AFMA
SAFE FEED FOR SAFE FOOD
Animal Feed Manufacturers Association

CHAIRMAN'S REPORT 2022/23

Presented by Anina Hunter at AFMA's 76th AGM
hosted at Sun City on 5 September 2023

Animal Feed Manufacturers Association (AFMA)

CHAIRMAN'S REPORT 2022/23

Presented by Anina Hunter
at AFMA's 76th Annual General Meeting
hosted at Sun City on 5 September 2023

CONTENTS

LIST OF TABLES

LIST OF FIGURES

1. INTRODUCTION

1.1 Vision

The vision of the Animal Feed Manufacturers Association (AFMA) in South Africa is to promote and sustain an environment in which the animal feed industry could thrive while ensuring the production of safe, nutritious, and quality animal feed products. It is important to foster partnerships and close cooperation with value chain partners to unlock local agriculture value chain growth. The animal feed industry is strategically positioned within these value chains, and it gives AFMA a continuous shaping and building of its vision, which is –

"The dynamic animal feed thought leader influencing food security through partnerships with all stakeholders".

The Deep-Dive of the Animal Feed Industry in South Africa: Strategic Analysis report has highlighted the inner workings and functioning of an industry critical to various other value chain actors. The global analysis points to South Africa not being amongst the world's largest producers of feed, but certainly in a strong and growing position, given the strong growth in many developing countries because of economic development, urbanisation and income growth affecting major dietary changes.

South Africa's animal feed industry has a long history of supporting agricultural activities as both a critical input supplier to various livestock sectors as well as being a large buyer of raw materials used as an input from both primary and secondary industries. Feed production is continuously becoming an essential economic activity globally as the demand for animal products is increasing with population and income growth, as well as urbanisation.

Nutrition is the foundation for sustained global livestock productivity and critical driver for competitiveness. Animal feed is often the biggest expenditure item in livestock systems, as is the case in South Africa. Furthermore, the impending impact of increased climate variability and more frequent droughts suggest that animal feed optimisation will be critical for future growth and sustainable economic development.

1.2 Value chain partners

The animal feed manufacturing industry in South Africa involves a complex value chain with various partners contributing to the overall production of animal proteins for human consumption. The Animal Feed Manufacturers Association (AFMA) in South Africa provide a platform for industry stakeholders to collaborate, share information, and address common challenges. These partners can include:

i. poultry value chain;
ii. grains value chain;
iii. oilseeds value chain;

iv. livestock value chain;
v. Strategic Agricultural Inputs Forum (SAIF) value chain; and
vi. services value chain.

Government agencies such as the Department of Agriculture, Land Reform and Rural Development (DALRRD) oversee animal feed quality and safety standards through sets of regulations and standards for animal feed production. The interactions and collaborations among these value chain partners are essential for producing and distributing safe, nutritious, and sustainable animal feed products in South Africa. Keep in mind that the specific partners and their roles might vary based on the type of animal feed, regional dynamics, and market conditions.

1.3 Strategic focus

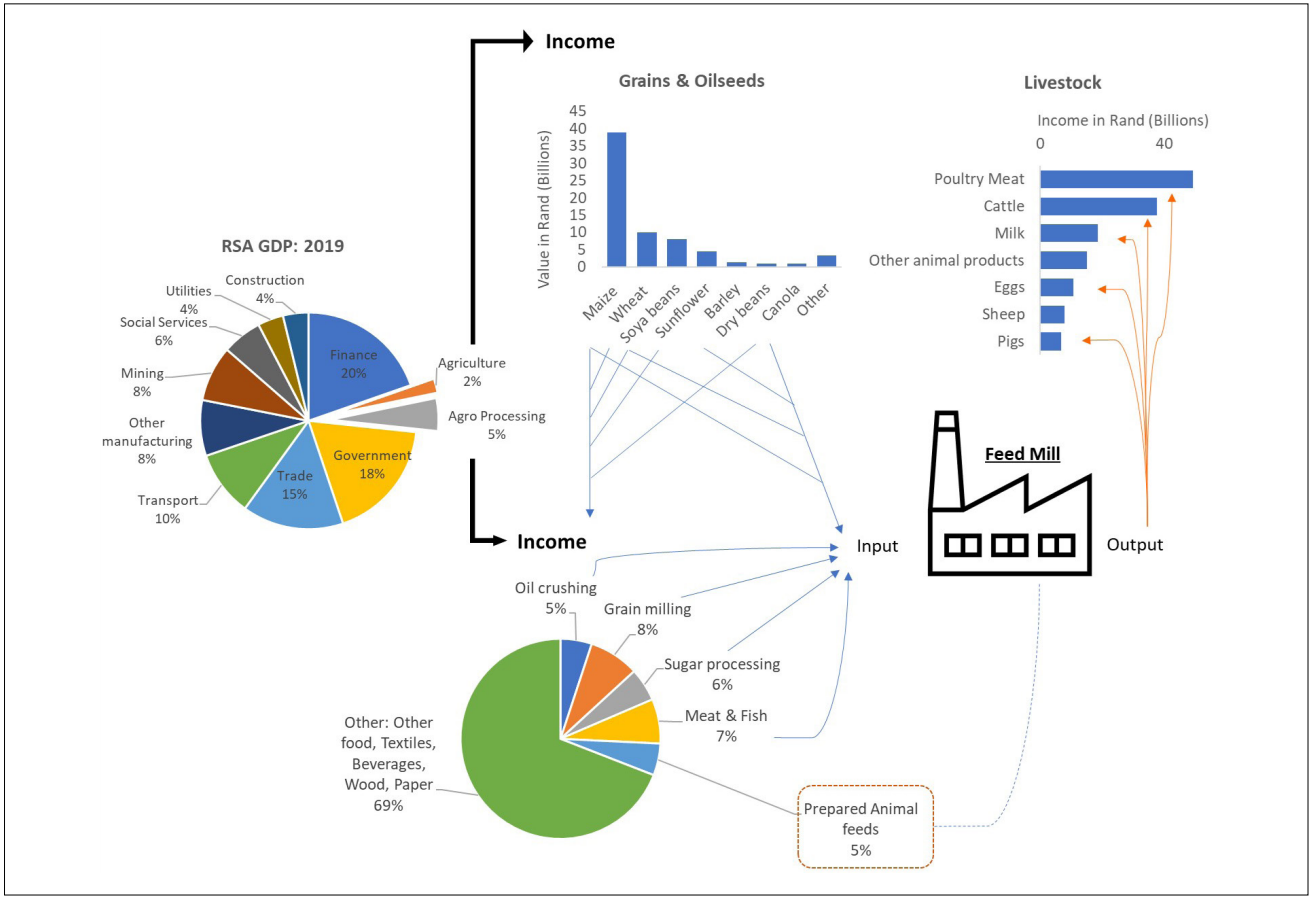
To strengthen AFMA's strategic efforts and have the necessary knowledge and background of the different value chain inter-linkages, the AFMA commissioned a strategic study on the South African feed industry by the Bureau for Food and Agricultural Policy (BFAP). The schematic diagram below provides where the animal feed is located within the broader South African economy.

As one moves to the right, both sectors are further broken down into various industries according to their total income contribution to the sector. In the case of agro-processing, the most detailed and available data on its breakdown comes from the manufacturing industry survey (StatsSA, 1993-2017).

It should, however, be noted that the SIC includes the manufacture of prepared pet feed, prepared feeds for farm animals and unmixed preparations of feed for farm animals but excludes fishmeal production, which is categorised under the processing of fish. It is also highly likely that parts of the feedlot industries' feed milling activities are captured under primary agriculture activities.

LOCATING ANIMAL FEED'S CONTRIBUTION TO THE ECONOMY

Source: StatsSA, 2021; StatsSA, 2017; DALRRD, 2020



i. Agriculture and Agro-processing Master Plan (AAMP)

In support of AFMA's vision of becoming a dynamic animal feed thought leader influencing food security through partnerships with all stakeholders, the strategic focus for the AAMP was adopted. AAMP's strategic objectives are aligned with AFMA's vision and mission, which are drafted as follows:

- Increase food security in South Africa.
- Promote sustainable transformation in the agriculture and agro-processing sectors.
- Improve access to local and export markets, which will require constant upgrades in the quality of supply to bolster South Africa's competitiveness.
- Enhance competitiveness and entrepreneurship opportunities through technological innovation, infrastructure construction and digitalisation.
- Create an effective farmer support system and agro-processing incentives.
- Create decent, growing, and inclusive employment, in addition to improving working conditions and fair wages in the sector.
- Improve the safety of the farming community and reduce stock and crop thefts and farm attacks.
- Create a capable state and enabling policy environment; and
- Enhance resilience to the effects of climate change and promote sustainable management of natural resources and principles of just energy transition.

Part of the opportunities and commitments presented by AAMP in the livestock value chain cluster outcomes include:

- Act 36: Establishing a PPP between the government and the Strategic Agricultural Inputs Forum (SAIF) to increase the capacity and eliminate the application backlog.
- Align field crop interventions with Livestock Cluster 5 to create additional demand for feed in formal and informal markets to promote the growth of inclusive feed markets.
- Increase processing capacity for 65 000 tons of maize meal and 489 000 tons of feed required in localised rural economies by 2030.
- Promote a genetic improvement programme for animals and increase access to feed for emerging farmers.
- Initiate the process of regulatory (Act 36/47/SAHPRA) harmonisation and cross-recognition amongst SADC countries initially and later expanding to Africa-wide harmonisation (as in EU).
- Accreditation of private labs is necessary to facilitate testing and improve efficiency in state laboratories.

ii. Training and skill development

The training and skill development for the Animal Feed Manufacturers Association is crucial to ensure the production of safe, nutritious, and sustainable animal feed while complying with the regulatory standards. Effective training and skill development

within AFMA not only benefit member organisations but also contribute to the overall safety and sustainability of the animal feed industry. By continuously improving the knowledge and skills of its members, AFMA can help ensure the well-being of animals and the safety of the food supply chain.

The strategic focus is implemented through the AFMA training and skills committee which is responsible for all skills, development and training activities. The committee will in the future be responsible for, training programmes, learner assessment, hosting of short courses and promoting the AFMA feed miller courses and other industry-specific short courses **(see chapter 7 for more details)**.

iii. Enabling legislative framework

Creating an enabling legislative framework requires collaboration with government authorities, industry stakeholders, and legal experts to strike a balance between industry growth, safety, and sustainability.

The framework provides legal clarity, support compliance within the industry standards, and promote transparency and accountability of the association while ensuring safety, quality, and sustainability in the animal feed industry.

2. AGRICULTURAL MASTER PLANS

2.1 Agriculture and Agro-processing Master Plan (AAMP)

An AAMP is a comprehensive and strategic document that outlines the goals, strategies, and action plans for developing and growing the agriculture sector and agro-processing industries within the country or economic zone. This plan is typically created by the government, agricultural organisations, and other relevant stakeholders in collaboration. The purpose of this plan is to provide a structured and organised approach to harnessing the potential of agriculture and agro-processing sectors to contribute to economic development, food security, rural livelihoods, and overall sustainable growth. The plan considers various aspects of the agricultural value chain, including farming, crop production, livestock management, and agro-processing (which involves transforming raw agricultural products into value-added products).

Key components of an Agriculture and Agro-processing Master Plan may include:

- ***Sector analysis:*** An assessment of the current state of agriculture and agro-processing sectors, including production trends, challenges, opportunities, and market dynamics.
- ***Goals and objectives:*** Clearly defined short-term and long-term goals that the plan aims to achieve, such as increasing agricultural productivity, improving value chain efficiency, boosting exports, and ensuring food security.
- ***Strategies:*** A set of strategic approaches and interventions to achieve the

stated goals. These strategies could encompass areas such as technology adoption, research and development, infrastructure development, capacity building, policy reforms, and market access.

- ***Investment plans:*** Allocation of resources and funding for the implementation of the plan. This may include identifying sources of funding, both public and private, and creating mechanisms to attract investment into the agriculture and agro-processing sectors.
- ***Value addition and processing:*** Specific plans to enhance the value-added component of the agriculture sector by promoting agro-processing activities. This could include encouraging the establishment of food processing plants, promoting food safety and quality standards, and supporting the development of new agro-based products.
- ***Capacity building:*** Initiatives to enhance the skills and knowledge of farmers, processors, and other stakeholders in the agriculture and agro-processing sectors. This might involve training programs, technology transfer, and knowledge dissemination.
- ***Policy and regulatory framework:*** Recommendations for policy reforms and regulatory changes that can create an enabling environment for the growth of the agriculture and agro-processing sectors. This may involve streamlining land ownership and tenure, improving access to credit and inputs, and addressing trade barriers.
- ***Monitoring and evaluation:*** Mechanisms to track the progress and impact of the master plan's implementation. Regular assessments help ensure that the plan is on track and can be adjusted if needed.
- ***Stakeholder engagement:*** Involvement of various stakeholders, including government agencies, farmers' associations, industry associations, academia, and development partners to ensure a collaborative and participatory approach.

Overall, an Agriculture and Agro-processing Master Plan serves as a roadmap to guide the development of the agriculture sector in alignment with broader economic and social development goals. It aims to foster sustainable growth, improve rural livelihoods, and contribute to overall food security and economic well-being.

Progress: It is almost two years after the signing of the AAMP, and there are mounting concerns about the limited progress in terms of implementing the plan. The implementation is an important phase of the plan as it takes a closer look at niche commodities that have the potential to drive employment, food security, and alleviate poverty. The plan's second phase will investigate unresolved issues that must be negotiated and will take place parallel to the implementation process.

2.2 South African Poultry Master Plan

The South African Poultry Master Plan refers to a strategic initiative that was being developed to address challenges and promote sustainable growth in the poultry

industry of South Africa. Like in many other countries, the poultry industry in South Africa faces various issues, such as competition, import challenges, disease outbreaks, and market dynamics. The Poultry Master Plan aimed to bring together various stakeholders, including government, industry players, farmers, processors, and other relevant parties, to collaboratively develop strategies and action plans that would support the growth and competitiveness of the local poultry sector. The plan's overarching goal was to balance the interests of all stakeholders while ensuring the long-term viability and sustainability of the industry.

The key focus and objectives of the South African Poultry Master Plan include:

- ***Market access and trade:*** Addressing issues related to import regulations and trade practices that might impact local poultry producers' ability to compete fairly in the market.
- ***Local production support:*** Implementing measures to enhance the competitiveness of local poultry production, including support for modernisation, technology adoption, and improved productivity.
- ***Investment and innovation:*** Encouraging investment in the poultry sector, both from local and foreign investors, to support infrastructure development and innovation.
- ***Quality and standards:*** Improving the quality and safety of poultry products to meet domestic and international standards, enhancing consumer confidence.
- ***Disease management:*** Developing strategies to prevent and manage disease outbreaks that can negatively impact poultry production.
- ***Transformation and employment:*** Addressing issues of inclusivity and empowerment within the industry, ensuring fair access to opportunities for historically disadvantaged individuals.
- ***Research and development:*** Supporting research initiatives that can lead to improved poultry genetics, nutrition, and production practices.
- ***Environmental sustainability:*** Integrating sustainable practices to minimise the environmental impact of poultry production.

Progress: Since 2020, an investment of R1.8 billion has been made, and 1 888 new jobs have been created. From 2019 to 2022, the industry financed their contract farmers to R466m to cover the cash flow for emerging black contract farmers. From the 2021/22 to 2022/2023 financial year, DALRRD supported 99 farms through CASP & Ilima-Letsema programs on the boreholes, production inputs, equipment, chicken structure construction, etc., to R40 million. In the next two years, the plan intends to focus on building a collaborative effort between the producers, retailers, and the private to raise aggregate demand for domestic producers and export promotion efforts in traditional and new markets. Concurrently build and deepen production capabilities with support for investment in capital equipment, new production systems, and human resources to build efficiencies and competitiveness along the entire value chain.

2.3 Soya Value Chain (SVC)

In December 2018, the initial discussion in the Soya Value Chain (SVC) started as part of the Sunflower, Soybean, and Soy Food Forum (SSSF), tabling strategic matters of the SVC as a collective, with a vision of cooperating towards the development of a South African Soya Strategy which will benefit and unlock value to all stakeholders in the SVC and related segments in Agriculture. A "South African Soya Strategy" is a comprehensive plan developed by government agencies, agricultural organisations, or industry stakeholders to address various aspects of soybean production, processing, and utilisation within the country.

The SVC discussion points are aligned with some elements that might be included in a strategy. The common agenda items include:

2.3.1 Seed cultivars and research

The South African Cultivar and Technology Association (SACTA) forms part of the Soya Value Chain agenda due to the role it plays as a significant custodian in collecting voluntary levies paid by producers to invest in the research and development of improved higher-yielding cultivars. The discussion focuses mainly on the latest cultivars develop and available to be utilised.

2.3.2 Farm-level economics

In real terms, the farm-level economics for the Soya Value Chain (SVC) involves understanding the costs and revenues associated with soybean production from planting to harvesting and ultimately selling the crop. The SVC includes various stages such as cultivation, input procurement, production, harvesting, post-harvest handling, and marketing. During the 2023 marketing period the SVC discussions on farm-level economics is covering producer matters that impact all aspects of the value chain, topics include, i.e. soybean product moisture level on delivery; input supply chain; and Rhizobia.

2.3.3 Markets and integrated value chains

An integrated soybean value chain involves the coordination and collaboration of various stages of production, processing, and distribution to optimise efficiency and create value for all role players and stakeholders. The Soya Value Chain explore and discuss the key components of an integrated soybean value chain and its relation to markets, i.e.:

- soybean supply and demand;
- soybean content and quality;
- soya meal contract on SAFEX;
- transport;
- electricity.

3. THE GLOBAL AND DOMESTIC ECONOMIC CONDITIONS

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions. The World Health Organization (WHO) announced in May that it no longer considers COVID-19 to be a "global health emergency." Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels. But forces that hindered growth in 2022 persist. Inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. Immediate concerns about the health of the banking sector have subsided, but high interest rates are filtering through the financial system, and banks in advanced economies have significantly tightened lending standards, curtailing the supply of credit.

The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with pre-pandemic forecasts remain large, especially for the world's poorest nations. Despite these headwinds, global economic activity was resilient in the first quarter of 2023, with that resilience driven mainly by the services sector. The post-pandemic rotation of consumption back toward services is approaching completion in advanced economies (including in tourism-dependent economies of Southern Europe), and it accelerated in a few emerging markets and developing economies in the first quarter. However, as mobility returns to pre-pandemic levels, the scope for further acceleration appears more limited.

At the same time, non-services sectors, including manufacturing, have shown weakness, and high-frequency indicators for the second quarter point to a broader slowdown in activity. Amid softening consumption of goods, heightened uncertainties regarding the future geoeconomic landscape, weak productivity growth, and a more challenging financial environment, firms have scaled back investment in productive capacity. Gross fixed capital formation and industrial production have slowed sharply or contracted in major advanced economies, dragging international trade and manufacturing in emerging markets with them. International trade and indicators of demand and production in manufacturing all point to further weakness. Excess savings built up during the pandemic are declining in advanced economies, especially in the United States, implying a slimmer safeguard to protect against shocks, including those to the cost of living and those from more restricted credit availability.

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 respectively. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from

8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

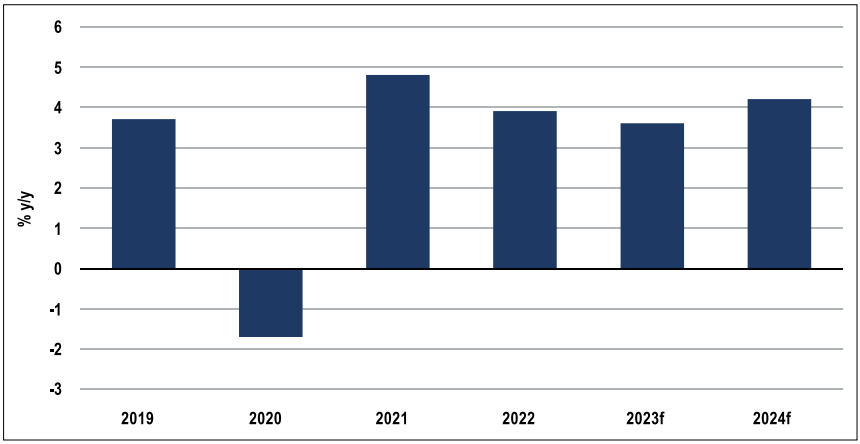
3.1 Sub-Saharan Africa

Like most regions of the world, sub-Saharan Africa financing options have deteriorated significantly over the past year. The acceleration in the tightening of global monetary policy, prompted by the rapid pickup in global inflation after the onset of Russia's war in Ukraine, has led to higher interest rates worldwide and raised borrowing costs for sub-Saharan African countries, both on domestic and international markets. Higher uncertainty amid the pandemic and the war in Ukraine has also led to risk repricing, disproportionately affecting sub-Saharan African countries because of lower credit ratings and cutting off virtually all frontier markets from international market access since spring 2022. More specifically, Eurobond issuances for the region declined from US$14 billion in 2021 to US$6 billion in the first quarter of 2022.

The median inflation rate in the region was about 10 percent in February 2023 – more than doubled since the beginning of the pandemic. Besides registering double-digit headline inflation in roughly half of the countries in the region, about 80 percent are also experiencing double-digit food inflation in February. However, fuel price pressures have decelerated recently because international prices fell from their peak in mid-2022 by up to 30 percent as of the end of 2022, providing some reprieve for the region. About half of the countries have now reported a deceleration in inflation in recent months, but there were also resurgences; and because subsidies on fuel and food prices are being phased out this year (Cameroon, Central African Republic, Ethiopia, Senegal), inflation will likely remain volatile throughout 2023. A few countries also faced pressures to raise public wages in the second half of 2022 because of increases in the cost of living triggered by higher food and fuel prices (Cameroon, Mali, Rwanda, The Gambia).

Given the challenges highlighted, the region's growth will decline to 3.6 percent in 2023 from 3.9 percent in 2022, following the strong rebound of 2021. This outlook in sub-Saharan Africa marks slow growth, the second year in a row. Some common factors explain the growth underperformance, including the rise in central bank rates to fight inflation and the war in Ukraine, dampening global economic activity and, thus, export demand for the region. Niger, the Democratic Republic of the Congo, and Senegal are on the higher end of the region's growth distribution, with this year's coming online of oil and gas in those countries expected to contribute significantly to higher GDP growth. On the opposite end, the significant economic contraction in Equatorial Guinea is a result of a decline in oil production. Meanwhile, South Africa's growth is projected to decelerate sharply to 0.1 percent in 2023, weighed down by an intensification of power outages, a weaker external environment, and a negative carry-over effect from the growth slowdown at the end of 2022.

FIGURE 1: SUB-SAHARAN AFRICA'S ECONOMIC GROWTH PROSPECTS



Source: International Monetary Fund (IMF) and AFMA analysis

3.2 Global inflation rates

The fight against inflation continues. Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the buildup of gas inventories in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalisation of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Core inflation has, on average, declined more gradually and remained well above most central banks' targets. Its persistence reflects, depending on the economy considered, pass-through of past shocks to headline inflation into core inflation, corporate profits remaining high, and tight labour markets with strong wage growth, especially in the context of weak productivity growth that lifts unit labour costs.

However, to date, prices and wages accelerate together for a sustained period and do not appear to have taken hold in the average advanced economy, and longer-term inflation expectations remain fixed. In response to the persistence of core inflation, major central banks have communicated that they will need to tighten monetary policy further. The Federal Reserve paused rate hikes at its June meeting but signalled further ones ahead, and the Reserve Bank of Australia, Bank of Canada, Bank of England, and European Central Bank have continued to raise rates. At the same time, in some other economies, particularly in East Asia, where mobility curbs during the pandemic restricted demand for services longer than elsewhere, core inflation has remained low. In China, where inflation is well below target, the central bank recently cut policy interest rates. The Bank of Japan has kept interest rates near zero under the quantitative and qualitative monetary easing with a yield curve control policy.

