



SAGIS

South African Grain Information Service NPC

Annual Report

1 March 2014 ~ 28 February 2015

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Core Values

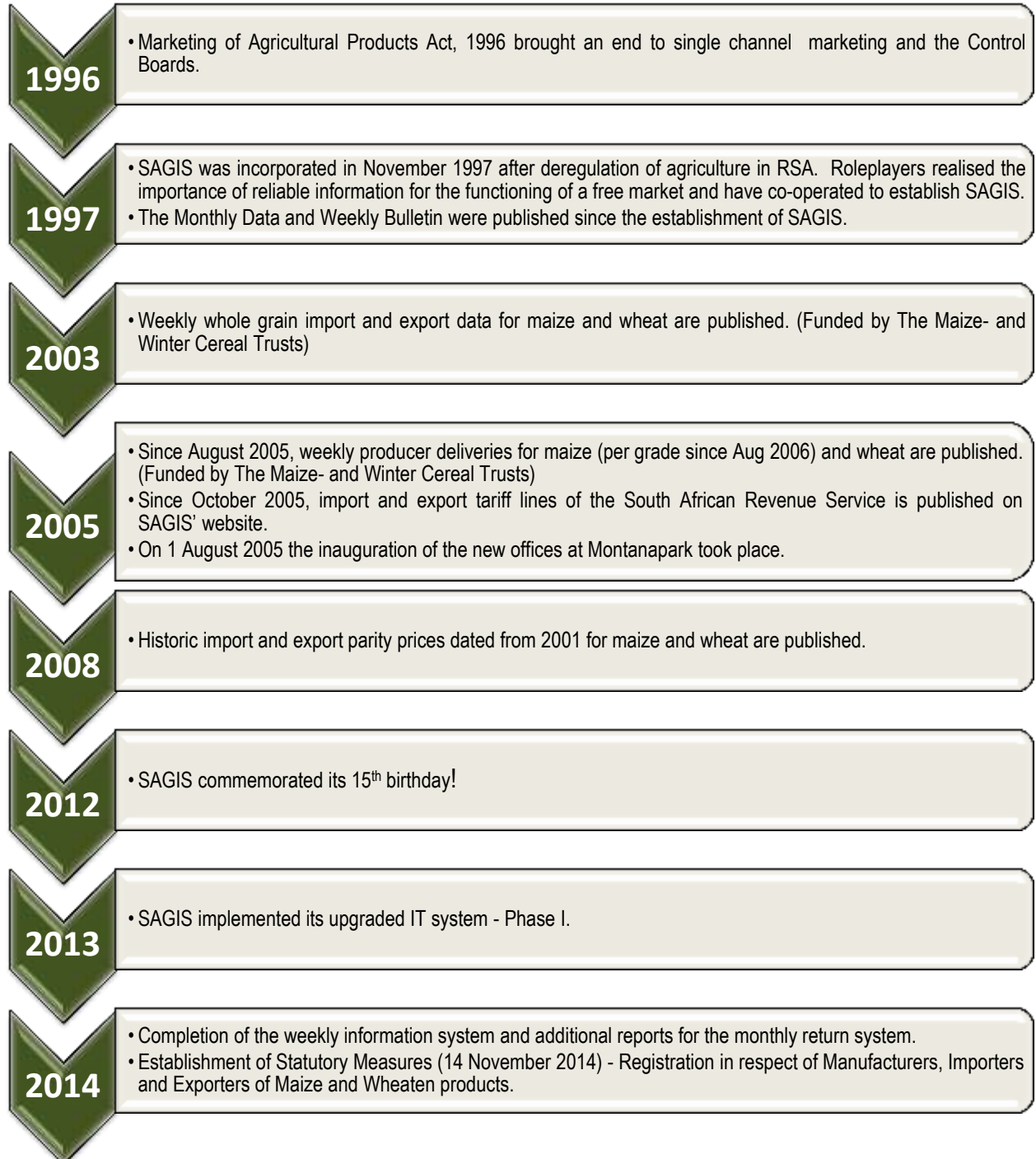
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OVERVIEW AND HISTORY

1. Company history and highlights



OVERVIEW OF SAGIS: 2014/15 FINANCIAL YEAR

2. Report by the Chairperson

On behalf of the Board of Directors of SAGIS, it gives me great pleasure to present the Annual Report for the 2014/15 financial year. The Board is satisfied with the accuracy of the information contained in this annual report, and accepted the audited financial statements of the organisation for the financial year 1 March 2014 to 28 February 2015.

