



Annual Report | 2020 |



MISSION

SACTA is the leading provider of management and administration for breeding and technology fees to support the development of new varieties and technologies in self-pollinating crops.

VISION

Ongoing access to improved genetics and technology for competitive crop production.

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COMPANY ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS



Mr Deon van Rooyen
Chairman of SACTA



Mr Jozeph du Plessis
Vice Chairman



Dr Lukeshni Chetty
General Manager: SANSOR



Dr Erhard Briedenhann
Oilseed Industry



Mr Andries Theron
Ex Officio



Dr Marinda Visser
Outgoing Grain SA



Ms Mariana Purnell
Outgoing Agbiz Grain



Mr Ayanda Mbotshelwa
Ministerial Appointee



Prof Phatu Mashela
Ministerial Appointee



Mr Cornè Louw
Incoming Grain SA



Ms Lizette Mellet
Observer: NAMC



Mr Wessel Lemmer
Incoming Agbiz Grain



ADMINISTRATORS

L & L AGRICULTURAL SERVICES



Mr Leon du Plessis
Managing Director



Ms Louise du Plessis
Director: Conferences & Secretariat



Ms Audra Kloppers
Director: Operations



Ms Laura du Plessis
Director: Bursaries & Scholarships



Ms Marilette Maritz
Manager: Finances & Projects



Ms Luzanne de Wit
Manager: Accounts & Finances



Mr Izak Kloppers
Manager:
Levy Inspections



Ms Sarie Lötter
Manager: Compliance



CHIEF EXECUTIVE OFFICER

Mr Gert Heyns



CHAIRPERSON'S REPORT

The lockdown restrictions brought about by the COVID-19 pandemic have had a devastating effect on the world economy and its impact will be felt for some years to come. The economies of most developing countries, including South Africa's, have been even more severely affected, as the governments of these countries can only provide limited stimulus and relief. Once the situation stabilises again we are likely to return to a new normal that will be very different to that which we were used to and that will affect many facets of our daily lives.



Deon van Rooyen
Chairman of SACTA

Agriculture, in particular field crops and horticulture, has so far this year been the sector that has been the saving grace of the South African economy. As a consequence, food security in South Africa during the pandemic has not been a problem in itself, although affordability and the effective distribution of food to those in need continue to present challenges to government, NGOs and the private sector.

The agricultural sector has a proven multiplier effect that permeates to other important sectors of the economy, especially when there has been a favourable production year for field crops. It contributes significantly to the country's employment numbers and export earnings and is of strategic importance in ensuring self-sufficiency in food and feed production.

Climatic conditions during the 2019/2020 production season were very favourable indeed for grain and oilseeds production. It is important to recognise that the professionalism, commitment and enthusiasm of the stakeholders in this well-structured sector are major contributors to its success. They should not be underrated, as they are in the same league as the best of their international counterparts.

Our commercial field crop farmers, operating in an unprotected, unsubsidised, free market environment with considerable climatic, soil and other challenges, are early and enthusiastic adopters of new genetics and technology, as well as modern management and farming practices. This has enabled them, especially since the early 2000s, to steadily keep pushing the envelope in terms of improved yield performance and also the adaptability of crops and varieties, expanding plantings to different ecological zones throughout the country.

By farming more scientifically, using the best genetics and technology, rotating crops, conserving moisture, mastering precision farming and applying reduced or no tillage where appropriate, they can now farm less hectares producing an equal output, while reducing overall input costs. This type of farming is also kinder to the environment. The challenge is to ensure that, where possible, the applicable methods can also be rolled out to benefit small-scale farmers.

There is ongoing interaction and close collaboration amongst stakeholders in the commercial and small-scale agricultural sectors, including government, financial institutions and the various bodies representing farmers and agri-businesses. This has resulted in various role players allocating substantial resources on a continuous basis to the support, training and development of new black commercial farmers, small-scale and subsistence farmers, as well as new agri-businesses.

It stands to reason that in order to realise its full agricultural potential, South Africa still has a considerable way to go to properly unlock the largely untapped crop production potential that exists in many rural areas. The constraints faced by small-scale farmers in terms of access to adapted genetics and technology, management and finance, infrastructure and logistics, off-take and marketing, need to be addressed continuously. This will result in improved household food security, employment and overall socio-economic development in these areas and also increase agriculture's direct and indirect contribution to the country's GDP.

SACTA is an independent non-profit company with a board consisting of technical and commercial people with extensive experience in and an affinity for the agricultural sector in South Africa. Two of our directors are nominated by the Department of Agriculture, Land Reform and Rural Development.

SACTA is proud of the vital role it plays in ensuring continued global access for all our farmers to the best genetics and cutting-edge seed technology available in certain open-pollinated crops, namely soybeans, wheat, barley and oats. It is envisaged that other crops will be included in due course.

This is achieved by cost-effectively administering the process for collecting the statutory breeding and technology levies on cereal and soybean deliveries. These levies are dedicated to plant variety research and technology, and SACTA is responsible for allocating them in accordance with an agreed formula to local and international seed breeding companies and other organisations concerned. Without this income to compensate them for their research investments, there would be no incentive for these companies to make new genetics and technology for certain open-pollinated





19 new wheat
varieties since 2018



R129 million
paid out to Wheat and Barley seed
breeding companies



Low cost
levy administration



Levy collection efficiency
> 90%

crops available to South African farmers. As has happened before, South African commercial and small-scale farmers would become less competitive on world markets and would also not be able to compete against cheaper cereal and oilseeds imports, ultimately resulting in reduced domestic plantings of the affected crops.

Funding meaningful transformation is a high priority for SACTA. Some 20% of the levies collected are retained and administered by SACTA for transformation and upliftment purposes, in accordance with the mandate and guidelines approved by and under the auspices of the National Agricultural Marketing Council (NAMC). The funding is disbursed in agreed percentages to fund different initiatives which include enterprise development, skills development, management control and socio-economic development. SACTA works closely with government, the NAMC, universities and various other partners and service providers in pursuing and managing these initiatives.

Apart from financial assistance to selected black commercial and small-scale farmers, bursaries are made available for study in agriculture or related sciences. Funds have also been allocated to rural school projects aimed at improving or renovating existing

facilities (e.g. classrooms and clean water supply) and to COVID-19 related relief funding, including the Solidarity Fund.

As we move further into this decade we can expect the challenges to continue to increase in South African agriculture in terms of climate change and international competitiveness. It will remain crucial that South African farmers should have continued access to the latest global genetics and technology, and SACTA's role in this regard should not be under-estimated.

Our country's major domestic socio-economic challenges such as infrastructure development, unemployment, inequality and an unacceptably high crime rate cannot be effectively addressed unless our economy can generate sufficient and consistent growth in the longer term. Agriculture will continue to play a vital role to this end.

SACTA is committed to working with all role players in the sector to safeguard and grow South African agricultural productivity and competitiveness into the future.

“SACTA is proud of the vital role it plays in ensuring continued global access for all our farmers to the best genetics and cutting-edge seed technology available in certain open-pollinated crops, namely soybeans, wheat, barley and oats. It is envisaged that other crops will be included in due course.”





