

# Deciduous Fruit Development Chamber Annual Report 2019

Deciduous Fruit



Development Chamber

## DECIDUOUS FRUIT DEVELOPMENT CHAMBER: GENERAL INFORMATION

Registered Name: Deciduous Fruit Development Chamber  
Registration number: 2014/113064/08

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# 1. Chairperson overview - report:

Mr. Ismail Motala



The year under review ended 30 September 2019. The report presents the DFDC strategic position, strategy report, and the economic outlook for the year ahead.

The DFDC had its strategic session/ dialogue in June 2019. The objectives of the Strategic Dialogue was to (i) Evaluate the relevance of the current Strategic Approach, (ii) Align Strategic Approach to current context (if needed), and (iii) Identify Strategic Objectives for the next two years. The intention was to review the strategic intent relevance, and also to have a strategy position for the CEO to work towards for the next two years. The Board acknowledged that the DFDC still needs to define transformation linked to the 'DFDC-SA dream'. This dream is underpinned by transforming the deciduous fruit economy. With this in mind the DFDC Board agreed on defining and narrowing the scope of the DFDC-SA, to have more focus and impact.

Scope of the DFDC-SA:

- (i) Product offering; empowering broad based black people according to BBB Act 53 of 2003,
- (ii) Product chain; to influence the value chain of the deciduous fruit industry, both upstream and downstream,

- (iii) Market segment; focus on priority market segments, integrating the value chain, growing export market and establishing a brand for black producers,
- (iv) Geographical footprint; increase the number of black producers, this expansion is targeted towards non-traditional areas.

In this strategy session it was required for the DFDC to recalibrate and come up with five strategic outputs for the CEO to execute. After much deliberations and engagements, the DFDC Board agreed on the following strategic objectives/ mandate to the CEO:

- Influencing policy
- Developing strategic partnerships
- Accessing finances and resources
- Increasing knowledge (through knowledge platforms, eg. Innovation, workshops)
- Develop into non tradition deciduous production areas

# 2. Governance

## 2.1 Changes to the Board

As of the 3rd April 2019, there were changes to the Board, DFDC AGM was held, which was a culmination of cluster AGM's held between the months of November 2018-January 2019.

### Resignations

**Mr. Andre Cloete**

EGVV cluster by rotation

**Mr. Joseph Hendricks**

EGVV cluster by rotation

**Mr. Piet Kiewiets**

Langkloof cluster by rotation

**Ms. Vanencia**

**Janse**  
Langkloof cluster by rotation

### New Appointments

**Mr. Errol April**

EGVV cluster

**Mr. Trevor Abrahams**

Witzenburg cluster

**Ms. Zodwa Nkosi**

Mpumalanga cluster

**Mr. Wilfred Malga**

Langkloof cluster

### Retirement

**Mr. Gerson**

**Nekhumbe**

Limpopo Cluster

## 2.2 DFDC representation on industry sub-structures

The following DFDC members were seconded by the DFDC to be representatives in the industry sub-committees:

**Hortgro Pome Producer Council**

: Mr Sewis Van Der Horst

: Mr. Job Mthombeni

**Hortgro Stone Producers Council**

: Ms. Maryiln Siegels

: Mr. Ismail Motala

**Hortgro Science Advisory Council** : Mr. Raymond Koopstand  
: Mr. Wesley Hendricks

**Stone Trade Market Access** : Mr. Andre Cloete

**Pome Trade Market Access** : Mr. Uthmaan Rhoda

## 2.3 Company Secretary

HK Law is still on a retainer basis. HK Law functions still remains as that of Company Secretary, to provide the DFDC with legal advice and Board secretarial functions.

## 2.4 Auditors

As endorsed at the DFDC AGM on the 3rd April 2020, Pico Chartered Accountants remains as the appointed Auditors to render the independent auditing function. The Annual Financial Statement presented ending September 2019, have been compiled by DD Marinus (Professional Accountant) from Marinus and Associates and independently audited by Pico Chartered Accountants.

## 3. The year ahead

The strategy alignment in the deciduous fruit industry is critical at this stage, and moving forward, as we continue to build relations with the government and the private sector. It is envisaged that the relationships built in the year 2019, will continue to add value to the transformation agenda, to realise the DFDC strategic intent as a collective.

