees. Healthy and engaged employees are more productive.

By promoting wellness initiatives such as exercise programs via communications, mental health resources, and healthy eating options, organisations attempt to enhance employee focus, energy levels, and overall productivity. While we still have the working from home arrangement employee wellness programs helps reduce absenteeism due to illness or burnout. When employees prioritize their physical and mental health, they are less likely to experience frequent sickness or exhaustion, leading to fewer days off work.

In the past wellness initiatives demonstrate that the organisation values its employees beyond their work output. This fosters a sense of loyalty and commitment among employees, leading to higher levels of engagement with their work and the organisation. It is important to note that organisations that prioritize employee wellness are more attractive to prospective employees. Wellness initiatives have served as a competitive advantage in attracting top talent and retaining existing employees who value a supportive and healthy work environment.

Investing in employee wellness can lead to long-term cost savings for organisations. By preventing illness, reducing turnover, and increasing productivity, wellness programs can result in lower healthcare costs and higher profitability. A focus on employee wellness contributes to a positive company culture. It demonstrates that the organisation cares about the holistic well-being of its employees, fostering a supportive and inclusive work environment.

Employee wellness is important in the workplace because it leads to happier employees, increased productivity, reduced absenteeism, enhanced engagement, attraction and retention of talent, cost savings, and a positive company culture. Investing in employee wellness is not only beneficial for individual employees but also for the organisation.

9.1. Occupational Health and Safety Committee

The OHS/Covid-19 Committee held four (4) meetings during the reporting period to discuss the findings that have been addressed in the Occupational Health and Safety Implementation Plan. The progress was shared with the Management Committee and staff members.

The OHS committee continues to monitor the implementation of safety measures within the NAMC. One employee is on the temporary disability process and a reasonable allowance has been made to assist the employee.

9.2. Employee Assistance Programme

The Human Capital and Communication Division facilitated the following counselling sessions during the reporting period:

Table 22: ICAS Intervention

CATEGORY	NUMBER OF EMPLOYEES	GENDER
2 x Trauma	African	Male
1 x Depression and Anxiety	White	Male
1 x Stress Management	Black	Female
1 x Alcohol/Substance Abuse	Black	Male
1 x Conflict Management	Black	Female
1 x Personal Problems	Black	Male

EMPLOYEE RELATIONS

Human Capital Unit ensures that all employee relations processes are constantly reviewed to ensure that they follow the best practices and meet all legal obligations. We ascertain that there is consistent communication with employees about our policies and procedures.

During the reporting period, the NAMC held the CEO's engagement sessions quarterly, where managers and employees were engaged in the following:

- The NAMC quarterly achievements
- Expectations for the new financial year and refocusing service delivery for the organisation.
- Employee Wellness and NAMC Values; and
- Update on the office space.

10.1. Women's and Men's Diversity Forums

The Diversity forums are meant to inspire men and women to face new opportunities and challenges through building a culture of diversity and inclusivity. Employees are encouraged to create dialogue, debate and forward-thinking to address issues affecting them both in the workplace and personal environment. The Men's Diversity Forum undertook its MDF trip on 14 September 2023.

Human capital facilitated the Women's Day Event on 25 August 2023 and the following issues were discussed:

- Fight against Gender-Based Violence.
- Femicide and Women Abuse.
- Sexual Harassment at work; and
- Protecting women, young girls and boys from sexual abuse will be discussed.

Furthermore, NAMC held the Heritage Day Celebration Event on 29 September 2023 to promote employee engagement and learning of the various cultures within the organisation. The event was aimed at building an inclusive culture that is aligned with the values of the NAMC.

10.2. Grievances

The Human Capital Division facilitated the investigation of one (1) grievance. The outcomes were positive to the NAMC.

10.3. Disciplinary Notice

One (1) disciplinary notice and counselling was issued during the reporting period.

10.4. Staff Representative Committee

Three (3) meetings were held by the Staff Representative Committee during 2023/24 reporting period

HUMAN CAPITAL STATISTICS

Table 23: Employment and Vacancies

Programme	2023/2024 Approved Posts	No. of Employees	2023/2024 Vacancies
Programme 1: CEO's Office	8	3	5
Programme 1: Finance and Administration	10	5	5
Programme 1: Human Capital and Communication	11	11	0
Programme 2: MERC	17	9	8
Programme 3 and 4 Agricultural Regulatory Measures	9	8	1
Programme 5: Agribusiness Development	5	3	2
TOTAL	60	39	21

The majority of the vacancies are from the non-funded positions in the approved organisational structure. The positions will be filled when the organisation has the necessary funds available in anticipation.

Table 24: Number of Disabled Personnel

Levels	Male	Target	Female	Target
Senior Management	1	1	0	1
Professional Qualified	0	0	0	0
Skilled	0	2	1	3
Unskilled	0	0	0	0
TOTAL	1	3	1	4

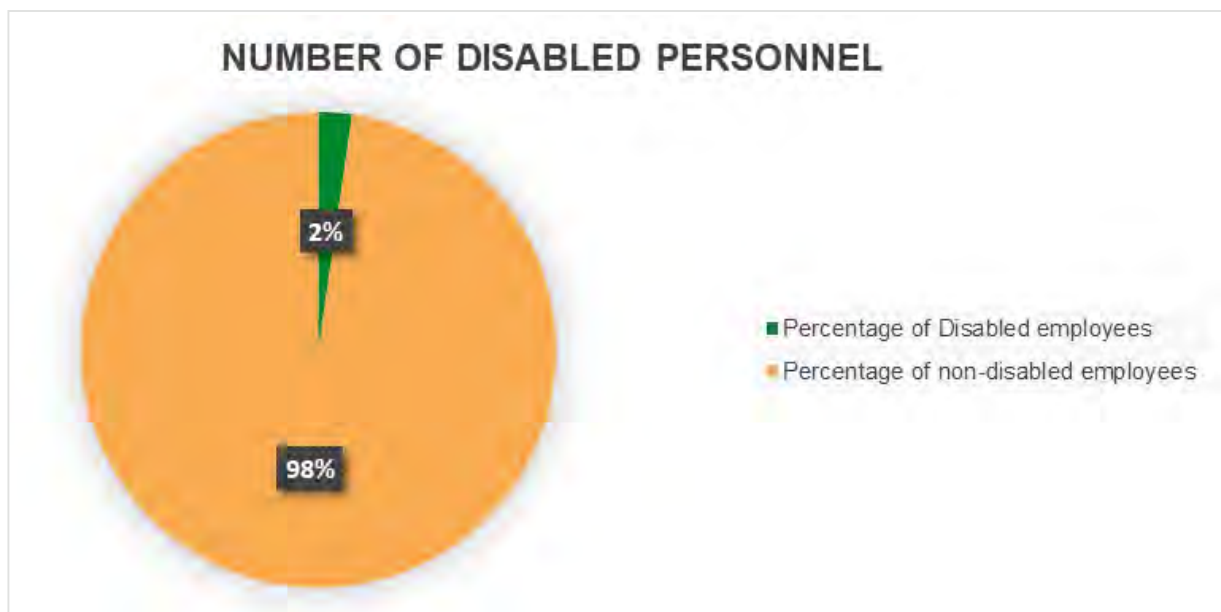


Figure 2: Number of disabled personnel

Table 25: Management Committee Gender Equity (% of Total Staff)

Gender	Number	% of total staff
Males	3	60%
Females	2	40%
TOTAL	5	100%

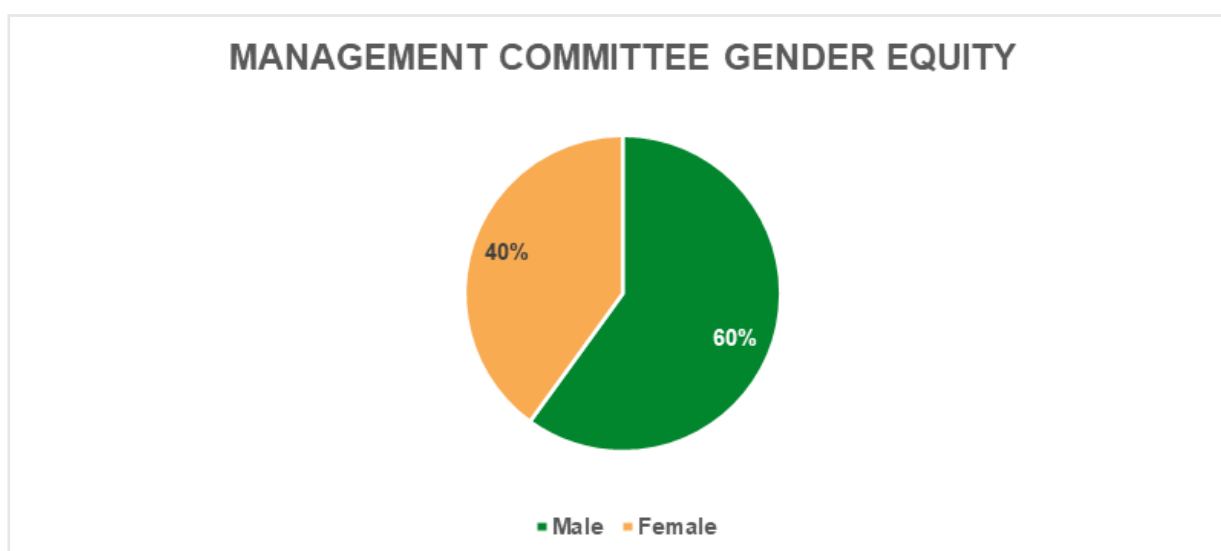


Figure 3: Management Committee Gender Equity

Table 26: Employment Gender Equity

Gender	Number	% of total staff
Males	20	51%
Females	19	49%
TOTAL EMPLOYEES	39	100%

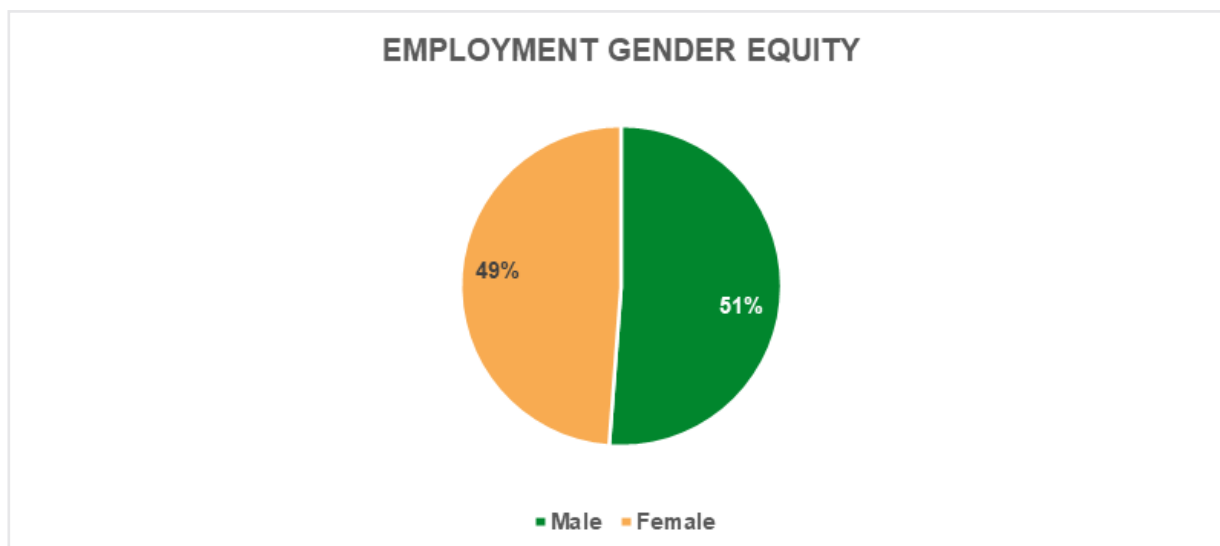


Figure 4: Employment Gender Equity

Table 27: Employment Equity Females

Levels	Female African	Female White	Female Indian	Female Coloured
Top Management	2	0	0	0
Professional qualified	2	3	0	0
Skilled	8	2	0	0
Semi-skilled	0	1	0	0
Unskilled	1	0	0	0
TOTAL	13	6	0	0