About 84 percent of countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.8 percent in 2022 (annual average) to 6.6 percent in 2023 and 4.3 percent in 2024 – above pre-pandemic (2017-19) levels of about 3.5 percent. The projected disinflation partly reflects declining international fuel and nonfuel commodity prices due to weaker global demand. It also reflects the cooling effects of monetary policy tightening on underlying (core) inflation, which globally is expected to decline from 6.9 percent in the fourth quarter of 2022 (year over year) to 4.5 percent by the fourth quarter of 2023. Still, disinflation will take time: by 2024, projected annual average headline and core inflation will, respectively, still be above pre-pandemic levels in 82 percent and 86 percent of economies.

In advanced economies, annual average inflation is projected to decline from 7.3 percent in 2022 to 4.6 percent in 2023, and 2.6 percent in 2024 – above target in several cases **(see table 1)**. In emerging markets and developing economies, projected annual inflation declines from 9.9 percent in 2022 to 8.1 percent in 2023 and 5.5 percent in 2024, above the 4.9 percent pre-pandemic (2017-19) average. In low-income developing countries, inflation is projected to moderate from 14.2 percent in 2022 to 8.6 percent in 2024 – still high but close to the pre-pandemic average.

TABLE 1: WORLD CONSUMER PRICE INFLATION FORECASTS				
Year-on-year	**2021**	**2022**	**2023**	**2024**
Advanced economies (%)	3,1	7,3	4,6	2,6
Emerging markets and developing economies (%)	5,9	9,9	8,1	5,5
Source: International Monetary Fund (IMF)				

3.3 Unemployment

Before the COVID-19 pandemic, global unemployment rates were generally declining, reflecting a period of economic growth and improved labour market conditions. However, the pandemic led to significant disruptions in economies worldwide, causing a sharp rise in unemployment rates due to lockdowns, business closures, and reduced economic activity. According to a new International Labour Organisation report, the current global economic slowdown is likely to force more workers to accept lower quality, poorly paid jobs that lack job security and social protection, which will worsen inequalities exacerbated by the COVID-19 crisis.

The current labour market deterioration is mainly due to emerging geopolitical tensions and the Ukraine conflict, uneven pandemic recovery, and continuing bottlenecks in global supply chains. Women and young people are facing significantly worse in labour markets. Globally, the labour force participation rate of women stood at 47.4 percent in 2022, compared with 72.3 percent for men. This 24.9 percentage point gap means that for every economically inactive man, there are two such women.

Young people (aged 15-24) face severe difficulties in finding and keeping decent employment. Their unemployment rate is three times that of adults. More than one in five (23.5 percent) of young people are not in employment, education, or training. There is a slow anticipation in global employment growth, which means no expected losses incurred during the COVID-19 crisis will be recovered before 2025. The slowdown in productivity growth is also a significant concern, as productivity is essential for addressing the interlinked crises faced in purchasing power, ecological sustainability, and human well-being.

In 2023, Africa and the Arab States should see employment growth of around 3 percent or more. However, with their growing working-age populations, both regions are likely to see unemployment rates decline only modestly (from 7.4 to 7.3 percent in Africa and 8.5 to 8.2 percent in the Arab States). In Asia, the Pacific, Latin America, and the Caribbean, annual employment growth is projected to be around 1 percent. In Northern America, there will be few or no employment gains in 2023, and unemployment will pick up. Europe and Central Asia are particularly hard hit by the economic fallout from the Ukraine conflict. But while employment is projected to decline in 2023, their unemployment rates should increase only slightly, given the backdrop of limited growth in the working-age population.

3.4 South African agricultural jobs

The Quarterly Labour Force Survey (QLFS) results indicate that the number of employed persons increased by 258 000 to 16,2 million in the first quarter of 2023 compared to the fourth quarter of 2022. The number of unemployed persons increased by 179 000 to 7,9 million during the same quarter. Additionally, the number of people who were not economically active for reasons other than discouragement decreased by 209 000 to 13,2 million. The discouraged work-seekers decreased by 87 000 in the first quarter of 2023 compared to the fourth quarter of 2022, resulting in a net decrease of 296 000 in the not economically active population.

The above changes in employment and unemployment resulted in the official unemployment rate increasing by 0,2 of a percentage point from 32,7% in the fourth quarter of 2022 to 32,9% in the first quarter of 2023. According to the expanded definition, the unemployment rate decreased by 0,2 of a percentage point to 42,4% in Q1:2023 compared to Q4:2022. Both the formal and informal sectors recorded increases in employment of 209 000 and 107 000 respectively. The following industries – finance (184 000), community and social services (175 000), and agriculture (27 000) recorded the largest employment gains. While employment losses were recorded in private households (85 000), trade (28 000), mining (24 000), construction (11 000), and manufacturing (2 000).

Gauteng (up by 80 000), Limpopo (up by 71 000), Western Cape (up by 62 000), KwaZulu-Natal (up by 54 000), and Eastern Cape (up by 41 000) recorded the largest

employment increases in Q1:2023. During the same period, employment losses were recorded in Mpumalanga (down by 45 000), North West, and Free State (down by 4 000 each). The youth remain vulnerable in the labour market, with the first quarter of 2023 results showing that the total number of unemployed youth (15-34 years) increased by 241 000 to 4,9 million while there was an increase of 28 000 in the number of employed youths to 5,6 million during the same period. This resulted in an increase in the youth unemployment rate by 1,1 percentage points to 46.5% in Q1:2023.

The increase in the agricultural sector employment could be attributed to seasonal employment in the pome fruit (apples and pears) industry, which started in January of 2023. The lemon and soft citrus industries also started with a new season. Five provinces recorded an increase in employment in the agricultural sector, while four recorded decreases between the fourth quarter of 2022 and the first quarter of 2023. By province, the largest increase in employment in percentage terms was recorded in Limpopo (15.2%), followed by the Western Cape (12.6%), KwaZulu-Natal (10.4%), North West (1.8%), and a marginal increase of 0.7% in the Eastern Cape.

Northern Cape, Mpumalanga, Free State, and Gauteng provinces recorded decreases of 21.6%, 12.2%, 9.2%, and 3.9%, respectively. Difficulties such as the safety regulations related to cold treatment in the EU faced by the citrus industry, one of the largest industries within the fruit subsector, present a serious threat to this year's overall employment. This will possibly be visible in the 2nd quarter's data and later in the overall sectors' employment. The ongoing electricity cuts present a persisting threat to the overall horticultural industry as most of its products are produced under irrigation.

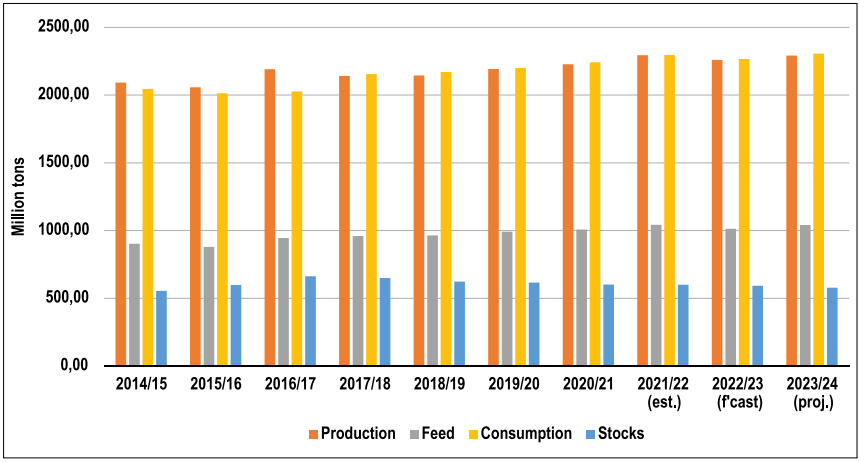
FIGURE 2: SOUTH AFRICA'S AGRICULTURAL JOBS

Source: Stats SA and AFMA calculation

3.5 Global and domestic grains and oilseeds outlook

World total grains production is projected to reach a new peak in 2023/24, which is 38 million tons (+2%) higher year-on-year (y/y). In addition to a predicted 64 million tons increase in maize output, the increase is also realized by a rebound in sorghum (+8 million), which, together, offset declines for wheat (-19 million), barley (-9 million) and oats (-3 million). Consumption also recorded an overall level of 2%, with gains in feed, food, and industrial uses. Carry-overs are forecasted to tighten for a seventh successive season, reaching 581 million tons (2% lower) y/y, due to smaller wheat inventories, and barley stocks also seen slipping to a near three-decade low. The 2023/24 total grains production is forecast at 5 million higher m/m (month-on-month), reaching 2 297 million tons driven by increased maize and sorghum, coupled primarily with larger US acreage, outweigh reductions for wheat, barley, and oats. Consumption is placed at 2 306 million tons, the same as before, and, with a slightly smaller carry-in, projected closing stocks are up by 4 million, to 581 million. The world trade outlook is steady m/m, at 480 million.

FIGURE 3: GLOBAL GRAINS AND OILSEEDS SUPPLY AND DEMAND



Source: International Grains Council and AFMA calculations

Maize

The output of maize worldwide has increased somewhat, with increases in production from the United States, Canada, and Ukraine more than compensating a decrease in production from the European Union. Global commerce is rising due to increased exports from Brazil and the Ukraine and increased imports from the EU. The seasonally average farm price in the US remains at $4.80 per bushel. Nearly all of China's 21.0 million tons of maize imports in 2021/2022 came from the US and Ukraine, with 70% coming from just the US. However, China has broadened the sources from which it sources its maize imports ever since October 2022. Using the Herfindahl-Hirschman Index (HHI), a widely used indicator of market concentration, an analysis of China's

volume of maize imports shows a notable increase in competition within China year over year, driven by a major increase in Brazil's market share.

Brazil has seen the largest change in market share. After a deal to permit maize imports from Brazil was reached in May 2022, Brazil's exports to China increased in late 2022. The market structure has changed because of China importing more than 2.2 million tons of Brazil maize in 2022-2023, with the US market share being significantly affected by competitive prices. China's initiatives to diversify its trade have also benefited other smaller exporters. A phytosanitary pact was agreed by China and Burma in February 2022, paving the path for cross-border trade. After that, China bought more maize from Burma in 2022-2023 than it did in the preceding three years combined – more than 300,000 tons. Additionally, China increased its imports from Russia by double to 200,000 tons in 2022-2023. And even though a 2014 convention abolished most trade barriers, China also imported a sizeable amount of maize from South Africa for the first time in May of 2023.

China's action is part of a larger trend among major Asian consumers to diversify maize import sources, including South Korea, Japan, and Vietnam. The necessity for market participants to reduce risks associated to food security was underscored by the rise in trade conflicts, the global COVID-19 outbreak, and the war in Ukraine. China's large demand for feed grains can be met with less uncertainty by expanding the sources from which imports can be made.

Soybeans

Soybeans are one of the few proteins in vegetable-based foods. With its very high protein content, soybean has become one of the primary protein sources for both humans and animals. Recently, soy demand has been inextricably linked to global meat consumption. The main soy trade now moves over the Pacific Ocean, making a triangle between the United States (US), Brazil, and China – with China being the biggest user and importer of soybeans. The main areas of soybean production follow a similar triangle, the US, Brazil and Argentina, and India, which also cultivates a significant number of soybeans. Global oilseed production is seen to be around 625 million tons due to the reduction in the soybean crop. In the oilseeds trade, having entered the second half of the year, little has changed. Demand for oilseed meals has lately driven more of the rapeseed crush value in the European Union (EU), given the decrease in exportable soybean meal availabilities in Argentina.

The global soybean processing market is expected to grow from US$ 78.8 billion in 2022 to US$ 84.9 billion in 2023 at a compound annual growth rate (CAGR) of 7.8%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity, and supply chain disruptions, causing inflation across goods and services and affecting many

markets across the globe. The soybean processing market is expected to reach US$116.2 billion in 2027 at a CAGR of 8.2%.

The IGC's predictions for the supply and demand of soybeans in 2022-2023 haven't altered much since June. The estimate for the world's output in 2023-2024 has been reduced by 2 million tons due to a revised US estimate, which has a little negative impact on forecasts for consumption and stockpiles, both of which are expected to significantly increase y/y. Trade forecasts are somewhat decreased to 170 million tons (+2 million), in part reflecting the likelihood of reduced US export availability. The world's soybean production is expected to reach a new high of 368 million tons (+3%), with a larger Brazilian harvest more than making up for reductions elsewhere. Global uptake is likely to decline by 4 million tons y/y as supplies grow, with a dip in Argentina anticipated. Traded volume is expected to increase by 8% year over year. Strong improvements in Argentina are necessary for expectations of dramatically increased output and consumption in 2023-2024, with further inventory growth probable. Trade is expected to expand slightly, with suppliers from South America expected to supply a larger portion of the demand.

TABLE 2: SOYBEAN SUPPLY AND DEMAND SUMMARY

Million tons	2020/21	2021/22 est.	2022/23 f'cast.	2023/24 proj.	y/y change
Opening stocks	55	55	46	52	+13.4%
Production	370	357	368	400	+8.8%
Total supply	425	412	413	452	+9.3%
Total use	370	366	362	388	+7.4%
Of which: Crush	326	326	323	345	+7.1%
Closing stocks	55	46	52	63	+22.3%
Major exporters [a]	17	11	15	21	+37.8%
Trade (Oct/Sep)	159	156	168	170	+1.4%

[a] *Argentina, Brazil, USA*

3.6 Domestic grain and oilseeds commodity outlook

South Africa is a major producer of various summer grains and oilseeds. These crops are crucial for both domestic consumption and export markets. Summer grains and oilseeds are typically planted in the warmer months and harvested in the summer or early autumn. South Africa's grain production is off to a decent start in the marketing year 2022/23. Above-average rains over most parts of the summer rainfall production area during November and December enhanced crop plantings and provided conducive growing conditions.

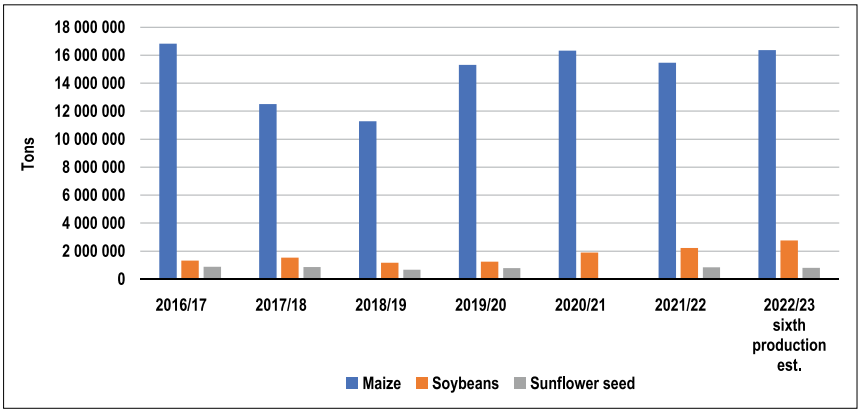
In 2022/23, the expected **commercial maize** crop production remained unchanged at 16 354 million tons while the area planted estimate is 2 586 million hectares, and the expected yield is 632 tons per hectare. It can be observed that the estimated maize crop is 5.71% or 884 100 tons larger than the 2022 crop. The three main maize-producing areas (Free State, Mpumalanga, and North West provinces) are expected to produce 83% of the 2023 crop. The production forecast of **white maize** remained unchanged at 8 638 million tons, while the area estimate is 1 521 million hectares, and

the expected yield is 568 tons per hectare. In the case of **yellow maize**, the production forecast remained unchanged at 7 716 million tons. The yield estimate is 725 tons per hectare, and the expected area planted is about 1 065 million hectares.

The production forecast for **soybeans** remained unchanged at 2 755 million tons, up 0.1 million tons (2 percent) from last month and up 0.5 million tons (23 percent) from last year. The estimated area planted to soybeans is 1 148 million hectares, and the expected yield is 240 tons per hectare. High fertilizer prices during the time of planting motivated farmers to plant record soybean areas, and the total soybean area for 2022/23 was greater than the yellow corn area for the first time. In addition, South Africa's soybean oil and meal crushing capacities have increased in recent years, which helps to satisfy local soy oil demand for human consumption and soy protein meal for animal feed.

Sunflower seed is a higher oil-yielding seed and, therefore, more oriented towards human consumption. Sunflower meal, a by-product of the oil extraction process, is sold to local animal feed manufacturers. In 2022/23, the sunflower seed production forecast also remained unchanged at 758 610 tons, with the area estimated 555 700 hectares while the expected yield is 137 tons per hectare. Soybeans performed better than sunflowers last year because sunflowers experienced waterlogging problems in regions with high groundwater tables.

FIGURE 4: SOUTH AFRICA'S MAJOR SUMMER GRAIN AND OILSEEDS PRODUCTION



Source: Crop Estimates Committee and AFMA calculation

4. THE GLOBAL FEED SITUATION

The global feed situation involves the production and consumption of animal feed on a worldwide scale. Animal feed is a crucial component of livestock and poultry production, as it provides the necessary nutrients for animals to grow, develop, and produce meat, milk, and eggs. The global feed situation is influenced by factors such as population growth, changing dietary preferences, economic conditions, and trends in the livestock industry. According to the Alltech Outlook (2023), global feed production remained steady in 2022 despite significant macroeconomic challenges that affected the entire supply chain. Europe bore the brunt of the impact, including significant disease challenges, severe weather, and the impacts of the invasion of Ukraine. The outlook estimates that global feed production totalled 1.266 billion tons in 2022, a decrease of less than one-half of one percent from 2021's estimates.

Inflation and the overall state of the economy – particularly the increased **prices of raw materials**, feed, and food – have been the biggest challenges affecting the agri-food sector in 2022. The war in Ukraine has had a significant impact on raw material supplies across the region. The direct impact of the war was reported in Moldova and in Ukraine, where feed production fell by over 35%. The invasion of Ukraine also indirectly affected feed production throughout the rest of the world.

Animal diseases have disrupted feed production in more than 80% of countries. Avian influenza affected all regions' feed production in 2022. In Africa, this disease manifested most significantly in Egypt, Morocco, and South Africa. In Asia, nearly all countries were affected. In Europe, the affected countries included Belgium, Bosnia and Herzegovina, Bulgaria, France, Ireland, Moldova, the Netherlands, Poland, Russia, Serbia, Turkey, the UK, and Ukraine. In Europe, African swine fever (ASF) has most significantly affected Ireland and countries in the East. In the Americas, the Dominican Republic was affected most significantly. In Asia, ASF has played a significant role in China, Indonesia, Malaysia, Myanmar, Nepal, the Philippines, Singapore, South Korea, Thailand, and Vietnam. In Africa, Kenya, Mozambique, and Namibia were affected.

The top 10 countries produce 64% of the world's feed, and half of the world's feed production is concentrated in four countries: China, the US, Brazil, and India, respectively. Vietnam experienced a great recovery in terms of its feed tonnage in 2022, entering the top 10 ahead of Argentina and Germany and crowding out Turkey, which reported reduced feed production. Russia overtook Spain, where there was a significant reduction in feed production. Although it experienced a narrow reduction in feed production, China remains the largest feed-producing country in the world, followed by the United States and Brazil. The overall feed production for China dropped by nearly 3%, which was marginally contributed by a drop in pig, broiler, and lay feeds. The challenges that affected China's feed industry were high ingredient prices, low producer returns, supply chain disruptions and animal diseases.

The United States, as the second largest feed manufacturer, experienced an overall production increase of 1.02% driven by an increase in pet feed (6.12%), broiler feed (3.5%), layer feed (3%), aquaculture feed (2.15%) and beef feed (1%) respectively. Biosecurity measures made the biggest impact on coping with animal diseases, and feed production is anticipated to continue to grow in 2023. On the other hand, Brazil's overall production was up by 0.8%, driven by beef feed and broiler feed. The producer prices and the economy were the biggest consumer trends affecting the feed industry. Additionally, supply chain disruptions, severe weather conditions and geopolitical events were the main challenges faced.

TABLE 3: GLOBAL FEED PRODUCTION RANKING – 2022

Rank	Country	Total feed production		Growth	
		2021	2022	Tons	%
1	China	268,3	260,7	-7,6	-2,8%
2	United States	238	240,4	2,4	1,0%
3	Brazil	81,2	81,9	0,7	0,9%
4	India	44,1	43,4	-0,7	-1,6%
5	Mexico	39,7	40,1	0,5	1,1%
6	Russia	33	34,1	1,1	3,5%
7	Spain	35,8	31,2	-4,6	-12,9%
8	Vietnam	20,9	26,7	5,8	27,7%
9	Argentina	26,7	25,7	-1	-3,7%
10	Germany	24,5	24,4	-0,1	-0,5%

Source: Alltech Global Feed Survey – 2023

Latin America (1.6%), North America (0.88%) and Oceania (0.32%). As a result of improvements in the scale and accuracy of our sources in the Middle East, our 2022 feed production numbers were nearly 25% higher than they were in 2021. The Middle East increase is also due in part to an initiative by the Saudi Arabian government to expand broiler chicken production to meet the country's self-sufficiency goals. Feed production in Europe decreased by 4.67% and was down by 3.86% in Africa. Production in the Asia-Pacific region also dropped 0.51%. The broiler sector had the **highest global feed production**, with nearly 364 million tons, and the overall production increased by 1.3%. There were significant differences from country to country. Overall, feed production growth in the broiler sector was reported mainly from the Middle East, North America, and Latin America. Global poultry markets are expected to stay strong in 2023 but may have some price and volume swings depending on the region.

Globally, **pig feed production** was down in 2022 by almost 3%. African swine fever (ASF) and high feed prices depressed pig production in many countries. However, in Vietnam, China, South Africa, Brazil and Mexico, better pork prices and other market conditions led to growth in the sector. Latin America has a growth of 2.02%, driven by increased demand, decreases in the cost of food, favourable exchange rates and numerous opportunities to export to Asia. Brazil's feed production grew by 4%, from 19.7 million tons to 20.5 million tons. Layer feed production was affected by avian influenza, other diseases, and the high costs of raw materials in many markets,

especially in Asia, Europe, and Africa. On the other hand, growth in the sector was boosted due to bigger challenges in other sectors that led to increased demand for eggs.

In most countries, there was a decline in commercial **dairy feed production**, mainly due to the high feed cost combined with low milk prices, which caused farmers to reduce their numbers of cows and/or rely more on non-commercial feed sources. Some exceptions included Ireland, where drought caused farmers to rely more on commercial feeds, and New Zealand, where milk prices were higher. In total, we saw about 1.32% less compound feed produced in the global dairy sector. Africa had a huge growth rate compared to other regions, and most of the feed-producing countries remained flat. The trend toward a reduction in **beef feed production** appears to have slowed, with feed production down only 0.34% in 2022. The downward trend continued in Europe, but increases were seen in almost all other regions. In Australia, the reduction in feed tonnage was a result of plentiful grass and not a reflection of any changes in the demand for beef. Growth in 2023 is expected in China, Brazil, and Australia, while decreases are anticipated in the US, Canada and countries throughout Europe.

The aquaculture sector experienced a total global feed production growth of 2.7%. The top 5 **aquaculture feed** countries are China, Vietnam, India, Norway, and Indonesia. Significant increases were reported in China, Brazil, Ecuador, the Philippines, and the US. The aquaculture sector was one of a few sectors up in Europe where large decreases in feed production were reported. Of all the species sectors, the **pet food** sector has increased by 7.25%, with the most significant growth. It was up even in Europe, the region that dipped most in 2022 feed production. The **equine sector** increased by 0.83%, growing in all regions except Latin America. It displayed the highest growth in Asia-Pacific and Oceania.

