

NINTH ANNUAL GENERAL MEETING OF THE MAIZE TRUST
30 AUGUST 2007

REPORT BY THE CHAIRPERSON OF THE TRUSTEES – MR. J.K. (KARABO) PEELE

Ladies and Gentlemen, it is an honour for me to welcome you at the 9th Annual General Meeting of the Maize Trust.

As you have most probably seen from the Trust's Financial Statements, the Trust again experienced a very good financial year during 2006/2007 by achieving excellent growth in its investments.

This past year, however, also produced a fair amount of new and exciting ventures for the Trust. Examples of these are the Bursary Scheme that was introduced by the Trust, the Gauteng Census project by SiQ to improve the area estimate for maize, the Generic Marketing Campaign that was launched under the name "Pap Idols", the funding of South Africa's participation in the WTO dispute on trade subsidies, and the new communication strategy for the Trust. Some of these matters will be discussed in more detail later during the meeting. Unfortunately there were also some disappointments, for instance the fact that the Special Purpose Vehicle for the development of emerging grain farmers was not approved, nor the amendments to the Maize Trust Deed that were requested.

The monitoring measures that were introduced by the Trust two years ago again resulted in amounts that were either paid back to the Trust by beneficiaries or not paid to them by the Trust during the year. The amounts involved are stipulated in the Financial Statements and I am not going to deal with them individually. These protective measures that were taken by the Trust obviously have an effect on the expenses of the Trust, but are deemed necessary in order to protect the assets of the Trust and to ensure that the funding by the Trust is properly utilised by the beneficiaries concerned.

I believe that this will remain in place in the future, with regular and continuous visits to the Trust's beneficiaries, as it is a fiduciary duty and responsibility of the Trustees to ensure the proper utilisation of funding for the purposes applied for by the beneficiaries.

During the past financial year the following persons served as Trustees of the Trust:

Mr. J.F. de Villiers	Representing Processors of White and Yellow Maize
Mr. C.K. Ferreira	Representing Producers of Yellow Maize (Vice Chairperson)
Mr. J.D.M. Minnaar	Representing Producers of White Maize
Dr. R.P. Mohlahlane	Representing the Minister for Agriculture
Mr. W.M. Ngxekana	Representing the Minister for Agriculture
Mr. J.K. Peele	Representing the Minister for Agriculture (Chairperson)

The terms of office of all of the present Trustees expired at different dates during 2007, but they were all re-appointed, with the exception of Dr. Mohlahlane who was replaced by Ms. Lerato Thahane as a ministerial representative. The Letter of Authority for Ms. Thahane is currently being awaited from the office of the Master of the High Court.

The Trustees are continuously busy with efforts to improve the efficiency of the Trust, particularly with regard to the funding of projects, the monitoring thereof, the management of

the Trust's investments and the communication by the Trust. In this regard I have to mention the very positive contribution that is made by each of the Trustees, which is a clear sign of the involvement and acceptance of responsibility by them.

Schedules that show the research and development projects, which were funded by the Trust over the past year, were already made available to you prior to the meeting. The Financial Statements further set out the funding projects that were approved by the Trust over the year, some of which are still to commence. You will notice from these figures that the Trust has experienced an increase in the funding applied for by the different associations and institutions. This is particularly relevant in the case of market access projects aimed at the developing sector of the maize industry.

The Trust continuously revises its Norms, Procedures and Conditions of Funding in order to make it more user-friendly and to ensure that applications for funding are uniform and in compliance with the requirements of the Trust. The payment method by the Trust to beneficiaries has again been amended from that applicable in prior years. A circular in this regard will be sent to all concerned in due course. Monitoring of the funded projects is done consistently and most of the Trustees accompany the Trust's Administrators when actual visits are being made to the beneficiaries.

Although the financial markets have been very volatile over the past years, the Trust's investments are still delivering outstanding returns. In this regard I particularly wish to thank the Trust's Investment Adviser, Mr. James Downie, as well as the Asset Managers of the Trust for the excellent returns that were achieved. The Trust still makes use of the services of the same three Asset Managers, namely Allan Gray, Oasis and Foord Asset Management.

As can be seen from the Trust's current Financial Statements (for the period ended 30 June 2007), the net growth on the Trust's capital significantly exceeds the donations of capital that was made to the Trust by the Maize Board over time. This makes it possible for the Trust to increase its funding to beneficiaries and to give consideration to additional applications every year.

The important figures in the financial statements can be summarised as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Asset value	472 214 925	685 475 617	861 735 916
Income derived	112 111 422	187 932 847	221 463 959
Beneficiary allocations	20 810 902	52 637 535	66 333 330
Operational expenditure*	1 526 462	1 482 393	1 516 282

*It is important to note that the operational expenses of the Trust only constitute approximately 0,7% of the Trust's income for the financial year concerned, or less than 0,2% of the total asset value of the Trust. This is truly a negligible figure and an achievement in itself.

As is the case since the inception of the Trust, it once again received an unqualified audit report, which proves the efficient operations and management of the affairs of the Trust by all concerned.