SAGIS' strategic focus area remains to submit reliable and accurate whole grain and oilseed information. This is actual information on the movement of grain and oilseeds in commercial structures.

Information published on SAGIS' website is much more than mere figures received from its co-workers. Development is constantly taking place to provide more user friendly, factual information on a large variety of information. This information is also used internationally.

The upgrading of the IT system started in 2011 and this project was completed and signed off on 30 April 2014.

During November 2014 new Statutory Measures were established in respect of the registration of Manufacturers, Importers and Exporters of Maize and Wheaten products. SAGIS has started with the process of registering co-workers. The new Statutory Measure has its own challenges, especially with regards to registration of co-workers. The Board, however, believe that the new regulation can be implemented successfully by SAGIS, with positive results for the whole market.

We extend our appreciation to all who contributed to the performance of SAGIS over the past year, the co-workers for their continued confidence and co-operation, the Directors, General Manager, his management and all employees of SAGIS for their dedication.

Karabo Peele

Karabo Peele

Chairperson: SAGIS Board of Directors



MANAGEMENT STRUCTURE

3. SAGIS' Structure

3.1 Forums

Market participants of each of the four industries established forums where role-players meet for matters of mutual interest, inter alia market information. With regards to information, the forums make recommendations to:

- The NAMC for the information needs of the industry and the institution (SAGIS) to provide the service.
- The Trust of each industry concerning the funding of the institution and additional services.

3.2 Trusts

The Trusts of the four industries are registered as Members of SAGIS and each Trust annually appoints two Directors as well as one Alternate Director.

The future existence of SAGIS totally depends on the existence and funding by the Trusts.

During the 2014/15 financial year, SAGIS was funded by the four Members according to the approved basis by the Annual General Meeting:

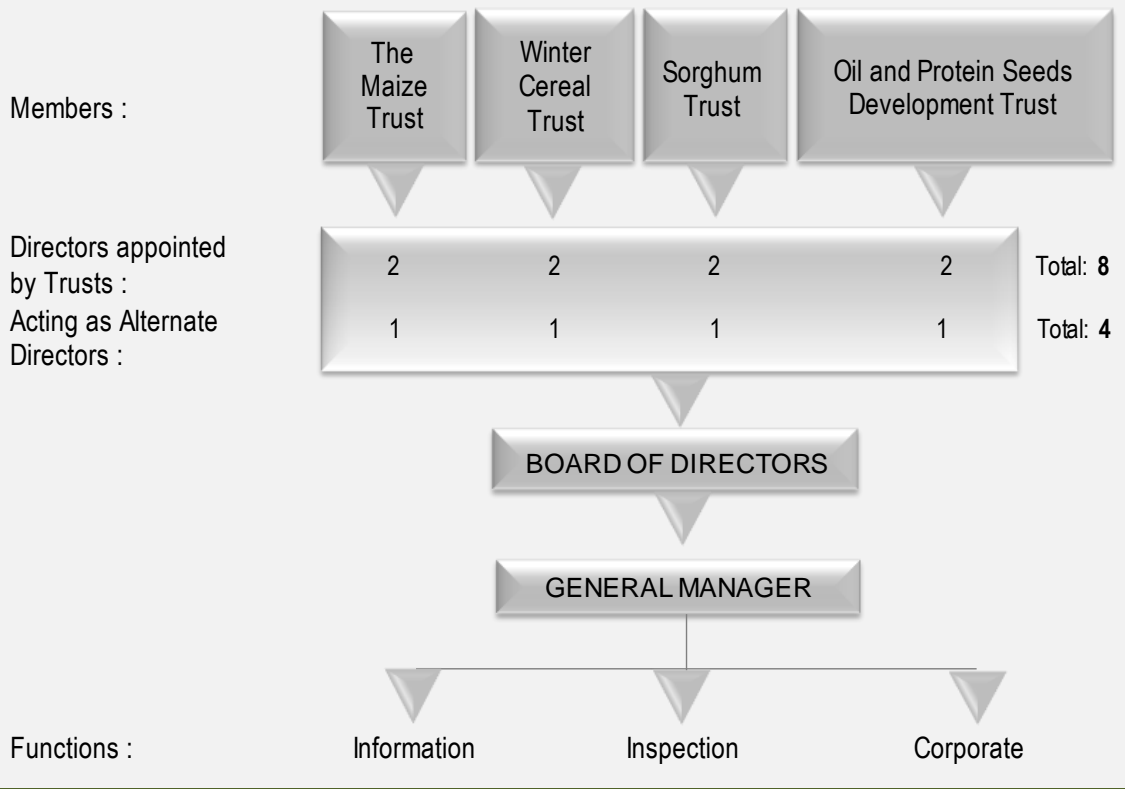
Member	Basis March 2014 – Feb 2015
The Maize Trust	67.0%
Oil and Protein Seeds Development Trust	14.6%
Sorghum Trust	4.8%
Winter Cereal Trust	13.6%



