Paving the way for developing black producers

By Gert Heyns, CEO of SACTA, and Leon du Plessis, managing director of L&L Agricultural Services, administrators to SACTA

Statutory levies for purposes of breeding and technology were recently approved by the minister of agriculture, land reform and rural development. The levies are intended to assist in the funding of new variety development and to ensure that South Africa has access to state-of-the-art biotechnology.

The statutory levies are imposed on different commodities and are subject to specific conditions as determined by Minister Didiza. One of these conditions is that 20% of the collected levies are to be allocated to transformation in accordance with the guidelines of the National Agricultural Marketing Council (NAMC).

In terms of the NAMC's guidelines, the South African Corporate Training Association (SACTA) is obligated to facilitate the allocation of 20% of the collected levies to transformation activities and initiatives, to annually submit a comprehensive business plan and to budget for the planned transformation initiatives for the following year, and biannually submit progress reports to the NAMC, together with audited expenditure reports for funding of the initiatives.

Transformation strategy

SACTA deems it important to fund viable and sustainable transformation projects in the grains and oilseeds industries, which complement the funding already provided by the different grains and oilseeds commodity trusts.

The most urgent need of semi-commercial black farmers in grains and oilseeds production remains a lack of affordable and available input financing. This is due to a shortage of suitable and acceptable collateral by these producers, as well as well-recorded and sustainable track records and business plans.

Enterprise development

The NAMC's guidelines prescribe that at least 60% of transformation funding be allocated to enterprise development. Since most of the new developing farmers do not own the land they cultivate, it is almost impossible to qualify for production input financing. SACTA therefore decided to aid producers via dedicated service providers.

The SACTA input financial assistance programme comprises the following:

- Interest-free financial assistance for a period of three years.
- Producers must repay the amount used in full on an annual basis.
- All profits are available for producers to utilise in their personal capacity.

Agri-businesses and other service providers, such as Grain SA, FarmSol, Senwes and Agriqua Holdings, form an integral part of the SACTA financial assistance scheme as they act as primary facilitators and co-ordinators.

The SACTA input financial assistance programme was introduced in winter 2020. In the following summer, the programme was extended. Information pertaining to the programme can be seen in *Table 1*.

Table 1: Number of producers, hectares and crops planted in the 2020 production year.

Crop	Region	Hectares planted	Number of producers
Wheat	Western Cape	290	4
Soya beans	Summer rainfall	1 686	33
Maize	Summer rainfall	605	

Skills development and training

In addition to the aforementioned strategies for transformation, SACTA also implemented bursary and internship programmes in 2019. The focus of SACTA's bursary and internship programmes is on breeding and technology studies at an honours, master's 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 broad-based black economic empowerment (B-BBEE) requirements of government.

The conditions relating to local bursaries are as follows:

- Students must be South African citizens.
- Students must study full-time at any South African university.
- Bursaries are only awarded for post-graduate studies.
- Fields of study must be relevant to the South African grains and oilseeds industries and must be focussed 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 industry for a period equal to the time during which the bursary was awarded.
- The SACTA board annually reviews the bursary and internship amounts.

The SACTA skills development programme also makes provision for supporting internships. Internships are supported at agricultural industry related companies. SACTA currently supports an internship at CenGen (Pty) Ltd, a privately owned and well recognised laboratory in the winter cereals industry.

Five internships have also been approved for the Forestry and Agricultural Biotechnology Institute (FABI) at the University of Pretoria in 2021.

For any enquiries or interest in applying for a bursary or internship support, email Leon du Plessis at leon@llagric.co.za or Gert Heyns at email gert@sactalevy.co.za.