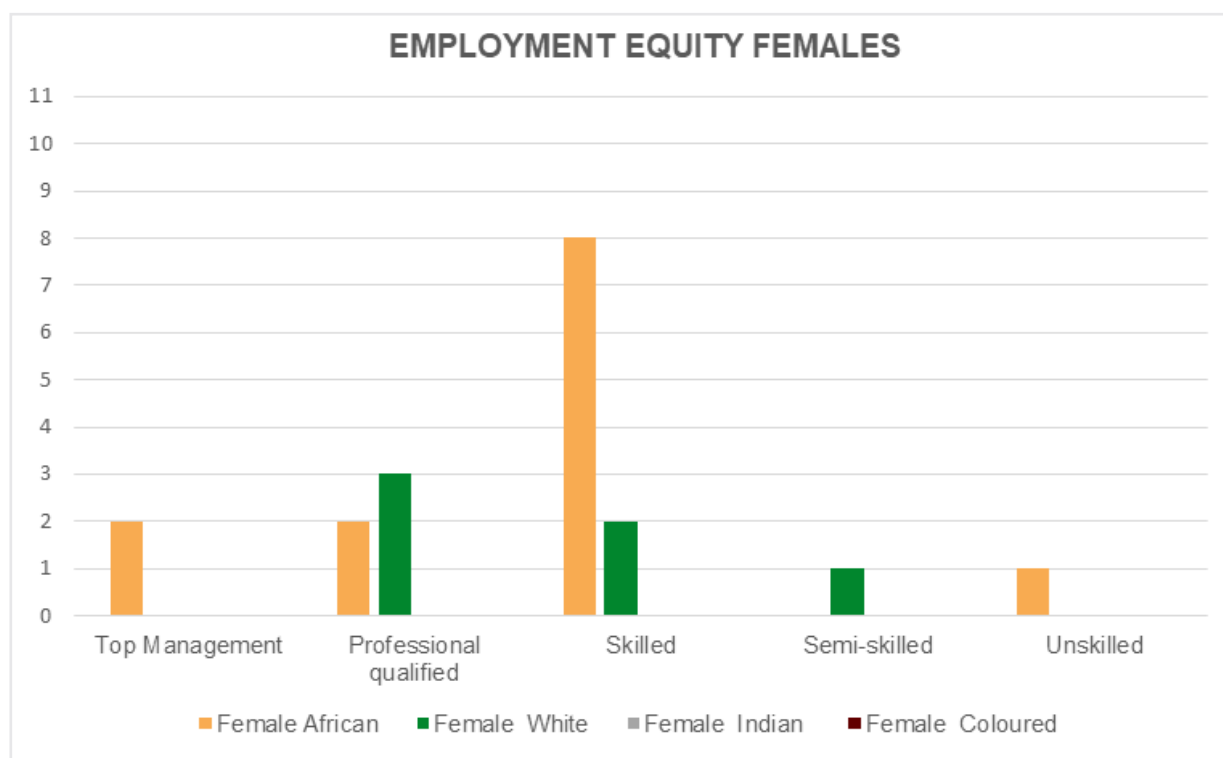
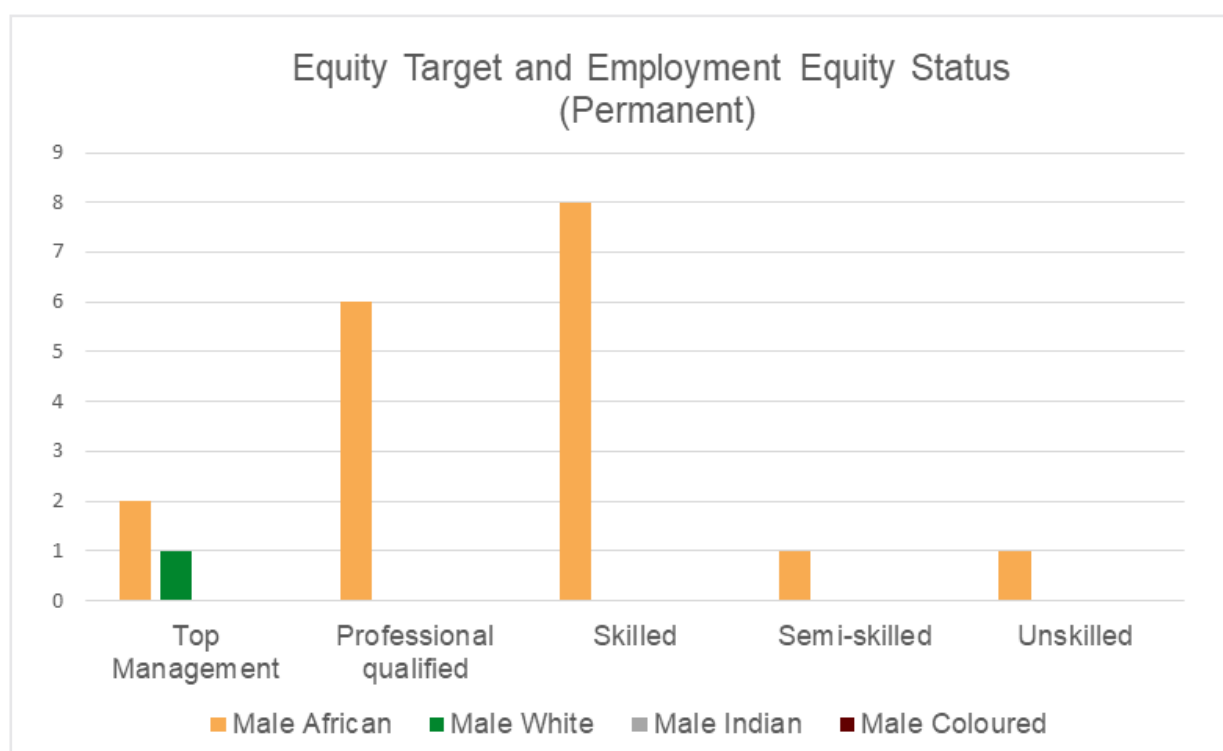


Figure 5: Employment Equity Females

Table 28: Employment Equity Males

Levels	Male African	Male White	Male Indian	Male Coloured
Top Management	2	1	0	0
Professional qualified	6	0	0	0
Skilled	10	0	0	0
Semi-skilled	1	0	0	0
Unskilled	0	0	0	0
TOTAL	19	1	0	0


Figure 6: Equity Target and Employment Equity Status (Permanent)
Table 29: Reasons for Staff Leaving (Permanent and Contract)

Reasons	Number
Death	0
Resignation	15
Retrenchment	0
Retirement	0
Ill Health	0
Expiry of Contract	13
Dismissal	1
Separation Agreement	1
TOTAL	12



PART E:

PFMA COMPLIANCE REPORT

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	156 115	154,002
Add: Irregular expenditure confirmed	25	2,113
Less - Irregular expenditure condoned	(154,002)	
Closing balance	2,138	156,115

Reconciling notes

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure that was under assessment	2,113	154,002
Irregular expenditure for the current year	25	2,113
Total	2,138	156,115

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	2,125	2,113
Irregular expenditure under determination	13	154,002
Total	2,138	156,115

c) Details of irregular expenditure condoned

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure condoned	154,002	-
Total	154,002	-

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	-	7,988
Add: Fruitless and wasteful expenditure confirmed	33	2
Less: Fruitless and wasteful expenditure not recoverable and written off	-	(7,990)
Closing balance	33	-

Reconciling notes

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure that was under assessment	-	7,988
Fruitless and wasteful expenditure for the current year	33	2
Total	33	7,990

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure under determination	33	-
Total	33	-

c) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure written off	-	7,990
Total	-	7,990

LEVY ADMINISTRATORS



For more information, contact:
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PART F:

FINANCIAL INFORMATION

FINANCIAL INFORMATION

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General Information

Country of Incorporation and Domicile	Republic of South Africa
Nature of Business and Principal Activities	Administration of the 1996 Marketing of Agricultural Products Act, 47 and advise the Minister of Agriculture, Land Reform and Rural Development on the provision of the Act, and provision of marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa
Accounting Authority	Mr. Angelo Petersen: Chairperson of the Council Ms. Thandeka Ntshangase (Deputy - Chairperson) Mr. Gerhard Schutte Prof. Andre Jooste Ms. Nonie Mokose Mr. Sifiso J Mhlaba Ms. Fezeka Mkile Ms. Shandini Naidoo Mr Jan G Mocke Dr. Sharon Thembi Xaba
Registered Office	536 Francis Baard Street Meintjiesplein Building Block A, 4th Floor Arcadia Pretoria 0002
Bankers	Standard Bank of South Africa
Controlling Entity	Department of Agriculture, Land Reform and Rural Development
External Auditors	Auditor-General of South Africa Private Bag X 935 Pretoria 0001

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Agricultural Marketing Council set out on pages 114 to 166, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matter described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the National Agricultural Marketing Council as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Statement of Cash Flows

3. The public entity did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, Cash flow statements as the public entity incorrectly included non-cash items in determining cash flows from operating activities. Consequently, net cash flows from operating activities were understated by R1 976 000. In addition, the public entity incorrectly calculated the grant receipts by including non-grant related items. Consequently, net cash flows from operating activities were understated by R2 104 000.

Context for opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor general for the audit of the financial statements section of my report.
5. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion

Responsibilities of the accounting authority for the financial statements

7. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

Report on the audit of the annual performance report

Responsibilities of the auditor-general for the audit of the financial statements

9. My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 105, forms part of our auditor's report.

Responsibilities of the auditor-general for the audit of the financial statements

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
12. I selected the following material performance indicators related to Programme 3: enhanced market access for the agricultural sector participants presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of Smallholder farmers linked to market opportunities
 - Number of production scheme/ transformation initiatives designed
 - Number of Smallholder Market Access Tracker (SMAT) to Minister and DAGs each financial year
 - Number of Agripreneur reports produced each financial year
 - Number of Smallholder Market Estimates reports produced each financial year
13. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives
14. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for [the reasons provided for any over- or underachievement of targets]

15. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

16. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.

19. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 41 to 42.

Programme 3: Enhanced market access for the agricultural sector participants

Targets achieved: 60%		
Budget spent: 35%		
Key indicator not achieved	Planned target	Reported achievement
Number of Smallholder Market Estimates reports produced each financial year	12	11
Number of Smallholder Market Access Tracker (SMAT) to Minister and DAGs each financial year	4	1

Material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 3: enhanced market access for the agricultural sector participants. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

Report on compliance with legislation

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Strategic planning

25. The strategic plan did not include the key performance measures and indicators as required by treasury regulations 30.1.3 (d).

AFS and annual report

26. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.
27. Material misstatements of contingent liabilities, financial instruments, related parties and the disclosure to the deferred income note identified by the auditors in the submitted financial statements were corrected and the supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion

Asset management

28. Surplus funds were not invested with the Corporation for Public Deposits, as required by Treasury Regulation 31.3.3.

Other information in the annual report

29. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

Report of the Auditor-General to Parliament on National Agricultural Marketing Council

31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
34. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
35. The public entity did not implement proper record keeping to ensure that complete, relevant and accurate information was accessible and available in a timely manner to support financial and performance reporting. This resulted in unnecessary delays in completing the audit.
36. The public entity developed an audit action plan to address internal control deficiencies, however, the plan was not adequately monitored to ensure that corrective measures were effectively implemented. As a result, there were recurring findings with similar root causes as those previously reported.
37. The public entity did not ensure that the financial statements and annual performance report were adequately reviewed and supported by complete and accurate supporting documents, resulting in material misstatements being identified during the audit.
38. The public entity did not implement adequate controls relating to daily and monthly processing and reconciliation of transactions. The controls that management put in place to ensure regular, accurate and complete financial reports did not always prevent and/or detect material misstatements in the financial statements and annual performance report.
39. The public entity did not adequately review and monitor compliance with applicable laws and regulations, which resulted in non-compliance with legislation being identified during the audit.

AUDITOR GENERAL

Pretoria
31 July 2024



Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the 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 my 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 public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act	PFMA 51(1)(b)(i) PFMA 51(1)(b)(ii) PFMA 51(1)(e)(iii) PFMA 53(4) PFMA 54(2)(c) PFMA 54(2)(d) PFMA 55(1)(a) PFMA 55(1)(b) PFMA 55(1)(c)(i) PFMA 56(1) PFMA 57(b)
National Treasury Regulations	TR 16A.7.1 TR 16A.7.3 TR 16A.7.6 TR 16A.7.7 TR 16A6.1 TR16A6.2(a) TR16A6.2(b) TR8.2.1 TR8.2.2 TR 16A8.4 TR 16A9.1(b)(ii) TR 16A9.1(d) TR16A9.2 TR16A9.2(a)(ii) TR 16A9.1(e) TR16A9.1(f) TR 16A3.2 TR 16A3.2(a) TR 16A6.4 TR 16A6.5 TR16A6.6 TR16A6.3(a) TR16A6.3(b) TR 16A6.3(c) TR16A6.3(e) TR 16A8.3 TR 16A8.4 TR30.1.1 TR 30.1.3(a) TR 30.1.1 TR 30.1.3(b) TR 30.1.3(d) TR 30.2.1 TR 31.1.2(c) TR31.2.1 TR 31.3.3 TR 33.1.3 SCM Instruction Note 02 of 2021-22 para 3.2.1, 3.2.4, 3.2.4(a), 3.3.1 Second amendment National Treasury Instruction No 5 of 202/21 Erratum National Treasury Instruction No.5 of 202/21 National Treasury Instruction No.5 of 2020/21 National Instruction No.1 of 2021/22 National Instruction No. 4 of 2015/16 PFMA instruction note no.3 of 2021/22 NT Instruction 4A of 2016/17 NT Instruction 4A of 2016/17 par 6 NT Instruction 03 of 2021/22 para 4.1, 4.2(b), 4.4, 4.4(a), 4.17, 7.2,7.6 NT Instruction 11 of 2020/21 para 3.4(a), 3.4(b), 3.9 NT Instruction 01 of 2021-22 par. 4.1
Preferential Procurement reg 2017	PPPFA section 1, 2(1)(a) and (f) Preferential Procurement reg 6(1), 6(3), 6(5), 6(6), 6(8) Preferential Procurement reg 7(1), 7(2), 7(3), 7(5),7(6), 7(8) Preferential Procurement reg 8(2), 8(5) Preferential Procurement reg 9(1), 9(2) Preferential Procurement reg 10(1), 10(2) Preferential Procurement reg 11(1), 11(2) Preferential Procurement reg 5(1) & 5(3) Preferential Procurement reg 5(6) Preferential Procurement reg 5(7) Preferential Procurement reg 4(1) & 4(2)
Preferential Procurement reg 2022	Preferential Procurement reg 4.1, 4.2, 4.3, 4.4, 5.1, 5.2, 5.3, 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

National Agricultural Marketing Council

Accounting Authority Responsibilities and Approval

Annual Financial Statements for the year ended 31 March 2024

The Accounting Authority is responsible for the preparation, integrity and fair presentation of the financial statements of the National Agricultural Marketing Council. The Annual financial statements presented on pages 114 to 166 have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretation, guidelines and directives issued by the Accounting Standards Board, and include amounts based on judgements and estimates made by management. The Accounting Authority also prepared the other information included in the annual report and is responsible for both its accuracy and its consistency with the financial statements.