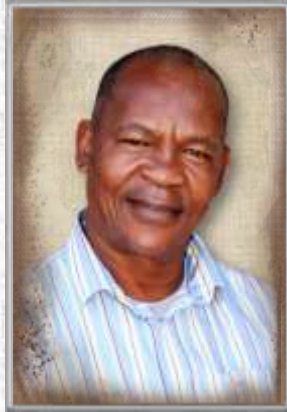
3.3 SAGIS' Organigram



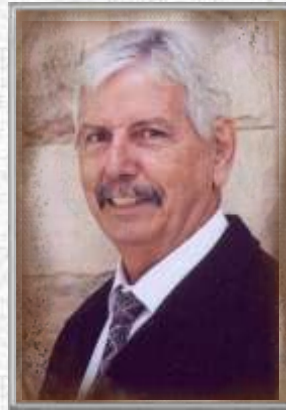
SAGIS' STRUCTURE



3.4 SAGIS' Board of Directors 2014/15



Chairperson
Mr JK Peele
The Maize Trust



Vice-Chairperson
Mr PG Louw
Winter Cereal Trust



Director
Ms KPN Daly
The Maize Trust



Director
Mr JH Gordon
Sorghum Trust



Director
Mr BB Make
Winter Cereal Trust



Director
Mr AWH Marais
*Oil & Protein Seeds
Development Trust*



Director
Mr AAA Nebe
Sorghum Trust



Director
Mr GJH Scholtemeijer
*Oil & Protein Seeds
Development Trust*



Alternate Director
Mr JF de Villiers
The Maize Trust



Alternate Director
Ms M Purnell
Winter Cereal Trust



Alternate Director
Mr JJ Minnaar
Oil & Protein Seeds
Development Trust



Alternate Director
Mr JJ van der
Westhuizen
Sorghum Trust

3.5 Human Resources



Management:
f.l.t.r. Corporate: Martie Thomas, **Information:** Phillip Breet, **Inspection:** Chris Herbst
General Manager: Nico Hawkins



