

MEDIA RELEASE

THE MAIZE TRUST

GRANT FOR MAIZE AREA ESTIMATE IMPROVEMENT

The Maize Trust has decided to make a grant of R5 315 636 million available to Spatialintel in an effort to improve the annual estimate of the area planted to maize. Spatialintel is part of the crop estimate syndicate that is contracted by the National Department of Agriculture (NDA) to assist in the annual crop estimates.

Crop estimates over the past few years, particularly for maize, have caused grave concern under role-players in the maize industry regarding the accuracy thereof. The NDA conducted a pilot project during 2004/2005 in the Gauteng Province, with the help of Spatialintel, to determine the possible application of a producer independent crop estimate system. This pilot project has proved to be very successful and it was decided by the NDA to include the North West Province for the 2005/2006 season.

The NDA, however, could not extend the project to the other Provinces due to a lack of available funds and the Trust was approached to financially assist in further extending the project. The Trustees decided to fund the extension of the project to the Free State and Mpumalanga Provinces. The four Provinces concerned (Gauteng, North West, Free State and Mpumalanga) contribute on average 88% of the national area planted to maize.

The first deliverables for the proposed project, which is expected to be available towards the middle of April 2006, will contain two area estimates for summer grain crops in the Free State and Mpumalanga Provinces, each with its own accuracy estimate. It is believed that a trustworthy area estimate first has to be obtained before an improved crop estimate could be achieved.

Mr. Karabo Peele, the Chairperson of the Trust, says: "It is believed that the funded project could eventually lead to a more accurate area estimate for maize, which will inevitably lead to better crop estimates in future. If this can be achieved, the industry should again have faith in the crop estimates and this in turn could create better stability in the market. The Trust has also decided to fund an additional project, which forms part of the amount of R5,315 million that is funded towards this particular initiative, to determine the area planted to maize on communal lands, in order to also improve the estimates of maize plantings by the emerging sector".