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

The accounting authority are 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 financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The going concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources for the year up to 31 March 2025, the accounting authority have no reason to believe that the entity will not be a going concern in the foreseeable future. The annual financial statements support the viability of the entity.

The annual financial statements as set out on pages 114 to 166 were approved by the accounting authority on 31 July 2024 on their behalf by;



Dr. Simphiwe Ngqangweni
Chief Executive Officer



Mr. Angelo Petersen
Chairperson: Council

National Agricultural Marketing Council

Report of the Chief Executive Officer

Annual Financial Statements for the year ended 31 March 2024

The accounting authority present their report for the year ended 31 March 2024.

1. Financial overview of the Business and Operations

1.1 National Agricultural Marketing Council (NAMC) Funding and Financial Performance

The NAMC received funding of R 49.8 million which represents the annual budget allocation for 2023/24 from the Department of Agriculture, Land Reform and Rural Development, while other income amounted to R 2.8 million and interest generated amounted to R 4.3 million. The total income amounted to R56.6 million. Total expenditure for 2023/24 amounted to R 52.2 million.

1.2 Statement of Financial Position as at 31 March 2024 is as follows:

- Total assets increased by 8.6%, mainly due to increase in receivables and cash & cash equivalents during the 2024 financial year end.
- Total liabilities decreased by 0.5% mainly due to projects being implemented during the current reporting period.

1.3 Cash Flow

The NAMC's cash position as at 31 March 2024 was R41.5 million. This entails unutilised sponsorship funding relating to projects as disclosed under note 20 of these annual financial statements.

National Agricultural Marketing Council

Report of the Chief Executive Officer

Annual Financial Statements for the year ended 31 March 2024

1.4 Utilisation of Sponsorship Funding

During the period under review the entity received and utilised sponsorship funding as follows

Name of project	Opening balance	Amount received/receivable	Amount utilised/Returned	Closing balance
2023/2024	R'000	R'000	R'000	R'000
Agricultural Sector Education, Training Authority (AgriSeta)	703	707	(590)	820
GDARD-Extension service as a catalyst to improve farm productivity	156	-	-	156
Cassava	228	627	(591)	264
TOTAL	1,087	1,334	(1,181)	1,240

Agent sponsorship funding

Name of project	Opening balance	Amount received/receivable	Amount utilised/Returned	Closing balance
	R'000	R'000	R'000	R'000
Agriseta - The Agricultural Sector Education and Training Authority (Agriseta - AAMP)	823	-	(340)	483
Agriculture and Agro-Processing Master Plan	14,829	-	(2,807)	12,022
National Red Meat Development	9,995	-	(1,794)	8,201
One Food (CSIR)	-	650	(33)	617
Eastern Cape Grain development (ECDC)	-	2,000	-	2,000
Total	25,647	2,650	(4,974)	23,323

1.4.1 National Red Meat Development Project

The project has an opening balance of R9.9 million as at 2023/24 reporting period. During the current financial year total expenditure of R 1.8 million was utilised, which includes accruals at financial year end. The remaining balance as at year-end is R 8.2 million which was deferred to the statement of financial position.

1.4.2 Agricultural Sector, Education Training Authority (AgriSeta)

The NAMC entered into a contractual agreement with Agriseta to participate in graduate placement and bursary funding. The project has an opening balance of R 703,000 as at 2023/24 reporting period and we raised receivables of R398,000. During the current financial year, a total amount of R590,000 was utilised in bursary funding and paying internship stipend. The closing balance of R 511,000 was deferred to the statement of financial position.

National Agricultural Marketing Council

Report of the Chief Executive Officer

Annual Financial Statements for the year ended 31 March 2024

1.4.3 GDARD - Extension service as a catalyst to improve farm productivity

This project has an opening balance of R 156,000. No expenditure was incurred during the 2023/24 financial year. A total of R 156,000 was deferred to the statement of financial position.

1.4.4 CASSAVA Projects

During the current financial year end the project had an opening balance of R228,000 and an additional amount of R 627,000 was received from the Technology Innovation Agency. A total amount of R 591,000 was utilised and the closing balance of R 264,000 was recognised in the statement of financial position as deferred income during the 2023/24 financial year.

1.4.5 Eastern Cape Grain development (ECDC)

During the current financial year the NAMC entered into a SLA agreement with Eastern Cape Development Corporation, the project objective is collaborating and implementation of agro-processing route-to-market support and development of the grain industry value chain focusing on providing for the development of enabling economic infrastructure. At year end the NAMC had raised a receivables of R 2 million.

1.4.6 One Food (CSIR) Project

During the current financial year the NAMC entered into a SLA agreement with Council for Scientific and Industrial Research (CSIR) to provide a comprehensive stakeholder mapping report on South African food value chain to the value of R1 million. The NAMC received a total of R650,000 of which R33,000 was utilised on project operational costs. At financial year end the balance of R617,000 was recognised in the statement of financial position as deferred income/ liability.

1.4.7 Agriculture and Agro-Processing Master Plan

The NAMC re-signed the SLA agreement with the Department of Agriculture, Land Reform and Rural Development for the implementation of Agriculture and Agro-Processing Master Plan (AAMP) as the initial contract was signed without following the delegation of authority procedures. The project had an opening balance of R14.8 million. As at financial year end an amount of R2.8 million was utilised for personnel expenditure and travel expenses for the services rendered towards the AAMP. At financial year end the balance of R12.02 million was deferred to the statement of financial position.

1.4.8 AGRISETA - The Agricultural Sector Education and Training Authority (Agriseta AAMP)

An amount of R 1.5 million was received from the Agricultural Sector Education and Training Authority for implementation of projects and programs identified in the national skills development strategy and other national priorities. During the current financial year end the project has an opening balance of R 823,000 and a total of R340 000 was utilised during the 2023/24 financial year. The closing balance of R 483,000 was recognised in the statement of financial position as deferred income.

National Agricultural Marketing Council

Report of the Chief Executive Officer

Annual Financial Statements for the year ended 31 March 2024

2. Going concern

The Accounting Authority has reviewed the annual financial statements for the period under review, and there is no reason to believe that the entity will not be able to continue its operations in the foreseeable future, based on the forecasts and the approved MTEF allocation by the Department of Agriculture, Land Reform and Rural Development. These annual financial statements support the viability of the entity.

3. Accounting Authority interest in contracts

To our knowledge none of the accounting authority had any interest in contracts entered into during the year under review.

4. Accounting Authority

The accounting authority of the entity during the year and up to the date of this report are as follows:

Mr. Angelo Petersen
Ms. Thandeka Ntsangase
Prof. Andre Jooste
Mr. Sifiso J Mhlaba
Ms. Nonie Mokose
Ms. Shandini Naidoo
Mr. Gerhard Schutte
Dr. Sharon Thembi Xaba
Ms. Fezeka Mkile
Mr. Jan G Mocke

5. Materiality Framework

In terms of Treasury Regulation 28.2.1, the NAMC had a materiality framework for the period under review. This was used as a basis for reporting losses and irregular, fruitless and wasteful expenditure, as well as for significant transactions envisaged by section 54(2) of the PFMA. Thus, it was used as a basis for evaluating the materiality of transactions and to determine the accounting treatment thereof.

6. Annual Financial Statements

The annual financial statements have been prepared in accordance with the Statements of Generally Recognised Accounting Practice (GRAP) and applicable legislations as stated in the financial statements, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements to comply with the statutory requirements of the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the Act, Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations of such statements issued by the Accounting Standards Board.

7. Corporate Governance

The NAMC as a public entity confirms its commitment to the principles of corporate governance as stated in the King IV Report on Corporate Governance.

National Agricultural Marketing Council

Report of the Chief Executive Officer

Annual Financial Statements for the year ended 31 March 2024

In the governance of the NAMC, the Council is responsible for policy making and control, while the CEO has been delegated the responsibility of the day- to- day execution of the policies and objectives as directed by the Council. The members of the Council are appointed by the Minister of Agriculture, Land Reform and Rural Development on the basis of their expertise in the field of agriculture, business, financial management and research.

7.1 Governance Structures

In order to comply with these principles, the Council has and continues to design and implement appropriate governance structures across the organisation. The Council acknowledges that, for it to set up an effective governance framework, robust governance structures need to be in place.

The following Council Committees were functional as at 31 March 2024:

- Audit and Risk Committee
- Risk Management Committee
- Human Resources and Remuneration Committee

Their respective terms of reference are outlined in the Committee charters.

7.2 The role of Council Committees

The Council's committees are charged with certain functions and operate within clearly defined terms of reference and continue to assist the Council with the governance function on the following principles:

7.2.1 The role of Council Committees

The entity recognises the importance of risk management in ensuring that its objectives are achieved. A risk assessment has been undertaken to ensure that risks are appropriately mitigated by designing and implementing appropriate controls.

The risk assessment covers financial, operational, compliance and reputational risks and adherence to good governance principles. A key consideration in the risk assessment is compliance with laws and regulations.

These include the PFMA, any regulations issued in terms of the PFMA, and the Preferential Procurement Policy Framework Act.

The risk management committee continued to function during the period under review. The Audit & Risk Committee has been assigned to play an oversight role in the enterprise-wide risk management activities.

7.2.2 Internal Controls

The Council has the ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. This function is delegated to the executive management to ensure that the risks are properly managed.

The controls throughout the entity focus on the critical risk areas identified and confirmed by management. The Council relies on the Audit & Risk Committee, Risk Management Committee and Internal Auditors to monitor and report on the status of internal control at NAMC.

The controls are designed to provide cost-effective assurance that assets are safeguarded and that the available working capital is managed efficiently, effectively and economically.

National Agricultural Marketing Council

Report of the Chief Executive Officer

Audited Annual Financial Statements for the year ended 31 March 2024

Organisational policies, procedures and the delegation of authority provide direction, accountability and division of responsibilities and contain self-monitoring mechanisms. The designed internal controls are closely monitored by both management and internal audit and actions are taken to correct deficiencies identified

7.2.3 Internal Audit

Nexia SAB & T continues to be the internal auditors for NAMC. The firm was reappointed in May 2022 for three years. During the period under review internal auditors conducted six audits (Finance, ICT, SCM, audit finding matrix follow-up review, Assets and performance information audits). The results were reported to management and Audit and Risk Committee and Council.

In line with the PFMA requirements, the internal auditor's objectives are to provide the Audit and Risk Committee and management with objective assurance that the internal controls are appropriate and effective. This is achieved by means of an objective appraisal and evaluation of the risk management processes, internal controls and governance processes, as well as identifying corrective action and suggested enhancements to the controls and processes.

The internal auditors are fully supported by management, Council and the Audit and Risk Committee and have full, unrestricted access to all organisational activities, records, property and personnel.

7.2.4 Code of Conduct

The NAMC has a code of conduct policy dealing with ethical behaviour in the workplace. Employees are required to maintain high ethical standards and to ensure that NAMC's business practices are conducted in a manner that is above reproach.