TABLE 4: TOTAL FEED PRODUCTION PER REGION – 2022 ('000 TONS)

Region	Broiler	Pig	Layer	Dairy	Beef	Aqua	Pets	Equine	TOTAL
Africa	13,1	3,3	9,5	5,1	2,6	1,4	0,3	0,1	**35,4**
Asia-Pacific	153,5	140,4	76,5	24,2	14,3	38,3	2,5	0,5	**450,2**
Europe	54,2	75,1	31	42,2	15,8	4,7	11,8	2,2	**237**
Latin America	67,6	36,2	23,6	25,5	16	5,9	8,9	1	**184,7**
North America	11,4	0,01	4,6	7	1,6	0,6	0,1	0,1	**25,41**
Middle East	60,1	63	15,1	28,5	67,4	1,8	11,2	3,8	**250,9**
Oceania	4	1,4	1	1,4	0,7	0,2	0,5	0,4	**9,6**
TOTAL	**364**	**319**	**161**	**134**	**118**	**53**	**35**	**8**	**1 193**

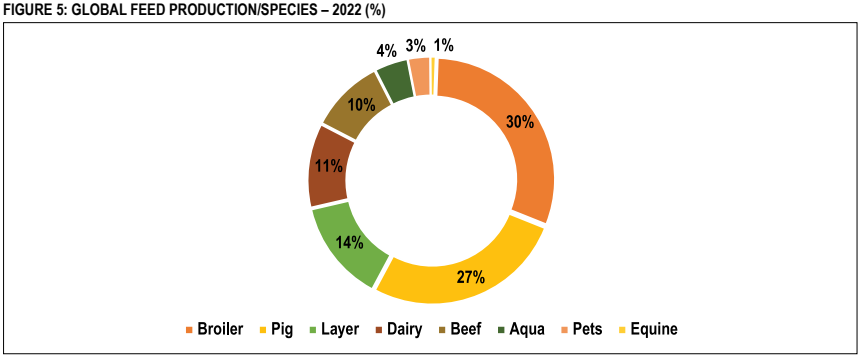
** Grand total includes listed species as well as calf, other ruminants, turkeys, other poultry, and other species

Source: Alltech Global Feed Survey – 2023

Globally, increases in feed tonnage were reported in the aquaculture, broiler, layer, and pet food sectors, while decreases were reported in the beef, dairy and pig sectors. Percentage-wise, the biggest growth was in pet food. The pig, dairy and beef sector experienced decreased feed production. **Figure 5** illustrates the percentage

of production per feed sector in the global context in 2022. It is evident that broiler feed constitutes 30% of total feeds produced globally, and this is followed by pig feed (27%), layer (14%), dairy (11%), beef (10%), aquaculture (4%), pets (3%) and equine (1%), respectively.

FIGURE 5: GLOBAL FEED PRODUCTION/SPECIES – 2022 (%)



Source: Alltech Global Feed Survey – 2023

5. SOUTH AFRICAN AGRICULTURAL TRADE PERFORMANCES AND TRADE POLICY ISSUES

5.1 Introduction

South Africa's exports have lagged behind the rest of the world over recent decades, and this has likely constrained overall economic growth. There are multiple reasons for this disappointing trade performance, including the structure of the country's export basket (which remains dominated by commodity products), its dependence on a limited number of large but mature export markets, and the high cost and deteriorating competitiveness of the general business environment. South Africa's manufacturing trade with the rest of Africa is considerably overstated but is evidence of the country's important role as a logistics and services hub in the region.

Trade and industrial policy also have an important role to play – effective rates of protection remain high in some sectors, the country adopts a cautious approach to trade agreements, and there is an increased focus on localisation. Together, these structural, environmental, and policy factors increase the incentive to produce for the protected domestic market over exploring new export opportunities while raising barriers for new entrants and lowering competition for incumbent firms. To address the inherent bias against exporting, South Africa urgently needs to address the high costs of investment and trading across borders; review the impact of existing industrial, localisation, and sector-specific policies on export behaviour; implement a comprehensive and well-targeted export promotion and export finance framework; and update its trade policy approach to negotiations across the continent and internationally.

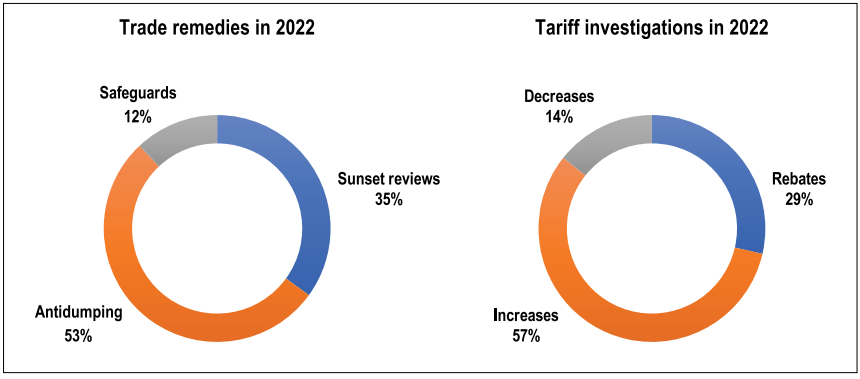
5.2 Trade policy issues

5.2.1 Tariffs, rebates, and trade remedies

International Trade Administration Commission (ITAC) investigations cover primarily ordinary customs duties (applications for increasing or reducing import tariffs and rebates); trade remedies; and import and export control measures. The tariff investigations remain the main request by different companies averaging 15 investigations annually over the review period (2014-2022). The period 2014/15 recorded the highest number of tariff investigations (23 total) and 2019/20 recorded the lowest (10 total). According to ITAC, 30 reports were completed in 2022, however, 23 are highlighted mainly because the 7 reports are not original reports that were initiated and reported in the previous period.

Currently, ITAC interventions are focused on supporting South Africa's Master Plans in 6 sectors, which can be categorised as (i) food security: poultry and sugar; (ii) consumer goods: clothing and furniture; and (iii) industry: automobiles and steel. In 2022, ITAC investigated 30.4% and 69.6% of remedies and tariff instruments, respectively. The investigations targeted, amongst others, the agricultural, chemical, metals, and textile sectors. ITAC investigations trade remedies included 8 antidumping, 2 safeguard measures, and 6 sunset reviews, while tariff investigations undertaken included 4 tariff increases, 2 rebates, and 1 tariff reduction during the 2022 period **(see figure 6)**.

FIGURE 6: TRADE REMEDIES AND TARIFF INVESTIGATIONS IN 2022



Source: ITAC report

5.2.2 Frozen bone-in portions

The South African Poultry Association (SAPA) applied alleging that frozen bone-in portions of the species *Gallus domesticus* originated or imported from Brazil, Denmark, Ireland, Poland, and Spain are being dumped on the Southern African Customs Union (SACU) market, causing material injury and a threat of material injury to the SACU industry concerns. The investigation was initiated on 5 February 2021. On 3 August

2023, the South African Revenue Service (SARS) announced the imposition of anti-dumping duties on frozen bone-in portions of fowls of the species *Gallus Domesticus* classifiable in tariff subheading 0207.14.9, originating in or imported from Brazil, Denmark, Ireland, Poland, and Spain in Part 1 of Schedule No.2 to the Customs and Excise Act, 1964. The reasoning for the anti-dumping duties is contained in the International Trade Administration of South Africa (ITAC) Report No.695.

5.2.3 Sunset review on US antidumping duties

On 9 November 2022, The International Trade Administration Commission of South Africa (ITAC) announced the initiation of the sunset review of anti-dumping duties (ADDs) of frozen bone-in portions of poultry from the United States. According to the notice, ITAC received an application for an anti-dumping duty review from the South African Poultry Association (SAPA), claiming that the expiry of ADDs against imports of frozen bone-in portions from the United States would likely lead to the continuation or recurrent of dumping or material injury should they expire as scheduled on 23 November ITAC noted that application submitted by SAPA has enough prima facie evidence to trigger a sunset review investigation for the period of 1 January 2021 to 31 December 2021. The United States bone-in chicken imports into South Africa have been affected by ADDs since 2000.

5.3 Trade agreements

South Africa has signed several agreements with its trading partners in recent years. South Africa maintains several bilateral and regional trade and investment agreements with African countries and key international partners in terms of the Customs and Excise Act, 1964. The country is also a beneficiary of several non-reciprocal trade agreements, including the African Growth and Opportunity Act (AGOA) and the General System of Preferences (GSP). South Africa is a founding member of the Southern African Customs Union SACU) and the Southern African Development Community (SADC). The country participated in negotiations that led to the signing of the COMESA-EAC-SADC Tripartite Free Trade Area TFTA) in June 2016 and is currently engaged in negotiations towards the conclusion of a Continental Free Trade Area (CFTA). South Africa also engages with fellow members of the so-called BRICS (Brazil, Russia, India, China, and SA) in various economic and trade-related areas.

5.3.1 SADC – EU EPA

The EU-Southern African Development Community (SADC) Economic Partnership Agreement (EPA) states comprising Botswana, Lesotho, Mozambique, Namibia, South Africa, and Eswatini (formerly Swaziland) signed the SADC EPA agreement on 10 June 2016. The EPA came provisionally into force as of 10 October 2016, with Mozambique provisionally applying it since 4 February 2018. The EPA foresees asymmetric provisions in favour of SADC EPA countries, such as the exclusion of sensitive products from liberalisation, flexible rules of origin, in addition to special safeguards and measures for agriculture, food products and infant industries. The EU

grants 100% duty-free and quota-free access to all imports coming from Botswana, Lesotho, Mozambique, Namibia, and Swaziland. The access to the EU market is permanent, full and free to all products. The EU removes customs duties on 98.7% of imports coming from South Africa, under specific quantity quotas. Countries that are part of the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa and Eswatini) remove customs duties on around 86% of imports from the EU. Mozambique removes customs duties on 74% of imports from the EU.

The implementation of and trading under the EPA has also faced a number of global challenges in recent years. The global economy was affected in 2020 by an unprecedented economic downturn largely driven by the COVID-19 pandemic. SADC EPA States were also impacted by the pandemic through reduced fiscal revenues – driven by the reduced economic activity and fluctuating commodity prices – and trade flows – driven by increased trade/border restrictions (SADC 2020). Even before, SADC economies were hit by slow economic growth and recessions in 2019: South Africa faced an economic recession, Namibia contracted by 1.9% and no other country surpassed Botswana's growth rate of 3.5%, partly due to natural disasters and unfavourable commodity cycles (European Commission 2020a). The trade war between China and the United States and the slowdown of globalisation since the start of the EPA application generally provided an unfavourable environment for the implementation of the agreement. And most recently, Russia's war of aggression against Ukraine that started in February 2022 has not only had negative economic consequences also impacting on trade between the parties but may also influence trade policy dialogue between the parties.

An additional risk for the EPA stems from the uncertainty over the future of the Cotonou Agreement, which provides the legal framework for the EPA. It was due to expire in February 2020, but given that the negotiations for its successor agreement (so-called post Cotonou Agreement) had not been concluded by that time (the text was initialled in April 2021), and then time needed for its signature and entry into force, the application of the Cotonou Agreement has been extended to 30 June 2023, unless the new agreement starts being applied earlier. While falling outside of the scope of the evaluation, the potential gap between the expiry of the Cotonou Agreement and entry into force of post-Cotonou, as well as the situation of South Africa which is not likely to sign post-Cotonou, following its withdrawal from the Organisation of African, Caribbean and Pacific States (OACPS), is another issue to be taken into consideration across all elements of the assessment.

5.3.2 SACU – MERCOSUR

The Southern Common Market (Mercosur) consists of Brazil, Argentina, Uruguay, and Paraguay. The negotiations to conclude the preferential trade agreement commenced in December 2002. The SACU-Mercosur agreement was signed in December 2004 and was the first agreement that SACU concluded in accordance with the provisions

of the 2002 SACU agreement. This agreement was also the first agreement that SACU concluded with another developing regional trading partner. The agreement laid out a framework for formal trade relations and included a built-in agenda to finalise the negotiating process on some outstanding issues including customs cooperation, the automotive industry, sanitary and phytosanitary issues, and rules of origin.

As per Article 27 of the SACU-MERCOSUR PTA, the Secretariat successfully facilitated the 2nd meeting of the SACU-MERCOSUR Joint Administration Committee (JAC) held on the 5th of October 2021. This meeting considered issues of implementation of the agreement by both parties. One of the key outcomes was the adoption of the Rules of Procedures for the JAC. The meeting also provided guidance on the activities to be undertaken by both parties to facilitate and ensure effective implementation of the PTA.

5.3.3 SACU – EFTA

The European Free Trade Association (EFTA) and SACU FTA (EFTA-SACU FTA). This FTA reduces tariffs on selected industrial goods and processed agricultural products between the SACU member states and the EFTA (which includes Iceland, Liechtenstein, Norway, and Switzerland). In terms of Article 21 to Annex V of the SACU-EFTA Trade agreement, amounts expressed in the national currencies equivalent to the amounts expressed in euros shall be fixed annually by the parties concerned from 1 January 2023 to 31 December 2023. The applicable rate of exchange for euro amounts as of 1 October 2022 is 0.055438 as per Article 29 (3) and shall be considered as a conversion rate for amounts expressed in Article 19 (1) (b) and Article 24 (3). SACU was not able to meet with EFTA late in 2022 to continue the review process of the free trade agreement. Signals from the SACU Secretariat suggest that SACU is looking favourably at EFTA's proposal to meet, as EFTA has largely agreed to SACU's proposals for the next steps.

5.3.4 SACU – India PTA

The SACU-India preferential trade agreement (PTA), a PTA between the Southern African Customs Union (SACU) and India, will provide for tariff reductions on selected goods. SACU and India are in the process of exchanging tariff requests. Amid declining merchandise exports due to demand slowdown in the West, India is placing renewed focus on striking a trade deal with a union of five countries of Southern Africa that could give a leg up to exports of other products. All parties are willing to engage in reviving the preferential trade agreement, which will, however, need to start from scratch with the terms of reference.

5.3.5 AfCFTA

The AfCFTA is a new continent-wide preferential trade arrangement in the form of a modern Free Trade Area (FTA). It aims to boost intra-African trade in goods and services as well as several related objectives, as listed in its Protocols. They cover (in

addition to trade in goods, services, and dispute settlement) investment, competition policy, intellectual property rights, women and the youth in trade, and digital trade. Other "instruments within the scope of this agreement" may be added. The implementation of the African Continental Free Trade Area (AfCFTA) may start soon. Expectations about what will happen when implementation starts should be informed by what the state parties accepted as new commitments and what they want to retain from existing structures and regional agreements.

The AfCFTA State Parties shall progressively eliminate tariffs and non-tariff barriers, progressively liberalise trade in services, cooperate on investment, intellectual property rights, and competition policy, cooperate on all trade-related areas, cooperate on customs matters and the implementation of trade facilitation measures, establish a mechanism for the settlement of disputes concerning their rights and obligations, and establish and maintain an institutional framework for the implementation and administration of the AfCFTA (Art 4 AfCFTA Agreement.)

Since the AfCFTA is a member-driven FTA, the State Parties retain freedom over external trade policy issues and over domestic development strategies. The AfCFTA recognises the importance of global trade for Africa and says, in the Protocol on Trade in Goods, that "nothing shall prevent a State Party from concluding or maintaining preferential trade arrangements with Third Parties." (Art 4(2) AfCFTA Protocol on Trade in Goods.) The same approach applies to trade in services: *Nothing in this Protocol shall prevent a State Party from entering into a new preferential agreement with a Third Party, in accordance with Article V of the GATS, provided such agreements do not impede or frustrate the objectives of this Protocol. Such preferential treatment shall be extended to all State Parties on a reciprocal and non-discriminatory basis.* (Art 4(2) AfCFTA Protocol on Trade in Services.)

5.4 World Trade Organization (WTO)

An updated WTO report issued on 23 February 2023 found that global trade remained resilient in 2022 and performed better than initially feared as economies most affected by the war found alternative sources of supply. Trade growth in 2023 is expected to be subdued, but a reduction in inflationary and supply chain pressures could raise prospects for trade and output. Prices for goods affected by the war also rose less than expected. However, Ukrainian exports collapsed by 30 percent in value terms. Russia's exports expanded by 15.6 percent because of an increase in prices but its export volume appeared to have declined slightly. Reduced supplies, or the threat of reduced supplies, of essential goods caused commodity prices to spike in 2022, with food prices rising 18 percent year-on-year.

Energy prices also jumped 58 percent in 2022 (93 percent compared to 2019), including a dramatic rise in natural gas. The curtailing of gas shipments between Russia and the European Union disproportionately affected energy prices in Europe, but efforts to find

alternative sources of supply raised prices for liquified natural gas (LNG) elsewhere. Gas prices in North America, with its plentiful local production, remained low compared to the rest of the world. High energy prices fed into a rise in general inflation, which had already picked up following the pandemic, partly due to supply chain disruptions and partly because of expansionary fiscal and monetary policies in many economies, including the United States and the European Union. Central banks around the world began to raise interest rates to rein in inflation, but this could weigh on business and consumer spending in 2023 and beyond.

5.4.1 The WTO negotiations

In June 2022, WTO's 12th ministerial conference (MC12) was held to discuss state cooperation to improve living standards, create better jobs, and promote sustainable development. MC12 also saw a commitment to WTO reform, with members agreeing to undertake a comprehensive review of the WTO's core functions to ensure the institution remains fit for purpose. However, the agreement for a second wave of negotiations on fisheries subsidies issues could not be resolved at MC12, such as support related to overfishing and overcapacity. Finding solutions to these outstanding issues is high on the agenda for the WTO's 13th Ministerial Conference (MC13), to be held in Abu Dhabi in February 2024.

As members look ahead to MC13, they have been actively discussing institutional reform and looking at dispute settlement as well as various ways to make existing committees and processes more effective. Large groups of members continue efforts to create shared rules in areas at the centre of the 21st-century global economy, such as e-commerce and investment facilitation, and to advance discussions on various environmental initiatives. Importantly, members are also exploring new ways to tackle longstanding issues, such as agricultural reform, a critical priority for many developing and developed economies on which negotiations have been stuck for far too long.

WTO members also discussed initiatives aimed at advancing the integration of developing countries and least-developed countries into the global trading system, including in electronic commerce, at a committee meeting on trade and development on 5 April 2023. Additionally, members reviewed two regional trade agreements among developing countries and were updated on the status of factual presentations on preferential trade arrangements at separate meetings of the Committee. The paper on *"Global Electronic Commerce for Inclusive Development"* by India and South Africa was revised following the decision adopted at MC12 in June 2022 to reinvigorate the development aspect of the Work Programme on Electronic Commerce.

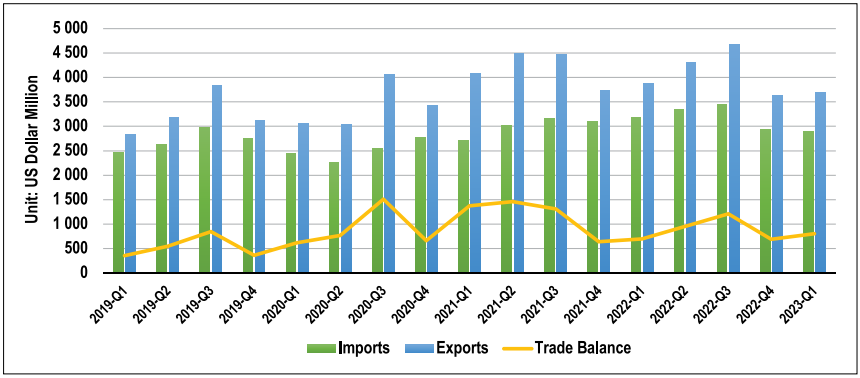
5.5 Agricultural trade performance

South Africa is a significant player in the global agricultural trade market. The country has a diverse range of agricultural products and is known for producing items such as fruits, vegetables, wine, meats, and grains. While South Africa is a net exporter of

agricultural products, it also imports certain commodities to meet domestic demand. This can include products like wheat, rice, palm oil, and certain dairy products. Despite its strong agricultural export profile, South Africa faces challenges such as fluctuating weather conditions affecting crop yields, labour issues, and sometimes difficulties related to access to international markets. South Africa competes with other countries that produce similar agricultural exports. For instance, the global fruit market is highly competitive, with countries like Chile, Spain, and the United States also being major players.

The balance of trade in agricultural products can vary from year to year based on factors such as weather conditions, demand fluctuations, and international market dynamics **(see figure 7)**. South Africa recorded an agricultural trade balance of $808 million in the first quarter of 2023, up US$111 million from last year's corresponding period. The positive trade balance is mainly because of a notable decline in import value, not necessarily a growth in exports. The South African government has historically supported the agricultural sector through policies and initiatives aimed at improving productivity, expanding markets, and ensuring food security.

FIGURE 7: SOUTH AFRICA'S AGRICULTURAL TRADE PERFORMANCE



Source: ITC and AFMA own calculations

6. TRADE COMMITTEE MATTERS

Chairperson: Mr Ruan Stander (Meadow Feeds)
Vice-chairperson: Mr Paul Saunders (Sovereign Foods)

6.1 Strategic focus areas

The AFMA Trade Committee held a strategic session in January 2023 with the purpose to align current committee projects with key strategic focus areas of AFMA and assess and prioritise the list of projects in support of the strategy. This was done in accordance with the AFMA Board of Directors' clear vision and strategy for 2023.

6.1.1 Maize grading regulation

Grading regulations promote fair business practices and a competitive marketing environment for grain and oilseeds. By the correct application of the grading regulations, fair and competitive trading practices are promoted to the overall benefit of consumers and the agricultural industry. The regulations contribute to the successful marketing of South African maize through the creation of standards for quality requirements and provide guidelines for the regulation of impartial handling practices. To raise the quality of maize for use by humans and animals, the Maize Steering Committee has begun the process of proposing changes to the maize grading regulations.

The Department of Agriculture, Land Reform and Rural Development (DALRRD) is currently seeking public comments on the third draft of regulations relating to the grading, packing, and marking of maize intended for sale in the Republic of South Africa. The process is still underway, and maize value chain partners are submitting their respective comments for adoption. Industry stakeholders have until 21 August 2023 to submit their respective comments to DALRRD regarding the proposed grading regulations. Stakeholders are awaiting the Department's decision on the proposed revised grading regulations submitted by Grain SA and the South African Grain Farmers' Association (SAGRA). The Department will progress the document for WTO notification as soon as all substantive comments are received from all role players.

6.1.2 JSE matter: Oilcakes future contracts

Futures contracts are financial derivatives that allow parties to agree to buy or sell an asset, such as oilcake in this case, at a predetermined price on a specific date in the future. Oilcakes, also known as oilseed cakes or meals, are the solid remnants left after oil extraction from oilseeds like soybeans, rapeseed, and sunflower seeds. These contracts are commonly used by producers, consumers, and investors in the commodities markets to manage price risk.

The Trade Committee has adopted the investigation and introduction of soya meal and sunflower oil local futures contracts as one of the strategic focus areas. The soya and sunflower industry has made excellent progress over the past few years. Local production doubled, and processing increased substantially, leading to an improvement of the trade balance with significantly fewer oilcake imports into South Africa. During a meeting at the Sunflower and Soybean Forum (SSF) in 2018, it was reported that the industry was facing a situation where a substantial supply of soya beans was available, yet oilcake was still being imported. The Protein Research Foundation (PRF) identified this as an opportunity to facilitate a soya bean value chain discussion. Part of the categories discussed was developing an oilcake futures contract to be listed on the South African Futures Exchange (SAFEX).