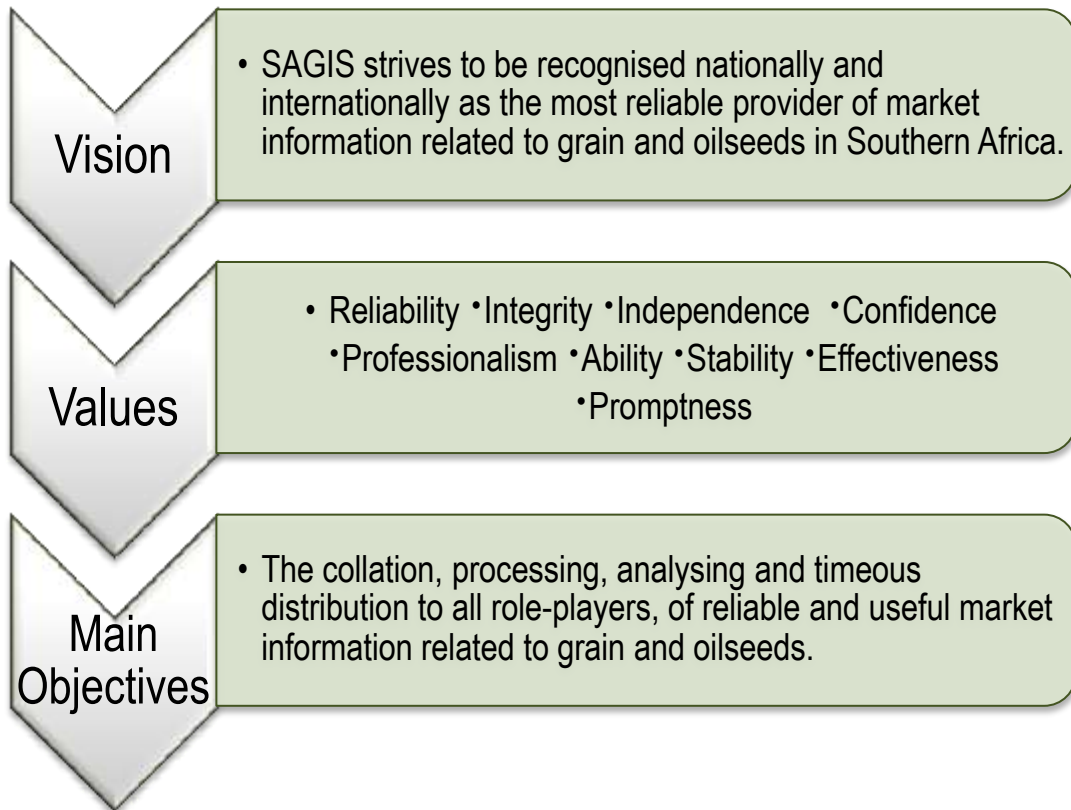
Information



Back: Inspection Front: Corporate

CORE VALUES

4. SAGIS' Vision, Values, Main objectives and Information

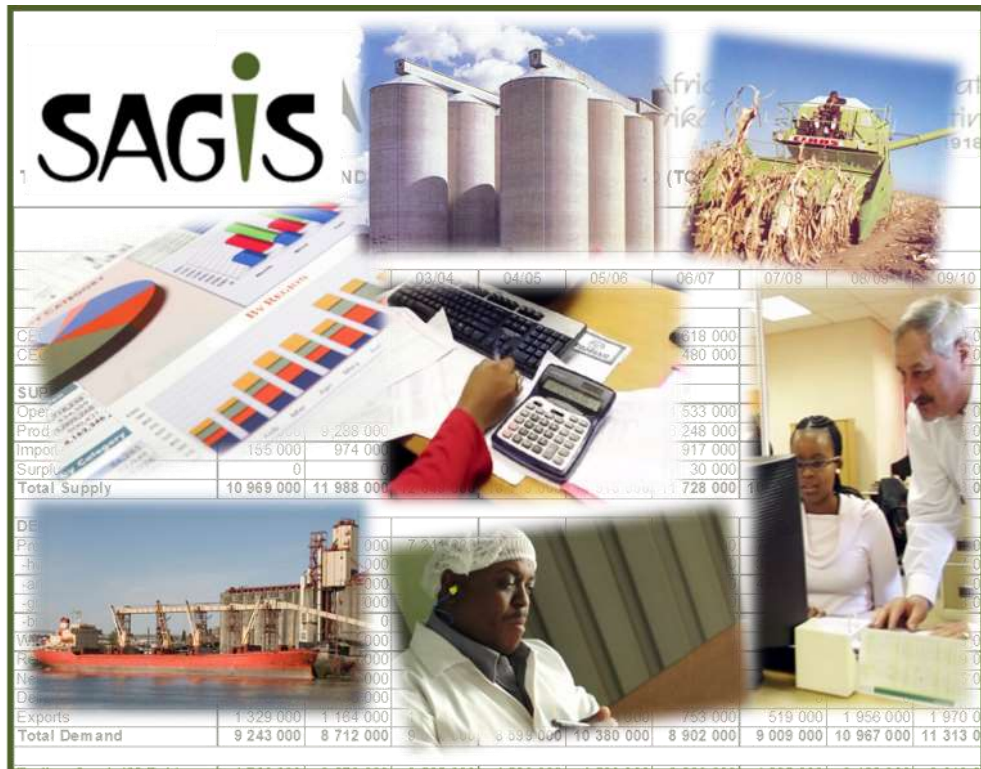


Information:

To release reliable information by:

- Not being involved in trading of grain and oilseeds.
- Staying independent from any party submitting information to SAGIS. This includes any Director of SAGIS, Forum, industry association or decision-making body.
- Collecting information from all parties that are statutory compelled to register with SAGIS.
- Processing and evaluating information received for correctness and relevancy in order to ensure the reliability and trustworthiness of the information.
- Comparing the results, as far as possible with external sources, to evaluate the correctness and relevancy of the information.
- Treating individual's information confidentially and to release information as agreed upon by the industry role-players.
- Releasing information to all roleplayers and on SAGIS' website at 12:00 on pre-determined and approved publication dates. By doing so not give preferential treatment to anybody and to limit possible reaction on markets.