Breeding
and
Technology
Levy Collection

VALUE OF A BREEDING AND TECHNOLOGY LEVY COLLECTION SYSTEM FOR SOUTH AFRICA (SA)

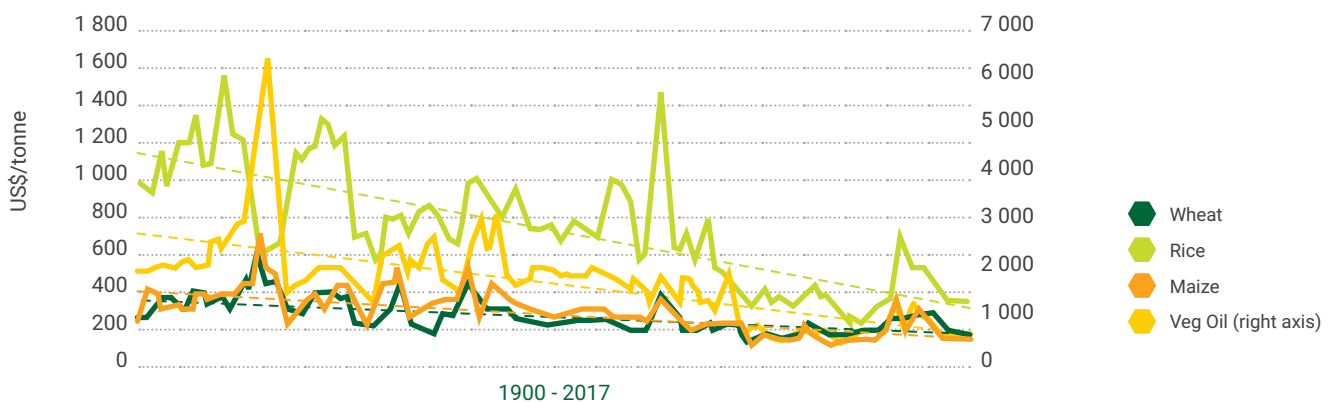
By the Bureau for Food and Agricultural Policy (BFAP)

South African farmers compete in the international agricultural market where crop prices are determined on production levels of large agricultural countries, and on farmers using the most advanced technologies.

In real terms, international grain commodity prices have declined in the long run and are projected to continue this downward trend at least for the next decade. South African commodity prices have followed a similar pattern with real prices declining over time. In

order to ensure economic survival, farmers consistently have to drive on-farm productivity by producing a higher output per unit of input.

Long-term global commodity prices in real terms



Source: FAPRI, August 2017

Plant variety protection legislation in SA and many other countries allow for Farmer Privilege, i.e. a farmer's right to save and replant the grain he produced on his own holdings as seed. For self-pollinated crops (like soybeans, wheat and barley) where the offspring (seed) is genetically identical to the parent, this means that farmers only have to buy seed once, and can continue planting the same variety in subsequent seasons. The South African National Seed Organization (SANSOR) estimates farm-saved seed for soybeans to be as high as 80% and wheat at 70%. Because of the low seed sales volumes (compared to the actual market size) and an effective seed price ceiling (a higher seed price will result in more saved seed), the return on self-pollinated crop seed research and development (R&D) is limited. As a result, the financial motivation for seed companies

to invest in local, long-term, expensive breeding programmes or to import new germplasm or traits is limited as they are unable to recoup a significant portion of their costs or collect the due return on innovation.

In line with a number of leading agricultural countries that have implemented End Point Royalty (EPR) collection systems, SA has recently introduced a breeding and technology statutory levy whereby an agreed fee is paid on every ton of soybeans, wheat, barley and oats that is delivered. This fee is then transferred to the seed breeding companies and research institutions based on their calculated market share. Because this is a statutory levy, 20% of the divisible amount is contributed to developmental initiatives.



“In line with a number of leading agricultural countries that have implemented End Point Royalty (EPR) collection systems, SA has recently introduced a breeding and technology statutory levy whereby an agreed fee is paid on every ton of soybeans, wheat, barley and oats that is delivered.”

Open-pollinated crops lagging behind in SA

A dynamic hybrid maize seed sector, where cross-pollination necessitates farmers to buy new seed on an annual basis, has contributed to an average annual growth rate of 3.3% for maize between 1999 and 2018. In contrast, soybean yields increased at

only 0.71% per year on average, and wheat yields (dryland winter rainfall) at 1.87%. In the barley industry, considerable continued investment by the main malting barley buyer has contributed to an annual average yield increase of 4.9%.

Annual average maize yield increase between **1999 and 2018**

Country	Percentage
Brazil	3.58%
SA	3.33%
USA	1.56%
China	1.47%
Argentina	1.09%

Annual average soybean yield increase between **1999 and 2018**

Country	Percentage
USA	1.63%
Brazil	1.56%
SA	0.71%
Argentina	0.62%

Annual average wheat yield increase between **1999 and 2018**

Country	Percentage
Russia	2.44%
SA WC dryland	1.87%
Argentina	1.86%
USA	0.97%
Australia	0.74%

Annual average barley yield increase between **1999 and 2018**

Country	Percentage
SA WC dryland	4.90%
Argentina	2.80%
Australia	1.67%
Canada	1.53%
USA	1.46%



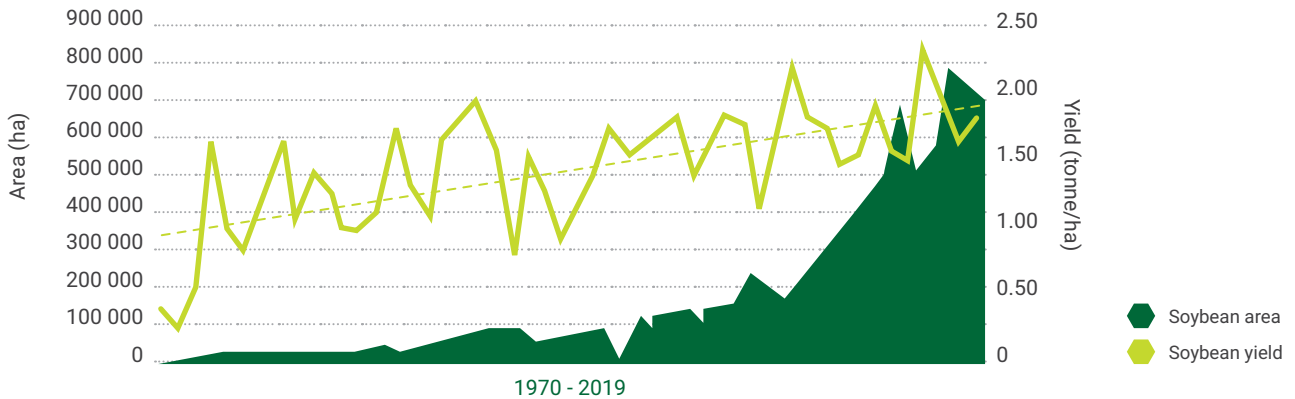
Soybeans

The South African soybean area has increased considerably over the last 50 years, from less than ten thousand hectares to 787 000 hectares in 2017/18. With increased crushing capacity ensuring local demand for soybeans, the active promotion of the benefits to including soybeans into a rotational cropping pattern with other crops, and management ease brought by genetically modified herbicide-tolerant soybean varieties (released in 2001), an increasing number of farmers choose to plant soybeans in rotation with maize. In 2017 soybeans surpassed sunflower seed

as the country's second biggest summer crop, if expressed in area of production.

One important fact to consider when interpreting the lower yield for soybeans is that the area under soybean production has increased rapidly and western production regions that have traditionally been regarded as climatically more marginal areas for soybean production are gradually coming into production.