6.1.3 Review of soybean and sunflower oilcake tariff structures

The AFMA Trade Committee's third focus area investigates opening discussions

in different platforms to assess the possibility to review the soybean and sunflower oilcake tariff structures. Soybean and sunflower oilcake are both important sources of protein used in livestock diets, including ruminants and non-ruminant diets. The current tariff structure depicts that South Africa imposes a 6.6% import duty for most-favoured nations, which is about $0.135 per kilogram for both soybean and sunflower oilcake. Duties applied for non-MFN partners include SACU (0%), EFTA (0%), SADC (0%), AfCFTA (5.3%), and lastly Mercosur (4.95%). Over the previous years, Argentina (4.95%) has been the principal exporter of oilcake to South Africa, and it was only recently that the importation was halted due to the high tariff imposed.

According to *ITAC Report No. 324*, it was recommended that the current levels of customs duties on oilcakes classifiable under tariff headings 23.04; 23.05, and 23.06 be retained as these products are manufactured in the SACU. The commission further recommended that the tariff dispensation for oilcake be reviewed after a period of three years, allowing for a thorough assessment of the financial and economic feasibility of upgrading or expanding the current, below optimum, soya bean crushing capacity in South Africa and offering the industry a window of opportunity for making the necessary investments to increase oilseed crushing capacity. It has been more than 5 years since ITAC's recommendation, and therefore, it is proper to take the value chain approach to investigate to review the current tariff structure.

6.2 Other trade matters

6.2.1 Leaf Services appeal

After the process of appointing LEAF Services as an assignee of DALRRD, which started in 2015. Leaf Services published their final notice in the Government Gazette of their intention to inspect the grading of grain and oilseeds at a cost of R1.80 per ton. According to the notice, Leaf intended to implement it on 12 July 2021. The industry role players as a united front opposed, which eventually was halted in December 2021 after the industry took the matter on appeal against DALRRD and LEAF Services, arguing that due process has not been followed in the appointment of LEAF Services. A special appeal panel was established by DALRRD to handle the matter in its totality. The appeal panel, in its verdict, ruled that neither DALRRD nor LEAF Services followed due process with this appointment and referred the parties to re-engage with industry on the matter.

Therefore, DALRRD withdrew the standard operating procedures (SOPs) in early 2022 so that the consultation procedure with the grain and oilseeds sector would start from scratch. The grain and oilseeds industry agreed with DALRRD to come up with drafting principles aimed at trying to agree on principles that would guide the process going forward, one which the wider industry is comfortable with. Industry groupings facilitated the finalisation of the principles that they would like to use as a basis for engagement with the department for the regulation of grains and oilseeds under the

Agricultural Product Standards Act. The principles were discussed with DALRRD, as the principal, on 5 August to clarify differences. The meeting took place in a good spirit and was constructive.

It was agreed that the meeting does not constitute a consultation in respect of the fee determination by the assignee as required by the *Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)* or the PAJA. DALRRD and the industry stakeholders agreed on the purpose of these guidelines, which is to jointly develop a set of principles to guide the assignee in the process of inspection and fee determination. The principles are supported by Agbiz, Agbiz Grain, Grain SA, AFMA, SACOTA, the National Chamber of Milling (NCM), Pepsico, and the South African Chamber of Baking (SACB).

6.2.2 Passport system

The growing concern by industry role players about food safety is forcing the grain and oilseed industries to adopt a "passport system" to enhance compliance in terms of regulations and traceability. AFMA has played a part in many aspects collaborating with industry role players for the development of the passport system. The utilisation of the system will allow value chain players to be able to verify or confirm the registration details of specific production inputs or raw materials.

AFMA supports the introduction of a general passport system on the condition that all producers collaborate to ensure the successful introduction and management of such a passport system. The purpose of a passport system is to enhance consumer confidence in the grain value chain, including the use of pesticides and other regulated substances from on-farm production to the storage of products by silo operators and the processing thereof by millers.

Recently, stakeholders convened in July 2023 to discuss the possible introduction of a generic passport system. Various stakeholders presented their respective systems in operation and explained the information collected in the value chain and how it is captured from production to final delivery to the processors. There was an indication of a need for compliance assurances, which will add both benefits and cost to the value chain. The feasibility of a generic passport system that applies to every stakeholder in the value chain depends on the inclusive cooperation of all stakeholders and compliance with the principles of the competition act as part of a voluntary system.

A generic passport system will be based on the same principles as existing passport systems where the inclusive cooperation of all stakeholders involved is contracted.

6.2.1 GMO act

On 27 October 2021, South Africa through a public notice, announced its regulatory approach for the new breeding techniques. According to the notice, the same risk assessment framework that exists for genetically engineered products under South

Africa's current Genetically Modified Organisms (GMO) Act will apply to New Breeding Techniques (NTBs). Agbiz appeal in terms of Genetically Modified Organisms Act, no 15 of 1997: Summary of Appeal Board recommendations. The Appeal Board has favourably considered all the grounds of the appeal as lodged by Agbiz and recommended that the decision of the Executive Council regarding NBTs be set aside, awaiting final endorsement from the Minister's office. In August 2023, the Minister made a final decision on the appeal lodged by the Agricultural Business Chamber against the decision taken by the executive council regarding South Africa's regulatory approach for New Breeding Techniques (NBTs).

7. TRAINING AND SKILLS DEVELOPMENT COMMITTEE MATTERS

Chairperson: Ms Liesl Breytenbach
Secretary: Ms Bee Oelofsen

In line with the AFMA Board of Directors' 2020 vision and strategy for AFMA, a strategic session in January was focussed on aligning current projects with the key focus areas and compiling a wish list of projects under the various training and skills development structures.

The committee identified key focus areas for 2023 that are aligned with the greater AFMA vision.

7.1 Operational division

7.1.1 AFMA-endorsed livestock feed mill operator training program

The AFMA-endorsed e-learning program was launched in 2020 as a workplace-integrated learning program that will take place at feed mills. The program aims to establish the participating feed mill as a learning site. Candidates are guided through the 6-month theoretical and practical program by an e-learning facilitator. The e-learning facilitators are capacitated for their role by Learning Pathways. Learners are introduced to key knowledge areas related to mixed feed production for livestock by means of self-paced e-learning, practical learning is facilitated, and competency is evaluated through a coaching model under the guidance of an e-facilitator. Successful candidates are issued with an AFMA-endorsed certificate of achievement.

A total of 40 learners have completed the learning program. The overall participation rate in the program is not optimal, and the committee was tasked to investigate the opportunity to increase the number of learners that successfully complete the training, including marketing of the e-learning program.

7.1.2 Feed miller occupational qualification

AFMA has launched the review of the feed miller qualification with financial support from AgriSETA The main aim of this process is to establish the current AFMA-

endorsed learning program as a part qualification within the scope of the full feed miller qualification. It is the intention to achieve learnership status for the feed mill operator part qualification as well as the feed miller qualification.

The feed miller qualification has been reviewed and submitted to the QCTO for final processing by the AgriSETA. The training of a feed mill operator has been structed as a part qualification within the scope of the full feed miller qualification. The project is currently concluding the design of the future External Integrated Summative Assessment instruments.

7.2 Tertiary division

7.2.1 Student outreach

Each year, AFMA strives to coordinate at least one student outreach seminar that alternates between different universities on a yearly basis. The core objective of this student outreach initiative is to establish a platform that encourages significant interaction and engagement between aspiring students and established professionals, wherein AFMA members act as official representatives within the animal feed industry.

As a demonstration of AFMA's unwavering dedication to nurturing the growth and potential of young emerging professionals in the field of animal science, a distinctive collaboration has been initiated this year between AFMA and AgriCAREERConnect. Together, AFMA and AgriCAREERConnect will jointly facilitate a vibrant and participatory gathering set to take place at the AFMA Forum at Sun City from 5 to 7 September 2023.

Companies offering sponsorship will have the opportunity to interact with the top students during separate events as part of the student program. By fostering these connections, the program aims to provide students with invaluable insights into the real-world dynamics of the professional landscape. This engagement will not only provide students with an understanding of the real-world applications of their academic pursuits but will also open avenues to seek guidance, secure mentorship, and broaden their professional networks. Ultimately, the overarching goal is to motivate and equip students with the requisite knowledge, perspectives, and connections needed to flourish in their future careers.

7.2.2 Student curriculum

In support of academic training and skills development of the scientific professionals in the feed industry, AFMA embarked on a quest to engage with all tertiary institutions in South Africa that offer an animal science program. The intention is to start dialogue with the Heads of Departments and to establish a network between industry and academia to streamline matters that will encourage the growth of the industry and contribution to agriculture at large. This initiative was not actively pursued during the

last year, but will be tabled at the next committee strategic session in January 2024 to be actioned and prioritised.

7.2.3 Student opportunities

AFMA has established a new sub-committee (SC) with the responsibility of acting as a facilitator between the industry and students. This SC's primary role is to ensure a consistent flow of information regarding opportunities from our members to qualified candidates in the foreseeable future. Through the numerous student outreach seminars AFMA has hosted over the past years, the most pressing need expressed by students is available opportunities to gain industry experience as well as the need for a Bursary Scheme.

As an Association Partner with AGRIJOB, all AFMA members are eligible to promote any vacancies, training opportunities and internships without incurring any charges. The TSDC will convene at least twice a year to provide updates on the project's status and achievements. Additionally, the SC will ensure that members are consistently aware of this project and continually contribute to the career opportunity database.

8. TECHNICAL COMMITTEE MATTERS

Chairperson: Ms Chantelle Fryer (Evonik)
Vice-chairperson: Ms Gay Boomgaard (Meadow Feeds)

During the Technical Committee strategic meeting held in early February, the Technical Exco met to review and prioritise the list of ongoing projects of the Technical Committee. AFMA's Chairperson, Ms Anina Hunter, emphasised the importance of the committee to cement their focus on a maximum of 3 projects to ensure that we deliver on our set targets for 2023.

The TC Exco was tasked to identify the **TOP 3 priority projects** for the Technical Committee in alignment with the well-defined 2023 vision and strategy of the AFMA Board of Directors. An important aspect of the 2023 vision also highlighted the need for inter-committee collaboration, necessitating cooperative efforts with other AFMA committees such as the Regulatory Committee, Trade Committee, Training and Skills Committee, as well as the Marketing & Promotion Committee.

The following overview of the key focus areas, portfolios and projects for the Technical Committee have been reaffirmed for 2023:

		Portfolios	*Ad hoc* projects	Guidelines	Monitoring *(ongoing)*
KFAs	1.	Feed & food safety	Mycotoxin module *(new)*	Salmonella *(review)*	Salmonella
				Carry-over *(new)*	Mycotoxins (SAGL)
					Dioxins & PCBs
	2.	Ingredient quality	Sulphur		
			Maize		
	3.	Nutritional Std's	NGRP		
	4.	Feed analyses			
	5.	Technical programme	AFMA Symposium AFMA Forum Programme		

The following **TOP 3 priority projects** in order of importance and potential impact on the industry were identified by the TC EXCO for 2023:

	KFA	Portfolio / Project	Background	Responsible
1.	Feed & food safety	*Guideline / Code of Practice*	Compile a Guideline for monitoring and mitigating the risk of carry-over in animal feed.	**Medicated Feed SC**
2.	Nutritional standards	*Feed regulations amendment*	Make a comprehensive recommendation to revise the nutrient specifications and specific guarantees of all farm feed based on the outcome of the NRGP. [Joint TC|RC]	**AFMA / NGRP SC**
3.	Ingredient quality	*Maize grading regulations amendment (APS Act)*	Joint project with Trade Committee to provide evidence for mycotoxin contamination of water-damaged / coffee-stained maize kernels. TC to assist with trial design and info to be captured on the member survey. [Joint TC| Trade]	**AFMA TC / Trade**

It was agreed that all TC priority projects are to be addressed and/or concluded before additional projects can be adopted by the committee.

8.1 Monitoring

8.1.1 Salmonella monitoring program

The AFMA Salmonella monitoring program, which was initiated in July 2005, was introduced to assess Salmonella contamination within the feed value chain. The main purpose of monitoring trends in Salmonella contamination within animal feed is to ensure feed safety, maintain product quality, adhere to regulations, safeguard the

health of both animals and humans and contribute to the broader well-being of the industry as well as the public indirectly.

AFMA members voluntarily submit their laboratory results to an online Salmonella database as a routine aspect of quality control protocols. Currently, the AFMA Salmonella monitoring program includes the active participation of 46 member companies, consisting of 42 full members and 4 associate members. The AFMA Stats Salmonella database houses a total of 149,033 laboratory results that are sourced from raw materials (43,145), finished products (37,819), and environmental (68,069) samples **(Table 5)**.

TABLE 5: TOTAL SALMONELLA SAMPLES IN RAW MATERIALS, FINISHED PRODUCTS AND ENVIRONMENTAL SAMPLES

Year	Raw Materials	Finished Products	Environment	TOTAL
2005	285		74	**359**
2006	265		88	**353**
2007	235		55	**290**
2008	1 188	51	58	**1 297**
2009	1 432	317	201	**1 950**
2010	1 245	428	723	**2 396**
2011	1 644	2 031	1 777	**5 452**
2012	2 223	2 559	3 427	**8 209**
2013	2 074	2 618	4 716	**9 408**
2014	2 081	1 995	5 314	**9 390**
2015	2 035	1 780	3 761	**7 576**
2016	1 794	1 327	3 883	**7 004**
2017	2 325	2 430	3 901	**8 656**
2018	2 608	2 771	4 922	**10 301**
2019	2 880	3 338	5 570	**11 788**
2020	3 430	3 410	6 426	**13 266**
2021	6 081	5 227	9 230	**20 538**
2022	6 203	5 100	9 559	**20 862**
2023	3 117	2 437	4 384	**9 938**
TOTAL	**43 145**	**37 819**	**68 069**	**149 033**

Every quarter, the Salmonella technical sub-committee compiles a comprehensive report on Salmonella, encompassing the latest trends in contamination across raw materials, finished products, and the environment. The report is presented at the relevant Technical Committee meeting to ensure that industry members remain well-informed and up-to-date about prevailing trends. The practice of monitoring and reporting facilitates a proactive approach to staying informed of the latest Salmonella trends and reducing the risks associated with Salmonella contamination in animal feed. Recognising its critical role in safeguarding feed safety, the Technical Committee will continue its efforts to encourage increased participation in the AFMA Salmonella monitoring program among its members.

8.1.2 Maize mycotoxin monitoring program

For the 8th consecutive year, AFMA feed millers participated in a SAGL project funded by the Maize Trust. The project is aimed to assess the occurrence of mycotoxins

in maize at feed processing mills. The sample collection cycle for the 2022-2023 processing season commenced in November 2022 and concluded in July 2023. The subsequent sample delivery cycle began in January 2023 and was concluded in August 2023. A total of 21 AFMA feed mills distributed throughout South Africa contributed to a cumulative 162 maize samples (46.3% of the approved 350 samples) to the mycotoxin project. All samples received by SAGL will undergo comprehensive multi-mycotoxin analysis using the UPLC-MS/MS. The results will be compiled into a comprehensive report by SAGL and shared with the participating members.

The findings derived from the annual mycotoxin survey offer processing mills valuable insights into the levels of mycotoxins present in raw maize processed at food and feed processing facilities in South Africa. These results serve as a foundation for devising effective strategies to mitigate mycotoxin contamination across the entire value chain. AFMA remains committed to supporting this Trust-funded project and is actively working towards potentially increasing member participation in the forthcoming 9th year of the maize mycotoxin pre-processing project.

8.1.3 Dioxin / PCB monitoring program

The AFMA dioxin and PCB monitoring program was initiated in 2011 and includes both quantitative and qualitative analyses of dioxins and PCBs in raw materials and finished products (compound feeds). AFMA members voluntarily submit their laboratory results to be compiled within a single database maintained by AFMA as part of regular quality control monitoring.

Currently, the AFMA dioxin and PCB monitoring program includes the active participation of 21 member companies, consisting of 18 full members and 3 associate members. The cumulative AFMA dioxin and PCB report, spanning from January 2011 to November 2022, encompasses a total of 1 965 laboratory analyses. For raw materials, 554 samples (48%) were screened for PCBs (qualitative analyses) and 939 samples (28%) were quantitatively analysed for dioxins and PCB substances **(Figure 8)**. For finished products, 367 samples (19%) were screened for PCBs (qualitative analyses), and 105 (5%) samples were quantitatively analysed for dioxins and PCB substances **(Figure 8)**. A noticeable reduction in monitoring activity for the year 2022 was observed in comparison to the preceding five years (2017 to 2021) **(Table 6)**.

FIGURE 8: DIOXIN AND PCB ANALYSES IN RAW MATERIALS AND FINISHED PRODUCTS (JANUARY 2011 TO NOVEMBER 2011)

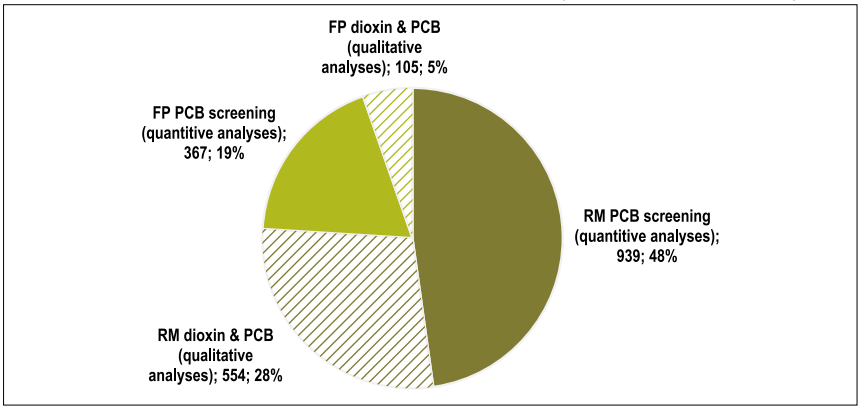


TABLE 6: DIOXIN AND PCB MONITORING PER YEAR

Year	RM		FP		TOTAL
	Qualitative Analyses (PCB Screening	Quantitative Analyses	Qualitative Analyses (PCB Screening)	Quantitative Analyses	
2011	14	52	0	34	**100**
2012	11	87	0	32	**130**
2013	23	95	0	31	**149**
2014	62	35	9	8	**114**
2015	23	5	9	0	**37**
2016	18	4	0	0	**22**
2017	123	38	32	0	**193**
2018	117	35	34	0	**186**
2019	180	58	56	0	**294**
2020	154	42	45	0	**241**
2021	185	76	62	0	**323**
2022	29	27	120	0	**176**
TOTAL	**939**	**554**	**367**	**105**	**1 965**

On an annual basis, the dioxin and PCB technical sub-committee compiles a comprehensive report on dioxins and PCBs analysed for raw materials and finished products. The report is presented at the last Technical Committee meeting of the year to ensure that industry members remain well-informed and up-to-date about the latest trends. There has been recognition of the potential improvements in the existing dioxin and PCB monitoring program and report. The sub-committee will be tasked to implement initiatives to increase the value of AFMA's dioxin and PCB monitoring program as an effective risk management tool. Additionally, this might entail potential collaboration with NMISA, which may involve the monitoring of 4 or 5 specific dioxin compounds that can serve as potential indicator(s) for the presence of other dioxins in animal feeds.

It is worth noting that Dioxin and polychlorinated dibenzofurans products (PCDFs), along with the Sum of dioxins and dioxin-like PCBs, fall under the regulatory purview of

Act 36 of 1947 *[Reg 11(3) Table 6 Undesirable substances]* governing feed materials and compound feeds. Feed manufacturers must be capable of demonstrating compliance with established standards governing undesirable substances in animal feeds. AFMA will continue its efforts to increase participation among its members, an initiative that serves to uphold feed safety. The monitoring of PCB and dioxin assumes a pivotal role in the establishment of an 'early warning system' within the animal feed sector. By continuously analysing and assessing levels of PCBs and dioxins in raw materials and finished products, the ability to promptly identify potential risks is significantly enhanced. Any sudden increase in these harmful contaminants can serve as an indicator of contamination or a potential threat to animal and human safety. This proactive approach allows for timely interventions, mitigating the risk of these toxins entering the food chain and affecting the health of animals and humans. Moreover, this proactive approach fosters enhanced self-regulation within the animal feed industry, aligning with the industry's commitment to ensuring the highest standards of safety and quality in its products.

8.2 Guidelines / Code of Practice (COP)

8.2.1 Feed and food safety

8.2.1.1 Review of Salmonella guidelines

The ongoing review of the AFMA Salmonella guidelines by the Salmonella technical sub-committee is aimed at establishing a robust framework for feed manufacturers, enabling them to produce safe and high-quality animal feed in alignment with the latest industry knowledge and developments.

For simplicity, the Salmonella sub-committee decided to consolidate the following three guidelines, namely "Critical feed ingredients for Salmonella monitoring", "Practical guideline for the monitoring of Salmonella in the production of animal feed" and "The control of Salmonella in the production of animal feed in South Africa", into a single, comprehensive guideline. Meanwhile, the Salmonella sampling procedure will remain as a standalone guideline, intended to serve as a separate work instruction aimed at guiding feed mill personnel on accurate sampling techniques for analytical purposes.

The exploration of incorporating a Salmonella calculator to assist in assessing risk at feed mills remains ongoing, and the sub-committee is still deliberating on the usability aspect of this calculator.

Recently, the Salmonella sub-committee has welcomed two new members. Their addition is anticipated to bring valuable expertise and fresh perspectives, thereby enhancing the sub-committee's effectiveness and collaborative initiatives.

8.2.1.2 Medicated feed guidelines

New carry-over guideline

Over the past three years, there has been a growing emphasis on addressing issues related to antimicrobial resistance, veterinary medicine, and stock remedies in farm feed, particularly concerning the potential carry-over of these substances into unintended feeds. In response to this concern, the Technical Committee established a new sub-committee on medicated feed in November 2020.

To complement the new Act 36 regulations *[Reg 11(3) Farm Feeds regulations – Table 2 Undesirable Substances Section VII Authorised Feed Additives in Non-Target Feed Following Unavoidable Carry-Over]* and facilitate the practical management of unintended carry-over during the feed manufacturing process, the medicated feed sub-committee (SC) was assigned the task of creating an industry guideline. The purpose of the guideline is to guide effectively managing the risk of carry-over of veterinary drugs to non-target animal species during the manufacturing of animal feeds. The medicated deed SC has successfully concluded this project, marked a significant achievement and reached one of AFMA's top strategic priorities for 2023. The first version of the industry carry-over guideline will be published on the AFMA website.

Furthermore, AFMA has contributed to industry awareness by publishing an article in the July edition of the AFMA Matrix. The article, titled *"Upcoming Carry-Over Regulations and Their Impact on the Animal Feed Industry"*, highlights the upcoming carry-over regulations and their potential implications for the animal feed industry.

VICH medicated premix guideline

In a collaborative effort with the VICH task force representative, AFMA, in conjunction with SAAHA, SAHPRA, and Act 36, has maintained a proactive role since being invited to provide comments on the VICH draft guideline 8 about Medicated Premixes. This cooperative engagement represents South Africa's position as an observing participant within the VICH framework and underscores AFMA's ongoing participation in the process. VICH, a trilateral program involving the EU, Japan, and the USA, aims to harmonise technical requirements for the registration of veterinary medicinal products.

The dedicated AFMA expert working group, specialised in medicated feed, consistently offers insights upon request, particularly concerning crucial aspects such as stability, homogeneity, segregation, and the potential implications of medicated premixes in feed formulations. The Medicated Feed SC received the 4th draft of VICH GL8R1 (Stability testing for medicated premixes) dated 1 July 2023, in early August 2023, for their thorough review and input. A scheduled meeting with the VICH Task Force is anticipated to take place in late August or September 2023, during which South Africa's interests and key discussion points will be presented.