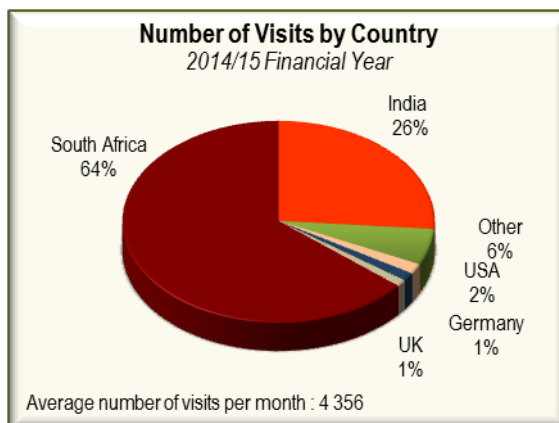
- Not allowing staff to discuss information, except the information on a specific return, with the parties directly involved in the transaction related to the movement declared on the return.
- Not making projections.
- Constantly finding ways to improve the quality of SAGIS' information, processes, systems and procedures.



OPERATIONAL ACTIVITIES

5. Users of SAGIS' information (RSA and non-RSA)

SAGIS has regular interaction with national and international organisations. During the 2014/15 financial year, SAGIS' website has been visited by users from various countries.



6. Additional to the standard monthly information function

- Information released to role-players and published on SAGIS' website:
 - Weekly imports and exports (maize and wheat).
 - Weekly producer deliveries (maize and wheat).
 - Weekly Bulletin – A collection of local and international information such as prices, stock, import parity.
 - Prices, economic indicators, weather conditions, etc.
 - Import and export information (various tariff lines) of the South African Revenue Service.
 - Historic import and export parity prices for maize and wheat.
 - Statistics SA' food prices for various product lines.
 - Historic database (Non-SAGIS).
- Relevant information is presented and discussed at the meetings of the five industry forums during the year.
- Articles written for publication in a well-known Agriculture magazine are done every second month.
- Issuing of audit certificates for Minimum Market Access.
- Provide information to the International Grains Council.

7. Operational feedback

7.1 General Information

7.1.1 Co-workers

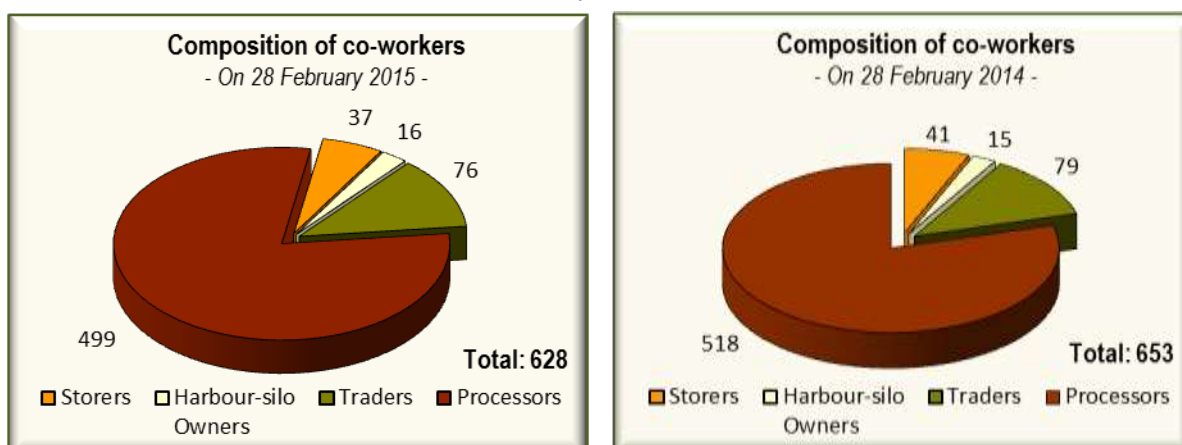
7.1.1.1 Co-workers registered and potential returns

The number of co-workers registered / cancelled and potential returns during the reporting period are:

	Co-Workers: Including Voluntary Traders		Total number of Potential returns	
	2013/14 Financial year	2014/15 Financial year	2013/14 Financial year	2014/15 Financial year
Total registrations and potential returns on 1 March	654	653	1 276	1 270
Plus: New registrations	31	39		
Less: Cancellations	32	64		
Total registrations and potential returns on 28 February	653	628	1 270	1 226

7.1.1.2 Composition of co-workers

The composition of SAGIS' co-workers on 28 February 2015



7.1.1.3 Co-operation of co-workers

According to SAGIS' Statutory Measures, co-workers are compelled to submit their returns before or on the 10th of each month.

