

Bulletin 3 - May 2017

To all SAMAC members:

Summary of inputs from growers and handlers during SAMAC roadshow April/May 2017

Below are some opinions that represent the most common thinking amongst growers and processor representatives across all growing regions. Minority views differing from the opinions presented below were also expressed, and their underlying motivations will be considered during the EC project.

Issue: SAMAC's strategic purpose

- SAMAC's purpose is to do for the industry what individual growers and handlers cannot effectively do on their own.
- SAMAC must be a grower oriented and led organisation, but must integrate its activities with the processing/handling parts of the industry.

Issue: SAMAC governance structure

- SAMAC's board needs to be smaller and more 'professional', but not at the expense of regional representation at a board level. With regards to the latter point, there were differing views, with Mpumalanga and KZN NC suggesting that “the best person” for the role is preferable to regional representation.
- The idea of directors (other than regional grower reps) having a portfolio of responsibility and being voted in to do a specific job is widely supported eg. research director, finance director etc.
- Handlers should not be represented at board level, but the handlers forum must continue to feed information to and from the board via permanent participation of the SAMAC CEO at handler forum meetings.

- Directors' costs at least should be covered, possibly through a monthly stipend, so that they are not out of pocket in their service to the industry. Must not allow cost to deter the better candidates for the job. Also, a common view is that receiving remuneration does create a sense of responsibility and accountability, more so than on a “volunteer” basis.

Issue: Extension services

- Generalist extension services are mainly of value in new/inexperienced growing regions and in transformation activities, but have little value where more specialised consultants are available.
- The industry is mature enough that specialist consultants are available in most areas.
- Many handlers provide the service to their suppliers anyway.
- SAMAC's grower support activities should tend towards study groups, symposia and workshops which are offered at various venues around the country rather than farm visits and one-on-one services.
- SAMAC should be able to refer growers needing specific help to a list of suitable advisors in their own area.
- If one-on-one extension services are required, it should be on a 'user pays' basis to be fair to all.
- Other than in transformation activities, the amount of cross-subsidisation of extension services should be limited.
- A key role of SAMAC's technical activity should be to interpret research results, form practical recommendations based on the research, and communicate to study groups, private field consultants and publish best practice advice in an accessible form.
- Area directors are seen to be a useful way of keeping both members and board in touch with regional reality on the ground.

Issue: Marketing

- The term 'marketing' means too many things to different people and should be avoided. Another term for this area of activity is needed.
- SAMAC should not do anything that can be done by handlers themselves.

- 'Marketing' activities should be limited to issues of working with government for better market access terms, and research aimed at supporting drivers for consumption of macs especially relative to other tree nuts.
- SAMAC should be involved in raising quality standards of South African macs and supporting activities which over time will strengthen South Africa's reputation as a preferred source of macs.
- SAMAC's 'marketing' activities should take a long view ('strategic view'), be proactive, and strengthen our position as a country of origin when the global supply and demand gap closes.

Issue: Research

- SAMAC's research activities should have two objectives:
 - research to support growth in consumption of macs
 - research to increase productivity of orchards and quality of product delivered to processors
- SAMAC's research projects need to be closely managed as defined outcome projects and terminated if the outcome is not looking positive.
- SAMAC needs a professional competence in managing outsourced projects, especially research.
- SAMAC must convert research results into practical guides or best practice for it to be of most value to growers.

Issue: Voting

- If weighted voting is to be adopted it needs to be:
 - on the basis of tonnage produced rather than ha planted
 - give every member, even if not yet in production, a vote
 - limit the bigger producers to avoid one or a group of big producers being able to dominate the industry
 - be administratively manageable, say based on a grower's previous three years of tonnage as reported by processors annually
- Electronic voting a good idea, but need to have some way of making sure that growers are sufficiently informed that they can vote from a

position of proper understanding. This point also drew many differing views, both for and against.

Issue: Statutory levy

- A strong theme was that however SAMAC is to be funded, every grower must contribute.
- If the levy is voluntary, the expectation is that many otherwise willing growers will also withdraw from SAMAC for reasons of not being willing to pay for the benefit of non-payers. Our industry is seen to be not mature enough to manage without a statutory levy.
- The only alternative proposed, to give SAMAC financial stability, was that all processors commit contractually with SAMAC to deduct and pay levies for the entire crop passing through their books for a period.
- Most members do not have a problem with the statutory levy in principle, and in fact see it as a means of keeping government on-side.
- A 'gut feel' response to what levy amount would be acceptable ranged from R0.50 to over R1.00 per kg NIS, depending on 'value for money' offered by SAMAC and depending on budgetary justification.
- A common feeling was that even the upper limit is too little as a percentage of the value of the crop in the longer term to stabilise and sustain our industry.

General issues and principles:

- SAMAC must do only what individuals cannot do on their own.
- SAMAC must perform a transformation function whether required to by law or not.
- SAMAC must be a lean organisation and outsource to professional service providers when possible.
- SAMAC must be designed and structured to be insulated from industry politics as far as possible.
- SAMAC should focus on South Africa and not Southern Africa - get our own house in order first, what services can we actually deliver to international members?
- SAMAC should not try to 'be all things to all people'. In other words, take

hard decisions where necessary to focus resources and attention where it will give most members most benefit.

- The CEO to be appointed should have no connection to the industry.

Regards,

Peter Spangenberg

Many thanks to everyone that participated in the roadshow meetings and also to everyone who sent us additional comments and suggestions. If you have further comments for us please contact us at:

evolution@samac.web.za

We would like to ask that members use this as the first line of communication with the EC so that we have a written record of all the Evolution suggestions, issues, or outcomes that are important to you.