

11 April 2014



Agribusinesses implementing AgriBEE Results from the 2014 Agbiz AgriBEE Survey

The agricultural sector has been under severe scrutiny about transformation and the implementation of BEE. So far, Agbiz is the only organisation that measures implementation of AgriBEE, as well as officially determine the challenges and intentions of the sector – and that amongst the agribusinesses. Lindie Stroebe, who represents Agbiz, and therefore agribusinesses in South Africa, as an AgriBEE Charter Council member, conducts this survey every two years in an attempt to base all positions and negotiations on sound information. The 2014 Agbiz AgriBEE Survey has just been completed and highlights of the findings were shared by Mrs Stroebe today.

A total of 21 agribusinesses responded to the survey, of which 5 were below R1 billion turnover (the smallest with R25 million turnover), 9 were between R1 billion and R4 billion turnover and the remaining 7 over R4 billion turnover. For the purpose of analyzing differences, the smaller 5 were labelled as category 1, the middle group as Category 2 and the largest agribusinesses as Category 3.

It is very difficult to measure the BEE compliance of the agricultural sector as a whole, as so few enterprises have determined their score, never mind obtained accredited scorecards. The reason being that the majority of enterprises falling under the AgriBEE sector codes are farmers and smaller enterprises. Due to the uncertainty of the thresholds level and the frequent changes in legislation, this caused severe difficulty to strategize and implement. Agribusinesses, on the other hand, are mostly large enterprises, which is unlikely to fall under the categories of Exempted

Micro Enterprises (EME's) and Qualifying Small Enterprises (QSE's). Accordingly, most agribusinesses have been measuring their scores and obtaining accredited scorecards. In this survey, it was notable that all of the larger agribusinesses had accredited BEE scorecards in place already.

Almost half of the respondents indicated their current AgriBEE scores to be at level 6 or 5, with the intention of improving it by 2016. Most have the intention of improving it to a level 4 compliance by 2016. The other half of the respondents indicated scores of level 7 or 8 compliance and only 3 were non-compliant. They all have the intention of improving their scores significantly by 2016. The figure below indicates the detail of the current versus the planned scores.

Agribusinesses indicated that toward optimizing the impact of their transformation and BEE compliance efforts, as well as to obtain maximum return on their investments, they were inclined to prioritise the *skills development* element, followed by the *enterprise & supplier development* element and the *social development* element. The table below shows the priorities indicated by agribusinesses in 2007, 2009, 2012 and 2014.

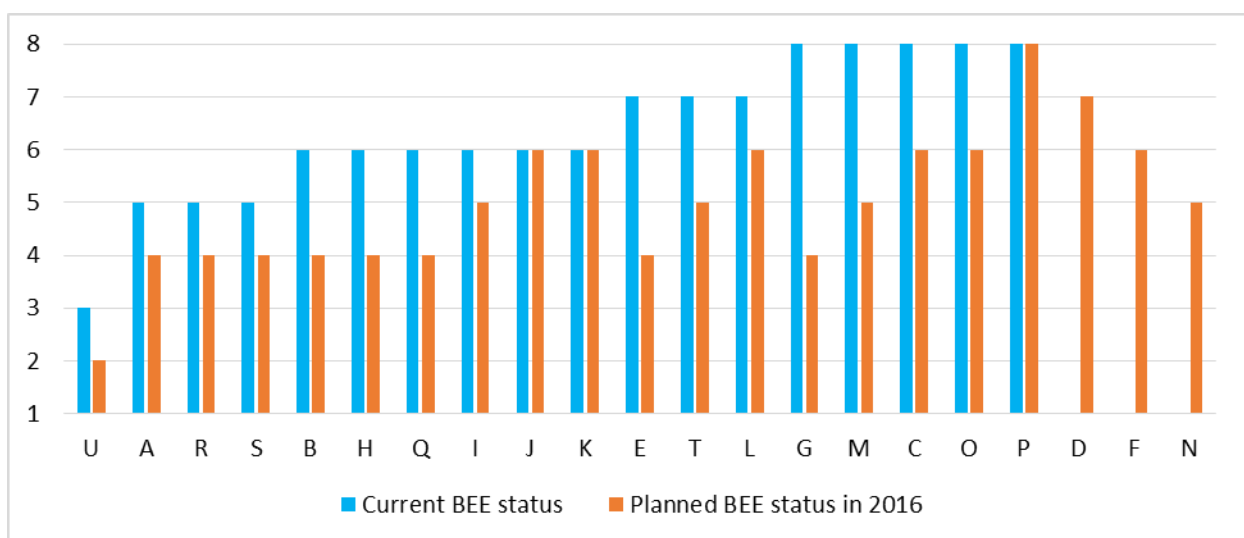


Figure: Agribusinesses' current AgriBEE scores, versus their planned scores for 2016

Note:

Due to confidentiality agreements, companies are indicated by alphabetic numbers.

The figure indicated level 1-8 contribution level. 1 being the highest contribution and 8 being the lowest.

Where no level was shown, it indicated non-compliance.

Results were sorted from highest to lowest current BEE scores.

Table: Priority ranking of BEE elements in the 2007,2009, 2012 and 2014 surveys

Priority Ranking	2007 survey	2009 survey	2012 survey	2014 survey
1	Skills Development	Skills Development	Socio-economic development	Skills Development
2	Ownership	Preferential procurement	Enterprise development	Enterprise & Supplier development
3	Employment Equity	Socio Economic Development	Skills development	Social development
4	Management Control	Enterprise Development	Preferential Procurement	Ownership

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