SA soybean area and average yield since 1970

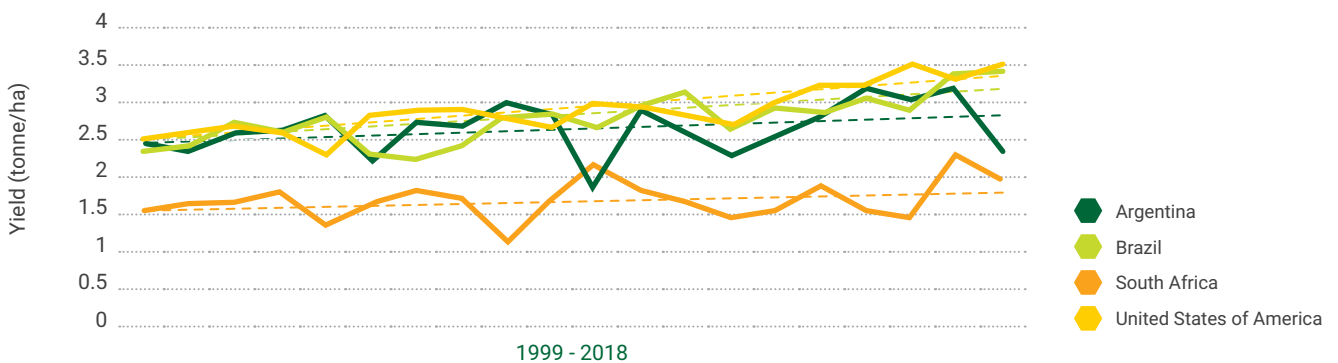


Source: SAGIS

Although seed companies have reacted to the rapid soybean area expansion by offering a larger number of soybean varieties, current market information indicates that companies are not willing to introduce the latest seed technology in SA without a guarantee that they will be able to earn a return on their investments. This could have a significant impact on the competitiveness of South Africa's soybean farmers, who are facing very stiff competition from the major international soybean producers, not only from a yield perspective but also from the ability to consistently produce a quality bean.

From 1999 to 2018 the average annual yield increase for soybeans in the United States (US) was 1.63%, while yields increased by 1.56% in Brazil and 0.62% in Argentina (though Argentina yields increased at 2.7% between 2009 and 2018). Over this same period soybean yields increased at only 0.71% in SA. In addition, over the 20 year period, SA's average soybean yield was 38% lower than the average obtained in the three leading soybean countries. Although the recent droughts have played a role in the SA average yield trends, it is clear from Figure 3 that yields in the long run have increased at a higher pace in major soybean exporting countries like the US and Brazil than in SA.

International soybean average yield trend comparison



Source: SAGIS and FAOSTAT

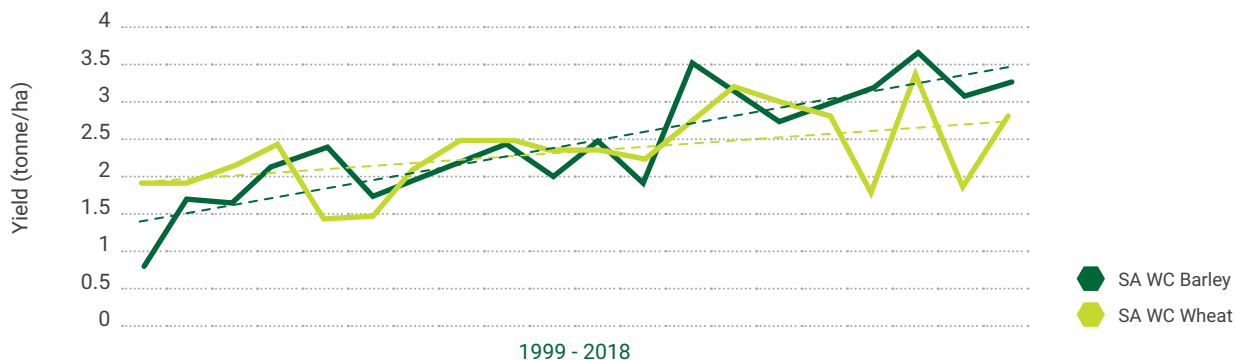


Wheat

According to industry role players, as well as BFAP’s agri-benchmark farms, wheat’s comparatively high average yield increase should be attributed more to a number of good rainfall seasons in especially the southern Cape region as well as production intensification (higher input use) and improved production practices, rather than better wheat varieties. The reason for this is that wheat seed

breeding over the last 20 years has focussed on producing varieties resistant in terms of specific agronomic characteristics (e.g. pest and disease resistance) and on good quality varieties, as opposed to high-yielding varieties. Figure 4 compares Western Cape dryland wheat and barley yields for the last 20 years and it is clear that barley’s yield has increased at a faster rate than that of wheat.

SA wheat and barley yield trend comparison



Source: SAGIS

Need for investment

Although improved farming practices also play a decisive role in the drive for higher yields, these growth rates illustrate the need for investment in improved seed varieties and technologies in the soybean and wheat industries and additional support of the existing barley research initiatives. It is important to note that comparing absolute yield growth only presents part of the full picture since the grain or oilseed quality that is produced also plays a crucial role in determining the price and ultimately the overall output that is produced per unit of input.

Continued investment in seed research, as well as breeding and technology transfer, is vital for a competitive and sustainable agricultural sector. It is estimated that with continued investment in seed and seed technology research and development, made possible through a Breeding and Technology statutory levy, yield growth in soybeans, wheat and barley can be sustained, resulting in an additional annual revenue of up to R2.06 billion per annum, for the three crops, for the next ten years.

This is a summary of a report done for SACTA by the Bureau for Food and Agricultural Policy – BFAP. A copy of the full report is available at SACTA. Contact Gert Heyns (gert@sactalevy.co.za) or Leon du Plessis (leon@llagric.co.za) should you require a copy.





| Financial
Report

FINANCIAL REPORT

The main purpose of SACTA, in terms of its Memorandum of Incorporation, is to collect and distribute statutory levies for breeding and technology that have been imposed on specific self-pollinated crops.

One of the conditions of having statutory levies is that at least 20% of the levies collected have to be allocated to suitable transformation projects. The remaining portion of the levy fund has to be distributed to qualifying seed breeding companies according to their respective market shares. The market share of each participating company is determined by means of agreed formulae in respect of each crop. For rendering this service SACTA is allowed a facilitation fee that does not exceed 10% of the total levies collected.

The amount of the levies collected by SACTA has increased significantly since its inception in 2017, partly because of the introduction of additional self-pollinated crops to which the levies apply, as well as an increase in the levy amounts applicable to wheat, barley and oats. The total amount of levies collected will obviously differ from year to year due to varying crop sizes.

Although there are minor differences in the manner in which the levies are imposed and implemented in terms of the various crops, the following broad principles apply to the levies administered by SACTA:

1. Circumstances under which the levies are payable

The levies are due when the relevant crops are:

- (a) sold by or on behalf of the producer thereof;
- (b) processed or converted into a product by or on behalf of the producer thereof, if the product is intended to be disposed of;
- (c) subject to a silo certificate having been issued, if the levies have not already been paid in terms of paragraph (a) or (b) above; and
- (d) in the case of soybeans, exported from the Republic of South Africa, and in respect of which the levies have not been paid in terms of paragraphs (a), (b) or (c) above.

2. Parties responsible for payment of the levies

The levies are payable by the following parties:

- (a) by the buyers in the case of paragraph 1(a) above;
- (b) by the processors or converters in the case of paragraph 1(b) above;

- (c) by the persons issuing silo certificates in the case of paragraph 1(c) above; and
- (d) by the exporters in the case of paragraph 1(d) above.

3. Recovery of levies

The levies payable by the buyers, processors or converters, in the case of paragraphs 1(a) and 1(b) above, may be deducted or recovered from the purchase price payable to the producer of the crop.