Dr. Simphiwe Ngqangweni
Chief Executive Officer
National Agricultural Marketing Council

National Agricultural Marketing Council

Statement of Financial Position

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	Notes	2023/24	2022/23
Assets			
Non-current assets			
Property, plant and equipment	12	1,242	1,452
Investment property	13	1,345	1,405
Intangible assets	14	176	251
Receivables from exchange transactions	10.1	-	251
Total non-current assets		2,763	3,359
Current assets			
Inventories	8	98	60
Receivables from non-exchange transactions	9	2,719	90
Receivables from exchange transaction	10.1	1,462	759
Cash and cash equivalents	11	41,571	40,469
Total current assets		45,850	41,378
Total assets		48,613	44,737
Current liabilities			
Employee short-term benefits provisions	4.1.1	3,683	3,605
Finance lease obligation	17	-	40
Operating lease liability	18	24	73
Payables from exchange transactions	19	2,637	600
Deferred Income	20	24,563	26,734
Total current liabilities		30,907	31,052
Represented by:			
Net asset			
Accumulated surplus		17,709	13,685
Total Equity and Liabilities		48,613	44,737

National Agricultural Marketing Council

Statement of Financial Performance

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	Notes	2023/24	2022/23
Revenue from non-exchange transactions			
Grants	3.2	49,771	48,535
Sponsorship revenue	3.2	1,490	2,904
Revenue from exchange transactions			
Rendering of services	3.1	339	324
Other Income	3.1	526	126
Interest income	3.1	4,323	2,273
Proceeds from insurance	3.1	27	-
Rental income (Investment property)	3.1	132	132
Gross Revenue		56,608	54,294
Expenses		(52,240)	(51,578)
Administrative expenses	5	(7,660)	(6,308)
Operating expenses	6.1	(7,740)	(6,699)
Depreciation and amortisation	6.3	(989)	(613)
Employee benefits	4	(35,841)	(37,950)
Finance costs	21	(10)	(8)
Profit/(Loss) on disposal of property, plant & equipment and investments property	6.2	(23)	(13)
Surplus from operating activities		4,345	2,703
Surplus for the year		4,345	2,703

National Agricultural Marketing Council

Statement of Changes in Net Assets

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	Notes	Accumulated surplus	Total
Balance at 1 April 2022		11,120	11,120
Changes in net assets			
Surplus for the period		2,703	2,703
Prior year error		(138)	(138)
Balance at 1 April 2023		13,685	13,685
Changes in net assets			
Surplus for the period		4,345	4,345
Prior period error	28	(321)	(321)
Balance at 31 March 2024		17,709	17,709

National Agricultural Marketing Council

Statement of Cash Flows

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	Notes	2023/24	2022/23
Cash flows (used in) / from operating activities			
Cash receipts from grants or transfers and other appropriations or other budget authority made by national government and other entities		47,667	53,304
Project receipts		-	3,700
Sponsors receipts		-	945
Receipts from premiums and claims, annuities and other policy benefits		-	124
Cash receipts from grants or transfers		47,667	48,535
Cash payments to suppliers and employees		(50,304)	(61,255)
Cash payments to suppliers for goods and services		(14,463)	(23,305)
Cash payments to and on behalf of employees	4	(35,841)	(37,950)
Net cash flows used in operations	7	(2,637)	(7,951)
Interest received		4,323	2,190
Insurance proceeds		27	-
Net cash flows from / (used in) operating activities		1,713	(5,761)
Net Cash flows (used in) / from investing activities			
Purchase of property, plant and equipment	12	(603)	(551)
Purchase of intangible assets	14	(91)	-
Proceeds from sales of assets		50	-
Proceeds from rental of investment property		132	-
Cash flows (used in) / from investing activities		(512)	(551)
Net Cash flows used in financing activities			
Finance lease payments		(40)	(159)
Proceeds from finance lease liabilities		-	(118)
Repayment of finance lease liabilities		-	-
Proceeds from operating lease liabilities		-	25
Repayment of operating lease liabilities		-	-
Repayments of operating lease liability		(49)	-
Finance costs		(10)	(8)
Net Cash flows used in financing activities		(99)	(167)
Net increase / (decrease) in cash and cash equivalents		1,102	(6,479)
Cash and cash equivalents at beginning of period		40,469	46,948
Cash and cash equivalents at end of period	11	41,571	40,469

National Agricultural Marketing Council

Statement of Comparison of Budget and Actual Amounts

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	Approved budget	Adjustments	Final budget	Actual amount on comparative basis	Difference between final budget and actual	Var. %	Reference
Revenue							
Revenue from non-exchange transactions							
Government grants and subsidies	49,771	-	49,771	49,771	-	0 %	
Other income/sponsorship utilised	-	-	-	1,490	1,490	100 %	23.1
Revenue from exchange transactions							
Rendering of services	800	-	800	339	(461)	-58 %	23.2
Interest	2,000	400	2,400	4,323	1,923	80 %	23.3
Rent income	-	-	-	132	132	100 %	13.1
Other Income	-	-	-	526	526	100 %	
Insurance proceeds	-	-	-	27	27	100 %	
Total revenue	52,571	400	52,971	56,608	3,637	7 %	
Expenses							
Personnel expenditure	34,837	200	35,037	33,943	1,094	3 %	23.4
Expenditure	15,734	200	15,934	14,258	1,676	11 %	23.5
Projects expenditure	-	-	-	1,133	(1,133)	-100 %	23.5
Depreciation and amortisation	-	-	-	989	(989)	-100 %	23.6
Loss on disposal and impairment of assets	-	-	-	23	(23)	-100 %	23.7
Bonus	2,000	-	2,000	1,898	102	5 %	23.8
Finance costs	-	-	-	10	(10)	-100 %	
Total expenses	52,571	400	52,971	52,254	717	1 %	
Surplus / (Deficit) before tax	-	-	-	4,354	4,354		

The adjustments to the budget are as a result of mid-year term budget review.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

1. Accounting Policies

The following are the principal accounting policies of the National Agricultural Marketing Council, which are in all material respects, consistent with those applied in the previous year. The historical cost convention has been used. The financial statements have been prepared on a going concern basis.

However for the following accounting policies listed below there were minor changes made which does not have material impact on the financial statements;

- 1.8 Property, Plant and Equipment
- 1.9 Investment property
- 1.10 Intangible assets
- 1.15 Inventories
- 1.12 Leases
- 1.4 Use of estimates and Judgements
- 1.3 Basis of preparation.

1.1 Reporting institution

The National Agricultural Marketing Council (“NAMC”) is an entity domiciled in South Africa. The address of the NAMC’s registered office is 536 Francis Baard Street, Arcadia, Pretoria, 0002. The NAMC’s primary business is to provide strategic advice to the Minister of Department of Agriculture, Land Reform and Rural Development and directly affected groups in the agricultural sector. The full responsibilities of the NAMC are contained in the Marketing of Agricultural Products Act of 1996, as amended by Act no. 59 of 1997 and Act no. 52 of 2001.

1.2 Functional and presentation currency

The financial statements are presented in South African Rand which is the entity’s functional currency. All financial information has been rounded to the nearest thousand.

1.3 Basis of preparation

The financial statements have been prepared, and are in compliance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board and the Public Finance Management Act, (Act No 1 of 1999). The financial statements are prepared on an accrual basis.

1.4 Use of estimates and judgements

The preparation of financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Effective interest rate

The NAMC uses interest rates stipulated by the south african banks, taking into account guidance provided in the accounting standard and applying professional judgement to the specific circumstances, to discount cash flows.

Trade and other receivables

The NAMC assesses its trade receivables and other receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in surplus or deficit, the NAMC makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for trade and other receivables is calculated on a portfolio basis.

Useful lives of property, plant and equipment, and intangible assets

The NAMC determines the estimated useful lives and related depreciation charges for property, plant and equipment, and intangible assets. This estimate is based on the condition and use of the individual assets in order to determine the remaining period over which the asset can and will be used. Refer to note 12,13 & 14.

Impairment testing

The NAMC reviews and tests the carrying value of assets when the events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates of expected future cash flows for each group of assets are prepared. Refer to note 12,13 & 14.

Adequacy of the leave pay accruals

The leave pay accrual is based on the actual days accrued at the rate of remuneration at the reporting date. Changes in the rate of remuneration are determined annually and are effective from the first date of the financial year. Refer to note 4.1.1.

1.5 Revenue recognition

Revenue from exchange transactions

The entity's revenue from exchange transactions comprises of interest generated from investments, management fees and rental income from investment property. The management fees recognised in the statement of financial performance is based on the stage of completion of the project, that is, project cost incurred to date as a percentage of total project cost multiplied by the total management fee. Refer to note 20 for details on the projects managed by the entity.

Recognition

Revenue is recognised when it is probable that economic benefits or service potential will flow to the entity and these benefits can be measured reliably.

Measurement

Revenue from exchange transaction is measured at the fair value of the consideration received or receivable.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Revenue from non-exchange transactions

Recognition

Grants, transfers and donations received or receivable are recognised as revenue when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of the related conditions.

Measurement

Revenue from non-exchange transactions are measured at the cost of asset received or receivable, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised in full when the asset is recognised, at an amount equalling the cost of the asset received.

Interest earned on investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the payables.

1.6 Finance cost

Finance cost comprises of interest expense on finance lease liabilities. All finance lease costs are recognised in surplus or deficit using the effective interest method.

1.7 Irregular, fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with a requirement of any applicable legislation, including:

- The Public Finance Management Act, Act 1 of 1999;
- The State Tender Board Act, 1968 (Act No. 86 of 1968) or any regulations made in terms of that Act, or
- Contravention of the entity's supply chain management policy.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular, fruitless and wasteful expenditure are recognised as expenditure in the statement of financial performance or position in the period in which they are incurred and were recovered, are subsequently accounted for as revenue in the statement of financial performance.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

1.8 Property, plant and equipment

Recognition

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value can be measured reliably. Cost includes expenditure that is directly attributable to bringing asset to the location and condition necessary for it to be capable of operating in a manner intended by management.

Initial Measurement

Property, plant & equipment are initially measured at cost. Where an asset is acquired through a non- exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent Measurement

Non-current assets are subsequently measured at cost less any subsequent accumulated depreciation and accumulated impairment losses.

Depreciation

These assets are depreciated on the straight-line basis at rates which will result in each asset being written off over its useful life. Project assets are depreciated over the lifespan of the contract period. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the entity will obtain ownership by the end of the lease term, then it is depreciated over its useful life and not the lease term.

The estimated remaining useful lives, residual values and depreciation methods are reviewed at the end of each financial year and adjusted if necessary. The estimated useful lives of property, plant and equipment are:

Asset class	Estimated useful life in years
Leasehold improvements	3 - 13 years
Motor vehicles	5 - 10 years
Fixtures and fittings	6 - 26 years
Office equipment	4 - 26 years
Computer equipment	3 - 18 years
Leased office equipment	2 - 3 years
Farming equipment	3 - 12 years

Management will assess the useful life of the assets annually according to GRAP 17.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised when it is probable that the future economic benefits or service potential associated with the item will flow to the entity and its cost or fair value can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised as expenditure in the statement of financial performance.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits or service potential are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the Statement of Financial Performance in the year it is derecognised.

1.9 Investment property

Investment property is property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of operations.

Recognition

Investment property shall be recognised as an asset when, and only when:

- (a) it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and
- (b) the cost or fair value of the investment property can be measured reliably.

Initial Measurement

An investment property shall be measured initially at its cost (transaction costs shall be included in this initial measurement).

Where an investment property is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent measurement

Investment property are subsequently measured at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is determined using the straight-line method. It is calculated based on the assets' historical cost less residual value, over the useful life of the asset.

Asset class	Estimated useful life in years
Land	Infinite
Building	20 years

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Derecognition

An investment property shall be derecognised (eliminated from the statement of financial position):

- On disposal (including disposal through a non-exchange transaction) or;
- When the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in surplus or deficit in the period of the retirement or disposal.

1.10 Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Gains and losses on disposal of intangible assets are determined by comparing the net proceeds from disposal with the carrying amount of intangible asset and are recognised within the surplus or deficit.

The amortisation period and amortisation method for intangible assets with finite useful life are reviewed at the end of each reporting period.

Amortisation is provided to write down the intangible assets on a straight-line basis over their useful lives from the date that they are available for use as follows:

Item	Estimated useful life in years
Computer software	3 - 13 years

The amortisation of intangible assets is disclosed in the statement of financial performance as part of the depreciation and amortisation line item. Intangible assets within the NAMC have a finite useful life.

1.11 Impairment

Impairment of cash-generating unit

The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the relevant asset is estimated.

An asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the cash-generating asset's fair value less costs to sell and its value in use.

The recoverable amount is determined for individual assets, unless it is not possible to estimate the recoverable amount of the individual assets, an entity shall determine the recoverable amount of the cash generating unit to which the asset belongs the asset generates cash inflows that are largely dependent on other assets or groups of assets. In this case the recoverable amount for the cash-generating unit is determined.

National Agricultural Marketing Council

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Value in use is the present value of the asset's remaining future cash flows that the entity expects to derive from the continuing use of the asset and from its disposal at the end of its useful life. The estimate of these cash flows is based on the asset's current condition, and by applying an appropriate discount rate.

If there is an indication that an individual asset may be impaired, an impairment loss is recognised immediately in surplus or deficit when the asset's recoverable amount is less than the carrying amount. The impairment loss is recognised by reducing the asset's carrying amount to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income in statement of financial performance.

Impairment of non- cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets. At each reporting date, the entity reviews by considering the internal and external factors whether there is an indication that a non- cash generating asset may be impaired. If any such indication exists, the recoverable service amount of the asset is estimated.