For the reporting period 99.3% (2014: 99.4%) of the total potential returns were received, of which 72% (2014: 74.4%) were received by the 10th. Co-workers are requested on a regular basis to develop permanent measures in order to submit correct returns on time every month. The efficiency of follow-up procedures is reviewed continuously.

Although a number of co-workers were handed over to SAGIS' legal representative, it was not once necessary in the 17 years of SAGIS' existence, to take any co-worker to court for not supplying information as prescribed by the Statutory Measures.

The success of the weekly producer deliveries without a Statutory Measure proves the willingness and positive co-operation of co-workers to supply data.

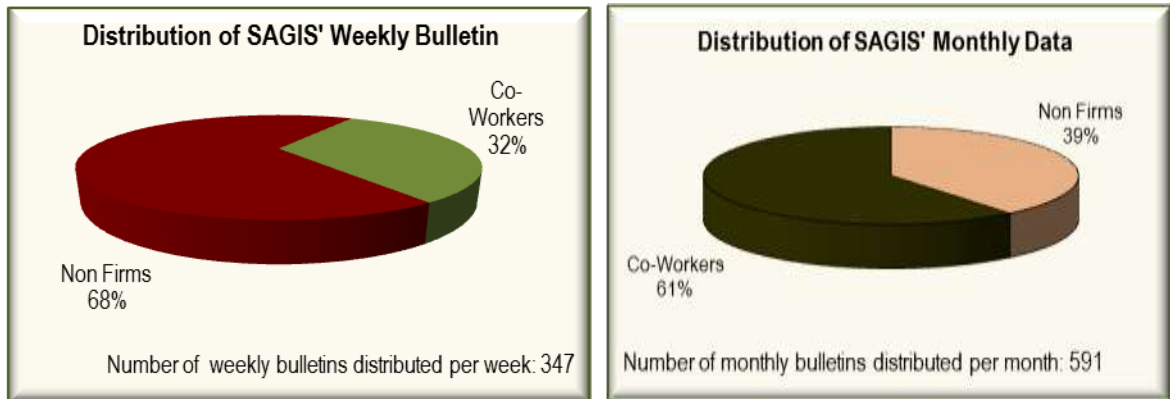
7.1.1.4 New Statutory Measure

On 14 November 2014 new Statutory Measures were published with regard to the registration of all Manufacturers, Importers and Exporters of Maize and Wheat products with SAGIS.

SAGIS is currently in the process to register all role-players. This function is funded by the Winter Cereal Trust and The Maize Trust.

7.1.2 Publishing of Monthly Data and Weekly Bulletin

The Monthly Data and Weekly Bulletin were released on the predetermined dates and SAGIS successfully distributed the data to all role-players on the same day.



7.1.3 SAGIS' website

SAGIS' website consists of two sections namely:

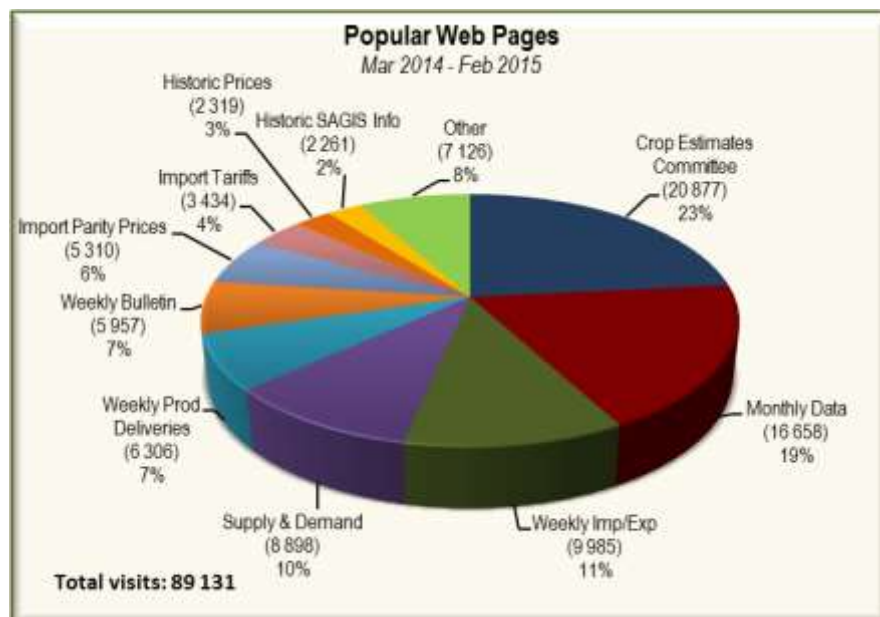
SAGIS' Information: eg.