The levies payable by the persons issuing a silo certificate, in the case of paragraph 1(c) above, may be recovered from the persons to whom such a silo certificate is issued.

4. Payment of levies

Levies are payable by the last day of the month following the month in which the sale, processing, conversion or export took place, or when a silo receipt was issued.

5. Information to be submitted

Parties paying the levies are obliged to identify the seed company whose seed was used to produce the grain being purchased, processed or converted on behalf of producers or in respect of which silo certificates are issued, by inter alia, requesting a declaration from the producer concerned at the point of delivery of the grain. The purpose for the identification of the seed company or the varieties concerned is to determine the involvement of the different breeders/seed companies in the market in order to compensate them in accordance with their market share from the levy fund.

The levy amount differs amongst crops and from year to year. The current amounts can be seen in the table below. For both winter cereal crops and soybeans, applications have been submitted for a continuation of the levies. The table below includes the future levy amounts applied for.



Grain marketing season							
	Oct 16 – Sep 17	Oct 17 – Sep 18	Oct 18 – Sep 19	Oct 19 – Sep 20	Oct 21 – Sep 22	Oct 21 – Sep 22	Oct 22 – Sep 23
	R/ton	R/ton	R/ton	R/ton	R/ton	R/ton	R/ton
					<i>(New Application)</i>		
Wheat & Barley	25.00	25.00	30.00	30.00	30.00	30.00	32.00
Oats	-	-	30.00	30.00	30.00	30.00	32.00

	Mar 19 – Feb 20	Mar 20 – Feb 21	Mar 21 – Feb 22	Mar 22 – Feb 23
	R/ton	R/ton	R/ton	R/ton
			<i>(New Application)</i>	
Soybeans	65.00	80.00	57.00	55.00

The rate of SACTA's efficiency in collecting levies since its inception can be seen in the tables below. The grain marketing season for winter cereal crops differ from SACTA's financial year, as it starts on 1 October and lasts until 30 September of the following year. The marketing season for soybeans corresponds with SACTA's financial year, i.e. the period from 1 March to the end of February of the following year. The volume of grain on which the levy was paid is compared to actual grain deliveries of the respective crops, as published by the SA Grain Information Service (SAGIS) for each year in question:

Grain marketing season				
	Oct 16 – Sep 17	Oct 17 – Sep 18	Oct 18 – Sep 19	Oct 19 – Sep 20
				<i>(Provisional)</i>
Wheat	94%	88%	93%	90%
Barley	96%	96%	91%	96%
Oats	-	-	75%	52%

	Mar 19 - Feb 20	Mar 20 - Feb 21
		<i>(Provisional)</i>
Soybeans	95%	62%

SACTA strives to deliver an efficient, low cost levy collection and administrative service. The actual cost of SACTA as a percentage of gross income can be seen in the table below.

	2020 (R)	2019 (R)	2018 (R)	2017 (R)
Gross income	122 022 595	65 661 893	51 968 049	28 440 581
Commission paid	3 050 566	1 641 547	1 299 201	711 014
Administration	3 923 686	2 188 665	1 257 199	331 258
Commission %	2.50%	2.50%	2.50%	2.50%
Administration %	3.22%	3.33%	2.42%	1.16%



A comprehensive summary of the approved Annual Financial Statements of SACTA, since its inception, can be found in Annexure A.





Progress
in Breeding
Programmes

PROGRESS IN BREEDING PROGRAMMES OF WHEAT AND SOYBEANS

A statutory levy for the purpose of breeding and technology in wheat and barley was approved in 2016 by the Minister of Agriculture, Forestry and Fisheries at the time. During 2018 a statutory levy on soybeans was approved for the same purpose.

The purpose of the levy is to assist in the funding of new variety development and to ensure that SA has access to state-of-the-art biotechnology, where required. The funds are paid to seed and technology companies that are actively involved in breeding new varieties and that introduce current and advanced biotechnology. Payments to the seed companies depend on the market share of each company.

Wheat and soybeans are self-pollinating crops. This means that grain of wheat and soybeans can be saved after harvesting in one season for planting during the next season. This is common practice, and in South Africa, approximately 65% of wheat and 80% of soybeans are produced from farm-saved seed. For this reason, seed and technology companies are hesitant to invest in new variety and technology development, as their return on investment is ineffectual.

Although per hectare yields of wheat have increased over the last 20 years, the area planted with wheat has reduced significantly. The

main reason for this situation is due to the reduced profitability of wheat, caused by high input costs. Significantly higher yields will have to be realised to increase profitability and new high yielding wheat varieties will be an important contributor.

Based on the increase to hectares planted, soybean production has increased significantly over the last five years, but the yield increase per hectare was marginal. Although successful soybean production is the result of the interaction of the assorted production inputs, the availability of suitable, high potential varieties, in conjunction with recent biotechnology, is a major contributor to increased and successful soybean production.

The question can be asked what progress has been made regarding breeding programmes and cultivar development to date. Different seed companies have been consulted and below the most important feedback.



1. Research

Previously it was difficult for local seed companies to enter into research agreements with seed and research companies abroad. The main reason was that they had no firm income on which to base such an agreement. Due to the levy for breeding and technology, they now can enter into such agreements on the premise that there is a basis for remuneration. Companies from abroad are now open to research collaboration agreements with local companies and institutions.

1.1. New genetic material

One of the local seed companies entered into an agreement with NIAB (National Institute of Agricultural Botany) to become part of a research project aimed at overcoming yield limiting factors in SA, by using modern breeding techniques. This programme focusses on selecting plant root systems able to produce higher yields under stress conditions.

The Agricultural Research Council in Australia is an important role player in wheat breeding. A South African seed company has applied to become part of the research done there. This research project is aimed developing wheat genetic material by using modern breeding techniques to breed wheat varieties that can overcome production stress situations. Modern breeding techniques such as marker assisted breeding and gene editing are used. This work will be done on existing South African wheat plant material. To participate in projects such as this one, a substantial financial contribution has to be made which would not have been possible without the current breeding and technology levy.

In other crops such as maize and soybeans, South African farmers have enjoyed the advantages brought by genetic modification over the last 25 years. New genetic modified material for wheat has now become available to one of our local seed companies. This



technology offers herbicide (glufosinate) tolerance as well as some drought resistance. This will present a major advantage to local wheat producers in future. The technology also enables plants to produce higher yields under saline soil conditions. Without the breeding and technology levy, access to this technology would not have been possible. It now offers a system whereby plant breeders can be remunerated for their research efforts.

1.2. Commercial varieties

Wheat breeders have been able to support the wheat industry by releasing several new varieties over the last few years. As one of the important production factors, a regular flow of new varieties with increased yield is needed to support growth and profitability of wheat production. During 2018 twelve new varieties and during 2019 seven new varieties were registered for local wheat production.

The table below indicates for which areas the released varieties were suitable:

Production region	Number of varieties
Western Cape	4
Irrigation areas	10
Dryland	5



2018: 12 new varieties

2019: 7 new varieties

were registered



A yield of

up to 11 tons/ha

was recorded with one of the irrigation varieties.



“In other crops such as maize and soybeans, South African farmers have enjoyed the advantages brought by genetic modification over the last 25 years. New genetic modified material for wheat has now become available to one of our local seed companies.”

1.3. Pre-commercial pipeline

For a wheat variety to perform well in the commercial market, not only yield, disease resistance and other production properties are important. Milling and baking quality is important to the milling and baking industries and breeders have to ensure that varieties are within reasonable quality standards before releasing a variety for commercial production.