A non-cash-generating asset will be impaired when its carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use is the present value of the asset's remaining service potential. This is determined using one of three approaches: depreciated replacement cost, restoration cost or service units. The choice of the most appropriate approach depends on the availability of data and the nature of the impairment.

1.12 Leases

Operating leases as the lessee

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating lease are charged to statement of financial performance on a straight-line basis over the term of the relevant lease.

A reconciliation of the minimum lease payments of operating lease is disclosed as follows:

- i. Minimum payments for 1 year;
- ii. Minimum lease payments for a period over 1 to 5 years

The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This liability is not discounted.

Finance leases as the lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised as assets at their fair value at the inception of the lease or, if lower at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

National Agricultural Marketing Council

Accounting Policies

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Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of financial performance.

Finance lease liabilities

Finance lease liabilities are initially recognised at the commencement of the lease term at the fair value of the leased asset, or the present value of the minimum lease payments (if lower). The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If it is not practicable to determine the interest rate implicit in the lease payments, the incremental borrowing rate of the entity will be used in the calculation.

1.13 Financial instruments

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or residual interest in accordance with the substance of the contractual arrangement.

Initial recognition

Financial assets and liabilities are recognised in the statement of financial position only when the entity becomes a party to the contractual provisions of the instrument. Financial instruments measured at fair value, plus or minus transaction costs.

The entity recognises financial assets using trade date accounting.

Measurement

Finance assets

The entity's financial assets comprise trade and other receivables and cash and cash equivalents. These financial assets are classified as financial assets at amortised cost.

Subsequent to initial recognition, non-derivative financial assets are measured as described below:

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost.

Short term receivables are measured at amortised cost, using the effective interest rate method which would involve discounting amounts to the present values.

Cash and cash equivalents

For purposes of the cash flow statement as well as the statement of financial position, cash and cash equivalents comprise cash on hand, deposits held and other short-term investments, highly liquid investment that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents are stated at amortised cost.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Finance liabilities

The entity's financial liabilities comprise of trade and other payables. Fair value of non-derivative financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Trade and other payables

The entity's principal trade and other payables relates to the amount owed to the suppliers and levies paid to municipality.

Trade and other payables are initially measured at cost plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at cost/amortised cost which relates to finance leases, using the effective interest rate method. Interest expenses on these items are recognised in surplus or deficit and they are included in 'finance cost'.

The entity's accrual amount represents goods and services that have been delivered, and an invoice has been received from the supplier but remain unpaid as at year-end.

Short-term payables are not discounted to present values if the original credit period granted are in line with the public-sector credit period.

Finance income, gains and losses

Finance income is recognised using the effective interest method with gains and losses recognised in the statement of financial performance (surplus or deficit).

Finance income includes interest earned on deposits and short terms investments.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

1.14 Provisions

Provisions are recognised when the entity has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. The unwinding of the discount is recognised as finance cost.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Measurement

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The unwinding of the discount is recognised as finance cost. Where some or all of the expenditure required to settle provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

1.15 Inventories

The entity's inventory consists of Stationery.

Initial recognition

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and that the cost of the inventories can be measured reliably.

Measurement at recognition

Inventories that qualify for recognition as assets shall initially be measured at cost. Where inventories are acquired through a non-exchange transaction, they shall be measured at fair value as at the date of acquisition.

Measurement after recognition

The cost of inventories is based on the first in first out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

When inventories are issued, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised, and the inventory is derecognised.

Redundant and slow-moving inventories are identified and written down from cost to current replacement cost with regard to their estimated economic or realisable values and the write-down or reversal is recognised against the expense.

1.16 Principals and Agents – Deferred

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Identifying whether an entity is a principal or an agent

When the entity is party to a principal to a principal -agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of the binding arrangement are modified, the parties to the arrangement re-assess whether they act as principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not an agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties , all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction, It does not have the ability to use all, or substantially all, of the resources that result from the
- transaction for its own benefit and
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity as a principal and/or agent recognizes revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity recognizes assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standard of GRAP.

1.17 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Related party transactions are transactions that involve the transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The remuneration of the Council members and senior managers are disclosed under notes 4, 15 and 16 of the annual financial statements.

1.18 Commitments

Commitments represent the orders issued to the suppliers that have been approved, but where no delivery has taken place as at year end and commitment for contracts signed with the service providers, of which as at 31 March 2024 the contracts had not expired.

Commitments are disclosed at the cost of the purchase order issued.

1.19 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are beyond the control of the entity.

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- The amount of the obligation cannot be measured with sufficient reliability

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Recognition and Measurement

Contingent liability

Contingent liability is disclosed if there is a possibility of an outflow to the entity. The entity shall disclose for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability and where practicable an estimate of its financial effect. The entity will indicate the uncertainties relating to the amount or timing of the outflow.

1.20 Employee benefit cost

Short – term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of financial performance in the reporting period that they are incurred.

Accrual for leave pay

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is based on the total cost to company is raised for estimated liabilities as a result of services rendered by employees up to the reporting date.

National Agricultural Marketing Council

Accounting Policies

Audited Annual Financial Statements for the year ended 31 March 2024

Bonus accrual

Employees are entitled to receive a bonus when there is available budget. Bonus is paid out in August each year. Bonus is awarded based on the employees' performances and the entity's performance.

Post-employment benefits

The entity operates defined contribution retirement benefit plans for its employees.

Payments to defined contribution plan are charged as an expense as they fall due in the statement of financial performance and they represent the contribution paid to these plans by the entity at a rate specified by the entity's policy.

1.21 Budget information

Budget information in accordance with GRAP 1 and 24, has been provided in a separate statement of comparison of budget and actual amounts. Material budget differences and the basis of budget preparation are as per disclosure note 23 of these annual financial statements.

1.22 Comparative figures

Where necessary comparative figures have been adjusted to conform to changes in presentation in the period under review. The nature and reason for such reclassification and restatements are also disclosed in the notes where applicable.

1.23 Standards effective and adopted in the current period (1 April 2024)

At the date of authorisation of these financial statements, the following accounting Standards of Generally Recognised Accounting Practice (GRAP) were approved, effective:

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

GRAP	Disclosure	Nature	Impact
GRAP 25	Employee benefits	The standard prescribes the disclosure requirements of recognition and measurement of all short- term and post-employment benefits	No impact as this was disclosed last year.
GRAP 1	Presentation of Financial Statements	The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements.	No material impact on financial statements disclosure.
Guideline	Accounting for Landfill Sites	The Guideline outlines the accounting for transactions and events that impact the accounting for landfill sites and the related rehabilitation provision in so far as they apply to general and hazardous waste.	No impact. The NAMC does not have Landfill sites.
IGRAP 21	The effect of past Decisions on Materiality	The objective of the standard is to explain the implications of adopting accounting policies for material items based on Standards of GRAP as well as applying alternative accounting treatments for immaterial items.	No impact
IGRAP 7	Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.	The standard prescribes the accounting treatment and disclosure requirement of financial statements	No impact
Standards Approved and not yet effective			
GRAP 104	Financial Instruments (effective from 1 April 2025)	The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.	Not yet effective
GRAP 103	Heritage Assets	The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing Heritage assets.	No impact. The NAMC does not have Heritage assets.
IGRAP 22	Foreign Currency Transaction and Advance consideration	The objective of the standard is to explain the recognition of foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non monetary liability arising from the payment or receipt of advance consideration.	Not yet effective

National Agricultural Marketing Council

Notes to the Financial Statements

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Figures in R `000

2023/24 2022/23

2. Going Concern

The Accounting Authority has reviewed the financial statements for the period under review, and there is no reason to believe that the entity will not be able to continue its operations in the foreseeable future, based on the forecasts and the approved MTEF allocation by the Department of Agriculture, Land Reform and Rural Development. These financial statements support the viability of the entity.

3. Revenue

3.1 Revenue from exchange transactions consists of the following amounts

Management fee for rendering of services	339	324
Other Income	526	126
Interest income	4,323	2,273
Insurance proceeds	27	-
Rental income (Investment property)	132	132
	5,347	2,855

Interest income is generated through investment of surplus funding. Other income relates to funds received from Discovery cover payouts and Government printing refunds.

The amount included in rendering of services arose from exchange transactions of R339,000 in 2023/24 financial year end (R324,000 in 2022/23). The exchange revenue relates to National Red Meat Development Project, Agriculture and Agro-Processing Master Plan and One food,

3.2 Revenue from non-exchange transactions consists of the following amounts

Department of Agriculture, Land Reform and Rural Development - MTEF Allocation	49,771	48,535
Total sponsorship revenues	1,490	2,904
Sponsorship funds	899	1,368
Other income	-	-
Revenue from projects - (See note 20)	591	1,536
Insurance proceeds	-	-
	51,261	51,439

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000

2023/24 2022/23

4. Personnel expenditure

4.1 Personnel expenditure is analysed as follows:

	2023/24	2022/23
Non-management	22,840	24,680
Basic salaries	15,937	19,226
Bonus provision	1,898	-
*Performance bonuses paid out	1,162	1,278
Other non-pensionable allowance	329	343
Leave provision expense	78	324
UIF	91	93
*Other salary related cost	1,101	988
Pension: Post-employment benefits	2,244	2,428
Senior management remuneration	Note 16 13,001	13,270
Total personnel expenditure	35,841	37,950

*Performance bonus paid to senior managers is disclosed under note 16.

*Other salary related cost includes Group scheme.

4.1.1 Reconciliations of employee benefit provisions

Employee benefit provisions 2023/24	Opening balance	Movement Additions	Payments	Unutilised amount	Total
Leave provision	1,605	78	-	-	1,683
Performance bonus provisions	2,000	2,000	(1,898)	(102)	2,000
	3,605	2,078	(1,898)	(102)	3,683

Movement explanation for bonus provision:

The NAMC paid out a bonus of R1.9 million in 2023/24 financial year relating to prior year, the payout is a result of the performance management policy which states that the bonus will be paid in the next financial year. During 2023/24 financial year the NAMC raised a bonus provision of R2 million.

Employee benefit provisions 2022/23	Opening balance	Movement Additions	Payments	Total
Leave provision	1,281	324	-	1,605
Performance bonus provisions	2,000	2,000	(2,000)	2,000
	3,281	2,324	(2,000)	3,605

The NAMC does not know the timing of the payment if any, for accrued leave pay, as this is dependent on whether an employee remains in the service of the NAMC or not. Any bonus provisions will be paid out in August each year in terms of the Performance Management & Development Policy and Procedure.

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Figures in R `000

2023/24 2022/23

5. Administrative expenses

Administrative expenses consist of:

General administrative expenses	887	616
Printing and stationery	370	278
Audit committee fees	283	349
Auditors` remuneration. - fees	1,595	1,478
Council fees	1,826	1,369
Internal audit fees	362	576
Bad debts	117	197
Bank charges	39	35
IT costs	1,831	1,008
Refreshments and catering	51	42
Training and development	299	360
	7,660	6,308

5.1.1 Bad debts.

Bad Debts: Rental income to the value of R 132,000 was raised as revenue from exchange transaction. Based on historical events the NAMC does not anticipate the tenant to pay rent for 2023/24 financial year end which resulted in NAMC raising an additional provision for bad debts of R117,000. At year end the provision for bad debt amount to R 363,000. Maintenance fees: the tenant pays maintenance fees directly to the municipality, the paid fees are deducted from the debtor account. Tenants paid R15,000 during the reporting period.

National Agricultural Marketing Council

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Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000

2023/24 2022/23

6. Operating expenses

6.1 Operating expenses consist of:

Entertainment	2	-
Rentals in respect of operating lease	1,007	1,104
Municipal charges	1,440	1,210
Communication costs	-	36
Bursaries	441	5
Project expenses	543	642
Water expense	13	-
Council members	7	-
Section 7 Committees and Consultancy	1,206	1,224
Computer consumables	6	1
Other expenses 19	-	-
Courier and delivery charges	4	2
Maintenance, repairs and running costs	76	53
Research and workshops	829	803
Travel and subsistence	2,093	1,619
Property related expenses	69	-
Farming related expenses	4	-
Total other expenses	7,740	6,699

6.2 Other gains and losses

Gain or loss on disposal of assets	(23)	(13)
------------------------------------	------	------

6.3 Depreciation and amortisation

Depreciation- property, plant & equipment	774	566
Depreciation- investment property	60	60
Amortisation	152	(13)
Total	986	613

National Agricultural Marketing Council

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Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000

2023/24 2022/23

7. Reconciliation of (deficit)/surplus for the year to net cash flows from operating activities

Surplus for the year	4,345	2,703
Adjustments to reconcile surplus		
Adjustments for finance income	(4,323)	(2,189)
Adjustments for finance costs	10	8
Adjustments for increase in inventories	(38)	(13)
Adjustments for increase in trade accounts receivable	(3,332)	2,085
Adjustment for decrease or increase in trade accounts payable	1,820	(517)
Adjustments for decrease in deferred income	(2,171)	(10,813)
Adjustments for depreciation and amortisation expense	989	613
Adjustments for gains and losses on disposal of non-current assets	23	13
Other adjustments for which cash effects are investing or financing cash flow	40	159
Total adjustments to reconcile surplus	(6,982)	(10,654)
Net cash flows from operations	(2,637)	(7,951)

8. Inventories

The balances of inventories are as follows:

Stationery	98	60
	98	60
Inventories were not pledged as security for liabilities.		
Stationery (expenditure)	80	107

The inventory purchase is recognised in the statement of financial performance as and when inventories are issued, and they are classified as expense under the administration note.