8.3 *Ad hoc* projects

8.3.1 Feed and food safety

Mycotoxin monitoring database

AFMA has completed the setup of an electronic database within the AFMA Stats system, marking an important milestone. This electronic database holds the potential to serve as the backbone for monitoring industry trends in mycotoxin contamination within finished products and feed ingredients for the animal feed sector. The envisaged significance of this database is multifaceted, ranging from being a critical decision-making tool for mycotoxin risk management in South African animal feeds and feed ingredients to serving as a cornerstone for advocating regulatory reform concerning mycotoxins. Currently, feed ingredients in South Africa are regulated for aflatoxins only, while the final manufactured complete animal feed is regulated for fumonisin, deoxynivalenol, ochratoxin, T-2 toxin and zearalenone. Under the "updated" reformation, the regulation could potentially extend solely to aflatoxins for complete animal feeds, with other mycotoxins managed and monitored through industry-driven guidance values.

AFMA's next objective involves identifying members for data collection, followed by the integration of 5 years of historical data in Phase 1 of the project. Phase 2 will focus on comprehensive data management, including consolidation, reporting, industry benchmarking, contamination profiles, and trend analysis. As the project progresses and depending on the quality and nature of the data, the mycotoxin sub-committee will assume a pivotal role in the mycotoxin SC will play a pivotal role in recommending methodologies for obtaining monthly mycotoxin data. This step will be essential to ensure the sustained functionality of the system, mirroring the approach adopted for the Salmonella module.

8.3.2 Feed ingredient quality

Sulphur

Recognising the high risk associated when handling pure sulphur, a request was submitted to AFMA, seeking support to raise industry awareness, or possibly amending regulations to address this important safety concern. The project initially received preliminary approval from the Technical Committee, leading to the establishment of a dedicated sub-committee. The sub-committee convened in July 2022, with the primary focus on defining the project's objectives and potential outcomes. During this meeting, the sub-committee identified the importance of assessing both the quantity of pure sulphur utilised by feed and premix manufacturers and the potential risks associated with handling pure feed-grade sulphur. Subsequently, in January 2023, a Sulphur survey was distributed to 24 full members (feed manufacturers) and 9 associate members (premix manufacturers). However, the response rate was limited, with only 25% of feed manufacturers and 22% of premix manufacturers participating in the survey.

During the Technical Committee strategic meeting held in February 2023, the TC exco raised concerns about the project's alignment with AFMA Board's strategic vision for 2023. Additionally, considering the difficulties associated with acquiring sufficient data to quantify the risks to the feed industry, the project did not receive top priority status from the Technical Committee for 2023. The Sulphur sub-committee will need to reassess the most appropriate course of action when formulating their final recommendation to the TC chair and exco regarding the active adoption of this project for the year 2024.

Maize grading regulations

AFMA's Technical Committee and Trade Committee have embarked on a joint project about the maize grading regulation amendment. For an update on the latest developments, refer to the relevant section under Trade Committee matters.

8.3.3 Nutritional standards and guidelines

The AFMA Technical Committee's extensive effort has been directed towards the revision and updating of the nutrient specifications outlined in the Farm Feed Guidelines of Act 36. This initiative stands as one of the committee's most significant projects to date. The revision process has involved the collaboration of ten expert working groups, each dedicated to refining the nutrient guidelines for various farm feed categories, including pigs, poultry, ruminants, horses, ostriches, and other species. A noteworthy addition to the guidelines is the creation of a novel classification system and nutrient guideline tailored for game feed, further enhancing the existing guidelines.

AFMA has compiled a comprehensive final draft of the guideline, which includes all the updated nutrient specification tables, an extensive reference list, and a comprehensive glossary of definitions. This final draft nutrient guideline was submitted to the registrar in April 2023, signifying a pivotal phase in the process. This submission marks the presentation of the revised guidelines for assessment and their incorporation into the revised regulatory framework for farm feeds. AFMA has extended an invitation to the registrar to engage in discussions, should any clarifications be required, and is open to involving relevant sub-committees in these meetings, if required.

Following the update of the nutrient guidelines, the following sections within the current farm feeds regulations will be affected:

- **Table 2** REQUIREMENTS FOR COMPLETE, COMPLEMENTARY, SUPPLEMENTARY AND CONCENTRATED ANIMAL FEED (REG. 15 & 18)
- **Regulation 21 (4)** Specific guarantees based on the new proposed feed classes within Annexure 9, and
- **Farm Feeds Application Form** (ANNEXURE III Reference list for Mandatory Guaranteed Analysis)

It is worth noting that the forthcoming nutrient guidelines will have an impact on several sections within the existing farm feed regulations (Act 36 of 1947), necessitating adjustments and alignment. These affected sections include:

1. **Regulation 15 & 18:** Table 2: Requirements for complete, complementary, supplementary, and concentrated animal feed.
2. **Regulation 21 (4):** Specific guarantees based on the new proposed feed classes within Annexure 9
3. **Annexure III of Farm Feeds Application Form:** Reference List for Mandatory Guaranteed Analysis

To ensure the alignment of the nutrient guidelines and the Farm Feed Regulations (Act 36 of 1947), AFMA will provide recommendations for the adoption and incorporation of the abovementioned sections into the revised regulatory framework for farm feeds.

8.3.4 Laboratory analyses

a) Future potential project – Standardisation of analysis methods for raw materials to avoid misrepresentation.

During the Technical Committee meeting in February, a request for a new project was received regarding the standardisation of analysis methods for raw materials. This matter was subsequently referred to the Feed Analysis sub-committee (SC) for a comprehensive evaluation. The SC has been entrusted with the responsibility of assessing the project's feasibility, scope, and significance within the animal feed industry.

By the conclusion of the fourth quarter in 2023, the SC will deliver its final recommendation to the TC Exco concerning the potential inclusion of this project within AFMA's Technical Committee's portfolio. The subsequent re-prioritisation of projects will take place during the upcoming AFMA strategic meeting in early 2024. If the project is deemed significant and aligns with the strategic objectives of the AFMA Board for 2024, it may be included among the top three technical strategic priorities for that year. Alternatively, the project may be acknowledged in principle and added to the TC's project wish list, with the possibility of active adoption once the current priority projects have been completed.

8.4 Other technical matters

8.4.1 AFMA stats system upgrade and data importation

During quarter 3 of 2022, AFMA initiated a project aimed at upgrading its existing AFMA Stats system. The AFMA Stats system plays a critical role in providing industry insights, offering significant data on the manufacturing, sales, and contamination trends observed in animal feed and raw materials. The information submitted by AFMA members through the AFMA Stats portal forms the basis for benchmarking

the feed industry, facilitating analysis and comparison of key metrics to gain a better understanding of the industry's performance and identify areas for improvement. Furthermore, the data collected supports advocacy efforts with government agencies and other stakeholders in the livestock value chain. By utilising the comprehensive dataset, AFMA can substantiate the industry's stance and advocate for favourable policies and regulations that benefit the entire animal feed sector.

The AFMA statistics system is organised into distinct modules, including feed sales, industry profile, and Salmonella. The upgraded AFMA stats system was successfully launched in mid-June 2023. Notable features and advantages of the upgraded system included:

1. ***New password reset function:*** Users are now able to reset their password, adding convenience and control to their account management.
2. ***Enhanced user interface:*** The system's navigation was made smoother through a revamped, intuitive, and visually appealing user interface, offering a more user-friendly experience.
3. ***Improved performance and speed:*** Efforts in optimisation result in faster processing times, enhancing the overall system efficiency.
4. ***New system features:***
    - ***Salmonella module:*** A new category, "Bait Stations," was introduced under the dust sample types sub-category in the Salmonella module, aimed at enhancing data accuracy.
    - ***Feed sales module:*** A new warning about the use of raw material bovine blood meal was included in the feed sales module. The use of bovine blood meal at a feed mill is strictly prohibited unless a permit is obtained, except for cases involving a dedicated facility exclusively for predator and pet food production.
5. ***Comprehensive user guidelines:*** Detailed user guidelines were developed and uploaded in the AFMA stats system to assist users in effectively navigating the system.

8.4.2 Motivation for new project – new process

During the Technical Committee meeting that took place in May, a new online process for proposing TC project proposals was introduced to AFMA members. The primary objective of this streamlined process is to facilitate AFMA member companies in suggesting and providing justification for projects related to feed safety, quality, nutritional standards, feed analysis, and feed manufacturing that hold significance for the animal feed industry.

Once a new TC project proposal is received, the TC Exco will review the request and, based on the provided motivation, assess whether it can be adopted as an official AFMA TC project. Additionally, the TC Exco will also assign a priority status to the project based on its significance to the animal feed industry.

If the project is approved and adopted by the TC Exco, the motivating companies need to appoint representatives from their organisations who will actively participate in sub-committee (SC) activities. In this way, member companies showcase their dedicated commitment to the project's objective and to progressing the animal feed industry through their collaborative efforts. A new TC project proposal can be submitted on AFMA's website by accessing the following link.

8.4.3 AFMA document review and approval request – new process

During the Technical Committee meeting that took place in May, AFMA members were introduced to a new electronic document review and approval process. This process will be applied moving forward to all document reviews and approvals requested by TC sub-committee members. The primary purpose of this approach is to streamline the administration of TC document approvals and improve overall document traceability by maintaining accurate electronic records. Furthermore, it allows for the monitoring of member engagement when requests for TC document review and approvals are made. This process also accommodates individuals lacking the relevant expertise to contribute by either redirecting the request to an appropriate colleague or choosing to abstain from voting. Additionally, this electronic process will effectively contribute to evaluating AFMA member support for the publication of new or revised guidelines and the initiation of new projects. The increased member input and participation will strengthen the TC's recommendations presented to the AFMA Board.

9. REGULATORY COMMITTEE MATTERS

Chairman: Ms Liza Burger (Epol)
Vice-chairman: Mr André de Vries (DSM)

9.1 Strategic key focus areas for 2023

During the strategic meeting of the Regulatory Committee held in early February, the Regulatory Executive Committee (RC Exco) gathered to assess and prioritise ongoing projects. AFMA's chairperson underscored the importance of focusing efforts on a maximum of three projects to ensure the goals for 2023 are achieved.

The Regulatory Exco was tasked with identifying the top three priority projects for the Regulatory Committee, aligning with the well-defined 2023 vision and strategy for 2023 of the AFMA Board of Directors. The 2023 vision stressed collaboration with other AFMA committees like Trade, Training and Skills, and Marketing & Promotion.

The committee affirmed three key focus areas:

- Feeds regulatory framework
- Industry self-regulation
- Global trade & harmonisation

Within each area, ongoing projects contribute to strategic goals. The top three 2023 priorities were confirmed as:

- Feed regulations (Act 36)
- Feed and pet food bill
- Code of Conduct modernisation

During the Regulatory Committee meeting held in May 2023, the chairperson informed members that the RC Exco had deliberated on the current priority list of the committee. They recognised the challenge of dependence on the Department of Agriculture, Land Reform and Rural Development (DALRRD) for successful outcomes. This recognition led to a revision of the RC's priority list to better reflect the committee's input and measurable outcomes. The revised priorities for the RC were updated as follows:

- Minor administrative amendments – increase the scope
- Review & update registration guidelines (new)
- Code of conduct – member survey (new)

9.2 Animal feed regulatory framework

9.2.1 Animal Feed Forum (AFF)

The Animal Feed Forum (AFF) serves as the official liaison platform connecting the animal feed industry with the Agricultural Inputs Control (AIC), a division within the Department of Land Reform and Rural Development (DALRRD). This forum gathers every quarter for discussions concerning the registration and regulation of farm feed. In support of AFF's functions, a Liaison Working Group (LWG) was established to carry out actions and formulate proposals for approval from the Registrar. Both AFMA and the PFI actively participate in the LWG. Before each quarterly AFF meeting, the LWG meets to address important matters and prepare the farm feed registration status report. It is also the preferred platform for resolving backlog issues and addressing industry concerns directly.

In response to the significant backlog of farm feed applications for 2021, AFMA and PFI expressed concerns that these pending applications might impede the advancement of other applications in the system for 2022. In response, the liaison working group members collectively agreed that AIC would take the initiative to investigate and address these applications. Subsequently, an internal strategy was formulated within the AIC to efficiently process and clear these applications from the system. Encouraging progress has been achieved, with only two raw material applications remaining for the year 2021 still pending.

Over the past two years, a lack of internal capacity was experienced due to the departure of the senior administrative supervisor in April 2022 and the technical advisor in 2021. Efforts were made to fill these positions, but meeting the Employment Equity (EE) target posed challenges and extended the appointment process.

With approval from DALRRD's HR department, a special request was made to the DG to deviate from the EE target, enabling the appointments. Starting in April, Ms Elelwani Rathogwa has assumed the role of Administrative Supervisor, filling the vacancy left by Mr Lindinkosi Lembethe. Starting in May, Dr Cebisa Kumanda has been appointed as the Technical Advisor, filling the vacancy left by Ms Tebogo Banda. Additionally, PFI facilitated an industry-funded administrative assistant, Ms Sonto Mlambo, to support AIC for an initial 6-month period beginning in April, which was later extended based on agreement terms.

To enhance communication efficiency and reduce the burden on AIC staff regarding repetitive administrative queries, the LWG initiated a project highlighted in the SAIF gap analyses for *Communication and information – telephone and e-mail inquiries*. In October 2022, a special meeting addressed implementing an autoreply email message. A draft text was completed, incorporating hyperlinks to guidelines and farm feed application forms to access vital information via MS Office Outlook (online) emails. Although the LWG have aimed to finish this project by Quarter 1's end in 2023, implementation encountered challenges. The main setbacks were attributed to the revamped DALRRD website, rendering most links inaccessible, and incomplete MS Office access for farm feed officials, preventing the setup of necessary autoreply settings. In the AFF meeting of August 2023, AFMA, PFI and AIC agreed to refer to AFMA's website as an interim solution as a first phase for implementation. The revised draft will now direct the public to AFMA's website, while the revised automated response text will be shared with DALRRD for implementation as soon as possible.

9.2.2 Feed registrations and renewals

The farm feed registration status report for August 2023 showcased progress in both completed and outstanding applications in contrast to the previous three reports. This improvement can be attributed to the increased internal capacity resulting from the external evaluator team and the vacancies filled as mentioned in Section 9.2.1.

Significant strides have been made in alleviating the backlog and processing amendment and minor applications, with the technical evaluation team nearly restoring their four-month service delivery window for these application types.

Challenges pertaining to on-hold applications stemmed from the use of incorrect farm feed application forms or outdated contact information as individuals responsible for registrations had left the company and new contact information had not been provided for application purposes. AFMA members are advised to take note that the most recent version of farm feed application forms can be accessed for download from the AFMA Website at: https://www.afma.co.za/act-36-of-1947.

This marks the first year in which no late renewal applications were received from the animal feed industry during the renewal period ending in March 2023.

9.2.3 Regulations and guidelines

9.2.3.1 Act 36 of 1947 Regulations and Undesirable Substances

Since before 2018, there have been ongoing amendments to the Act 36 regulations governing farm feed. These amendments include various updates concerning undesirable substances, as well as specific regulations related to both livestock feed and pet food, and the inclusion of provisions for minor administrative amendments (Refer to Section 9.2.3.2). In principle, the animal feed and pet food industry and the registrar have mutually agreed on the specific amendments to be introduced in the regulations, with the overarching goal of streamlining processes, harmonising product claims, and simplifying product registrations.

After thorough consultations with the AFMA Advisory Committee on Feed Regulation (ADCOM-FR) in August and October 2022, AFMA submitted comprehensive feedback on the proposed farm feed regulations for Act 36 of 1947. This submission was forwarded to the registrar's office in early December 2022 for consideration in the finalisation of the farm feed regulations, which are intended for publication and implementation. AFMA emphasised two main principles in its proposal. Firstly, AFMA stressed the importance of prioritising the establishment of a new regulatory framework for animal feed manufacturing in South Africa through the implementation of the new Feeds and Pet Food Bill. Secondly, AFMA supports the initiative to consolidate the existing four published farm feed regulations into a single document. This consolidated regulation could serve as a foundational framework for future regulations under the Bill. AFMA also acknowledged the inclusion of new intervention measures in the regulation of farm feed, such as provisions for minor administrative amendments and the introduction of new advertising regulations. Furthermore, updated regulations regarding undesirable substances in farm feed were noted, all aimed at enhancing feed safety.

Additionally, comments were provided on regulations related to undesirable substances, covering sections related to definitions, table formatting, footnotes, mycotoxins, microbiological contaminants, and carry-over.

It is expected that the final draft of the amended regulations will be shared with all relevant stakeholders for review before undergoing verification through the legal department and publication in the Government Gazette.

AFMA and PFI are committed to advocating for the promulgation of the amended regulations early in 2024, and will strongly advocate to prioritise this service above that of the continuous burden of assessing feed registrations.

9.2.3.2 Minor administrative amendments

In 2021, the animal feed industry faced a substantial backlog in farm feed registrations and renewals, mainly due to the impact of COVID-19 and internal capacity constraints

within DALRRD. Responding to these challenges, in February 2021, the registrar of farm feeds proposed several intervention measures aimed to address these challenges. One of the proposed actions involved revising the regulations related to minor administrative amendments and advertisements, aiming to alleviate future regulatory burden on technical advisors and following global practice. Minor administrative changes will require a notification process (including service fees), but will not require approval before implementation. This aims to streamline the registration process. The registrar encouraged AFMA and PFI to collaborate on identifying the specific application types suitable for this new category.

AFMA and PFI submitted thorough recommendations after extensive consultation among their members and the registrar will assess the comments and include the adopted requirements into the new amended farm feed regulations.

9.2.3.3 Sunflower oilcake registrations

In October 2022, AFMA made a formal request to the registrar of Act 36 to expedite the registrations of sunflower oilcake. This urgency was prompted by a nationwide occurrence that led to reduced crude protein (CP) levels in sunflower seeds. The official request originated from the AFMA Trade Committee and was backed by scientific insights from the Protein Research Foundation (PRF) and the Oilseed Advisory Committee (OAC). Several factors, such as cultivating for higher oil content, prevailing climatic conditions, and contamination issues like sclerotinia, contributed to the motivation behind this request.

The registrar has acknowledged the industry's justification for intervention and has agreed to accelerate the registration process for sunflower oilcake, albeit with certain conditions.

AFMA played a key role in facilitating this process, and all concerned parties promptly submitted their applications to Act 36. Notably, certain member companies received their registration certificates within three weeks after submission. This outcome underscores the success of the strong collaboration between the Departments and highlights that expeditious actions are achievable when the industry works cohesively as a value chain, particularly under unique circumstances.

9.2.3.4 Regulation of hominy chop

In 2013, the Registrar of Farm Feeds expressed the intention to regulate hominy chop, a by-product of the maize-milling industry, marking the first regulatory update since 1984. During that period, the maximum allowable moisture content for this feed ingredient was set at 13%. However, due to the maize milling industry's shift towards a wet-milling process, it became evident that the traditional moisture specifications for hominy chop available in the market were considerably higher and were challenging to meet. A collaborative meeting took place involving the DALRRD, AFMA, and the

National Chamber of Milling (NCM), resulting in an agreement that AFMA's Technical Committee would provide expert advice on the appropriate moisture level and shelf life. The technical recommendation was intended to ensure the safe usage and storage of hominy chop as an officially registered feed ingredient.

A meeting held between the Department of Land Reform and Rural Development (DALRRD), AFMA and the National Chamber of Milling (NCM), resolved that AFMA's Technical Committee will provide a technical recommendation on the moisture level and shelf life which will support the safe use and storage of hominy chop as a registered feed ingredient.

After five years, all initial trials concluded in 2018, and AFMA conducted consultations with the South African Feedlot Association (SAFA), resulting in the drafting of a technical recommendation. Both AFMA and SAFA, being substantial consumers of hominy chop in South Africa, lend their support to this recommendation, which was submitted to the Registrar in July 2021. The proposal included two types of hominy chop to be registered as raw materials for the animal feed under Act 36 of 1947: (1) a High Moisture Hominy Chop (with a maximum moisture content of 15.5% and, maximum of 11% fat content, and maximum 0.02ppm Aflatoxin B1, provided registered antioxidants are included, along with a warning to use it within 14 days); and (2) Standard Hominy Chop (with a maximum moisture content of 13%, maximum 11% fat content, and maximum 0.02ppm Aflatoxin B1).

The registrar has confirmed the receipt of this proposal and has, in principle, accepted the recommendation for inclusion in the regulations governing hominy chop as a raw material. However, the formal process of issuing the notice of repeal by the registrar remains pending.

Due to the current exemption of hominy chop from regulation under Act 36 of 1947 and in light of the recent proposed amendments to maize grading regulations, AFMA has raised concerns via the AFF meeting in May with the registrar regarding the heightened potential risks associated with this feed ingredient. The significance of regulating hominy chop to ensure its safety for use in feedlots has been emphasised. AFMA remains committed to emphasising the urgency of issuing the notice of repeal to bring this raw material under regulatory oversight.

9.2.3.5 Prohibition of active ingredients that meet criteria of CMR categories 1A or 1B of GHS

During the Regulatory Committee meeting in May, AFMA members were reminded of the registrar's intent to ban CMR substances categorised as 1A and 1B in the GHS starting in June 2024. For those holding registrations for farm feed products, it is crucial to assess the unique risk of exposure associated with their products and make informed decisions accordingly. If a product contains CMR substances without

readily available alternatives, registration holders should reach out to the registrar to explore potential solutions. Members are encouraged to provide a comprehensive and substantive motivation to the registrar, which should include findings from exposure assessments, control measures, maintenance of control and exposure, as well as air monitoring, as specified in the hazardous chemical agents' regulations. Importantly, this justification should be presented by a relevant expert in the field, such as a toxicologist.

AFMA strongly encourages a proactive stance in addressing this requirement and/or to notify the registrar of any unintended impact this may have.

9.2.4 Feed and Pet Food Bill

The registrar has initiated a Feed and Pet Food Bill working group (WG) to assist with the amendment to the draft legislation and the promulgation of the new law. The WG consist of representatives from AFF members and will provide recommendations and assistance to the registrar in concluding this long overdue process.

In November 2022, the WG came together to discuss the essential steps for finalising the draft bill. These steps include compiling a program of work with defined milestones, timelines, and resource allocation, incorporating accepted public comments, proposing an outline, and suggesting a framework for the supporting regulations linked to the Feed and Pet Food bill. Subsequent tasks to finalise the bill include developing detailed regulations to support the bill, engaging with stakeholders to clarify outstanding matters, and lobbying the key principles of the bill to external stakeholders in preparation for the parliamentary process.

The progress has been slow at the beginning of the year, but a revised action plan from the WG will give new direction and add the necessary skilled capacity to the WG to conclude the process. It is expected that momentum will pick up in the coming year, albeit the National elections that is expected to delay some of the procedural steps in the process.

9.3 Industry self-regulation

9.3.1 Inspection Compliance Forum (ICF)

Every quarter, the industry engages in discussions with Act 36 Inspection Services through the Inspection Compliance Forum (ICF). These discussions target non-compliance trends and concerns across diverse agricultural input control areas. Within this context, sectors such as the Animal Feed Manufacturers Association (AFMA), the Pet Food Industry (PFI), the Renderers Association (RSA), the South African Animal Health Association (SAAHA), CropLife SA, and the South African Pest Control Association (SAPCA) are all effectively represented.

Key non-compliance issues detected during the past year included the sale and importation of unregistered farm feeds, repackaging and selling of unregistered and unlabelled farm feeds (particularly pet food), and illegal decanting and selling of agricultural remedies. Inspection services have utilised various platforms to raise awareness and inform vendors and informal business operators about the requirements for the sale of agricultural remedies, stock remedies, fertilizers, farm feed, and pet food. Raids have also been conducted, resulting in the confiscation and cessation of consignments of unregistered and illegal products. Industry partners will continue to collaborate and support inspection services in addressing non-compliance issues and upholding standards.

9.3.2 AFMA Code of Conduct (COC)

This year marks the second consecutive cycle of AFMA Code of Conduct audits since it was resumed in July 2021. To better align with AFMA membership and member categories, a series of changes and improvements have been introduced in the management of the audit system.