Grain producers always feel comfortable if they are aware that a healthy pre-commercial pipeline of possible new varieties exists. On a regular basis the Wheat Forum Technical and Cultivar Committee evaluate the varieties earmarked for commercial release. The number of varieties released for production since April 2018 is listed in the table below:

Final release (since April 2018)

Production regions		
Dryland - Winter	Irrigation	Western Cape
7	11	3

Of the final releases above, five lines were released in May 2020 - Dryland (1), Irrigation (3) and Western Cape (1). The lines are provisionally approved for final release as bread wheat cultivars in the areas concerned, pending acceptance of the electrophoresis results when available.

Several new varieties in all the production areas have been released provisionally as seen in the table below:

Provisional release (May 2020)

Production regions		
Dryland - Winter	Irrigation	Western Cape
3	10	1

All the above varieties have higher yield potential than the current commercial varieties. A yield of up to 11 tons/ha was recorded with one of the irrigation varieties.



2. Disease resistance

Higher yields per hectare of winter grains are only possible, of course, should the varieties have the necessary disease resistance. A very important disease, which mainly manifests in the Western Cape and has a high impact on yield and profitability, is crown rot.

CenGen, a local laboratory, in collaboration with the University of Queensland in Australia, are working on a project where the genetic composition of crown rot is analysed. Earlier this project was at risk of being terminated due to lack of funding. One of the local seed companies, however, have now made funds available for this project to continue. This would not have been possible without the breeding and technology levy system in South Africa.

3. Equipment

To conduct a successful breeding programme, thousands of plots must be planted and harvested annually. This must also be done in the relevant production areas to evaluate the adaptability of each variety. Not only is a large number of plots to be planted, but planting also has to be done during the optimal planting period in each region. To be able to do this volume of work, sophisticated planting equipment has to be available. This type of equipment must be imported from abroad at an extremely high cost.

When harvesting the variety evaluation plots, special plot harvesters have to be used. These harvesters are equipped with sophisticated

weighing and moisture determining instruments which record the data as the plots are harvested. The availability of funds via the breeding and technology levy has seen more investment in this type of equipment to ensure effective variety selection and evaluation.

Glass housing is an integral part of a breeding programme. One of the seed companies invested in building a new glasshouse with the sole purpose of improving its breeding facilities of wheat varieties for all production regions.

4. New role players

For any commercial market to function optimally there should be reasonable competitiveness in the market. The promise of a return on investment through the breeding and technology levy has stimulated more interest amongst seed companies to enter into and invest in the wheat seed market. Two seed companies involved in other crops locally have extended their product range and are evaluating new wheat varieties from abroad. This has shown promising results and the evaluation of these varieties are now being extended to cover more production regions.

Although local breeding programmes supported the wheat industry in the past, imposing the breeding and technology levy has enabled local companies to access international breeding programmes, technologies and knowledge.



SOYBEANS

Soybean production has increased significantly over the last five years. The increase, however, has been mainly due to a large increase in hectares planted, while the yield increase per hectare has been marginal.

Although successful soybean production is the result of the interaction of the various production inputs, the availability of suitable, high potential varieties (in conjunction with recent biotechnology) is a major contributor to increased and successful soybean production.

SACTA imposed and collected the soybean levy for the first time during the previous soybean marketing season and was successful in collecting the levy on more than 90% of all soybeans delivered. Analysing the implementation of the levy system further reiterates the successful progress that has been made since incentivising seed and technology companies to develop new varieties and institute improved technology.

1. Biotechnology

Producers in SA have not been able to access the progressive biotechnology available in countries such as Brazil, Argentina, Uruguay and the US. South African producers should have access to the same technologies and possible advantages these hold for their international counterparts. Seed companies have been proactive and have already planted advanced deregulation trials in the last three years to ensure that the extensive technology gap that presently exists between South Africa and other soybean producing countries is quickly remedied.

Three major seed companies are presently involved in the various stages of the deregulation trials. This operation is intended to ensure that local soybean producers will be on the same footing as producers in other parts of the world within the next two to three years.



The initial biotechnology traits expected to be deregulated in South Africa are glyphosate and insect resistant traits. The documentation needed for deregulating these traits should be submitted by mid-2020. Producers could have seed containing these new traits available for planting as early as the 2022/23 production season.

In addition, various other companies have announced that the deregulation of traits such as glufosinate tolerance, combinations of glyphosate and glufosinate tolerance, as well as insect resistance will be conducted. One of the biotechnology owners also mentioned that their trait has drought tolerance and enables plants to grow under saline soil conditions.

2. New varieties

South Africa is fortunate to still have local breeding programmes where unique, adapted varieties can be developed and marketed. Although these programmes are local, they make use of genetic material licensed from companies abroad. The breeding and technology levy system provides a means of incentivising the companies that make their lines available for breeding purposes. South African breeders therefore now have access to the best material available.

Companies that do not have local breeding programmes introduce varieties that have been bred in other countries like Brazil, Argentina and the US. These varieties are thoroughly tested locally. Once they are found to be suitable for local production, the rights to produce and market them is licensed in South Africa. The owners of the plant breeders' rights are however reluctant to grant such rights if there is no reliable system that will ensure them a reasonable return on investment.

After the announcement of the introduction of a breeding and technology levy system in South Africa, many international companies contacted SANSOR enquiring and offering to supply genetic material to local breeders. However, it is important to note that most of the new generation genetics available for breeding purposes have already been converted to contain new biotechnology. The new biotechnology will have to be deregulated in South Africa before the new genetic material can be incorporated into breeding programmes. This would not have been possible without the breeding and technology levy system.

3. Infrastructure

A South American company active in SA has been motivated to invest in local infrastructure. They have already appointed a country manager who will focus on developing the soybean seed market by concentrating on the needs of farmers to increase their production per hectare.

The breeding and technology levy on soybeans has proved to be successful to seed and biotechnology suppliers alike. The second season of the levy on soybeans will start on 1 March 2020 and will end on 28 February 2021. An application for continuing the levy after 28 February 2021 will be submitted to the minister for consideration during 2020. The levy will form an integral part of financing the needed research in the continuous development of new soybean varieties.



“South Africa is fortunate to still have local breeding programmes where unique, adapted varieties can be developed and marketed. Although these programmes are local, they make use of genetic material licensed from companies abroad. The breeding and technology levy system provides a means of incentivising the companies that make their lines available for breeding purposes.”





| Transformation | Programmes

TRANSFORMATION CONCEPT

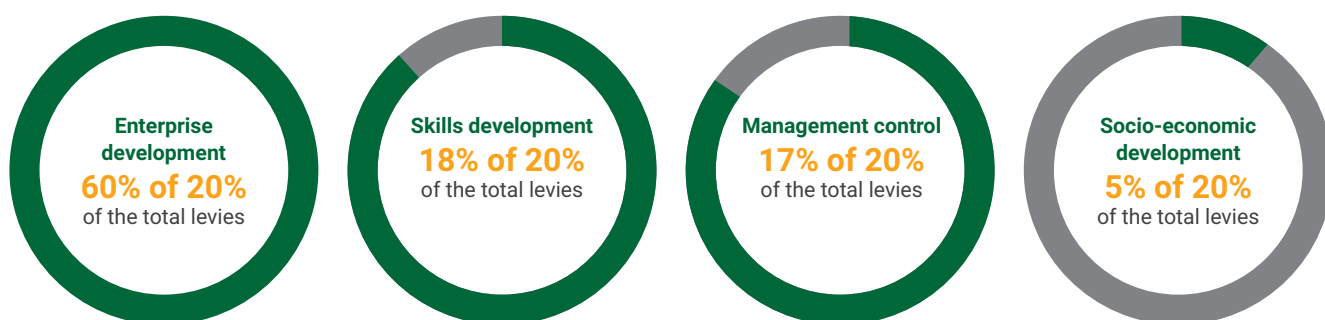
As explained, the bulk of the collected breeding and technology levies are paid to seed breeding companies and institutions based on their respective market shares of seed sales. This is done in an effort to stimulate breeding and technology research to ensure that South African farmers have access to the latest seed technology in the world.