National Agricultural Marketing Council

Notes to the Financial Statements

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Figures in R `000

2023/24 2022/23

9. Receivables from non-exchange transactions

Receivables from non-exchange transactions comprise:

Receivables from non-exchange transactions	2,719	90
Total current receivables	2,719	90

The receivables are mainly for non-exchange transactions (grants with no conditions/ conditional grants) raised during the financial year relating to Potato SA and Agriseta. The receivables were assessed for impairment and none were impaired, as major part of receivables are contractual.

10. Receivables from exchange transactions

10.1 Receivables from exchange transactions comprise:

Receivables Exchange transactions	754	411
Prepayments	817	580
Non Current Deposit	-	251
Provision for bad debt	(363)	(246)
Current deposit	251	-
Other Debtors	3	14
	1,462	1,010
Less non-current portion	-	(251)
Total current receivables	1,462	759

Rental income to the value of R 132,000 was raised as revenue from exchange transaction. Based on historical events the NAMC does not anticipate the tenant to pay rent for 2023/24 financial year end which resulted in NAMC raising an additional provision for bad debts of R117,000. At year end the provision for bad debt amount to R 363,000. Maintenance fees were deducted from the debtor as he paid R 15,000 during the current financial year.

Prepayments	817	580
Total non-financial instruments included in trade and other receivables	817	580

The prepayments mainly relate to all employees study fees paid in advance as well as membership fees

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000

2023/24 2022/23

11. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash

Cash on hand	11	2
Balances with banks	41,560	40,467
Total cash	41,571	40,469

Total cash and cash equivalents included in current assets

41,571 40,469

Net cash and cash equivalents

41,571 40,469

Cash and cash equivalents comprise cash and short-term highly liquid investment, that are held with registered banking institution and that are subject to insignificant interest rate risk. The cash held by the NAMC during the current reporting period mainly relates to unutilised conditional grants disclosed under note 20 of the financial statements as well as R1.6 million transferred from the Eastern Cape provincial department of agriculture to administer for the benefit of a small scale agricultural projects in the eastern cape.

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Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

12. Property, plant and equipment

12.1 Balances at year end and movements for the year

Figures in R `000	Leasehold improvements	Motor vehicles	Fixtures and Fittings	Office equipment	Computer equipment	Leased office equipment	Total
Reconciliation for the period 31 March 2024							
Balance at 1 April 2023							
At cost	1,165	645	1,067	486	2,255	329	5,947
Accumulated depreciation	(925)	(450)	(896)	(352)	(1,587)	(284)	(4,494)
Carrying amount	240	195	171	134	668	45	1,453
Movements for the period 31 March 2024							
Additions	-	-	67	124	412	-	603
Other movements (O/bal adj)	-	-	-	-	-	-	-
Depreciation	(172)	(68)	(81)	(44)	(364)	(45)	(774)
Disposals	-	-	(4)	(4)	(30)	-	(38)
Property, plant and equipment at end of period	68	127	153	210	686	-	1,244
Closing Balance for the period 31 March 2024							
At cost	1,165	645	1,120	601	2,370	328	6,229
Accumulated depreciation	(1,097)	(518)	(967)	(391)	(1,684)	(328)	(4,985)
Carrying amount	68	127	153	210	686	-	1,244

The cost and accumulated depreciation of the disposed assets have been removed from the closing balances.

The entity's obligations under finance lease was secured by the lessor's title to the leased assets, which had a carrying amount of R 45,000 in 2022/23. The entity was not allowed to pledge these assets as security for borrowings or sell them to another entity.

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Repairs and maintenance

A total amount of R76,000 has been spent on repairs and maintenance on assets under leasehold improvements.

Figures in R `000	Leasehold improvements	Motor vehicles	Fixtures and Fittings	Office equipment	Computer equipment	Leased office equipment	Total
Balance at 1 April 2022							
At cost	1,153	1,072	821	320	1,837	329	5,532
Accumulated depreciation	(770)	(868)	(711)	(249)	(1,291)	(174)	(4,063)
Carrying amount	383	204	110	71	546	155	1,469
Movements for the year ended 31 March 2023							
Additions	12	11	-	70	469	-	562
Other Movements - Opening balance	-	-	-	(44)	41	-	(3)
COE- Additions (non cash- items)	-	-	-	49	(46)	-	3
Depreciation	(155)	(20)	65	(8)	(338)	(110)	(566)
Disposals	-	-	(4)	(4)	(4)	-	(12)
Property, plant and equipment at end of period	240	195	171	134	668	45	1,453
Closing balance at 31 March 2023							
At cost	1,165	645	1,067	486	2,255	329	5,947
Accumulated depreciation	(925)	(450)	(896)	(352)	(1,587)	(284)	(4,494)
Carrying amount	240	195	171	134	668	45	1,453

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	Land	Building	Total
13. Investment property			
Balances and movements for the period 31 March 2024			
Reconciliation for the year			
Balance at start of year			
At cost	550	1,200	1,750
Accumulated depreciation	-	(345)	(345)
Carrying amount	550	855	1,405
Depreciation	-	(60)	(60)
Investment property at end of period	550	795	1,345
Closing balance at 31 March 2024			
At fair value	-		
At cost	550	1,200	1,750
Accumulated depreciation	-	(405)	(405)
Carrying amount	550	795	1,345

For the period under review, no items of investment property were pledged as security for liabilities.

No repairs and maintenance expenses were incurred on the entity's investment properties during the period under review.

The NAMC has intentions of disposing the investment property held as at the end of next financial year 31 March 2025.

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Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	Land	Building	Total
Balance at start of year end 2021			
At cost	550	1,200	1,750
Accumulated depreciation	-	(345)	(345)
Carrying amount	550	855	1,405
Movements for the year 2023			
Depreciation	-	(60)	(60)
Other Movement- Prior year adjustment	-	(150)	(150)
Investment property at end of period	550	645	1,195
Closing balance at end of year 2023			
At fair value			
At cost	550	1,200	1,750
Accumulated depreciation	-	(345)	(345)
Carrying amount	550	855	1,405

Rental income from investment property, net of direct operating expense

Rental income of R132,000 in 2023/24 (R132,000 in 2022/23) was disclosed as receivable. Rental income is disclosed under revenue from exchange transactions.

National Agricultural Marketing Council

Notes to the Financial Statements

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Figures in R `000	Computer Software	Total
14. Intangible assets		
Reconciliation of changes in intangible assets		
Reconciliation for the period 31 March 2024		
Balance at 1 April 2023		
At cost	1,083	1,083
Accumulated amortisation	(832)	(832)
Carrying amount	251	251
Movements for the year period 31 March 2024		
Additions	89	89
Amortisation	(152)	(152)
Disposals	(13)	(13)
Intangible assets at end of period	175	175
Closing balance for the year period 31 March 2024		
At cost	969	969
Accumulated amortisation	(794)	(794)
Carrying amount	175	175
No intangible assets were pledged as security for liabilities for the financial period 2023/24.		
Reconciliation for the year ended 31 March 2023		
Balance at 1 April 2022		
At cost	1,083	1,083
Accumulated amortisation	(845)	(845)
Carrying amount	238	238
Movements for the year ended 31 March 2023		
Amortisation	13	13
Intangible assets at end of period	251	251
Closing balance at 31 March 2023		
At cost	1,083	1,083
Accumulated amortisation	(832)	(832)
Carrying amount	251	251
No intangible assets were pledged as security for liabilities.		

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

15. Council and Independent Audit & Risk Committee members' fees

Figures in R'000	Attendance and preparation fees	Total 2024	Total 2023
Members Name			
Mr. AG Petersen: Chairperson (From 25 May 2021)	321	321	290
Ms. F Mkile (Re-appointment: 25 May 2021)	225	225	133
Ms. N. Mokose (Re-appointment: 25 May 2021)	190	190	205
Mr. GM Schutte (Re-appointment: 25 May 2021)	131	131	108
Dr. ST Xaba (Appointed 25 May 2021)	286	286	179
Ms. T Ntshangase (Deputy Chairperson - Appointed 25 May 2021)	161	161	76
Ms. SN Naidoo (Appointed 25 May 2021)	200	200	112
Mr. SJ Mhlaba (Appointed 25 May 2021)	149	149	100
Prof. A Jooste (appointed 25 May 2021)	163	163	166
Total	1,826	1,826	1,369
Fees paid to Independent Audit and Risk Committee members			
Ms B Mgozeli - Appointed as Audit & risk Committee member (Resigned 2 August 2022)	-	-	31
Mr S Dzungwa - appointed as an independent Audit & Risk committee member and a chairperson of Risk committee (1 December 2021)	105	105	115
Dr P Dala - Chairperson of risk management committee and audit & risk committee member (Contract ended December 2021)	-	-	-
Mr P Slack - appointed as the Chairperson of audit and risk committee member (1 July 2021)	131	131	203
Ms L Mothae - Chairperson of audit & risk committee (Contract ended June 2021)	0	-	-
Mr S Ndwandwa - Appointed as an independent audit & risk committee and risk committee member (31 January 2023)	46	46	-
Total	282	282	349

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Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

16. Senior managers' remunerations

Figures in R'000	Basic salary	Allowances	Pension contribution payments	Termination payout	UIF	Bonuses	Total 2023/24
Mr. Schalk Burger - Senior Manager – Statutory Measures	1,280	-	180	-	2	101	1,563
Mr. B. Nyhodo – Senior Manager - Agricultural Trusts	1,372	-	180	-	2	101	1,655
Dr. S Ngqangweni - Chief Executive Officer	1,987	-	280	-	2	158	2,427
Mrs. MI Mathatho - Chief Financial Officer (Resigned 29 February 2024)	1,696	-	-	-	2	121	1,819
Mrs. KC Mosoma - Senior Manager – Agribusiness Development	1,287	-	180	-	2	101	1,570
Mr. T.D Mokutu - Legal and Company Secretary (Contract terminated on 22 May 2023)	169	-	20	-	1	-	190
Mrs. NN Shelembe - Risk and Compliance Manager	673	-	94	-	2	53	822
Dr. NP Tempia - Senior Manager MERC - (Contract terminated on 30 November 2023)	791	-	120	480	2	-	1,393
Ms. PNC Simelane - Senior Manager Human Resources	1,278	-	181	-	2	101	1,562
	10,533	-	1,235	480	17	736	13,001

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Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R'000	Basic salary	Allowances	Pension contribution payments	Termination payout	UIF	Bonuses	Total 2022/23
Mr. Schalk Burger - Senior Manager – Statutory Measures	1,269	-	177	-	2	112	1,560
Mr. B. Nyhodo - Senior Manager - Agricultural Trusts	1,257	-	177	-	2	112	1,548
Dr. S Ngqangweni - Chief Executive Officer	1,950	-	274	-	2	84	2,310
Mrs. MI Mathatho - Chief Financial Officer	1,715	-	-	-	2	66	1,783
Mrs. KC Mosoma - Senior Manager – Agribusiness Development	1,272	-	177	-	2	124	1,575
Mr. T.D Mokutu - Legal and Company Secretary (Appointed 1 August 2022)	546	-	77		1	-	624
Mrs. NN Shelembe - Risk and Compliance Manager	667	-	93	-	2	-	762
Dr. NP Tempia- Senior Manager MERC	1,263	-	177	-	2	112	1,554
Ms. PNC Simelane- Senior Manager Human Resources	1,263	-	177	-	2	112	1,554
	11,202	-	1,329	-	17	722	13,270

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Figures in R `000

2023/24 2022/23

17. Finance lease obligation

Finance lease obligations - lease payment reconciliations:

Gross finance lease obligations - minimum lease payments

Not later than one year	-	41
Later than one year and not later than five years	-	0
	-	41
Future finance charges on finance lease liabilities	-	(1)
Present value of finance lease liabilities	-	40
Present value of finance lease obligations net of impairments	-	40

The finance lease liability for the entity are photocopying machines. At the inception of the lease the interest rate was estimated at the prime rate. The entity leased photocopy machine from Konica Minolta for a period of 24 to 36 months.

Terms and conditions

- i) All the leases are for an agreed period of 24 - 36 months, with an option to renew.
- ii) The photocopies are installed and then the contract will continue on a monthly basis until the entity decides to terminate the contract with one month's written notice.
- iii) The contract will be renewed for a period of one year if the entity does not give written notice of cancellation of contract.