Within the revised Code of Conduct audit scope, AFMA members using third-party storage facilities (warehouses) for storing bagged products have been included, supporting a comprehensive farm-to-fork approach in feed safety management. Recognition has been introduced for all audited warehouses per AFMA member, with their storage facility locations now displayed on the updated AFMA Code of Conduct certificate.

90% of AFMA members have proven conformance with the AFMA Code of Conduct in the last cycle and with some facilities already undergoing a second round of assessments after COVID that resulted in a break in the continuous compliance by feed manufacturers since the program started in 2008.

The updated AFMA membership list was released in March 2023 and provides the latest information on the COC compliance status of AFMA members, as well as indications of export certification status (ZA number).

Regrettably, the progression of the upgraded Code of Conduct has faced setbacks due to the impact of COVID-19 and resource limitations within the AFMA Office. To ensure the comprehensive involvement of all stakeholders in the new programme and its required timelines, a revised project plan will be drafted to provide clear milestones for the updated and modernised Code of Conduct audit scope and criteria to be implemented.

A baseline survey will be conducted towards the end of the year to assess the current impact of the existing AFMA Code of Conduct audit and scope and to compare it with the modernised scope after its implementation.

9.3.3 AFMA Transport Protocol

Functioning as an additional self-regulatory mechanism, the AFMA Transport Protocol operates as a risk management tool within the animal feed industry. This protocol offers guidance and cleaning regimes for road transporters who handle the transportation of raw materials and feed ingredients intended for use in the animal feed manufacturing industry. This transportation occurs either through interim storage facilities or directly to manufacturing plants.

The guidelines are an adaptation form the GMP standard applicable to road transport in the animal feed sector. And provide a risk management framework that aids feed manufacturers in evaluating both transporters and stored raw materials intended for utilisation.

Since 2013, AFMA members have been introducing the transport protocol to their transport service providers. Strong encouragement is extended to AFMA members to collaborate with carriers aligned with the AFMA pransport Protocol, thereby promoting the secure and responsible movement of feed materials intended for animal feed. Currently, the AFMA website features 9 transport providers validated for compliance with the AFMA Transport Protocol.

9.3.4 AFMA Early Warning System (EWS)

One aspect related to self-regulation involves the Early Warning System (EWS) that was introduced by AFMA in 2009. The EWS serves as a crucial tool for ensuring the safety, quality, and integrity of animal feed.

Responsibility towards industry well-being and consumer safety, including humans and animals, is paramount, especially in dealing with hazardous substances like melamine and heavy metals that could infiltrate international and South African markets, posing threats to the food chain. This EWS mandates reporting of such hazards to safeguard the entire industry, its stakeholders, and the food chain.

The EWS protocol not only facilitates early detection and reporting of irregularities in raw materials and ingredients for use in animal feeds but also outlines rapid response steps and effective communication along the animal production chain. Its primary objective is to prevent harm to animals, the environment, and consumers of animal products. In cases of uncontrollable hazards that may affect others in the food value chain, participants must notify AFMA for an independent investigation.

It is worth noting that the EWS hasn't been activated this year. An industry-wide mock recall is planned for the next year demonstrating the animal feed industry's readiness in risk management. AFMA encourages its members to remain proactive, conducting preventive tests and managing supplier-associated risks. AFMA will continue to raise awareness about the EWS among its members.

10. FEED MANUFACTURING

10.1 Raw material costs

The domestic grains and oilseed commodity outlook is discussed in detail in **section 3.5 of this report**. However, the average price of feeds is measured against the SAFEX spot price of the grains and oilseeds which are used to produce feed. These grains and oilseeds and their by-products account for approximately 79% of the feed industry's raw material consumption. According to SAFEX observations, the poultry feed prices were relatively stable compared to the price of raw materials, which were considerably more volatile. Given that raw material costs increased in November and December 2022, it is likely that feed prices for January and possibly February 2023 will come in higher than December 2022. However, based on the January 2023 price of raw materials, there may be a decrease in the price from March 2023. Furthermore, the March 2023 and May 2023 grain contracts also indicate decreasing raw material prices, which may further reduce the price of animal feed.

10.2 Raw material utilisation in 2022/23 by AFMA members

The table on the next two pages illustrates the average inclusion rates for raw materials shown as a percentage of total raw materials. In the period under review, it can be observed that the inclusion rates are higher than 95%, leaving for possible milling losses due to breakdowns, spillages and raw, material that cannot be utilised. Across the period, the inclusion rates of different raw materials differ from one formulation to another, as well as between different species. The latest information for 2022/23 reported a total volume of 7 066 249 tons, which is an increase of 220 169 tons compared to 2021/22 period **(See table 7)**.

TABLE 7: RAW MATERIAL USAGE (APRIL 2018 – MARCH 2023) – AFMA MEMBERS (TONS)										
Raw Material	**Total 2018/19**	**Incl. rate 2018/19**	**Total 2019/20**	**Incl. rate 2019/20**	**Total 2020/21**	**Incl. rate 2020/21**	**Total 2021/22**	**Incl. rate 2021/22**	**Total 2022/23**	**Incl. rate 2022/23**
Additives	0	0,00	0,00	0,00	1 276	0,02	2 846	0,04	2 292	0,03
Amino Acids (Not Listed)	0	0,00	0,00	0,00	529	0,01	2 126	0,03	1 394	0,02
Ammonium Chloride	0	0,00	172,00	0,00	315	0,00	1 636	0,02	1 791	0,03
Ammonium Sulphate	5 903	0,09	4420,00	0,07	4 382	0,07	7 142	0,10	6 701	0,09
Apple Pomace	0	0,00	0,00	0,00	0	0,00	10	0,00	23	0,00
Bagasse	80 862	1,23	73123,00	1,11	73 943	1,10	100 488	1,45	99 908	1,41
Barley (All)	2 070	0,03	4557,00	0,07	41 067	0,61	85 035	1,23	46 563	0,66
Blended Oil	41 515	0,63	49456,00	0,75	50 079	0,75	37 309	0,54	34 010	0,48
Blood Meal	13 404	0,20	12293,00	0,19	9 220	0,14	8 122	0,12	7 621	0,12
Brewers Grain	3 579	0,05	4237,00	0,06	4 392	0,07	8 965	0,13	9 165	0,13
Canola Fullfat	767	0,01	680,00	0,01	211	0,00	83	0,00	213	0,00
Canola Oil	0	0,00	70,00	0,00	764	0,01	464	0,01	825	0,01
Canola Oilcake	28 161	0,43	27617,00	0,42	30 252	0,46	32 624	0,50	31 941	0,49
Carcass Meal	8 780	0,13	2585,00	0,04	3 916	0,06	1 032	0,01	0	0,00
Cassava Meal	0	0,00	0,00	0,00	0	0,00	0	0,00	3	0,00
Choline Chloride	0	0,00	0,00	0,00	0	0,00	56	0,00	384	0,01
Citrus Meal	650	0,01	1595,00	0,02	1 180	0,02	1 380	0,02	2 226	0,03
Cms	9 003	0,14	9 235	0,14	8 408	0,13	13 676	0,20	19 313	0,27
Copra Oilcake Products	0	0,00	0	0,00	365	0,01	1 059	0,02	14	0,00
Cotton Oilcake	3 766	0,06	1 475	0,02	2 449	0,04	12 310	0,19	14 823	0,23
Cotton Seed	10 106	0,15	9 768	0,15	8 731	0,13	6 118	0,09	6 544	0,10
Defatted Maize Germ	11 736	0,18	12 082	0,18	15 364	0,23	11 021	0,16	10 948	0,15
Dicalcium Phosphate	1 291	0,02	2 676	0,04	2 588	0,04	2 231	0,03	5 555	0,08
Fat / Vet (Tallow)	2 947	0,04	3 958	0,06	3 231	0,05	2 541	0,04	1 785	0,03
Feather Meal – Local	20 316	0,31	16 758	0,25	17 958	0,27	17 162	0,25	20 436	0,29
Feed Wheat	2 443	0,04	11 224	0,17	6 489	0,10	965	0,01	16 891	0,24
Fish Meal	13 512	0,21	18 453	0,28	18 956	0,29	13 146	0,20	13 385	0,20
Groundnut Hay	7 957	0,12	727	0,01	825	0,01	2 712	0,04	2 884	0,04
Groundnut Oilcake	2	0,00	55	0,00	44	0,00	124	0,00	0	0,00
Hominy Chop	121 791	1,86	108 316	1,64	106 581	1,59	114 916	1,66	111 846	1,58
Limestone Grit	79 681	1,22	84 521	1,28	93 211	1,39	107 620	1,56	110 127	1,56
Limestone Powder	117 565	1,79	119 380	1,81	108 905	1,62	109 430	1,58	109 658	1,55
Lucerne Hay	43 466	0,66	34 815	0,53	21 440	0,32	20 706	0,30	19 106	0,27
Lucerne Meal / Lucerne Pellets	31 900	0,49	33 751	0,51	25 368	0,38	22 994	0,33	23 793	0,34
Lupin Fullfat	0	0,00	0	0,00	0	0,00	588	0,01	19	0,00
Lupin Meal	100	0,00	238	0,00	164	0,00	4 961	0,07	4 218	0,06
Lysine	9 212	0,14	10 741	0,16	11 948	0,18	12 291	0,18	13 733	0,19
Maize	3 063 500	46,74	3 118 335	47,58	3 224 163	49,20	3 317 731	50,62	3 463 412	52,85
Maize Germ	12 079	0,18	13 354	0,20	14 150	0,21	26 565	0,38	7 194	0,10
Maize Germ Oilcake	4 754	0,07	3 754	0,06	4 186	0,06	1 535	0,02	643	0,01
Maize Gluten Meal (20%)	57 273	0,87	57 657	0,87	53 295	0,79	67 498	0,98	67 546	0,96
Maize Gluten Meal (60%)	18 938	0,29	13 973	0,21	11 550	0,17	11 454	0,17	15 337	0,22
Maize Meal	26 678	0,41	33 442	0,51	12 122	0,18	18 195	0,26	18 683	0,26
Maize Screenings	9 600	0,15	8 777	0,13	8 786	0,13	7 733	0,11	7 301	0,10
Meat & Bone Meal	209	0,00	166	0,00	93	0,00	762	0,01	812	0,01
Medicaments	25 558	0,39	21 063	0,32	17 292	0,26	13 628	0,20	15 026	0,21
Methionine	8 150	0,12	8 635	0,13	9 501	0,14	10 746	0,16	11 370	0,16
Minerals (Not Listed)	0	0,00	0	0,00	693	0,01	2 933	0,04	2 260	0,03
Molasses	261 600	3,99	270 577	4,10	468 441	6,97	332 595	4,81	315 436	4,46
Monocalcium Phosphate	41 970	0,64	36 183	0,55	39 324	0,60	44 984	0,69	36 568	0,56
Oats	6 738	0,10	5 187	0,08	5 381	0,08	3 997	0,06	2 753	0,04
Other Raw Material	278 936	4,26	274 564	4,16	58 237	0,87	98 074	1,42	82 590	1,17
Palm Kernel Oilcake	5 378	0,08	5 398	0,08	4 654	0,07	4 061	0,06	3 347	0,05

TABLE 7: RAW MATERIAL USAGE (APRIL 2018 – MARCH 2023) – AFMA MEMBERS (TONS) (Continued)										
Raw Material	**Total 2018/19**	**Incl. rate 2018/19**	**Total 2019/20**	**Incl. rate 2019/20**	**Total 2020/21**	**Incl. rate 2020/21**	**Total 2021/22**	**Incl. rate 2021/22**	**Total 2022/23**	**Incl. rate 2022/23**
Plant Oil	13 144	0,20	31 660	0,48	29 113	0,43	2 231	0,03	1 678	0,02
Poultry By-Product Meal – Local	59 289	0,90	51 075	0,77	49 420	0,74	52 470	0,76	52 116	0,74
Poultry Meal	0	0,00	165	0,00	2 122	0,03	3 513	0,05	5 952	0,09
Premixes	41 287	0,63	48 942	0,74	46 374	0,69	43 625	0,63	46 505	0,66
Remix/Reworks	4 980	0,08	2 715	0,04	12 534	0,19	20 614	0,30	21 682	0,31
Rice	317	0,00	173	0,00	379	0,01	3	0,00	0	0,00
Rice Bran	3 588	0,05	2 289	0,03	1 319	0,02	2 977	0,04	1 748	0,02
Salt	60 705	0,93	54 348	0,82	53 724	0,80	68 050	0,98	66 677	0,94
Shell Grit	647	0,01	811	0,01	1 848	0,03	2 203	0,03	2 226	0,03
Sodium Bicarbonate	7 612	0,12	8 328	0,13	7 990	0,12	7 155	0,10	7 095	0,10
Sorghum	5 064	0,08	1 514	0,02	1 253	0,02	458	0,01	439	0,01
Soya Full Fat	163 414	2,49	130 543	1,99	105 079	1,60	133 621	2,04	137 872	2,10
Soya Hulls	15 003	0,23	19 416	0,29	16 425	0,24	23 570	0,34	39 487	0,56
Soya Oilcake	872 730	13,32	950 626	14,50	986 820	15,06	1 030 492	15,72	1 102 083	16,82
Sterilised Poultry Manure	2	0,00	0	0,00	0	0,00	0	0,00	0	0,00
Sunflower Oilcake	293 753	4,48	269 919	4,12	270 073	4,12	237 435	3,62	244 387	3,73
Sunflower Hulls	15 453	0,24	15 805	0,24	15 951	0,24	23 267	0,34	7 758	0,11
Sunflower Seed	164	0,00	133	0,00	155	0,00	138	0,00	721	0,01
Teff Hay	0	0,00	0	0,00	1 852	0,03	4 301	0,06	2 995	0,04
Threonine	2 202	0,03	2 462	0,04	3 129	0,05	3 243	0,05	3 394	0,05
Triticale	14	0,00	1	0,00	0	0,00	0	0,00	6	0,00
Urea	27 892	0,43	25 177	0,38	24 213	0,36	37 108	0,54	38 380	0,54
Vitamins	0	0,00	0	0,00	7 697	0,11	10 881	0,16	9 885	0,14
Wheat	992	0,02	3 295	0,05	2 270	0,03	2 279	0,03	2 307	0,03
Wheat Bran & Flour	463 624	7,07	437 481	6,68	464 406	7,09	472 057	7,20	461 413	7,04
Wheaten Straw	8 111	0,12	11 956	0,18	9 409	0,14	7 685	0,11	8 839	0,13
Whey Powder	0	0,00	23	0,00	64	0,00	125	0,00	188	0,00
White Fish Meal	0	0,00	0	0,00	0	0,00	1	0,00	0	0,00
TOTAL	**6 553 833**	**98,63**	**6 598 900**	**98,14**	**6 720 038**	**98,94**	**6 917 882**	**99,70**	**7 066 249**	**98,71**
Feed sales for the period	**6 644 648**		**6 723 822**		**6 791 863**		**6 938 537**		**7 158 706**	

10.2.1 Oilcakes and fishmeal

Table 8 highlights oilcake usage by AFMA members between 2018/19 and 2022/23, respectively. Based on AFMA members raw material usage and inclusion rate in 2022/23 for oilcake was 21.47% of the total feed sales. The most significant oilcake includes soya oilcake and sunflower oilcake, which had an inclusion rate of about 15.31% and 3.46%, respectively, while the groundnut oilcake was about 1.89%. In 2022/23, both soya oilcake and sunflower oilcake used showed an increase of 0.66% and 0.03% as compared to 2022/23 period.

TABLE 8: OILCAKE AND FISHMEAL BY AFMA MEMBERS: 1 APRIL 2018 TO 31 MARCH 2023 (TONS)

RAW MATERIAL	Total 2018/19	Incl. rate 2018/19	Total 2019/20	Incl. rate 2019/20	Total 2020/21	Incl. rate 2020/21	Total 2021/22	Incl. rate 2021/22	Total 2022/23	Incl. rate 2022/23
Canola Oilcake	28 161	0,43%	27 618	0,42%	30 252	0,45%	32 625	0,47%	31 941	0,45%
Copra and Palm Kernel	5 378	0,08%	5 398	0,08%	5 019	0,07%	5118	0,07%	3 364	0,05%
Cotton Oilcake	3 766	0,06%	1 475	0,02%	2 449	0,04%	12 310	0,18%	14 823	0,21%
Fullfat Canola	767	0,01%	680	0,01%	211	0,00%	83	0,00%	213	0,00%
Fullfat Cotton	10 104	0,15%	9 769	0,15%	8 732	0,13%	6 118	0,09%	6 542	0,09%
Fullfat Soya	162 473	2,48%	130 445	1,98%	103 545	1,54%	129 604	1,87%	133 487	1,89%
Groundnut Oilcake	2	0,00%	55	0,00%	44	0,00%	124	0,00%	0	0,00%
Maize Germ Oilcake	4 752	0,07%	3 753	0,06%	4 186	0,06%	1535	0,02%	643	0,01%
Soya Oilcake	872 729	13,32%	950 078	14,40%	971 502	14,46%	1 013 740	14,65%	1 081 645	15,31%
Sunflower Oilcake	293 752	4,48%	269 917	4,09%	270 072	4,02%	237 432	3,43%	244 385	3,46%
Total	**1 381 884**	**21,09%**	**1 399 188**	**21,20%**	**1 396 012**	**20,77%**	**1 438 689**	**20,80%**	**1 517 043**	**21,47%**
Fish Meal	13 513	0,20%	18 453	0,27%	18 955	0,28%	13 146	0,19%	13 384	0,19%
Total oilcake and fishmeal	**1 395 397**	**21,29%**	**1 417 641**	**21,47%**	**1 414 967**	**21,05%**	**1 451 835**	**20,99%**	**1 530 427**	**21,66%**

Source: AFMA feed sales statistic

10.2.2 Maize products

Maize is one of the most important ingredients used in animal feed. The animal feed industry primarily uses yellow maize for animal feed manufacturing. Approximately 60% of total maize produced in South Africa is used for food consumption, industrial (other than feed), and seed purposes. The rest is used to produce animal feed. The details of maize consumption by AFMA members during the period 1 April 2018 to 31 March 2023 are shown in **Table 9**. Based on AFMA members' raw material usage and inclusion rates in 20122/23 maize was 3 702 908 tons and 52.40% of total feed sales. The maize usage by AFMA members have increased from 47.96% to 49.01% between 2021/22 and 2022/23. Hominy chop and maize gluten meal (20%) were the second and third largest maize products used in 2022/23, with a share of 1.58% and 0.96%, respectively.

TABLE 9: USAGE OF MAIZE PRODUCTS BY AFMA MEMBERS: 1 APRIL 2018 TO 31 MARCH 2023 (TONS)										
RAW MATERIAL	**Total 2018/19**	**Incl. rate 2018/19**	**Total 2019/20**	**Incl. rate 2019/20**	**Total 2020/21**	**Incl. rate 2020/21**	**Total 2021/22**	**Incl. rate 2021/22**	**Total 2022/23**	**Incl. rate 2022/23**
Defatted Maize Germ Meal	11 736	0,18%	12 083	0,18%	15364	0,23%	11 020	0,16%	10 946	0,15%
Hominy Chop	121 793	1,86%	108 315	1,64%	106582	1,59%	114 917	1,66%	111 847	1,58%
Maize	3 063 499	46,74%	3 118 337	47,26%	3 223 326	47,97%	3 317 669	47,96%	3 463 413	49,01%
Maize Germ Meal	12 080	0,18%	13 355	0,20%	14151	0,21%	26 566	0,38%	7 194	0,10%
Maize Germ Oilcake	4 752	0,07%	3 753	0,06%	4186	0,06%	1 535	0,02%	643	0,01%
Maize Gluten Meal (20%)	57 273	0,87%	57 656	0,87%	53295	0,79%	67 498	0,98%	67 547	0,96%
Maize Gluten Meal (60%)	18 938	0,29%	13 974	0,21%	11549	0,17%	11 455	0,17%	15 336	0,22%
Maize Meal	26 679	0,41%	33 443	0,51%	12122	0,18%	18 195	0,26%	18 682	0,26%
Maize Screenings	9 600	0,15%	8 776	0,13%	8787	0,13%	7 731	0,11%	7 300	0,10%
TOTAL MAIZE USED (TONS)	**3 326 350**	**50,75%**	**3 369 692**	**51,06%**	**3 449 362**	**51,33%**	**3 576 586**	**51,70%**	**3 702 908**	**52,40%**
Source: AFMA feed sales statistic										

10.3. Raw materials available to the feed industry: 2022/23 oilcake, imports

The feed industry utilises a variety of raw materials to produce animal feed that meets the nutritional requirements of different livestock species. These raw materials can be categorised into several groups based on their source and composition. Therefore, it is important to note that the availability of these materials can vary depending on location, season, and market conditions.

It is important to note that the selection of raw materials depends on the nutritional needs of the animals, the desired growth outcomes, and the economic feasibility of sourcing and producing the feed. Additionally, regulations and considerations related to food safety, sustainability, and environmental impact also play a significant role in determining which raw materials are suitable for use in the feed industry. This section overviews the availability of raw materials for the feed industry based on production, crushed, and imported projections for the coming seasons.

10.3.1 Oilcake

The production of oilseeds and oilcake during the 2021/22 production season and the volumes available during the 2022/23 marketing season are shown in **Table 10**. Information on imports is supplied in **Table 11**, while **Table 12** and **Table 13** contain summaries of the estimated available oilcake.

Oilseeds and oilcake have grown to be the most important protein used by animal feed manufacturers in South Africa and represent larger share of percent of protein meal usage in animal feed. The utilisation has expanded over 20 years ago. The previous rains in the previous years had an influence in production increased which sustained for the following season.

It is evident that cotton production cut-backs continued to 71 542 lint bales, following heavy rainfall and hail that caused damage to some farmer's fields. The drop in local cotton production comes as the demand for cotton products increases globally,

especially with the world opening up and as sales of cotton apparel and related products return.

Crushed canola yields between 40 percent and 44 percent of oil and between 53 percent and 60 percent of rapeseed meal. South Africa's canola processing capacity is estimated at 175 000 tons per annum. SOIL currently remains the sole buyer and processor of canola in South Africa. Therefore, growth in canola production in South Africa will necessitate future investments in expanding processing facilities and could also contribute towards additional replacement of imported vegetable oil.

