

SAGIS' 21st ANNUAL GENERAL MEETING, 19 JULY 2018
Intundla Game Lodge, Dinokeng

CHAIRPERSON'S REPORT FOR THE 2017/18 FINANCIAL YEAR
Dr John Purchase

1. Welcome

Ladies and gentlemen, good morning and welcome to the 21st Annual General Meeting of SAGIS. Thank you for making time to be here – your interest is highly appreciated. It is a pleasure to, at least once a year, interact with some of our fellow industry role players and our valued guests.

1.1 Highlight in 2017

SAGIS commemorated its 20th anniversary on 11 November 2017. A special commemoration function to celebrate this important milestone was held on 3 November 2017 with the theme “A walk down SAGIS’ timeline”. The evening provided role players with the opportunity to meet and share mutual interests, as well as share memories from earlier days.

In addition to this big celebration, SAGIS compiled a booklet with highlights of the past 20 years and is available to all interested parties. A copy of this booklet, together with the Annual Report, were handed out to you.

With so many footprints left during the history of SAGIS, many ideas and new innovations came forth. We are thankful to all who did not only leave footprints, but also strong building blocks in the development of SAGIS over two decades. We trust and believe that this growth and development will continue into the future, making SAGIS even more valuable to its users locally and internationally.

1.2 Why SAGIS is important to the market

In a constantly changing environment filled with political, economic and climate change challenges, the best decisions with regard to global food security can only be made if you have factual information at hand.

SAGIS is proud to be able to serve the market by fulfilling this important need by taking on new opportunities, challenges and adapting to change, whilst staying true to its main objective and values.

SAGIS is the only company in South Africa that provides actual data regarding whole grain and oilseeds, as well as data on maize, wheat and oilseeds products.

SAGIS' vision is to be recognised nationally and internationally as the most reliable provider of market information related to grain and oilseeds in southern Africa. That goal has been achieved, but the challenge is to stay there.

2. SAGIS' structure

2.1 Directors serving on the Board during 2017/18

The following persons represented the four Trusts on the 2017/18 Board of Directors:

Trust	Directors		Alternate Director
The Maize Trust	Dr John Purchase	Ms Khanya Mahlathi	Mr Chris Schoonwinkel
Oil & Prot. Seeds Dev. Trust	Mr Gerhard Scholtemeijer	Mr De Wet Boshoff	Ms Marie vd Merwe
Winter Cereal Trust	Mr Tato Make	Ms Mariana Purnell	Mr Geoff Penny
The Sorghum Trust	Mr Anton Nebe	Mr Happy Mohane	Mr Willem Groothof

2.2 Directors appointed for the next 12 month period

It is now my pleasure to introduce the newly appointed Directors for the 2018/19 financial year to you:

Trust	Directors		Alternate Director
The Maize Trust	Dr John Purchase	Mr Zovuyo Ngejane	Mr Chris Schoonwinkel
Oil & Prot. Seeds Dev. Trust	Mr De Wet Boshoff	Vacant	Ms Marie vd Merwe
Winter Cereal Trust	Mr Tato Make	Ms Mariana Purnell	Mr Geoff Penny
The Sorghum Trust	Mr Anton Nebe	Mr Happy Mohane	Mr Willem Groothof

I would like to congratulate all the Directors who were re-elected and a warm welcome to the new Director, Mr Zovuyo Ngejane.

2.4 Staff

SAGIS' operational activities were managed on a day-to-day basis by:

Nico Hawkins General Manager

Bernard Schultz Head of Information

Martie Thomas Head Corporate, and

Chris Herbst Head of Inspection

On 28 February 2018 SAGIS employed 24 fulltime employees.

3. Operational Activities

On behalf of the Board of Directors I wish to confirm that all operations conducted during the 2017/18 financial year were successfully concluded.

3.1 Whole grain and oilseeds

3.1.1 Co-workers

With regards to SAGIS' main function (publication of whole grain and oilseeds monthly data), 635 co-workers were registered with 1 235 monthly returns at the end of February 2018.

- 79% of the 635 co-workers were Processors,
- 12% Traders,
- 5% Storers and
- 4% Harbour-silo owners.

For the reporting period 99.8% of the total returns were received, of which 74% were received on or before the due date each month. Co-workers with outstanding returns after the due date are contacted and followed up by SAGIS.

Although letters of non-compliance had to be served on some co-workers during the 2017/18 financial year, all matters could be resolved and no prosecution of co-workers was necessary.

The co-operation of co-workers was in general very good. SAGIS aims to promote good working relationships by visiting problematic co-workers to pro-actively solve specific problems.

3.1.2 *Information with regard to whole grain and oilseeds:*

- 20.5 million tons of whole grain and oilseeds were produced in South Africa. This is an increase of 9.2 million tons in production from the previous year, mainly due to the good rainfall received in most parts of the country, when compared to the severe drought of the previous year.
- Imports decreased from 4.7 million tons the previous year to 2.2 million tons this past year.
- Exports increased to 2.2 million tons from the 1.1 million tons the previous year.
- Stocks of grain and oilseeds in commercial structures at month end varied between 3.8 and 13.2 million tons.

3.2 **Products**

3.2.1 *Co-workers*

The total number of monthly returns for Maize, Oilseeds and Wheaten Products was 1 022. This is 158 more monthly returns than the previous year.