The statutory levies which are imposed on the different commodities in order to achieve this goal are subject to certain conditions imposed by the Minister of Agriculture, Land Reform and Rural Development. One of these conditions is that 20% of the collected levies are to be allocated to transformation activities and initiatives in accordance with the guidelines of the National Agricultural Marketing Council (NAMC). In the first year that these levies were imposed the seed companies and institutions that received the funds were responsible for utilising the transformation portion of the levies, but the NAMC changed this.

As from 2018 SACTA has been responsible for this function and, in terms of the NAMC's guidelines, SACTA has since been obliged to –

- (1) facilitate the allocation of 20% of the collected levies to transformation activities and initiatives;
- (2) annually submit a comprehensive business plan and budget in respect of the planned transformation initiatives for the following year; and
- (3) bi-annually submit progress reports which contain audited expenditure reports regarding the transformation initiatives to the NAMC.

The guidelines specify the following categories that should be supported:



The guidelines identify the following critical elements to form part of the above categories for the transformation expenditure:

- Fund agri-businesses or black-owned farms for the procurement of production infrastructure, material and inputs, as well as soil preparation.
- Fund the cost of accreditation, various legal and professional services (such as Siza or HACCP).
- Assist farmers to access the market, including facilitating supply agreements or purchase contracts, as well as developing business plans for the farmers.
- Explore other funding alternatives to increase the transformation budget (such as CASP, Jobs Fund and others).
- Assist in ensuring that appropriate agricultural infrastructure, machinery and equipment are in place and are kept in good condition (e.g. electricity and water, bio-security measures, and more).
- Only procure materials, inputs and services from black-owned enterprises and agri-businesses.
- Fund training and mentoring programmes for the farmers and other production chain participants such as processing staff and marketers, machine and equipment users, mechanics and supervisors, in order to develop capabilities to better manage the farms and agri-businesses.
- Only fund training that is provided by SETA-accredited skills developers in terms of the AgriBEE Charter.
- Fund bursaries for black people to develop the above capabilities.
- Fund the position of a black transformation manager within SACTA.
- Fund activities that contribute positively to the quality of life of workers and their communities.

“The focus is to identify qualifying semi-commercial black farmers in the main summer grain production areas, namely the Free State, Mpumalanga, Gauteng, North West and the Eastern Cape. This roll-out will be followed by a second round of applications before the next winter cereal production season, i.e. during March/April 2021.”





Transformation strategy

In fulfilling its obligations in terms of supporting transformation initiatives, SACTA deems it important to fund viable and sustainable transformation projects in the grains and oilseeds industries that could complement the funding already provided by the Grains and Oilseeds Commodity Trusts. These mainly assist black emerging farmers with funding for three purposes, namely:

- Soil correction (primarily the supply of lime and phosphate)
- Insurance premiums (to insure their crops)
- Mentorship (to assist farmers with good production practices).

The funding from the Grains and Oilseeds Trusts for the above three purposes seem to be sufficient to address the immediate needs of the promising semi-commercial grain and oilseeds producers in the respective industries, especially in producing winter cereals where minimum land size is critical for the profitability of the farmers.

The most urgent need of semi-commercial black farmers in grain and oilseeds production, however, remains a lack of access to affordable and available input financing. This is due to the lack of access to suitable and acceptable collateral by the farmers themselves, as well as a lack of a well recorded and sustainable track-record and business plan.

Enterprise development

This situation prompted SACTA to investigate the possibility of developing a financing scheme for semi-commercial black farmers. Initial discussions were held with Old Mutual Wealth and Standard Bank to deploy such a scheme, but the proposals from these two institutions did not meet SACTA's criteria for the establishment of a sustainable and viable input financing scheme. First National Bank was approached as an alternative financial institution and its proposal met SACTA's expectations.

A SACTA/FNB financing scheme was developed for black semi-commercial grain and oilseeds farmers which has been implemented on a trial basis. A formal Collaboration Agreement was concluded between SACTA and FNB, with various service providers to become co-signatories of the agreement.

The essence of the agreement is that SACTA has deposited collateral into a bank account held by FNB on behalf of SACTA,

which is used to provide input cost financing loans to semi-commercial black farmers in the grains and oilseeds industries. Individual bank accounts are opened for the farmers by FNB, into which the approved loan amounts are deposited and from which the input costs of the farmers are reimbursed. All input costs of the qualifying farmers are considered in determining the actual loan amounts, including wages, fuel and even mechanisation, where appropriate. The interest earned by SACTA on the collateral investment is used to subsidise the interest rate payable by the farmers on their loans.

FNB pledged to add its own funds to the financing scheme once it is fully operational. FNB also provides financial literacy training to the qualifying farmers at its own expense.

Agri-businesses and other service providers like Grain South Africa form an integral part of the SACTA/FNB financing scheme, as these organisations act as primary facilitators and coordinators within the scheme. The main functions of these service providers are –

- (a) identifying and initial screening of potential farmers;
- (b) collecting and collating the required documents from the farmers;
- (c) identifying potential and suitable mentors for the farmers;
- (d) monitoring the farmers and selected mentors;
- (e) facilitating input deliveries and payments in terms of the loans;
- (f) coordinating the SACTA/FNB financing scheme for the farmers; and
- (g) compiling and submitting progress reports on the scheme.

The first major roll-out of the SACTA/FNB financing scheme will take place before the next summer grain and oilseeds production season in September/October 2020. The focus is to identify qualifying semi-commercial black farmers in the main summer grain production areas, namely the Free State, Mpumalanga, Gauteng, North West and the Eastern Cape. This roll-out will be followed by a second round of applications before the next winter cereal production season, i.e. during March/April 2021. The process will then be repeated twice annually in order to assist as many semi-commercial black farmers as possible in the winter cereal, summer grain and oilseeds industries.

While the development of the SACTA/FNB financing scheme is being finalised, SACTA has undertaken to make funds available to some service providers on a repayable loan basis, for the 2020 winter cereal and summer grain planting seasons.



The details of these farmers who have already been assisted in terms of SACTA's strategy to provide financial assistance for production input costs can be found in Table 1 of Annexure B to this report.



Management control

In terms of the SACTA/FNB collaboration agreement, the selected service providers are to conclude formal endorsement documents to form part of the scheme. The portion of the transformation funding aimed at management control will be utilised to reimburse the service providers and the mentors for rendering their respective services. SACTA has also resolved to appoint a full-time, experienced transformation manager to assist the chief executive officer and administrators with the management of the financing scheme, as it is envisaged that the size of SACTA's transformation funds pool will rapidly increase over the next few years. This appointment is in an advanced state and an announcement should be made before the end of 2020.

Skills development and training

In addition to the above strategies for transformation, SACTA has also implemented bursary and internship programmes in 2019.