TABLE 10: LOCAL OILCAKE AVAILABLE FOR MARKETING – 1 APRIL 2022 TO 31 MARCH 2023 (TONS)

Description	Total crop 2020/2021	Available for crushing	Conversion rate (seed) %	Oilcake 2021/2022
Sunflower [1,2]	845 550	807 544	42%	339 168
Groundnut [1,2]	48 500	620	54%	332
Soya [1,2]	2 230 000	1 696 638	80%	1 357 310
- Full fat [2]	-	189 605	80%	151 684
Cotton [3]	71 542	-	50%	-
- Full fat [4]		24 937	50%	12 469
Canola [1,2]	210 000	84 334	55%	46 384
- Full fat [4]	-	6 119	55%	3 365
Lupins – Full fat [1]	15 750	15 750	100%	15 750
TOTAL LOCAL OILCAKE		**2 825 547**		**1 926 462**

Sources:
1. *National Crop Estimates Committee – 27 July 2022.*
2. *SAGIS – Monthly reports (Jan-Dec '20; Jan-Mar '20; Jan-Mar '21; Oct '20-Sept '21).*
3. *Cotton SA. These figures include seed that entered the country from Swaziland as lint for processing. Crushed product also includes seed from SADC Countries (website: www.cottonsa.org.za).*
4. *Full fat used for feeds according to SAGIS, Cotton SA and Cotton Seed Processors.*

TABLE 11: OILCAKE IMPORTS 1 APRIL 2022 TO 31 MARCH 2023 (TONS)

Cake / Seed	Tons seed + oilcake	Conversion rate	Oilcake 2021/2022
Sunflower oilcake *	17 700	100%	17 700
Sunflower seed *	8 426	42%	3 539
Groundnut oilcake *	7	100%	7
Soya oilcake *	183 590	100%	183 590
Soya beans *	4 330	80%	3 464
Cotton oilcake *	34 325	100%	34 325
Cotton seed	12 143	50%	6 072
Other seeds *	2 681	50%	1 341
Other oilcakes *	7 024	100%	7 024
TOTAL IMPORTS	**270 226**		**257 061**
Local Production (Ex Table10)			**1 926 462**
GRAND TOTAL – Table 10 + 11			**2 183 523**

Sources:
* *SAGIS – Department of Customs & Excise.*
* *Cotton Seed Processors (Pty) Ltd.*
* *Cotton SA. These figures include seed that entered the country from Swaziland as lint for processing.*
* *Crushed product also includes seed from SADC countries (website: www.cottonsa.org.za).*

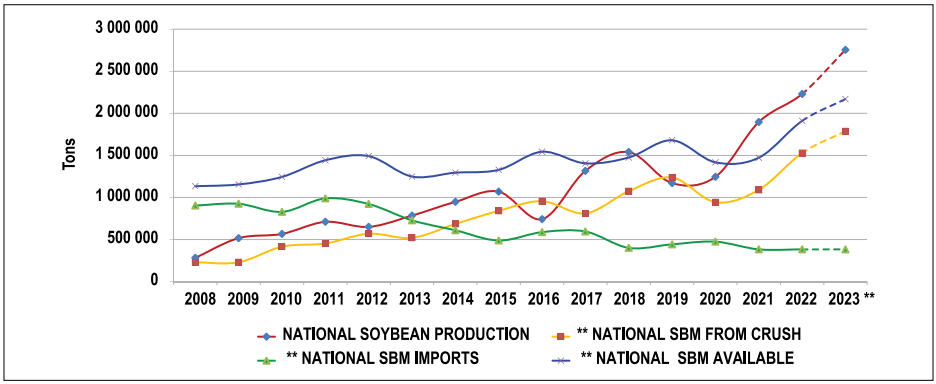
TABLE 12: SUMMARY OF TOTAL OILCAKE AVAILABLE FOR MARKETING: 1 APRIL 2017 TO 31 MARCH 2023 (TONS)							
Oilcake	**2017/2018**	**2018/2019**	**2019/2020**	**2020/2021**	**2021/2022**	**2022/2023**	**%**
Sunflower	422 418	401 728	447 077	453 428	419 947	360 407	17,77%
Groundnut	405	1 448	17 393	369	325	339	0,02%
Soya	1 467 093	1 429 250	1 456 143	1 607 402	1 790 435	1 540 907	75,97%
Cotton	74 924	13 135	111 969	88 657	51 432	52 865	2,61%
Canola	69 707	66 481	59 577	51 358	72 291	49 749	2,45%
Other oilcakes *	15 550	10 626	7 008	7 931	8 406	8 365	0,41%
Lupins	16 800	24 951	16 963	16 800	28 600	15 750	0,78%
TOTAL	**2 066 897**	**1 947 619**	**2 116 130**	**2 225 945**	**2 371 435**	**2 028 382**	**100,00%**
** Other oilcakes / seeds: Copra, Linseed, Rape & Palm*							

TABLE 13: TOTAL OILCAKE AVAILABILITY IN SOUTH AFRICA: 1 APRIL 2017 TO 31 MARCH 2023 (TONS)							
Oilcake	**2017/2018**	**2018/2019**	**2019/2020**	**2020/2021**	**2021/2022**	**2022/2023**	**Increase / Decrease**
Sunflower	422 418	401 728	447 077	453 428	419 947	360 407	-14,18%
Groundnut	405	1 448	17 393	369	325	339	4,33%
Soya	1 467 093	1 429 250	1 456 143	1 607 402	1 790 435	1 540 907	-13,94%
Cotton	74 924	13 135	111 969	88 657	51 432	52 865	2,79%
Canola	69 707	66 481	59 577	51 358	72 291	49 749	-31,18%
Other oilcakes *	15 550	10 626	7 008	7 931	8 406	8 365	-0,49%
Lupin	16 800	24 951	16 963	16 800	28 600	15 750	-44,93%
TOTAL	**2 066 897**	**1 947 619**	**2 116 130**	**2 225 945**	**2 371 435**	**2 028 382**	**-14,47%**
** Other oilcakes / seeds: Copra, Linseed, Rape & Palm*							

10.3.2 Imports

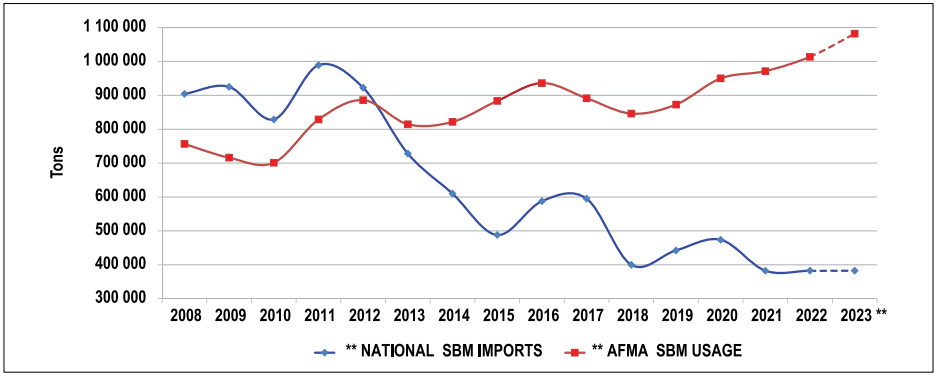
South Africa is a significant importer of soybean meal to meet the protein needs of its livestock industry. Soybean meal is a valuable source of protein and amino acids that is commonly used in animal feed formulations. The local soybean is processed into various soybean products (oil/oilcake, human consumption, and feed). **Figure 9** highlights the trends for South Africa's soybean and soybean meal situation. According to AFMA industry statistics, the volume of soybean meal imported has decreased from 410 820 tons in 2021/22 to 333 032 tons in 2022/23. On the other hand, the local soybean meal produced locally has increased from 8.72% to 10.59% in the same period.

FIGURE 9: COMPARISON: SOYBEAN PRODUCTION, NATIONAL SBM CRUSHED & SBM IMPORTED



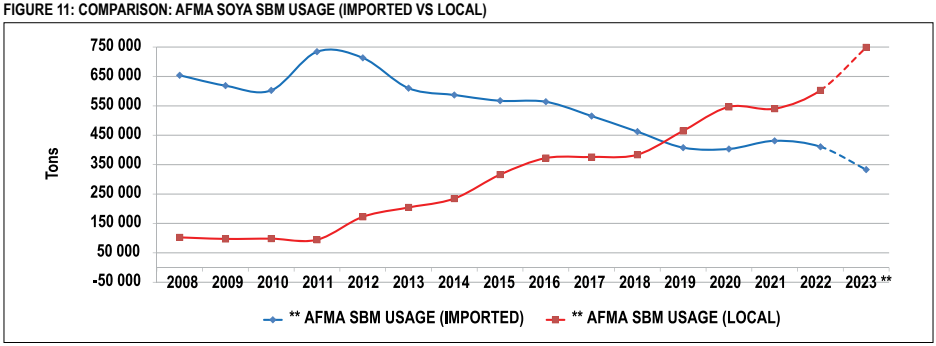
Source: AFMA Chairman's Reports
AFMA stats year – April to March
*** Forecast available for the next marketing year*

FIGURE 10: COMPARISON: AFMA SBM USAGE VS NATIONAL SBM IMPORTS



Source: AFMA Chairman's Reports
AFMA stats year – April to March
*** Forecast available for the next marketing year*

FIGURE 11: COMPARISON: AFMA SOYA SBM USAGE (IMPORTED VS LOCAL)



Source: AFMA Chairman's Reports
AFMA stats year – April to March
*** Forecast available for the next marketing year*

10.3.3 Fishmeal

Fish meal has been an important protein source used in animal feed, especially in aquaculture and livestock industries. Fish meal is produced from fish and fishery byproducts and is valued for its high protein content and essential amino acids. South Africa, as a significant player in the agricultural and aquaculture sectors, has historically produced and imported fish meals to meet the protein needs of its animal feed industry. **Table 14** depicts the estimated availability of fish meals in South Africa and Namibia. It is, therefore, important that Namibian fishmeal is regarded as imported and is calculated as part of the available total, although the entire output is exported.

The local production was 73 000 tons while Namibian production was 5 000 tons, bringing total availability to 78 000 tons. The total exported volumes were about 60 000 tons, which leaves about 19 000 tons of the estimated domestic consumption for 2022/23. According to AFMA statistics, the members have utilised 0.19% of the local fish meal in 2022/23, and there was zero imported fish meal.

TABLE 14: LOCAL AND IMPORTED FISH MEAL – 1 APRIL 2017 TO 31 MARCH 2023 (TONS)

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/23
Local production: RSA *	72 500	79 000	66 000	80 000	70 000	72 000
Namibia **	6 000	6 000	6 000	6 000	5 000	5 000
Sub-Total	**78 500**	**85 000**	**72 000**	**86 000**	**75 000**	**77 000**
Imports **	1 000	1 000	1 700	1 000	0	1 000
Total fish meal available	**79 500**	**86 000**	**73 700**	**87 000**	**75 000**	**78 000**
EXPORTS						
South African product	**61 000**	**66 000**	**48 000**	**65 000**	**55 000**	**55 000**
Namibian product	6 000	6 000	6 000	6 000	5 000	5 000
TOTAL AVAILABLE IN SA & NAMIBIA	**12 500**	**14 000**	**19 700**	**16 000**	**15 000**	**18 000**

* *IFFO The Marine Ingredients Organisation and SA Fish Industry Estimates*
** *Customs & Excise & Industry Estimates*

10.3.4 Maize

Maize is commonly used as a primary ingredient in animal feed, and it serves as a valuable source of energy in livestock diets and is a crucial component of feed formulations, especially in poultry, swine, and ruminants. **Table 15** highlights the availability (tons) of maize from 2018/19 to 2022/23. The National Agricultural Marketing Council (NAMC) projected the white and yellow maize to be less than the 2021/22 season. According to the final maize forecast, the three main maize-producing areas, namely the Free State, Mpumalanga, and North West are expected to produce 82% of the 2022/23 crop.

Load shedding poses long-term risks for the agricultural sector on a supply and input cost level. Cost-effective and sustainable alternative solutions must be considered in order to reduce dependency on Eskom for electricity. Maize availability during the 2022/23 marketing season recorded a decrease by 0.89% on the previous crop of 16 315 000 tons, amounting to 16 134 040 tons. There is no maize expected to be imported and in the previous season (2021/22) there were about 7 583 tons of maize imported (supply and demand estimates have shown 7 583 tons of imported white maize).

TABLE 15: MAIZE AVAILABILITY – 1 MAY 2018 TO 30 APRIL 2023 (TONS)

Local	2018/19	2019/20	2020/21	2021/22	2022/23
White [1]	6 308 940	5 538 240	8 666 310	8 600 000	7 850 000
Yellow [1]	5 674 911	5 719 610	6 741 870	7 715 000	7 620 000
Non-commercial maize	549 180	543 545	636 440	667 000	664 040
Imports [2]	171 622	509 684	463	7 583	0
TOTAL	**12 155 474**	**11 767 534**	**15 952 188**	**16 315 000**	**16 134 040**
Exports [2]	2 284 058	1 809 573	2 867 790	4 135 211	3 949 806

Source:
1. *Crop Estimate Committee (CEC) – 29 July 2022*
2. *National Crop Estimates Committee – July 2022*

10.4 Estimated raw material availability: April 2023 – March 2024 (Tons)

10.4.1 Oilcakes

Table 16 highlights the estimated production of local protein and oilcake in the 2022/23 production season, which would be available in the 2023/24 marketing season. It is important to note that the figures are generated from locally and imported seed depending on the estimated requirement for oilcake for the 2022/23 production season.

As previously mentioned, that the local crushing capacity has improved since 20 years ago, and estimated local production figures also shows improvements. However, there is still a need to import minimal amount as a results of total estimated requirements.

TABLE 16: ESTIMATED SUNFLOWER & SOYBEAN OILCAKE AVAILABILITY – 2023/24					
Oilseeds	**2022/2023 Crop estimated**	**Total available (Incl. Imports + Stock – Exports)**	**Available for crushing ****	**Conversion rate (seed) ****	**Equivalent oilcake**
LOCAL PRODUCTION					
Sunflower [1]	845 550	891 620	891 450	42,00%	374 409
Soya [3]	2 230 000	2 188 000	1 917 083	80,00%	1 533 666
Groundnut [5]	48 302	10 033	916	54,00%	495
Cotton seed [4]	23 060	27 439	27 439	50,00%	13 720
Canola **	210 000	187 174	165 000	55,00%	90 750
Lupins [2]	11 500	5 308	4 954	100%	4 954
ESTIMATED LOCAL PRODUCTION					**2 017 993**
Total estimated requirements [5]					2 147 953
IMPORT REQUIREMENT					**129 960**
Sources: *(1; 2; 3; 5) – Crop Estimates Committee – 27 July 2022* *(4) – Cotton SA* ** *AFMA & Protein Research Foundation* ** *SOILL – Southern Oil (Pty) Ltd*					

Estimated availability		2022/23	2023/24*
Sunflower	Human	1 656	1 550
	Animal feed	6 058	6 000
	Crushed	807 544	780 000
Soybean	Human	21 739	23 000
	Animal feed	189 605	210 000
	Crushed	1 696 638	1 800 000
Source: Supply & demand estimates			

10.4.2 Fishmeal

In previous years, the estimated local fish meal production was influenced by various factors, including fishing quotas, environmental concerns, and market demands. **Table 17** highlights the estimated fishmeal production in South Africa, the total requirement and potential imports and exports. Approximately, 74.3% of South African fishmeal are expected to be exported, while 18 000 tons will be domestically consumed mainly by the feed industry.

TABLE 17: ESTIMATED FISHMEAL PRODUCTION, REQUIREMENT, AND EXPORTS – 2022/23 (TONS)	
SA requirement	18 000
Export	55 000
TOTAL REQUIREMENT	**73 000**
Local Production: (RSA)	73 000
Surplus / (Shortage)	-
IMPORT REQUIREMENT *	
Source: SA Fish Meal Marketing Company & Oceana Brands	

10.4.3 Maize

The total domestic demand is projected at 11 605 200 tons. This includes 5 505 000 tons processed for human consumption, 6 000 000 tons processed for animal and industrial consumption, 17 200 tons for gristing, 32 500 tons withdrawn by producers, 40 500 tons released to end-consumers, and a balancing figure of 10 000 tons (net receipts and net dispatches). A total projected export quantity of 3 220 000 tons, which

includes 320 000 tons of processed products, and 2 900 000 tons of total whole maize is estimated for exports for the 2023/24 marketing season.

The maize availability during the 2023/24 marketing season is reflected in **Table 18**. The estimated maize crop is 5.71% larger than the 2022 crop. The expected maize crop for non-commercial agriculture is 664 040 tons, which is 0.44% less than the 667 000 tons of last season. It is important to note that about 48% of the maize produced in the non-commercial sector, is planted in the eastern cape, followed by KwaZulu-Natal with 21%.

TABLE 18: ESTIMATED MAIZE AVAILABILITY: 2023/24

Local maize crop estimate	Tons White maize	Tons Yellow maize	Tons Total maize
Deliveries – All producers	8 637 950	7 716 150	16 353 100
Non-Commercial Maize	472 765	191 275	664 040
Est. Imports *	0	0	0
TOTAL AVAILABLE	**9 110 715**	**7 907 425**	**17 017 140**
Est. Exports *	1 065 000	2 155 000	3 220 000

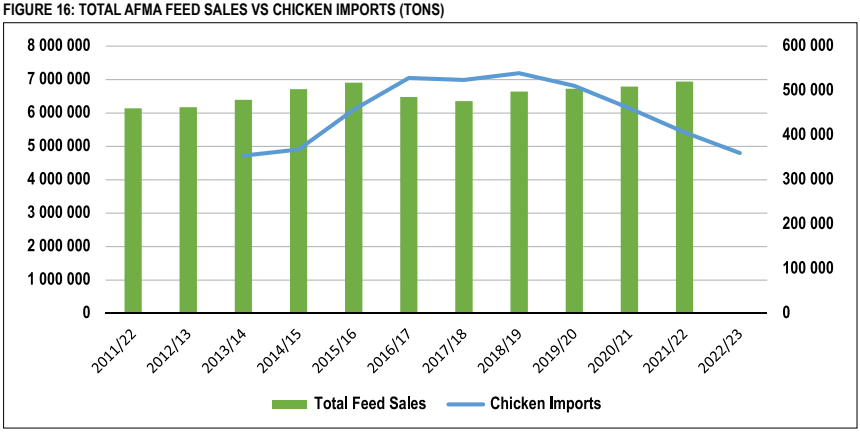
Source:
National Crop Estimates Committee – 27 July 2023
Supply & Demand Estimate Committee – 29 July 2023
*** The above include production for commercial purposes and traditional production*

11. AFMA FEED SALES 2022/23

The local feed-to-poultry industry can be characterised as dualistic and highly concentrated; five producers account for nearly 70% of total chicken production. Of these five, the top two producers: RCL Foods and Astral make up 50% of the market. Small and medium enterprises and imports serve the remainder of the market. The formal animal feed industry manufactures on average 6.5 million tons of animal feeds, with nearly 60% manufactured for the poultry industry. The first of the year will be remembered for high levels of load shedding, which cost the poultry industry millions per month, very high feed costs, and HPAI outbreaks. The previous suspension of anti-dumping duties on chicken imports should help to cool poultry prices, and it forecast poultry inflation for the last quarter of the year at 8.7%, down to 5.1% in the second quarter of 2023.

However, the DTIC minister recently agreed with ITAC's finding that several companies across Brazil, Denmark, Poland, Spain, and the US are dumping poultry products in South Africa, causing material harm to the domestic industry. **Figure 12** compares the total AFMA feed sales with the chicken imports over the period under review. It is evident that since the 2018/19 period, the volume of chicken imported has been decreasing while feed sales improved. The rationale behind the increasing feed sales was driven by the expansion of local chicken production.

FIGURE 16: TOTAL AFMA FEED SALES VS CHICKEN IMPORTS (TONS)



Source: AFMA & SAPA stats

Feed is produced by dedicated feed manufacturing firms, feedlots, and informal millers. The raw materials components are combined to form different formulations based on the nutritional requirements of different animals and their different uses. In the case of poultry, feeds are categorised according to the different growth stages of a bird. Starter feeds are formulated for day-old chicks to 16 days old; grower feeds are formulated for birds between the ages of 17 and 30 days old; and finisher feeds are for birds between the ages of 31 and 38 days old. Overall, broiler chickens consume about 3.2 million tons of the animal feed produced in South Africa (reported by AFMA members) followed by egg layers and breeders that consume 1.6 million tons. **Table 19** highlights the AFMA feed sales statistics from the 2018/19 to 2022/23 period. According to BFAP baseline 2023, livestock producers have been under extreme cost pressure, owing to feed costs being persistently higher and the impacts of load shedding. It is evident that the sale of aquaculture, pig, broiler, and breeder feed has realised a significant growth between the 2018/19 and 2022/23 period.

TABLE 19: AFMA FEED SALES FROM 2018/19 TO 2022/23 (APRIL – MARCH) (TONS)						
	2018/19	2019/20	2020/21	2021/22	2022/23	% Growth
Dairy feed	956 400	967 560	948 770	916 934	917 388	0,05%
Beef & sheep feed	906 485	845 843	835 604	902 108	820 647	-9,03%
Pig feed	379 313	394 184	389 865	453 652	455 146	0,33%
Layer feed	900 668	999 407	1 001 893	981 022	937 128	-4,47%
Broiler feed	2 617 516	2 709 839	2 836 291	2 903 007	3 158 345	8,80%
Horse feed	28 008	26 182	21 775	22 468	23 551	4,82%
Dog food	84 289	23 416	1 483	1 049	926	-11,73%
Other feed	13 808	10 834	12 530	13 279	14 587	9,85%
Breeder feed	528 181	536 709	535 531	528 288	622 948	17,92%
Aquaculture feed	4 847	4 048	3 387	9 279	8 917	-3,90%
Ostrich feed	10 686	14 450	13 739	9 228	9 877	7,03%
Game feed	41 209	34 257	26 325	24 606	19 703	19,93%
Concentrates						
Pigs	23 738	24 230	24 404	23 236	26 753	15,14%
Beef finisher	55 332	46 758	51 110	55 380	45 970	-16,99%
Broilers	2 023	2 175	4 026	2 623	1 301	-50,40%
Dairy with urea	17 351	11 439	7 599	6 858	9 065	32,18%
Dairy without urea	9 615	3 865	3 517	2 575	2 550	-0,97%
Sheep finisher	23 365	23 753	20 939	25 246	24 391	-3,39%
Layers	29 340	31 938	32 082	33 673	42 529	26,30%
Ostriches	162	40	43	402		-100,00%
Horses	47	11	4	616		-100,00%
Ruminants – other	9 443	7 472	11 997	9 034	10 091	11,70%
Other maize-free feed	2 824	5 422	8 958	13 968	6 899	-50,61%
Total	**6 644 647**	**6 723 822**	**6 791 863**	**6 938 537**	**7 158 706**	**3,17%**
% Growth		1,19%	1,01%	2,16%	3,17%	
Source: AFMA stats – Only AFMA members						

11.1 Feedsales per province: 2022/23

South Africa's livestock industry is facing several challenges including the rise in feed prices. But it's the country's failure to deal with disease outbreaks like foot-and-mouth disease (FMD). The rise in feed prices and the spread of FMD to at least six of South Africa's nine provinces for the first time in history, have challenged the country's livestock industry. Both events have been costly to South African consumers and farmers. Animal feed sales per province are presented in **Table 20** below. The reported provincial information presented per AFMA members, which accounts for about 60 percent of national feed sales.

As previously mentioned, feed sales figures have, in some cases, been consolidated by province or area to prevent disclosing the statistics of individual feed mills. Mill production is regarded as feed sales and allocated in regions according to the location of the production facility. Additionally, it is important to note that the market share of the different provinces shows some changes due to expansion in certain areas and new members joining AFMA in various provinces. SADC figures were first reported in 2010/11 periods, and there have been significant changes to market share since the first report.

The figure shows that Western Cape experienced high feed sales volume during the 2022/23 period with a share of about 19% followed by Mpumalanga and Gauteng with 16.8% and 15.9% respectively. During 2022/23, Gauteng, SADC, and Western Cape feed sales experienced growth compared to the 2021/22 period.