- Monthly data
- Weekly bulletin
- Weekly producer deliveries
- Weekly Import and export data
- Historic Supply & Demand per marketing year

Non-SAGIS information: eg.

- CEC: Estimates of Crop Estimates Committee
- SARS: Import and export information
- Stats SA: Food prices
- Commercial Banks: Economic indicators
- NAMC: SA Supply & Demand Estimates Report
- Historic Production and Area data since 1936

According to Googlestats, the visits to the most popular data on SAGIS' website for the reporting period can be seen as set out below:



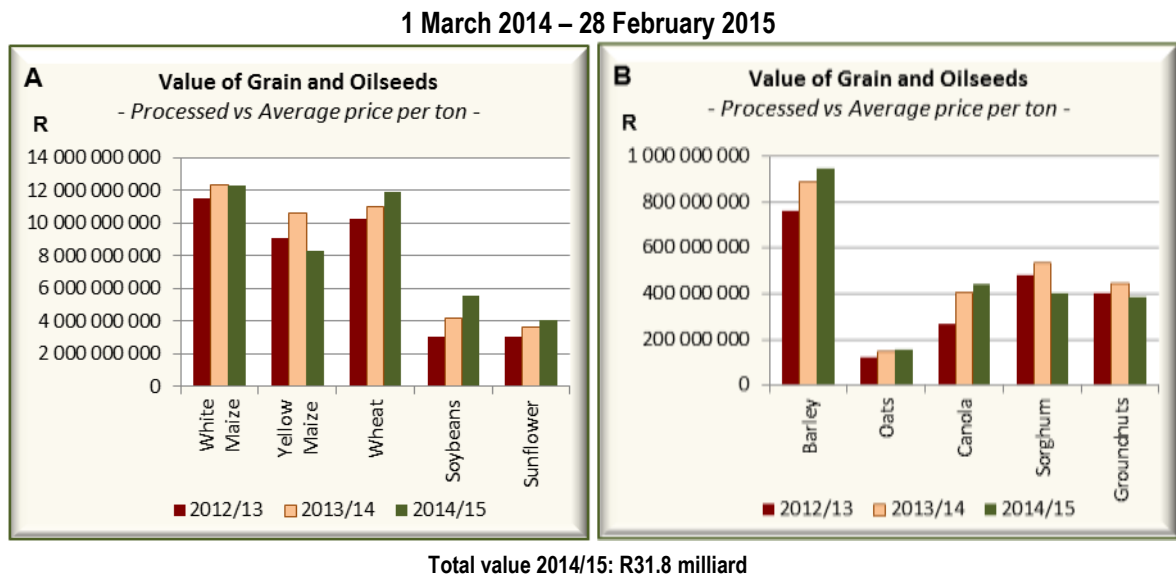
- Other – (8%)**
 S&DEC Supply & Demand
 SARS
 Address Lists
 Conversion Table
 SAGIS Contact Details
 BFAP Outlook
 GMO
 Forum Documents
 Premises Codes
 Bread Report
 Statsa SA Foodprices

7.1.4 Cost of the information function

The cost of SAGIS' information services, although this is only an indication, is calculated as follows:

If the total tonnage grain and oilseeds delivered for the period 1 March 2014 – 28 February 2015 (local producer deliveries plus imports), namely 15 315 742 tons is compared to SAGIS' total annual expenditure for the same period (R10 111 111) the information service cost R0.66 per ton (2014: R0.61 per ton) of whole grain/-oilseeds delivered.

The following graphs show the value of grain and oilseeds based on SAGIS' processed numbers, times average SAFEX prices.



Graph A & B: Total tonnage grain and oilseeds locally processed, multiplied by an average delivered price per commodity.

7.1.5 Released information: Feedback from Forums

SAGIS' information is discussed during the meetings of the industry and other forums. Forums are continuously requested to give feedback and suggestions for improvements on information needed. Feedback from the forums are that they are satisfied with the information.