The demographics from which agriculture will appoint the next several generations of employees will be under thirty years old, and South Africa's youth must develop the skills needed to build a resilient agricultural sector. Policies aimed at stimulating growth will be successful only if the supply of skills is adequately addressed. For this reason it is important that the youth are provided with sufficient opportunity to acquire the skills that the industry requires to build a global, competitive and resilient agricultural sector.

At present the grain and oilseeds industries receive a cumulative number of approximately 200 bursary applications annually. More than half of these applicants are not employed, proving the urgent need for agriculture to proactively address the skills shortage and help build capacity to serve the aspirations of the sector and of the country's economy.

Agriculture's strength lies in its human capital. Doctoral student, Lucia Zinzi Ndala supports the narrative stating that "a key to success and improving the economy and the livelihoods of our farmers is through empowering and investing in students and their education," making the issue of skilled human capital a valid concern.

The focus of SACTA's bursary and internship programmes is on breeding and technology studies on an honours, masters or doctorate level. Between 60 and 70 individual bursary applications are received annually and the policy is to award bursaries to deserving students who comply with the B-BBEE requirements of government, and is therefore focused on students from previously disadvantaged backgrounds.

Furthermore, SACTA and its administrators have taken the liberty of creating a website at www.agrimanage.co.za specifically for bursaries, internships and employment opportunities in agriculture. This platform is intended to simplify the process for bursary students and their mentors, while at the same time creating opportunities for qualified agricultural students to get practical work experience that could complement their studies and/or improve their competence and employability. It also serves industry in fulfilling available industry-specific job opportunities by recruiting the best possible candidates.

SACTA, together with the Maize Trust, the Sorghum Trust, the Sasol Agriculture Trust, the Protein Research Foundation, the Winter Cereal Trust and L&L Agricultural Services, host an annual soft skills Graduand Career Skills Development Workshop. This workshop is

aimed at providing an opportunity for invited bursary recipients and industry representatives to network and discuss career opportunities, options and developments within the agricultural sector in a relaxed environment.

At the Graduand Career Skills Development Workshop the following career-driven services are being offered to students:

- Make students optimally aware of ways in which they can prepare themselves for entering the job market.
- Bring students and potential employers into contact with each other to contribute to the optimal placement of graduate students.
- Keep career and corporate resources relevant and up-to-date.
- Equip the students with job-seeking skills.
- Provide participation in a range of workshops, namely CV writing, interviewing skills, cover letters, personal branding, industry information and development of presentations.

The current bursary amounts that are allowed by SACTA are as follows, but are revised every year:

Degree	Duration	Amount per annum
Honours	One year	R65 000
MSc	Two years	R98 000
PhD	Three years	R125 000

The conditions relating to local bursaries are as follows:

- Students must be South African citizens.
- Students must study fulltime at any South African university.
- Bursaries are only awarded for postgraduate studies.
- Fields of study have to be relevant to the South African grains and oilseeds industries and must be focused on breeding and technology.
- Topics for student theses must be approved by the SACTA Board.
- Nominated mentors for the study programmes, as well as the universities where studies are to be undertaken, are subject to approval by SACTA.
- Students are expected to work in the South African agricultural industries for a period equal to the period for which a bursary was awarded.
- The Board of SACTA annually determines the bursary and internship amounts to be funded.



The previous and current fields of study with SACTA bursaries can be found in Table 2 of Annexure B to this report.

Two interns have so far been funded by SACTA, namely at the SA Grain Laboratory and at CenGen (Pty) Ltd, a privately owned and well recognised laboratory in the winter cereals industry. Internships are normally granted for one year to the following amounts:

Degree	Amount per month
Honours	R10 500
MSc	R12 500
PhD	R15 000





Socio-economic development

In terms of socio-economic development, SACTA has embarked on an initiative to make a drastic impact at selected schools in previously disadvantaged communities within the primary production areas of winter cereals and soybeans. The focus of this initiative will be to establish, improve or maintain water supply and ablution facilities. Where needed, the maintenance and construction of classrooms will also be considered. This is being done in conjunction with the schools themselves and the various Rotary Clubs in South Africa, which endeavour to add additional funding from international donors. The Rotary Clubs will also take responsibility to plan and manage the various projects.



The identification and selection process for qualifying schools is in an advanced stage and details of the projects that have been accepted for financial support by SACTA are listed Table 3 of Annexure B to this report.

In addition to the schools initiative, SACTA has also made large donations to Afrika Tikun for a community garden legacy project in the Western Cape, in conjunction with the International Seed Federation, as well as to the South African Solidarity Fund. A new initiative for providing food to small communities in the North West Province has also been assisted in 2020.





Annexures I

ANNEXURE A

FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION

	Notes	2020 R	2019 R	2018 R	2017 R
ASSETS					
Non-Current Assets					
Property, plant and equipment	2	1	1	1	1
Current Assets					
Trade and other payables	3	134 988 438	65 425 058	41 950 731	29 626 061
Cash and cash equivalents	4	4 882 849	503 431	785 067	1 662 203
		130 105 589	64 921 627	41 165 664	27 963 858
Total Assets		134 988 439	65 425 059	41 950 732	29 626 062
EQUITY AND LIABILITIES					
Equity					
Equity		2 412 171	2 412 171	2 412 171	-
Reserves		2 412 171	2 412 171	2 412 171	-
Liabilities					
Current Liabilities					
Trade and other payables	5	132 576 268	63 012 888	39 538 561	29 626 062
Other financial liabilities	6	1 782 741	1 116 288	919 002	2 135 852
Provisions	7	93 574 961	61 476 600	38 619 559	27 490 210
		37 218 566	420 000	-	-
Total Equity and Liabilities		134 988 439	65 425 059	41 950 732	29 626 062



NOTES TO THE STATEMENT OF FINANCIAL POSITION

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1. Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

1.2. Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

1.3. Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Transformation provisions are provided for at 20% of net levies collected, inclusive of accrued interest.

1.4. Revenue

Administration income recouped from levy fund creditors, is recognised in the same period as funding is utilised for administration expenses.

1.5. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.



1.6. Trade receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amount are recognised in profit or loss when there is objective evidence that the asset is impaired.

1.7. Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

	2020 R	2019 R	2018 R	2017 R
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2. Property, plant and equipment

IT Equipment

Cost	1	1	1	1
Accumulated depreciation	-	-	-	-
Carrying value	1	1	1	1

3. Trade and other receivables

Levies receivable	4 882 849	503 431	785 067	1 662 203
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4. Cash and cash equivalents

FNB Cheque Account	376 458	314 805	241 726	12 064
FNB Current Account	10 643 549	9 004 191	14 198 722	12 359 873
FNB Money Market Account	2 837 845	2 654 825	2 483 581	15 591 901
FNB Investment Account	106 247 737	52 947 806	24 241 635	-
FNB Escrow - Transformation	10 000 000	-	-	-
	130 105 589	64 921 627	41 165 664	27 963 838

5. Trade and other payables

Commission payables	1 299 872	615 792	-	-
Trade payables	145 223	260 304	535 035	688 460
VAT	337 646	240 193	383 967	1 447 392
	1 782 741	1 116 289	919 002	2 135 852

6. Other financial liabilities

Levy fund creditor - Barley	7 002 072	12 756 614	6 871 684	393 492
Levy fund creditor - Oats	668 804	578 429	-	-
Levy fund creditor - Soybean	54 052 122	-	-	-
Levy fund creditor - Wheat	31 851 963	48 141 556	31 747 875	27 096 718
	93 574 961	61 476 599	38 619 559	27 490 210