3.2.2 *Product information*

- **Maize:** 5.1 million tons of white and yellow maize products for human consumption, of which 2.4 million tons were super maize meal, were manufactured.
- **Oilseeds:** 1.8 million tons oilseeds products were manufactured.
- **Wheat:** 3.2 million tons wheaten products were manufactured of which the most, namely 1.1 million tons, were for white bread flour.
- **Pan baked bread:**
 - 2.1 billion pan-baked breads were baked in South Africa during the twelve month period.
 - An average of 88.9 million loaves of brown bread were baked per month, and
 - 88.3 million loaves of white bread were baked per month.

- Whole wheat and Other bread products represented only a very small part of the total bread baked.

3.3 Inspection

The main objectives of the Inspection team are to:

- Confirm the correctness and completeness of SAGIS' information against source documentation;
- Identify co-workers who should register at SAGIS; and
- Ensure compliance with all measures and regulations.

As part of SAGIS' commitment to good working relationships, the inspectors also provide training where necessary to the co-workers to ensure the correct reporting of data.

872 premises across the country were visited where stocktaking, audits, new registrations and cancellations were done.

The mistakes as well as non-compliance to the statutory measures that were found during these inspections had virtually no impact on the information that had already been released by SAGIS.

3.4 SAGIS' website and principles of data distribution

3.4.1 SAGIS' website

SAGIS' main line of communicating information / data to its co-workers, market participants and other interested parties is through its website.

- During the 2017/18 financial year SAGIS' website received approximately 64 000 visits.
- 148 countries visited the SAGIS website.
- The monthly whole grain and oilseeds data, as well as the weekly import and export data are the most popular.

3.4.2 General info on SAGIS' website

- There are over 8 500 files on SAGIS' website. More information and data are continuously added as SAGIS grows and expands its services.
- SAGIS is a rich source of historical data for all grain and oilseeds produced in South Africa. Some data dates back as far as 1911. This information can be used to follow trends over years.

3.4.2 *With regard to the principles of data distribution the following needs to be noted:*

- Only the General Manager may release information.
- All individual information received is treated as confidential and will never be released, except by court order.
- Data is released on specific dates and times to ensure that there is no preference or bias to anyone.

3.5 **Finances**

3.5.1 *Financial statements*

The 2017/18 financial statements were audited by “The Ashton CA (SA) Group Inc.” and SAGIS received an unqualified audit report. The financial statements for the reporting period were approved during the closed AGM.

A net amount of R14.1 million, that includes the product and weekly information, was approved by Members for utilisation during the 2017/18 financial year. An actual amount of R13.8 million was utilised leaving a total saving of ±R300 000.

3.5.2 *Funding*

SAGIS is funded by The Maize Trust, Oil and Protein Seeds Development Trust, Winter Cereal Trust and The Sorghum Trust.

3.5.3 *Basis for calculation of subscription*

The current basis for subscription, as approved by the AGM of 2015, is applicable for three financial years starting 2016/17 and ending 2018/19. No amendment to the basis was needed during the three year period as it did not deviate by 20% or more.

The basis for subscription per Member for the 2017/18 financial year was as follows:

The Maize Trust	: 66.1%
Oil and Protein Seeds Dev. Trust:	15.5%
Winter Cereal Trust	: 13.7%
The Sorghum Trust	: 4.7%

4. **Acknowledgements**

- It is my privilege to give special thanks to everyone that has assisted SAGIS to succeed in its goals, not only during the 2017/18 financial year, but also during the past twenty years.
- To the members and trustees, thank you for your trust in the Directors, Management and staff of SAGIS. Your continued support, funding of projects and the positive way in which SAGIS' matters are always treated, is highly appreciated.

Please be assured of the determination of the Board of Directors and the administration to render the best and most cost effective service possible to your respective industries.

- On this note I would like to extend my appreciation to the Vice-Chairperson, Mr Anton Nebe, and my fellow directors. Thank you for your willingness to serve and co-operate in the interests of an organisation that is not only important to each of us, but also our agricultural partners in South Africa and internationally. Your availability and willingness to make time available, amid full programmes, to discuss matters of interest to SAGIS contributes to the success that is achieved.
- I also want to thank the administrators of the four Trusts, namely Mr Leon du Plessis of The Maize and The Sorghum Trusts, Mr Gerhard Keun of the Oil and Protein Seeds Development Trust and Mr Ishmael Tshame of the Winter Cereal Trust, for the work you do, to ensure the smooth operation of the structures in the grain and oilseeds industries, of which SAGIS is one.
- On behalf of the Board I would like to thank the General Manager and each member of the SAGIS staff for your perseverance and drive to deliver the best possible service. **As Ralph Marston once said: Excellence is not a skill, it is an attitude.**
- We thank our heavenly Father for wisdom, guidance and grace in difficult times but also to prosperity in good times. Let us remember that there is always a rainbow after every storm.
- Today concludes my term as Chairperson of the Board as our constitution determines that a chairperson may only serve for three consecutive years.

It is, therefore, an honour to introduce the Chairperson and Vice-Chairperson of SAGIS' Board of Directors for the next period.

- Chairperson: Ms Mariana Purnell
- Vice-Chairperson: Dr John Purchase

I would like to congratulate you, Mariana, and wish you the best with this great task at hand.

5. **Conclusion**

Ladies and gentleman, on this note I conclude.