

# THE MAIZE TRUST

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2 September 2011

## THIRTEENTH ANNUAL GENERAL MEETING OF THE MAIZE TRUST

### ADDRESS BY THE CHAIRPERSON OF THE BOARD OF TRUSTEES MR. J.F. (JANNIE) DE VILLIERS

Ladies and Gentlemen, it is an honour for me to welcome you to the 13<sup>th</sup> Annual General Meeting of the Maize Trust.

#### New Initiatives

The Maize Trust always endeavours to identify and implement new initiatives. Several successful initiatives were launched by the Trust since its inception, which have benefitted the maize industry and often also the other grain industries.

One of these initiatives that is proving very successful is the drive towards a common and focused goal for mycotoxin research, which will at the same time ensure better collaboration between researchers and research institutions. The ground work relating to this initiative was completed in 2010 and the first project proposals were considered in that year. This is the second year that a process of peer review is being followed. A selected Peer Review Panel, under the leadership of Prof. Piet Steyn, consider the concept proposals on mycotoxin research. A total of 16 proposals were submitted to the Trust this year. An average of 5 reviews was received per proposal, of which at least one was from an international reviewer. This means that no less than 80 peer reviews were received, which had to be considered and evaluated by the Panel. These evaluations gave rise to comprehensive proposals being requested that have to reach the Trust in September 2011. Recommendations relating to these final proposals will then be made to the relevant industry committees and the Trust for funding purposes.

Discussions are being held with the Department of Science and Technology for the development of a Public-Private-Partnership to possibly co-fund the approved mycotoxin research projects in future.

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TRUSTEES:                      Mr. J.F. de Villiers (Chairperson), Mr. J.K. Peele (Vice-Chairperson),  
   Mr. C.K. Ferreira, Mr. J.D.M. Minnaar, Mr. W.M. Ngxekana, Ms. L. Thahane.

ADMINISTRATORS: L & L Agricultural Services

## **Bursary Scheme**

A number of MSc and PhD bursary students of the Trust will again be completing their studies at the end of 2010. Please assist us in getting suitable positions for these students. The details of the students will be circulated to all industry role-players once their studies are completed and could also be obtained from the Trust's administrators. Please help the industry to maintain these qualified students which the Trust has sponsored over the years.

In 2010 the Trust implemented a system of internships and no less than four students have made use thereof until they could get employment opportunities. Should you be interested in such internships or if you have any other ideas to accommodate these bursary students, please contact our administrators.

## **Market Conditions**

The Trust, like the rest of us, experiences the effect of the worldwide economic crunch and has to scale down on funding and expenses. Communications to this effect are continuously sent to all the beneficiaries of the Trust. The Trustees, however, endeavour to minimize the negative impact of the markets and try to maintain funding levels as far as possible, especially in the case of projects that are deemed vitally important to the industry.

## **Interesting Statistics**

In 2009 the Trust paid an amount of R60.7 million to beneficiaries, which decreased to R41 million in 2010. The policy of the Trust is to maintain expenditure under a level of 6% of its total investment value in order to remain ever-green. In 2011 the payments to beneficiaries totaled an amount of R                    million. An additional amount of R                    million was also approved by the Trustees during 2011 for payment to beneficiaries in the ensuing year.

The total donations of R319 million from the Maize Board to the Trust currently relates to an asset value of R                    million. If one adds to this the total funding and operational expenses of the Trust over the past twelve years, an amount of R482 million, it means that the Trust has managed a total of R1.274 billion in funds during its existence.

Over the Trust's existence an amount of R42 million was spent on operational costs, which includes all the investment costs of the Trust and the management thereof.

The total funding granted over the thirteen years was R442 million, of which R207.8 million (47%) went towards research activities and R81.6 million (18.5%) was paid on development and transformation projects. The balance (34.5%) of the funding was spent on projects relating to the collection and dissemination of market information, generic marketing and industry activities, as well as the transfer of technology.

## **Monitoring Measures**

The Trust continues to monitor the performance of beneficiaries through appropriate progress reports and physical visits where deemed appropriate.

## **Board of Trustees**

During the past financial year the Trustees remained unchanged since the previous year and they are listed in the Financial Statements of the Trust. The Trustees decided on 28 April 2010 to re-elect me as Chairperson for the following year and Mr. Karabo Peele was re-elected as Vice-Chairperson.

All the Trustees representing industry were again nominated by their respective constituents during 2009, but since September 2009 no nominations have been received from the Minister of Agriculture, Forestry and Fisheries for replacement Trustees in respect of the ministerial representatives. I would like to thank the present ministerial Trustees for continuing to serve the industry despite these circumstances.

## **Investment Performance**

Although the financial markets are very volatile, the Trust's investments are still delivering good 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 returns that are achieved. The Trust still makes use of the services of three asset managers, namely Allan Gray, Prescient and Foord Asset Managers.

As can be seen from the Trust's current Financial Statements (for the period ended 30 June 2011), the net growth significantly exceeds the donations of capital that were made by the Maize Board over time.

The important figures for the Trust can be summarised as follows:

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Asset value	814 903 007	691 655 024	789 892 784
Income derived	118 396 756	126 917 817	72 098 023
Actual Funding Paid	41 659 342	60 709 240	40 987 359
Operational expenses*	2 016 447	2 346 776	2 122 003

*\* The operational expenses of the Trust only constitute 3% of the Trust's income for the 2010 financial year and is less than 0,27% of the total asset value of the Trust.*

Since the inception of the Trust it has always received an unqualified audit report, which proves the efficient operations and management of the affairs of the Trust by all concerned.

## **Appreciation**

I wish to thank everybody who has contributed to make this year a success, in particular the members of the different Industry committees and the members of the Maize Forum. I also wish to thank each of the applicants that applied for funding to the Trust. We appreciate your contribution to the maize industry through the projects that you are involved in.

I further wish to thank each and every directly affected group, organisation or individual in the maize industry for their co-operation and support in making it possible for the