	2020 R	2019 R	2018 R	2017 R
7. Provisions				
Opening balance	420 000	-	-	-
Allocated fund from levy fund creditors	37 578 991	560 000	-	-
Utilised during the year	(780 425)	(140 000)	-	-
	37 218 566	420 000	-	-

LEVY INCOME AND EXPENDITURE REPORT

Reconciliation of levy fund creditor: Wheat

Balance bought forward	48 141 556	31 747 875	27 096 718	-
Add: Gross levy income for the period	44 562 863	52 034 122	38 386 406	28 033 485
Less: Commission paid	(1 114 072)	(1 300 853)	(959 660)	(700 837)
Add: Interest on levy funds	2 002 383	1 758 957	1 326 489	90 586
Less: Funding utilised for administration	(1 432 937)	(1 734 419)	(928 635)	(326 516)
Less: Distributions to principles	(41 162 927)	(33 920 351)	(31 391 683)	-
Less: Reserve fund allocation	-	-	(1 781 760)	-
Less: Funding designated for transformation	(19 144 903)	(443 775)	-	-
	31 851 963	48 141 556	31 747 875	27 096 718

Reconciliation of levy fund creditor: Barley

Balance bought forward	12 756 614	6 871 684	393 492	-
Add: Gross levy income for the period	8 234 595	13 029 567	13 581 643	407 096
Less: Commission paid	(205 865)	(325 739)	(339 541)	(10 177)
Add: Interest on levy funds	370 012	440 450	469 330	1 315
Less: Funding utilised for administration	(264 787)	(434 306)	(328 564)	(4 742)
Less: Distributions to principles	(9 691 017)	(6 713 919)	(6 274 265)	-
Less: Reserve fund allocation	-	-	(630 411)	-
Less: Funding designated for transformation	(4 197 480)	(111 123)	-	-
	7 002 072	12 756 614	6 871 684	393 492

Reconciliation of levy fund creditor: Oats

Balance bought forward	578 429	-	-	-
Add: Gross levy income for the period	262 782	598 204	-	-
Less: Commission paid	(6 570)	(14 955)	-	-
Add: Interest on levy funds	11 808	20 222	-	-
Less: Funding utilised for administration	(8 450)	(19 940)	-	-
Less: Distributions to principles	-	-	-	-
Less: Funding designated for transformation	(169 195)	(5 102)	-	-
	668 804	578 429	-	-

Reconciliation of levy fund creditor: Soybeans

Balance bought forward	-	-	-	-
Add: Gross levy income for the period	68 962 355	-	-	-
Less: Commission paid	(1 724 059)	-	-	-
Add: Interest on levy funds	3 098 746	-	-	-
Less: Funding utilised for administration	(2 217 512)	-	-	-
Less: Distributions to principles	-	-	-	-
Less: Funding designated for transformation	(14 067 408)	-	-	-
	54 052 122	-	-	-

Total	93 574 961	61 476 600	38 619 559	27 490 210
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ANNEXURE B

TABLE 1: ENTERPRISE DEVELOPMENT

WINTER CROPS

Service Provider: Grain SA					
	Number of farmers	Region	Crop	Ha	Status
TOTAL	3	Western Cape	Wheat	300	Planted

Service Provider: Senwes					
	Number of farmers	Region	Crop	Ha	Status
TOTAL	1	Northern Cape	Wheat - Irrigation	40	Planted

SUMMER CROPS

Service Provider: Grain SA					
	Number of farmers	Region	Crop	Ha	Status
	3	NW	Soybeans & Maize		In planning
	6	KZN	Soybeans & Maize		In planning
	24	Free State	Soybeans & Maize		In planning
	15	Mpumalanga	Soybeans & Maize		In planning
TOTAL	48			1 875	

Service Provider: Senwes					
	Number of farmers	Region	Crop	Ha	Status
	2	Gauteng	Soybeans	220	In planning
	2	Free State	Soybeans	120	In planning
TOTAL	4			440	

Service Provider: Lucid Pty Ltd					
	Number of farmers	Region	Crop	Ha	Status
	3	Eastern Cape	Soybeans	270	In planning
	8	Free State	Soybeans	665	In planning
TOTAL	11			935	



TABLE 2: SKILLS DEVELOPMENT

University	Department	Qualification	Title
UKZN	Plant Breeding	PhD (2019-2021)	Pre-breeding of wheat for drought and low soil fertility stress tolerance.
UJ	Plant Biochemistry	MSc (2019-2020)	Metabolomic analysis and metabolite profiling development for oat (<i>Avena sativa</i>) cultivar identification and evaluation.
UKZN	Plant Pathology	MSc (2019-2020)	Identification and characterization of viruses infecting soybean (<i>Glycine max L.</i>) in South Africa.
NWU	Plant Nematology	MSc (2019)	A comparative study of the development and reproduction of <i>Meloidogyne enterolobii</i> and other thermophilic South African <i>Meloidogyne</i> species.
CPUT	Agronomy	MSc (2019)	Effect of planting density and nitrogen application on grain quality and yield of three barley (<i>Hordeum vulgare L.</i>) cultivars planted in the Western Cape Province of South Africa.
UFS	Agronomy	Hons (2019)	Effects of soybean (<i>Glycine max L.</i>) seed retention in South Africa.
UKZN	Agronomy	PhD (2020-2022)	Agronomic biofortification of wheat landraces compared to commercialised hybrids under varying irrigation regimes.
UKZN	Plant Breeding	PhD (2020-2022)	Genetic advancement of newly developed bread wheat (<i>Triticum aestivum L.</i>) populations for drought tolerance.
UFS	Plant Breeding Food Sciences	PhD (2020)	The influence of abiotic stress on glutenin in wheat and its effect on bread-baking quality.
UFS	Agronomy	MSc (2020-2021)	Seed retention effect on yield and grain quality of different soybean (<i>Glycine max</i>) Cultivars.
UJ	Plant Biochemistry	MSc (2020-2021)	Elucidation of the rhizosphere chemical communication between wheat / soyabean plant roots and plant growth promoting rhizobacteria.
UFS	Agronomy	MSc (2020-2021)	Alleviation of salt stress in wheat by silicon.
UFS	Plant Pathology	MSc (2020-2021)	Barley leaf rust (<i>Puccinia hordei</i>).
SU	Agronomy	MSc (2020-2021)	Plant densities and nitrogen application rate for wheat production in the Swartland and Ruëns of the Western Cape.
SU	Agronomy	MSc (2020)	Liming strategies for barley production under conservation agriculture.
UFS	Plant Breeding	Hons (2020)	Breeding for sudden death syndrome disease resistance in commercial and vegetable-type soybean.



TABLE 3: SOCIO-ECONOMIC DEVELOPMENT

Project	Region	Managed By	Value	Completed	Comments
Legacy Project	Western Cape	Afrika Tikkun	R500 000	Yes	
RSA Solidarity Fund	RSA		R500 000	Yes	
Food Project	RSA	Chamber Commerce Potchefstroom	R50 000	Yes	
Five Schools – Water and Sanitation Improvements	Mpumalanga	Rotary Clubs - Mpumalanga	R500 000	In Planning	Schools involved are: Batlage Primary, Doornkop Centre, Mkhulu Combined, Bankfontein Combined and Damesfontein.
Spitzkop School – Water supply repairs	Eastern Free State	Ladybrand Rotary Club	R8 500	Yes	Spitzkop Primary School. Repair of submersible pump, taps and leaking cisterns.
Upgrade ablution & new Classroom	Eastern Free State	Ladybrand Rotary Club	R400 000	In Planning	Coenraad Snyman Primary School. Modderpoort.





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