TABLE 20: ANIMAL FEED SALES PER PROVINCE – 1 APRIL 2022 TO 31 MARCH 2023 (TONS)

	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpuma-langa	North West Province	SADC	Western Cape	Total
Dairy	210 942	60 656	12 610	223 584	263	34 009	23 545	1 641	350 136	917 386
Beef & sheep	32 025	100 424	9 218	225 450	3 976	279 694	13 758	35 740	120 361	820 646
Pigs	28 108	118 783	42 351	19 658	2 289	58 179	32 124	13 138	140 516	455 146
Layers	33 202	205 703	305 300	59 624	3 258	117 980	69 786	19 041	123 235	937 129
Broilers	175 529	471 231	611 701	215 859	104 280	514 516	439 134	129 592	496 503	3 158 345
Broiler breeders	28 413	46 443	119 310	110 525	97	110 978	42 199	87 205	77 778	622 948
Horses	576	142	11 443	254	5 301	3 695	-	620	1 520	23 551
Dogs	-	-	-	-	734	-	16	-	175	925
Other feed	9	2 128	691	373	1 374	2 392	222	5 830	125	13 144
Maize-free mixes	2 348	22 725	14 956	5 124	12	80 325	12 213	-	30 444	168 147
Aquaculture	-	-	3 334	-	-	-	-	-	5 581	8 915
Ostriches	176	26	138	-	90	215	4	-	9 229	9 878
Game feed	90	24	1 033	11	-	6	214	61	4	1 443
TOTAL 2022/23	**511 418**	**1 028 285**	**1 132 085**	**860 462**	**121 674**	**1 201 989**	**633 215**	**292 868**	**1 355 607**	**7 137 603**
Percentage of sales	7,2%	14,4%	15,9%	12,1%	1,7%	16,8%	8,9%	4,1%	19,0%	100%
TOTAL 2021/22	**504 975**	**985 206**	**1 034 731**	**872 516**	**118 444**	**1 218 396**	**637 592**	**267 742**	**1 298 935**	**6 938 537**
Percentage of sales	7,3%	14,2%	14,9%	12,6%	1,7%	17,6%	9,2%	3,9%	18,7%	100%

Source: AFMA stats – Only AFMA members

12. NATIONAL FEED SALES: 2022/23

Table 21 compares national feed sales to AFMA's market share for various feed types. The total market share and national feed production were calculated at 7 106 829 tons and 12 147 122 tons, recording 4.96% and 2.9%, respectively, compared to 2021/22 figures. The inclusion of feeds from concentrates results in AFMA annual feed growth of 5%, while complete feeds result in 3% growth. It is significant to remember that 10% growth in broiler and breeder feed yields roughly 50% of the feed produced by the AFMA members. The 2022/23 period has been a difficult year to model the broiler and broiler breeder bird performance and slaughter age, which was significantly influenced by load shedding impact.

It should be noted that in a case where the AFMA's sales volume exceeds the national volume, it must be regarded as feed exports to third countries.

TABLE 21: NATIONAL ANIMAL FEED PRODUCTION DURING 2022/2023 (TONS)			
Feed type	**AFMA feeds plus feeds derived from concentrates**	**National feed production ****	**AFMA feed as % of national production**
Dairy	956 105	2 546 373	37,55
Beef & Sheep	1 068 495	3 143 321	33,99
Pigs	522 029	1 178 683	44,29
Layers	1 043 451	1 279 836	81,53
Broilers	3 785 010	3 745 695	101,05
Dogs	926	377 493	0,25
Horses	23 551	130 492	18,05
Ostriches	9 877	92 414	10,69
Aquaculture	8 917	5 253	169,75
Other	41 189		
TOTAL	**7 459 550**	**12 499 560**	**59,68**
Source: Dr Erhard Briedenhann – Modelling			

13. MARKETING, COMMUNICATION & PROMOTION MATTERS

13.1 Stakeholder engagement

Effective communication is integral to the key objectives of AFMA, and AFMA is committed to providing meaningful, timely and accurate information to internal and external stakeholders as defined below. AFMA utilises various communication methods to ensure stakeholder communication is always clear, constructive and interactive.

13.2 Stakeholder overview

AFMA's stakeholders comprise the following partners:

Internal Stakeholders	**AFMA Members**	**Full members** Manufacturers of compound animal feed **Associate members** • Input suppliers to the animal feed industry including: - suppliers/manufacturers of raw materials; - suppliers/manufacturers of premixes; - suppliers/manufacturers of feed additives; - suppliers/manufacturers of and veterinary products; and - commodity traders. **Affiliate members** Service providers to the animal feed industry including: - analytical services (laboratories); - consultation services (nutritional, operational, IT systems); - installation services (manufacturing equipment); and other NPO's and affiliated industry associations.

Internal Stakeholders	**AFMA Structures**	• Board of Directors
		  - Audit and Risk Committee
		  - HR and Governance Committee
		  - Management Information Committee
		• Technical Committee
		• Regulatory Committee
		• Trade Committee
		• Training and Skills Development Committee
		• Marketing, Communication and Promotions Committee

External Stakeholders	**Livestock Value Chain**	• Milk Producers Organisation (MPO) • National Animal Health Forum (NAHF) • Pet Food Industry Association of Southern Africa (PFI) • Red Meat Producers Organisation (RPO) • South African Animal Health Association (SAAHA) • South African Feedlot Association (SAFA) • South African Poultry Association (SAPA) • South African Pork Producers Organisation (SAPPO) • South African Veterinary Association (SAVA)
	Grain and Oilseeds Value Chain	• AGBIZ • AGBIZ Grain • Croplife South Africa (Croplife SA) • Fertilizer Association of South Africa (FERTASA) • Grain SA (GSA) • National Chamber of Milling (NCM) • Oilseeds Advisory Committee (OAC) • Oil & Protein Seeds Development Trust (OPDT) • Protein Research Foundation (PRF) • South African Chamber of Baking (SACB) • South African Cereals and Oilseeds Traders Association (SACOTA) • South African Grain Information Service (SAGIS) • Southern African Grain Laboratory NPC (SAGL) • South African National Seed Organization (SANSOR) • Sunflower, Soybean and Soybean Food Forum (SSSF)
	Government & Governing Bodies	• Department of Agriculture, Land Reform and Rural Development (DALRRD) • Department of Trade, Industry and Competition (the DTIC) • National Department of Health (DoH) • South African Council for Natural Scientific Professions (SACNASP) • South African Health Products Regulatory Authority (SAHPRA)

External Stakeholders	**Universities and related bodies**	• Universities with animal nutrition as a field of study • Students in Animal Science • South African Society for Animal Science (SASAS) • South African Council for Natural Scientific Professions (SACNASP)
	International Bodies	• International Feed Industry Federation (IFIF) • Food and Agriculture Organization of the United Nations (FAO) • OIE • WHO
** AFMA stakeholders are not limited to the above*		

Our stakeholder engagement activities are guided by AFMA's values and the following main objectives:

a) Promoting the development of the animal feeds industry in South Africa and securing the sustainability thereof; and
b) Enhancing and supporting a sustainable industry that acts responsibly within the food chain by ensuring safe feed for safe food;
c) Lobbying, liaising, supporting and cooperating with government departments; regulatory decision-makers; parastatals; forums; related associations; value chain partners, international agencies and related role players;
d) Providing management information to members, industry and other role players;
e) Influencing and managing factors that have a bearing on industry costs;
f) Creating awareness among industry role-players of threats and opportunities facing the industry and formulating unified action plans accordingly;
g) Promoting AFMA's image, i.e. "Safe Feed for Safe Food"; and
h) Doing all such things that are ancillary to or deemed necessary in the furtherance of the main objectives of AFMA.

AFMA interacts with stakeholders through various communication channels, such as direct e-mail, quarterly e-newsletters, AFMA's website, AFMA Matrix quarterly magazine, annual reports, research reports and other publications.

In addition, AFMA participates in formal and structured engagements with value chain partners and other stakeholders via industry forums, workshops, student outreaches, symposia, conferences and golf days.

13.3 Events

Annual General Meeting (AGM)

AFMA hosted its 75th Annual General Meeting at Fancourt, George, in the Western Cape on 9 September 2022. It was the first in-person AGM after COVID-19 and was very well attended. The following Board members were elected: Anina Hunter,

Dieter Fleischmann, David Nel, Franscois Crots, Dr Joseph van Wyngaard, Dr Neil Dominy, Michael Schmitz; Paul Saunders, Sharlene Moodley and Thinus van Lill. The chairperson and vice-chairperson elected by the Board were Anina Hunter (chairperson), Thinus van Lill (vice-chairperson), and De Wet Boshoff as Executive Director.

During the open session, Mr Dipepenene Serage (Acting Deputy Director-General of Agricultural Production, Biosecurity and Resources, Management from DALRRD), Mr Justin Chadwick (CEO of Citrus Growers Association of South Africa), and Mr Izaak Breitenbach (General Manager of the Broiler Organisation of SAPA) shared their views on the next five years in South African agriculture.

Feed Miller Short Course

AFMA's Feed Miller Short Course is tailored to provide learners with best practices and skills to optimise feed mill efficiency and achieve better results. AFMA hosted the 7th Feed Miller Short Course from 2-12 May 2022 at Glenburn Lodge, Muldersdrift, in association with Mr Ernst Nef from Nef Feed Milling Consulting. Mr Nef is an internationally acclaimed feed technology expert. He has presented training courses since he retired as director and specialist teacher from the Swiss Institute of Feed Technology (SFT) in December 2015. This year's participation exceeded previous years, with 57 participants from across South Africa, Zambia, Zimbabwe, Mauritius and Tanzania. The 9-day in-person course covered the following topics:

- Manufacturing of animal feed
- Aspiration batch mixing system
- Size reduction mixing
- Mixing
- Liquid addition
- Hygienist and compacting
- Expansion
- Drying and cooling
- Mechanical conveying

Golf Day

AFMA hosted a very successful golf day on 2 August 2023 at the Centurion Country Club. 136 golfers enjoyed fair weather on the golf course and were supported by almost 30 sponsoring companies. The overwhelming support from the industry for the golf day has once again illustrated the commitment of companies in the feed and related industries to network and further business opportunities.

Symposium

The AFMA Symposium took place on 18 and 19 October 2022 and was presented as a virtual event with the overarching theme *"The Future of Animal Protein – Staying Relevant"*.

Across the span of two days, the symposium featured four sessions during which 12 experts delved into the future of agriculture, with a central focus on the significance of the animal feed industry in the modern world. Nearly 400 participants attended the online AFMA Symposium, with a diverse audience including animal nutritionists, feed manufacturers, suppliers of feed by-products and representatives from academia, government organisations, and professional associations. CPD points were awarded to 97 SACNASP registered attendees and four SAVC registered attendees. The symposium explored the changing face of consumer preferences and perceptions about the consumption of animal protein. The programme sessions focused on the following topics: consumer trends & futurist views, sustainability, cost & supply risk mitigation, animal welfare & disease prevention, and new advances in animal nutrition and feed manufacturing. The Technical Programme Committee once again succeeded in delivering a highly successful scientific program and is committed to replicating this achievement for the forthcoming symposium.

AFMA Forum

The AFMA Forum will be taking place from 5 to 7 September 2023 at Sun City with the theme, *"Feed & Food – The 4th Agricultural Revolution"*. During the last period, the AFMA Technical Programme Committee was working hard to compile a world-class programme that will discuss the significant structural changes the animal feed industry will undergo due to recent technological developments and digital advances. In today's modern world, the animal feed sector is constantly challenged with a never-ending "economic crisis", necessitating its capacity to evolve and adapt rapidly to mitigate the impacts of sudden change. In addition to this, as an integral part of the animal protein production chain, feed manufacturing will have an important role in providing sustainable animal protein to satisfy an ever-increasing global demand. Improvement in health, food security and safety need to take place under even more challenging conditions such as reduced resources, rising wealth, and the responsibility of manufacturers/producers to adopt environmentally sound practices.

The AFMA Forum will host 29 world-class speakers across 4 plenary sessions and 6 general sessions over two and a half days. An estimated 700-plus attendees, delegates, speakers, and exhibitors are expected to participate in this in-person gathering.

13.4 Digital communication channels

AFMA website

The website is a pivotal point of the association and serves as an information portal for the animal feed industry. It is continuously updated with the latest information and is available at www.afma.co.za.

In addition, AFMA has the following five microsites that promote individual events:

AFMA Annual General Meeting	www.afmaagmza.co.za
AFMA Symposium	www.afmasymposium.co.za
AFMA Forum	www.afmaforum.co.za
AFMA Technical Writing Skills Workshop	www.technicalwritingskills.co.za
AFMA Golf Day	www.afmagolfday.co.za

AFMA Member Updates

The AFMA Member Updates is a quarterly newsletter designed to give members an overview of various AFMA activities, initiatives, committee discussions, and decisions.

AFMA E-News

The quarterly AFMA E-News aims to engage with value chain partners and related industries on AFMA's activities, industry involvement and upcoming events.

Social media

AFMA's social media presence is growing in followers and engagement across Facebook, Twitter, and LinkedIn. These platforms enable AFMA to share information in real-time as events happen or information becomes available.

E-mail

The majority of AFMA's communication is conducted by e-mail. In addition to its routine e-mail communication, AFMA has also launched a bulk e-mail delivery system for its mass communication needs. This was mainly driven by the need to reach all contacts on the expanded AFMA communication network to improve communication.

13.5 Print media

AFMA Matrix

The first edition of the AFMA Matrix quarterly industry magazine was published in March 1992. A co-publishing agreement between AFMA and Plaas Media was concluded in 2012. The editorial committee convenes quarterly, ensuring the magazine meets the ongoing needs of AFMA members and other stakeholders.

Professional and corporate image

The AFMA Board continuously investigates improvements and identifies the latest technologies to strengthen AFMA's image and brand on behalf of its members. AFMA maintains its professional and corporate image in all activities in which it is involved. This is evident in all activities that AFMA presents.

13.6 Sponsorships and awards

AFMA Person of the Year award

The AFMA Person of the Year award is presented annually to give recognition to an individual who has made an outstanding and noteworthy contribution to the animal feed or feed-related industry over the past two-year period. This prestigious award will be presented at the AFMA Forum on 5 September, honouring the recipient's outstanding achievements and significant impact on the industry. Previous recipients of the award can be viewed at: https://www.afma.co.za/afma-person-of-the-year-award.

AFMA Technical Person of the Year (Barney van Niekerk) award

Dr Barney van Niekerk's enduring legacy continues to serve as a wellspring of inspiration and influence within the animal feed industry, both in South Africa and beyond its borders. Renowned as a distinguished expert in the field of animal nutrition and feed technology, he gained widespread recognition for his groundbreaking research on animal nutritional requirements and innovative feed formulations. His work resonated throughout the industry, leaving an indelible mark on animal health, productivity, and the sustainable advancement of the sector. Moreover, Dr van Niekerk held a revered position as an educator and mentor within the animal feed domain. He played a pivotal role in nurturing and guiding young professionals in the field, sharing his knowledge and experience with upcoming generations of feed industry experts.

Annually, the AFMA Technical Person of the Year award is presented to honour the memory of the late Dr Barney van Niekerk, a tribute that acknowledges an animal scientist who has demonstrated exceptional dedication, hard work, and noteworthy contributions to the field of animal nutrition.

The award has not been granted for the past two years, but a winner for 2023 will be announced at the AFMA Forum on 5 September 2023. Previous recipients of the award can be viewed at: https://www.afma.co.za/afma-technical-person-year-award-barney-van-niekerk.

AFMA Student of the Year (Koos van der Merwe) award

The AFMA Student of the Year award is presented in honour of Dr Koos van der Merwe, who significantly contributed to the animal feed industry in South Africa during his time. His scientific approach to the feed industry was pioneering and instrumental in driving the industry's growth and success. Despite the prevailing negative views of the feed industry in the 1940s and 1950s, Dr van der Merwe's education and training in animal science enabled him to bring much-needed scientific approaches to the field. Furthermore, Dr van der Merwe's contributions extended beyond the feed industry, bringing the industry into the realm of the fledgling South African Society for Animal Production during the 1960s. This move helped to integrate the animal feed industry into the larger animal production sector, leading to more significant advancements and

innovations in the field. By recognising exceptional graduate or postgraduate students in the field, AFMA hopes to encourage and inspire the next generation of professionals to continue Dr van der Merwe's legacy and make significant contributions to the animal feed industry in South Africa, particularly in the field of Animal Nutrition.

On 5 September 2023, during the AFMA Forum, the distinguished recipient of this award will be announced. Previous recipients of the award can be viewed at: https://www.afma.co.za/afma-student-prize-koos-van-der-merwe.

AFMA Student Nutrition Poster award

Starting in 2014, AFMA has been honouring students who excel in disseminating their nutritional knowledge through a poster presentation at the annual SASAS congress. The Student Nutrition Poster Award aims to recognise and celebrate outstanding achievements among graduate students in the field of animal nutrition. A distinguished panel of judges evaluates all submitted posters that are presented at the Congress based on pre-approved evaluation criteria.

The 53rd annual SASAS congress took place in September at the Ascot Conference Centre, Pietermaritzburg. The overarching theme for the conference was *"Changing paradigms in livestock production – confronting a new reality"*, reflecting the evolving landscape of animal husbandry practices.

AFMA took great pride in acknowledging Janika de Beer, a student from Stellenbosch University, as the deserving recipient of the best Student Nutrition Poster Award for 2022. Her winning entry, titled *"The effect of decreased concentrate supplementation on milk production and body condition of pasture-fed lactating jersey cows in a summer grazing cycle"*, showcased her exceptional commitment and dedication to advancing the field. Josephine Cilliers, also from Stellenbosch University, was the first runner-up, while Khubeko Makalima from the University of Pretoria received recognition as the second runner-up. As part of the prize, the students were given complimentary tickets to the AFMA Symposium that took place virtually from 18 to 19 October 2022.

This year, SASAS will be co-hosting the All-Africa Conference on Animal Agriculture, which is set to take place from 26 to 28 September in Gaborone, Botswana. AFMA will continue its tradition of presenting this prestigious award but expand the scope by extending recognition to graduate students specialising in animal nutrition across the African continent.

AFMA Intervarsity Writer's Cup Championship

AFMA introduced the Intervarsity Writer's Cup (IWC) competition in 2019 as an integral part of its commitment to student engagement and outreach. This competition is open to students enrolled in tertiary institutions and specifically targets final-year and postgraduate animal nutrition students. The primary objective of this competition

is to inspire students to contribute technical articles in either the "Own Research" or "Literature Review" categories.

The competition is structured into three rounds, culminating in announcing the overall winner for each category after the final round. To acknowledge exceptional achievement, a cash prize is awarded to the winner of each round. Furthermore, the student who demonstrates the best performance over all three rounds in both the "Own Research" and "Literature Review" categories is honoured as the overall winner of the Intervarsity Writer's Cup Competition for the respective category, receiving an additional cash prize. In a demonstration of shared accomplishment, both the promoter and the tertiary institution associated with the winning student also receive cash prizes and a coveted floating trophy, symbolising their esteemed status as the AFMA Intervarsity Writer's Cup Champion.

No entries were received in the Literature Review category for 2022; hence, the overall winner was not announced for this category. Ms Enathi Dinga from North-West University won Round 3 of the IWC for 2022 and was the overall winner in the "Own Research" category. Her article, titled *"Effect of Melia azedarach seed-mediated nano-ZnO on growth performance, protein utilisation efficiency, haematology, and nutritional status in pigs"*, was featured in the July 2022 edition of the AFMA Matrix. Additionally, Ms Enathi Dinga and her promoter, Prof Upenyu Marume, were granted complimentary tickets to attend the AFMA Symposium held in October 2022. Furthermore, Ms Enathi had the opportunity to virtually present her research to the animal feed industry during the AFMA Symposium held in October 2022.

Mr Gerhard Claassen from the University of Pretoria has been recognised as the overall winner in the "Literature Research" category 2023. The announcement of the overall IWC winner in the "Own Research" category and the university securing the championship for 2023 is scheduled for 5 September 2023, during the AFMA Forum at Sun City.

14. AFMA MEMBERSHIP

During the period under review, a total of 24 applications for AFMA membership were received.

i. Six (6) were applications for full membership,
ii. Twelve (12) were applications for associate membership, and
iii. Six (6) were applications for affiliate membership.

During the reporting period, four (4) AFMA full members, three (3) AFMA associate members and four (4) affiliate members resigned.

AFMA's total membership for 2022/23 amounts to 152 and consist of:

i.	Full members (compound feed manufacturers)	63
ii.	Associate members	75
iii.	Affiliate members	14

Associate membership categories provide for:

i.	Manufacturer/supplier of raw materials	32
ii.	Manufacturer/supplier of premixes/feed additives	37
iii.	Manufacturer/supplier of stock remedies/vet meds	7

Affiliate membership categories provide for:

i.	Laboratory services	5
ii.	Equipment suppliers	5
iii.	Consultant services	3
iv.	NGO/NPO/industry associations	1

14.1 New members

The following companies have successfully applied for AFMA membership and have been found compliant with the AFMA Code of Conduct (where applicable). They have been awarded AFMA membership certificates:

Full members:	Sovereign Foods – Rosslyn
Associate members:	Idwala Industrial Holdings – Port Shepstone
	Management Investment and Distribution Services (MIDS)
Affiliate members:	CFAM Technologies
	CSIR

14.2 Renewal of AFMA membership

The renewal of AFMA membership for full and associated members opened on 5 July 2021.

Since the opening of the membership renewal cycle, a total of 128 renewal applications have been received.

- Ninety-four (94) were found compliant,
- Nine (9) were cancelled or withdrawn, and
- Twenty-five (25) are in process, of which 8 are entering the second round of evaluation.

AFMA launched its new membership lists, containing the COC status of full and associate members, on the AFMA website on 25 July 2023. The lists can be viewed at https://www.afma.co.za/membership-list.

During the review period, a total of 9 transport companies participated in the AFMA

Transport Protocol audit process. The list of approved transporters can be viewed at https://www.afma.co.za/afma-transport-protocol.

AFMA would like to thank our members for their commitment and valuable contributions towards producing safe feed for safe food.

15. STAFF MATTERS

During this year, significant changes occurred within the AFMA office, with De Wet Boshoff leaving AFMA as the Executive Director after 17 years in February. He has made a remarkable contribution to what AFMA is today and has led his team with integrity and dedication. He was instrumental in implementing the new vision of AFMA to be a thought leader in animal feed and stimulate growth in the agricultural value chain.

Liesl Breytenbach stepped in as acting Executive Director of AFMA in February. She kept the team intact and the associations' focus on the goal post for an interim period until July. The AFMA Board appointed a new Executive Director, Dr Sifiso Ntombela (Lead agricultural economist at the NAMC), to start in July, but due to him accepting an offer from DALRRD as Ministerial advisor and driver of the AAMP, this appointment did not materialise.

In August 2023, the AFMA Board appointed Liesl Breytenbach as the new Executive Director, and Bee Oelofsen joined the AFMA team as the Marketing and Events Coordinator in February 2023. Lucius Phaleng was appointed as Trade Advisor in August 2022, and the current full-time staff members are as follows:

- Executive Director — Liesl Breytenbach
- Technical & Regulatory Advisor — Bonita Cilliers
- Trade Advisor — Lucius Phaleng
- Member Administrator — Wimpie Groenewald
- Marketing & Events Coordinator — Bee Oelofsen

16. ACKNOWLEDGEMENTS

Sincere appreciation and acknowledgement go to the Board of Directors for their support and input on industry matters during my term as chairperson. The committees of AFMA once again made a tremendous effort and presented valuable work, with the chairpersons and vice chairpersons of the various committees making significant contributions.

My thanks go to Chantelle Fryer and Gay Boomgaard (Technical Committee), Ruan Stander and Paul Saunders (Trade Committee) and Liza Burger and André de Vries (Regulatory Committee), as well as a special gratitude to all members of the AFMA

Committees that dedicate significant time and effort in addressing industry matters via the Committee strategic objectives. This will not be possible without the support of AFMA member companies that encourage their employees' participation and allow sufficient time for the industry experts to contribute to the industry cause.

The AFMA staff worked extremely hard and with dedication. I thank De Wet and his team, Liesl, Wimpie, Bonita, Lucius, Bee, Mandy, and Olivia, for their exceptional efforts, as well as AFMA's trusted service providers that provide the necessary services to enable AFMA to provide a full service to its members.

Finally, my thanks go to all full members, associate and affiliate members for their contributions, participation and support for AFMA throughout the year.

* * *

ANIMAL FEED MANUFACTURERS ASSOCIATION (AFMA)
Block B, Agri-Hub Office Park, 477 Witherite Street,
The Willows, Pretoria, 0184, South Africa
PostNet Suite 221, Private Bag X04, Menlo Park, 0102
Tel: +27 (0)12 663 9097 / +27 (0)12 663 3282
E-mail: admin@afma.co.za
Website: www.afma.co.za

afmasouthafrica afmasouthafrica company/afmasouthafrica