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Figures in R `000

2023/24 2022/23

18. Operating lease liabilities

Operating lease liabilities are analysed as follows:

Operating lease liability	24	73
Current liabilities	24	73
Future minimum lease payments		
Not later than one year	409	1,202
Later than one year and not later than five years	-	409
Later than five years	-	
	409	1,611

The NAMC entered into a 3-year lease agreement, the lease agreement for office rental will expire in July 2024.

19. Payables from exchange transactions

Payables from exchange transactions are made up as follows:

Trade creditors	2,637	600
Total payables from exchange transactions	2,637	600

National Agricultural Marketing Council

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Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	Opening balance	Amount received/ receivable	Amount utilised	Amounts refunded	Closing balance
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20. Deferred Income/ Liability

Principal projects: 2023/24

GDARD - Extension service as a catalyst to improve farm productivity	156	-	-	-	156
Cassava project	228	627	(591)	-	264
Total	384	627	(591)		420

Other Deferred income

Agricultural Sector Education, Training Authority (AgriSeta)	703	707	(590)		820
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Opening balance	Amount received/ receivable/ transferred	Amount utilised/ Returned	Invoice reversed	Closing balance
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Name of project: Agent

Agriculture and Agro-Processing Master Plan (AAMP)	14,829	-	(2,807)	-	12 022
National Red Meat Development Programme	9,995	-	(1,794)	-	8 201
AgriSeta (AAMP)	823	-	(340)	-	483
One Food (CSIR)	-	650	(33)	-	617
Eastern Cape Grain development (ECDC)	-	2,000	-	-	2 000
Total	25,647	2,650	(4,974)		23,323
Total liabilities					24,563

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R'000	Opening balance	Amount received/ receivable	Amount utilised / Refunded	Amounts transferred/ Invoice reversed	Closing balance
Principal projects: 2022/23					
Strategic Infrastructure Project: SIP 11	1	-	-	(1)	0
Agricultural Sector Education, Training Authority (AgriSeta)	465	1,010	(772)	-	703
Smallholder Farming in Agro-processing industry	156	-	-	-	156
Ceres abattoir	2,198	-	-	(2,198)	0
Operations Phakisa	160	-	-	(160)	0
Cassava project	240	800	(812)	-	228
Total	3,220	1,810	(1,584)	(2,359)	1 087

Opening balance	Amount received/ receivable	Amount utilised/ Returned	Invoice reversed	Closing balance
-----------------	--------------------------------	------------------------------	------------------	-----------------

Name of project: Agent

Agriculture and Agro-Processing Master Plan (AAMP)	16,631	0	(1,802)	-	14 829
National Red Meat Development Programme	14,774	913	(5,692)	-	9,995
AgriSeta (AAMP)	1,500	-	(677)	-	823
Australian Centre for International Agricultural Research (ACIAR)	1,422	71	(766)	(727)	0
Total	34,327	984	(8,937)	(727)	25 647
Total Liabilities					26 734

Deferred revenue reflects the amount of income received during the current and previous financial years, but which will be utilised in the subsequent years. Disclosure of deferred income is accounted for according to the GRAP 109, where the contracts are assessed according to the standard to determine whether its an agent or principal.

National Agricultural Marketing Council

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20.1 Agent and principal liability

20.1.1 AGRISETA - The Agricultural Sector Education and Training Authority (Agriseta AAMP)

An amount of R 1.5 million was received in the prior years from the Agricultural Sector Education and Training Authority for implementation of projects and programs identified in the national skills development strategy and other national priorities. During the current financial year end the project has an opening balance of R 823,000 and a total of R340 000 was utilised during the 2023/24 financial year. The closing balance of R 483,000 was recognised in the statement of financial position as deferred income.

20.1.2 One Food (CSIR) Project

During the current financial year the NAMC entered into a SLA agreement with Council for Scientific and Industrial Research (CSIR) to provide a comprehensive stakeholder mapping report on South African food value chain to the value of R1 million . The NAMC received a total of R650,000 of which R33,000 was utilised on project operational costs. At financial year end the balance of R617,000 was recognised in the statement of financial position as deferred income/ liability.

20.1.3 Eastern Cape Grain development (ECDC)

During the current financial year the NAMC entered into a SLA agreement with Eastern Cape Development Corporation, the project objective is collaborating and implementation of agro-processing route-to-market support and development of the grain industry value chain focusing on providing for the development of enabling economic infrastructure. At year end the NAMC had raised a receivables of R2 million rands.

20.1.4 Agriculture and Agro-Processing Master Plan

An amount of R20.2 million was received in the prior years for the Department of Agriculture, Land Reform and Rural Development for the implementation of Agriculture and Agro-Processing Master Plan (AAMP). During the current financial year, the project had an opening balance of R14.8 million and a total of R2.8 million was utilised during the 2023/24 financial year for personnel expenditure and other administrative expenses. The closing balance of R12 million is recognised in the statement of financial position as deferred income.

20.1.5 National Red Meat Development Project

During the current financial year the project had an opening balance of R9.9 million and R1.7 million was utilised during 2023/24 financial year. The closing balance of R8.2 million is recognised in the statement of financial position as deferred income.

National Agricultural Marketing Council

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21. Financial instruments

Introduction and overview

This note represents information about the entity's exposure to each of the below risks, the entity's objectives, policies and processes for measuring and managing risk, and the entity's management of capital. Further quantitative disclosures are included.

Risk Management

Financial risk factors

Exposure to the credit risk arises in the normal course of the NAMC's business. Exposure to currency and interest rate risk is minimal. NAMC has an overall risk management plan approved by Council and is reviewed by Audit and Risk committee every financial year. Council has approved written policies such as Cash, Bank and Investment Policy, Debtors Management Policy and other policies that management adheres to.

The entity has exposure to the following risks from its use of financial instruments:

Credit risk - Exposure of credit risk is monitored on an ongoing basis. Reputable financial institutions are used for investing and cash handling. As at 31 March 2024 there was no significant concentration of credit risk.

Liquidity risk - NAMC manages its liquidity risk by monitoring cash flows and ensuring that necessary funds are available to meet any commitments that arises, and further manages its liquidity risk by spending according to their budget which is fully funded.

Interest rate risk – NAMC is exposed to interest rate risk which relates to various accounts opened with Standard Bank, the interest rate is updated monthly. On average cash balances (differences of opening balance and closing balances) (R32.6- R40.66Million).

The following are the carrying values of the NAMC's financial instruments per category:

Figures in R'000	Carrying amount	
	2023/24	2022/23
Financial assets at amortised cost		
Cash and cash equivalents	41,571	40,469
Receivables from non-exchange and exchange transactions	4,181	355
	45,752	40,824
Financial liabilities at amortised cost		
Within 1 month	2,637	600
Between 1 - 12 months	-	-
Between 1 to 5 years	-	-
Payables from exchange transactions	2,637	600
Finance Leases	-	40
Total	2,637	640

Prepayments are excluded from financial instruments in both financial years

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R'000	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
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The following table presents the gains or losses per financial instrument category:

Interest income	4,323	-	4,323
Finance costs	-	(10)	(10)

2023

Interest income	2,273	-	2,273
Finance costs	-	(8)	(8)
Total	2,273	(8)	2,265

Exposure to risks: Credit risk

The maximum exposure to credit risk at the reporting date was:

Financial assets at amortised cost

Cash and cash equivalents
Receivables from non-exchange and exchange transactions

Carrying amount	
2023/24	2022/23
41,571	40,469
4,181	355
45,752	40,824

Financial liabilities at amortised cost

Finance leases
Payables from exchange transactions

0	40
2,637	600
2,637	640

The following table reflects the NAMC's exposure to liquidity risk from financial liabilities::

Exposure to risks: Liquidity risk

The entity minimises this risk by ensuring that enough working capital (cash reserves and short-term receivables) is available to cover its current liabilities through the analysis of the commitments against the cash available in our current and call accounts.

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R'000	2023/24		2022/23	
	Gross	Impairment	Gross	Impairment
Cash and equivalents				
- Neither past due nor impaired	41,571	-	40,469	-
Receivables				
- Past due but not impaired	310	-	65	-
- Neither past due nor impaired	2,407	-	-	-
Total	44,288	-	40,534	-

The following table provides information regarding the maturity analysis on NAMC's contractual undiscounted cash flows for its payables:

	Carrying amount	Total contractual cash flows	Not later than one year	2 to 5 years
2024				
Finance lease liabilities	-	-	-	-
Payables	2,637	2,637	-	-
Total	2,637	2,637	-	-
2023				
Finance lease liabilities	40	145	115	30
Payables	600	600	-	-
Total	640	745	115	30

Exposure to risk: Market risk

Interest rate risk

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000

2023/24

2022/23

Concentration of interest rate risk

Variable rate instruments

Financial assets	41,571	40,469
Financial liabilities	-	(40)
Total	41,571	40,429

Fixed rate instruments

Financial assets: Accounts receivable	4,181	355
Financial liabilities: Accounts payable	(2,637)	(600)
Total	1,544	(245)

The exposure to the changes in interest rates primarily affects NAMC's current and call accounts.

22. Related parties

Parties related to National Agricultural Marketing Council

Relationship	Name of related party
Controlling Party	Minister of Agriculture
Entities under common control	Land and Agricultural Bank of South Africa Agricultural Research Council (ARC) South Africa's Official Perishable Produce Export certification Agency (PPECB) Deeds Registration Onderstepoort Biological Products (OBP) Office of the Valuer General (OVG) Ingonyama Trust Board (ITB) Agricultural Land Holdings Trading Account
Council members & Independent Audit and Risk Committee	Refer to note 15
Senior Management	Refer to note 16

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	2023/24	2022/23
Related parties transactions		
Department of Agriculture, Land Reform and Rural Development - Grant	49,771	48,535
Department of Agriculture, Land Reform and Rural Development-Strategic Infrastructure Project, Operation Phakisa and ACIAR, National Red Meat Development project, Agriculture and Agro-Processing Master plan (AAMP)	4,601	10,520
	54,372	59,055
Nature of the related party transactions		
The transactions with related parties indicates the amounts utilised and receivable from grants/sponsorship from related parties during 2023/24.		
Other related party transactions for Council members, Audit and Risk committee members and key management are disclosed in note 15 & 16 respectively		
Related parties balance		
Department of Agriculture, Land Reform and Rural Development – Strategic Infrastructure Project, Operation Phakisa and ACIAR and AAMP.	20,223	26 734
Total	20,223	26 734

The balances on related parties indicates the conditional grants remaining to be utilised 2024/25. The balances disclosed are interest free and not secured.

23. Budget differences

Material differences between budget and actual amounts

Revenue

23.1 Other income /sponsorship utilised

This is as a result of the NAMC not budgeting for income to be received from other sponsors. The un-budgeted amount of R1.4 million was received and utilised for sponsorship projects

23.2 Management fees

A variance of R461,000 is due to a decrease in project expenses which resulted in management fees relating to Agriculture and Agro-Processing Master Plan and National Red Meat Development Project decreasing.

23.3 Interest

An increase of R 1.923 million as compared to the budget is due to an increase in interest rate received on funds invested during the financial year.

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

23.4 Personnel expenditure

A variance of R1.094 million is as a result of vacancies during the 2023/24 financial year

23.5 Expenditure

A favourable variance of R1.6 million is due to austerity measures announced implemented and due to the majority of staff working from home. Disclosed separately are expenses relating to projects, these expense are not budgeted for by the NAMC as they relate to the projects..

23.6 Depreciation

The total depreciation and amortisation for 2023/24 financial year amounted to R986 000. There is no budget allocated for depreciation and amortisation.

23.7 Loss on disposal of assets

The loss on disposal of assets is R23 000. There is no budget allocated for Loss on disposal of assets.

23.8 Bonus

The bonus pay out is based on the performance of the organisation after the 2022/23 audit was conducted, which results in prior year bonuses being paid in 2023/24 financial year. During 2023/24 financial year a provision for R 2 million was made to pay out bonuses.

23.9 Budget and the actual amounts basis of preparation and presentation

The approved budget covers the period from 1 April 2023 to 31 March 2024, which is based on the MTEF budget allocation that is published on the Estimation of National Expenditure by National Treasury every year. The project funding is not budgeted for, however a separate budget control to track expenditure against the actual funding received is in place. The budget and annual financial statements are both on the accrual basis. The financial statements are prepared using classification on the nature of expenses in the statement of financial performance. The difference between approved and final budget is due to reallocation between various programmes and line items within the programmes.

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

24. Segment reporting

Segment information

The entity is organised and reports to the Accounting Authority and Executive Authority on the basis of five segments. The segments were organised around the type of services they deliver/provide. Management uses these same segments for determining strategic objectives. The business main operations are focused in the Republic of South Africa.

Information reported about these segments is used by management as a basis for evaluating the segment's performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The NAMC's financing (including finance costs and finance income) and revenue from taxes and transfers are allocated to operating segments. Inter- business unit services are not valued and are deemed to have been supplied for no consideration, and are therefore not eliminated. However, the quality of services provided internally is monitored as part of the non-financial service performance information through quarterly performance information reports.

