

**REPORT ON THE 4th ANNUAL GENERAL MEETING
OF THE MAIZE TRUST HELD ON 30 AUGUST 2002
AT ABSA CONFERENCE CENTRE, MONTANA
PARK AT 14H00**

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1. Introduction

The 4th Annual General Meeting of the Maize Trust was held on 30 August 2002 at Montana Park at 14h00.

2. Approval of the minutes of the 3rd Annual General Meeting of the Maize Trust was held on 30 August 2001.

These minutes were approved as the true reflection of the meeting.

3. Matter arising from the minutes

3.1 Funding of projects

A concern was raised regarding the reports submitted to the NAMC on Trust issues. It was requested that reports should include projects funded by the Trust and monies spend on each project. These will enable the NAMC to fully report to the Minister for Agriculture and Land Affairs and Portfolio Committee on Agriculture because such questions are normally raised. The ministerial representative on the Maize Trust and the chairperson of the Trust promised that such information would be made available to the NAMC.

4. Report by the chairperson of the Trustees

4.1 Maize Trustees

The chairperson reported that the terms of office of (the) five of the present Trustees would lapse at the end of August 2002. The term of the processors' representative(s) will continue for a further year. During May 2002 the respective nominating bodies were requested to nominate new Trustees but so far only the industry bodies have nominated their representatives to serve on the Trust. The nominations from the Minister for Agriculture and Land Affairs are still awaited.

The Maize Trust Deed requires that a quorum of four Trustees should be available to serve on the Trust and therefore the Trust will not be able to operate from 01 September 2002, until all nominations are made and the necessary Letters of Authority are obtained from the office of the Master of the High Court. The indications are that Letters of Authority might take another six weeks to obtain, which can at its worst mean that the Trust will be in limbo until October 2002.

The chairperson indicated that this situation is unacceptable and creates a definite problem for the Trust and the maize industry in general. The Trust will consider appropriate alternatives at its next meeting to try and prevent a similar problem when nominations are to be made in future. The matter will also be raised at the next Maize Forum meeting to enable the industry to address this problem.

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The Maize Trust Administrators will continue with the efforts to obtain nominations for the Trustees from the Minister's office. The NAMC and the National Department of Agriculture were requested to assist the Administrators of the Trust to solve this problem as soon as possible.

4.2 Tax status

It was reported in the two previous Annual General Meetings of the Trust that the Minister for Agriculture and Land Affairs was requested to approve the proposed amendments to the Maize Trust Deed in order for it to attain tax exemption status. The meeting was held with the Ministry and regular letters of enquiry were sent by the Trust, so far the amendments are still not approved. The Trust has imposed certain measures to limit the effect of this delay.

4.3 Operations

The efficiency of the Trust has improved over the last two years. A marked increase was experienced in the number of applications for funding that were received by the Trust during these two years. Some of the applications were not approved, as they did not comply with the Trust's objectives or with the norms and procedures for funding.

4.4 Investments

Good returns on investments were obtained during the 2001/2002 financial year. The Trust decided to distribute more than its income to beneficiaries in the past financial year. The net growth achieved on the Trust capital is still a significant amount, more than the initial capital that was invested at the beginning of the year.

- The investment value for the 2001/2002 financial year increased from R332 381 496 to R370 043 938. There has been an increase of 11,34%.
- The beneficiary allocations for the 2001/2002 financial year increased from R21 163 901 to R23 970 116. There has been an increase of 13,27%.
- The expenditure (excluding allocations) for the 2001/2002 financial year has increased from R2 375 596 to R2 638 600. There has been an increase of 11,08%.
- The total asset value for 2001/2002 has increased from R340 684 050 to R381 847 177. There has been an increase of 12,09%.

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4.5 An annual advertisements

A press statement to make people aware about the existence of the Trust and to invite interested parties in the maize industry to make applications for funding from the Trust has been released. A copy of the press release was also forwarded to all directly affected parties in the maize industry.

4.6 Industry liaison

The Trust has met with some agricultural Trusts and role players in the grain and oilseeds industries. During the meetings a number of important matters have been discussed. It is the Trust's intention to continue its efforts to improve communication between the different industries and directly affected groups in the maize industry.

4.7 Appreciation

A word of appreciation was forwarded to everybody who contributed to make the Trust's past year a success. A special word of thanks was (sent) expressed to fellow Trustees, Administrators of the Maize Trust, members of the Liaison Committee of the Maize Forum, the Trustees and Administrators of the Grain and Oilseeds Trusts, the Minister and Deputy-Minister for Agriculture and Land Affairs, the Chairman and staff of the National Agricultural Marketing Council.

A further word of thanks was forwarded to each and every directly affected group or individual in the maize industry for their co-operation and support in reaching the objectives of the Trust over the past year.

5. Financial Statements

The Financial Statements of the Trust for the period ended 30 June 2002 were accepted.

5.1 Funding the Maize Forum

It was mentioned that as the Maize Forum is an important structure in the maize industry, the Trust should cover the administration costs of the Forum. It was indicated that the conference fees appearing on the financial statements includes some of the cost incurred by the Maize Trust on covering costs on venues where the Forum meetings were held. It was indicated that the costs of the Maize Forum was not reflected separately but the Trust took note of this fact and this will be debated at the next Trust meeting.

5.2 Expenditure

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It was mentioned that the NAMC's policy on statutory levies indicates that a total amount not excluding 10% should be used to cover administration costs.

The Maize Trust's total expenditure amounts to 0,69% of its total asset value and 15,4% of its income for the year. This includes the fee paid to the Financial Investment Managers in the amount of R1 664 353, which is in fact a cost of investment. If this is excluded from the total expenditure, the expenses of the Trust amounts to only 0,26% of its total asset value or 5,7% of its income for the year in question. The Trust was advised to take note of (this increase) and to familiarise themselves with the NAMC policy on statutory levies.

6. Conclusion

The Trust was thanked for inviting directly affected groups to attend this meeting. Information obtained will assist in understanding the operation of the Maize Trust and the maize industry in general.

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