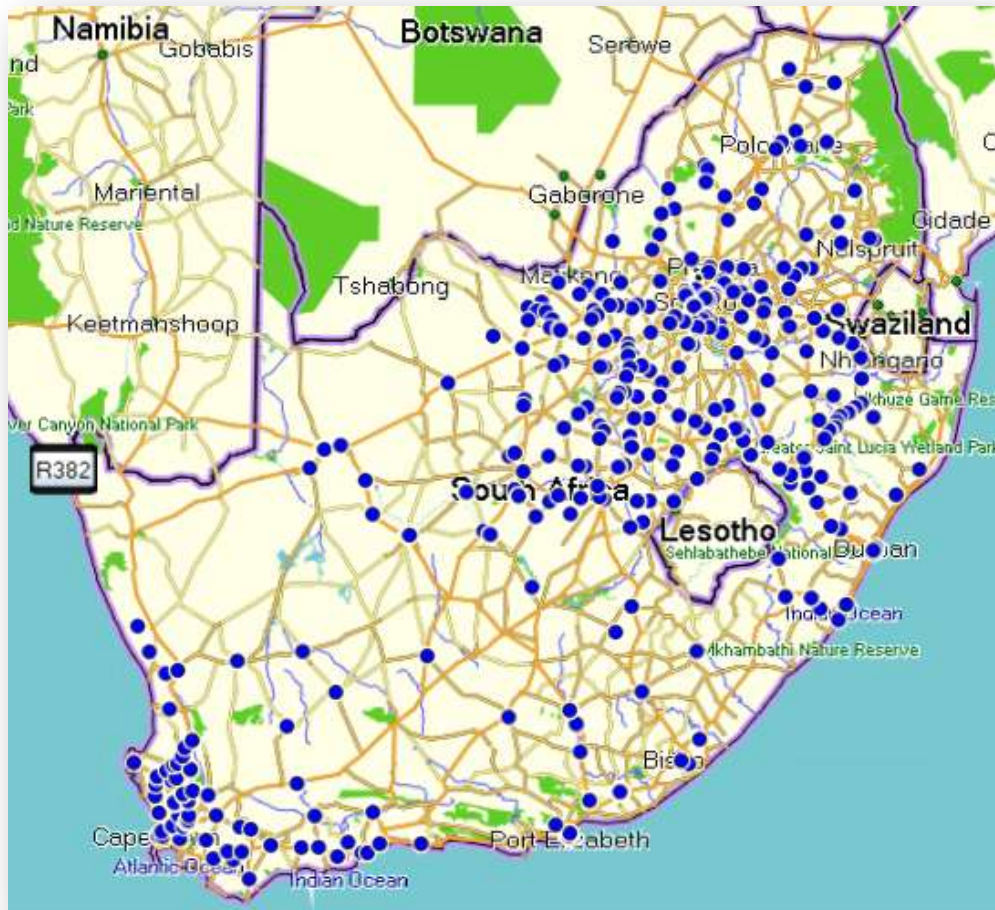
7.2 Inspection

During the period Inspection functions such as stocktaking, audits, new registrations and cancellations were done at 882 (2013/14: 896) premises across the country. The decrease in the number of premises visited is mainly due to the fact that not all co-workers are visited annually.

Travel plans for inspectors were planned as cost effective as possible. The average cost per premise visited was R546 (2013/14: R542).

7.2.1 Stocktaking

During the 12 month period, stock of grain and oilseeds in commercial structures at month end varies between 4.2 and 9.2 million tons. A total of 4 922 960 tons of grain and oilseeds were physically verified at 520 co-workers with 709 storage points.



Distribution of Inspection sites across the country

7.3 Finances: 2014/15 financial year

7.3.1 External Audit

SAGIS received an unqualified audit report for the 2014/15 financial year. “The Ashton CA (SA) Group” is appointed as auditors since March 2006.

7.3.2 Subscription (Contribution from Trusts)

A net amount of R10 984 480 was approved by the Members for utilisation during the 2014/15 financial year and the final expenditure amounts to R10 111 111. The difference of R873 369 was mainly due to savings on communication, travelling, personnel expenses, IT Project as well as more income received.

8. **Appreciation**

SAGIS appreciates the support and co-operation of all the role-players.

We wish to express our gratitude especially towards the four Members, namely, The Maize Trust, Oil and Protein Seeds Development Trust, Sorghum Trust and Winter Cereal Trust for their continued support, financially and otherwise.

In appreciation for serving on the Board of Directors, Management wish to express their gratitude to the following Director who served on the Board for:

10 Years:

Mr John Gordon – Sorghum Trust





*SAGIS strives to continuously render a service of
excellence*

1997 - 2015