The entity's business operations offices are in Pretoria, and with satellite offices for the National Red Meat Development project. The NAMC has the following five primary reportable segments:

Programme 1: Administration

The purpose of this programme is to provide support services towards achieving internal business excellence within the NAMC. The programme is currently structured in accordance with the following sub- programmes:

Sub Programme 1.1: Finance and Administration

Sub Programme 1.2: Human Resources

Sub Programme 1.3: Office of the Chief Executive Officer

The segments were aggregated on the basis of services delivered as management considered that the economic characteristics of segments throughout the NAMC were sufficiently similar to warrant aggregation.

Programme 2: Markets and Economic Research Centre (MERC)

The purpose of this programme is to provide quality research to key stakeholders in support of agricultural marketing decision making.

Programme 3: Statutory Measures

The purpose of this programme is to facilitate the process to implement statutory measures in order to promote the efficiency of the marketing of agricultural products.

Programme 4: Agricultural Trusts

The purpose of this programme is to provide advisory services relating to trusts to the Minister.

Programme 5: Agri-business Development

The purpose of this programme is to provide development programmes that will link small holder farmers to markets.

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R'000	Administration	Markets and Economic Research Centre (MERC)	Statutory Measures	Agricultural Trusts	Agribusiness Development	Total
Segment surplus or deficit, assets and liabilities						
2024						
Revenue						
Revenue from non-exchange transactions						
Grants	49,771	-	-	-	-	49,771
Sponsorship	504	881	-	65	40	1,490
Revenue from exchange transactions						
Rendering of services	339	-	-	-	-	339
Rental income	132	-	-	-	-	132
Other income	369	-	157	-	-	526
Proceeds from insurance	27	-	-	-	-	27
Interest income	4,323	-	-	-	-	4,323
Total segment revenue	55,465	881	157	65	40	56,608
Expenses						
Salaries and wages	17,542	9,073	3,255	2,644	3,325	35,839
Depreciation and amortisation	989	-	-	-	-	989
Other expenses	12,145	2,094	194	626	332	15,391
Profit on disposal of assets	23	-	-	-	-	23
Finance costs	10-	-	-	-	-	10
Total segment expenses	30,709	11,167	3,449	3,351	3,696	52,252
Total segment surplus/(deficit)	24,756	(10,286)	(3,292)	(3,205)	(3,617)	4,356
Interest revenue	4,323	-	-	-	-	4,323
Interest expense	1	-	-	-	-	1
Surplus for the period/(deficit)	24,189	(10,286)	(3,292)	(3,205)	(3,617)	8,678

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R'000	Administration	Markets and Economic Research Centre (MERC)	Statutory Measures	Agricultural Trusts	Agribusiness Development	Total
2023						
Assets						
Property plant and equipment	1,239	3	-	-	-	1,242
Investment property	1,345	-	-	-	-	1,345
Intangible assets	131	45	-	-	-	176
Receivables from exchange transactions	-	-	-	-	-	-
Receivables from non exchange transactions	719	2,000	-	-	-	2,719
Inventory	98	-	-	-	-	98
Cash and cash equivalent	17,828	15,542	-	-	8,201	41,571
Total assets	21,360	17,590	-	-	8,201	47,151
Liabilities						
Employee short-term benefits provisions	3,683	-	-	-	-	3,683
Operating lease liability	24	-	-	-	-	24
Payables from exchange transactions	2,637	-	-	-	-	2,637
Deferred Income	820	15,542	-	-	8,201	24,563
Total Liabilities	7,164	15,542	-	-	8,201	30,907
Other information						
Capital expenditure	603	-	-	-	-	603
Deferred revenue	820	15,542	-	-	8,201	24,563

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R'000	Administration	Markets and Economic Research Centre (MERC)	Statutory Measures	Agricultural Trusts	Agribusiness Development	Total
2023						
Revenue						
Revenue from non-exchange transactions	50,050	1,180	-	209	-	51,439
Revenue from exchange transactions	582	-	-	-	-	582
Proceeds from insurance	-	-	-	-	-	-
Total segment revenue	50,632	1,180	-	209	-	52,021
Expenses						
Salaries and wages	17,811	11,236	2,953	2,693	3,257	37,950
Depreciation and amortisation	577	36	-	-	-	613
Other expenses	10,307	1,470	133	658	439	13,007
Loss on disposal of assets	13	-	-	-	-	13
Total segment expenses	28,708	12,742	3,086	3,351	3,696	51,583
Total segment surplus/(deficit)	21,924	(11,562)	(3,086)	(3,142)	(3,696)	438
Interest revenue	2,273	-	-	-	-	2,273
Interest expense	8	-	-	-	-	8
Surplus for the period/(deficit)	24,189	(11,562)	(3,086)	(3,142)	(3,696)	2,703

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R'000	Administration	Markets and Economic Research Centre (MERC)	Statutory Measures	Agricultural Trusts	Agribusiness Development	Total
2023						
Assets						
Segment assets (tangible assets)	2,857	-	-	-	-	2,857
Segment assets (intangible assets)	251	-	-	-	-	251
Receivable from exchange and Non-exchange transactions	1,100	-	-	-	-	1,100
Inventory	60	-	-	-	-	60
Cash and cash equivalent	15,261	15,213	-	-	9,995	40,469
Total assets	19,529	15,213	-	-	9,995	44,737
Liabilities						
Other liabilities	4,318	-	-	-	-	4,318
Segment liabilities	703	16,036	-	-	9,995	26,734
Total Liabilities	5,021	16,036	-	-	9,995	31,052
Other information						
Capital expenditure	551	-	-	-	-	551
Accrued expense	-	-	-	-	-	-
Deferred revenue	703	15,213	-	-	10,818	26,734

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	2023/24	2022/23
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25. Contingent liabilities

Processing of Public Protector inquiry pertaining to the settlement agreement reached with the previous CEO of NAMC

1,420

This matter has been reported to the Public Protector and the National Agricultural Marketing Council is awaiting outcome.

Litigation by Athari Sourcing Group

The NAMC received summons from Athari Sourcing Group lawyers relating to the contract being terminated due to poor performance. the service provider is claiming payment of remainder of the contract. The NAMC appointed Counsel to represent the organisation on the matter, and a notice of intention to defend has been filed.

860

Should the matter go to court, the NAMC will likely incur legal expenses and additional costs should the applicant's claim succeed.

Litigation by Labstyres (Pty) Ltd

The NAMC received summons from Labstyres (Pty)ltd lawyers relating to the outstanding payments to the service provider. The outstanding payment on the contract in question was not paid due to the dispute regarding the claims made by the NAMC arguing poor workmanship and defective delivery..

1,000

Notice of set-down for default Judgment received in a matter involving a claim for payment of funds incurred during implementation of a contract. The NAMC will incur legal expenses and we are likely to incur damages payment should the applicant's claim succeed.

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Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	2023/24	2022/23
26. Irregular, Fruitless and Wasteful expenditure		
Irregular expenditure	25	2,113
Fruitless & Wasteful expenditure	33	-
Total	58	2,113

26.1 Details of irregular expenditure disclosed in the current year:

26.1.1 Non-Compliance with SCM processes: R 25,000

The irregular expenditure of R25,000 is a result of service provider being engaged without following SCM procedures.

26.2 Details of fruitless & wasteful expenditure disclosed in the period year: R33,000

26.2.1 Non compliance with the subsistence and travel policy R7,000

Fruitless and wasteful expenditure to the value of R7,000 was incurred due to employees not following the S&T policy when making travel bookings.

26.2.2 Penalties incurred due to late registration R 18,000

Fruitless and wasteful expenditure to the value of R18,000 is due to employee's late registration for AEASA membership, which resulted in penalties being charged.

26.2.3 Charges incurred for no show R1,000

Fruitless and wasteful expenditure is due to employees who did not show up for shuttle pick booked for them.

26.2.4 Charges incurred for no show R7,000: Flight services

Fruitless and wasteful expenditure is due to employees who missed their flights, resulting in additional cost being incurred by the organisation.

27. Tax exemption

The NAMC is exempted from income tax in terms of Section 10(1) cA (i) of the Income Tax Act 1962..

National Agricultural Marketing Council

Notes to the Financial Statements

Audited Annual Financial Statements for the year ended 31 March 2024

Figures in R `000	2023/24	2022/23
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28. Prior period errors

Effects of the correction: 2023

Expenditure

Decrease in accumulated surplus	321
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Liability

Increase in Discovery	(321)
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Prior period error relates to discovery expense incurred in 2022/23 financial year and not accounted for in the prior year, the invoice's were paid during the current reporting period. The prior year figures were not adjusted as the amounts are immaterial.

29. Operational Commitments Approved commitments

Goods and services	7,670	5,372
Total	7,670	5,372

Commitments relate to outstanding orders issued to suppliers for services not rendered as at 31 March 2024 and also commitments relating long term and short-term contracts with service providers of which as at year end the contracts were still active.

There were no capital commitments for the period under review.

ANNEXURE A: CONTACT DETAILS

Table 25: Contact Details of Levy Administrators and Transformation Managers

Administering Body	Contact Person	Transformation Manager
Agri-hub (fruit industry information)	Jolene Wium T 072 249 1234 jolene@agrihub.co.za	Not applicable
Cape Flora SA	Karien Bezuidenhout T 021 870 2900 F 021 870 2915 karien@hortgro.co.za	
Citrus Growers' Association of SA	Mr Justin Chadwick T 031 765 2514 F 031 765 8029 justchad@iafrica.com	Mr Lukhanyo Nkombisa 072 257 8386 lukhanyo@cga-gdc.org.za
Cotton SA	Dr Annette Bennett T 012 804 1462/7 F 012 804 8616 annette@cottonsa.org.za	Mr Tertius Schoeman T 012 804 1462 Cell 072 4881415 tertius@cottonsa.org.za
National Lucerne Trust	Mr Fritz Ruppig T 044 272 8991 F 044 279 2838 fritz@lucern.org.za	
Milk Producers' Organisation	Mr Fanie Ferreira T 012 843 5600 F 012 843 5781 fanif@mpo.co.za	
Milk SA	Mr Nico Fouché T 012 460 7312 F 012 460 9909 nico@milksa.co.za	Mr Godfrey Rathogwa 012 460 7312 Cell 082 900 6712 godfrey@milksa.co.za
Fruitfly Africa	Ghian du Toit The Manager T 021 882 9541 F 086 756 8656 ghian@fruitfly.co.za	Not applicable
HORTGRO	Mr Anton Rabe T 021 870 2900 F 021 870 2915 anton@hortgro.co.za	
Macadamias South Africa	Ms Lizel Pretorius T 012 001 4107 lazel@samac.org.za	transformation@samac.org.za
SA Olive Industry	Ms Vittoria Jooste T 021 870 2900 F 021 870 2915 manager@saolive.co.za	Mr John Scrimgeour T 021 868 3120 Cell 083 381 5287 buffet@icon.co.za
SA Table Grape Industry	Mr AJ Griesel T 021 872 1438 F 021 872 4375 aj@satgi.co.za	Mr Wilton September T 021 872 1438 F 021 872 4375 wilton@satgi.co.za

Administering Body	Contact Person	Transformation Manager
Raisins SA	Mr Ferdie Botha T 054 495 0283 ferdieb@raisinsa.co.za	Ms Simone Sell simones@raisinsa.co.za
SA Cultivar and Technology Agency (SACTA)	Ms Beatrix de Witt T 012 807 3958 F 012 349 8707 beatrix@llagri.co.za	Mr Sandile Mahlangu T 012 807 3958 F 012 349 8707 sandile@sactalevy.co.za
South African Pecan Producers' Association	Mr Andre Coetzee 083 271 6577 andrec@sappa.za.org	
South African Pork Producers' Organisation	Mr Johann Kotze T 012 100 3035 Cell 079 523 5767 jfk@sapork.com	Ms Kgadi Senyatsi T 012 100 3035 Cell 073 861 3588 kgadi@sapork.com
Pomegranates Association of South Africa	Ms Andriette de Jager T 021 870 2900 andiette@hortgro.co.za	
Potatoes SA	Mr Willie Jacobs T 012 349 1906 F 012 349 2641 monica@potatoes.co.za	
Red Meat Industry Services	Mr Dewald Olivier Cell 082 800 3737 exec@safeedlot.co.za	Dr Florence V Nherera-Chokuda fsd@nerpo.co.za
SAGIS (South African Grain Information Service)	Mr Bernard Schultz T 012 941 2050 F 086 543 2639 bernards@sagis.org.za	
SAPA (Southern African Poultry Association)	Dr Abongile Balarane T 011 795 9920 Cell 076 752 4846 abo@sapoultry.co.za	
SA Wine NPC	Mr Rico Basson SA Wine NPC Cell 082 698 4761 rico@sawine.co.za	
Cape Wools SA	Mr Deon Saayman T 041 484 4301 F 041 484 6792 capewool@capewools.co.za	
Winter Cereals Trust	Ms Thato Kganakga T 012 007 1200 F 086 617 9409 thato@wctrust.co.za	Ms Boipelo Kadiege T 012 007 1200 F 086 617 9409 boipelo@wctrust.co.za



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