# 4. Chief Executive Officer overview report:

Dr Thembi Xaba



The Deciduous Fruit Development Chamber (DFDC-SA) reported in the financial year 2018 of its strategic vision, and the emphasis was on the expansion strategy to non-traditional areas.

The DFDC summit launch was held in Mpumalanga, to signify the DFDC-SA strategic will, that of partnering with the provincial government, but also to lobby stakeholder support in realising the transformation imperative. The summit launch was a success, and has resulted in a signed Memorandum of Agreement with the Mpumalanga Department of Agriculture.

The DFDC also signed an MoU with the Department of Rural Development and Land Reform (DRDLR), this in line with implementing the stimulus package, where 262 projects were identified by the DRDLR. The programme has allocated four deciduous projects towards the DFDC.

Discussions also started with Limpopo Department of Agriculture, to align with the province the partnership is proposed to be centred around the programme that Limpopo province is currently embarking on; Revitalization of Agriculture and the Agro-processing Value Chain (RAAVC).

The programme (RAAVC) is underpinned by objectives of (a) Creation of jobs through commercial agriculture by growing commodities with high growth potential and that are export oriented, and (b) Providing support to smallholder producers to ensure production efficiencies. The MoU is at an advanced stage to be signed between the DFDC-SA and Limpopo Department of Agriculture.

# 5. Key deliverables- summary

## 5.1 Funding leveraged

It was reported in 2018 on the engagements and funding agreements that were at advanced stage. The following can be reported as having committed funding to the DFDC expansion strategy and economic development projects

- Coca Cola Beverages South Africa (CCBSA)
- Department of Rural Development and Land Reform (DRDLR)
- Mpumalanga Department of Agriculture (DARDLEA)

## 5.2 Capacity building

Embedded in the DFDC vision is that black producers need to be commercially viable, and with that in mind, capacity building initiatives have been geared towards enhancing entrepreneurship. The DFDC coordinated training for deciduous producers on:

- Financial management, for producers to be on board with compliance on audited financial statements, tax compliance and UIF
- Governance, which capitalised on the role of directors and their fiduciary duties
- And extended the invitation to Fresh Producers Exporters Forum (FPEF)- to empower producers on the export code of conduct

The training interventions indicated received much appreciation in that it is planned that in the year 2020 it will be rolled out to other provinces (Mpumalanga to be specific).

Hortgro Symposium was held in June 2019, the DFDC funded 6 farmers to attend, from the Langkloof area, attendance was for 2 days, Post-Harvest Day and Fruit Farming 101 site visit day.

Participation Fruit Logistica- Asia; the DFDC was funded by the Department of Trade and Industry (DTI), the DFDC participated represented by the CEO at the trade fair.



# 6. Financial Review

Statement of financial position as presented in the AFS ended 30 September 2019,

In the year 2019, income was R 5 895 200, made up of R 2 836 438 directed towards EC economic development projects and R 2 679 998 from Hortgro Pome and Hortgro Stone, allocated for DFDC administrative functions, the total income includes other income at R378 765. Total liabilities exceeded the total assets by R836 634 of which R39 485 was carried over from year 2018, and employee cost increased from 2018 to 2019 with the appointment of the DFDC Project Officer.

To be noted is the reduction in Exco and Board expenditure costs, in 2018 it was R439 767 and 2019 total cost is at R184 735, indicating a reduction in cost by 139%. This was attributed by less board meetings and also maximising the time spent between Exco and Board. Exco meetings have since been aligned with Deciduous Fruit Industry (DFI) meetings.

The detailed AFS is attached with explanatory notes for shareholders/ members engagement.

The DFDC Annual Financial Statements (AFS) have been prepared on a going concern basis.

# 7. The year ahead and outlook

The DFDC expansion strategy, to non-traditional areas will continue to receive much needed focus, this will be achieved with strengthening partnerships and accelerating existing funding plans.

## **Department of Agriculture, Rural Development and Environmental Affairs (DARDLEA- Mpumalanga):**

With the finalisation of MoU with Mpumalanga Department of Agriculture, and the roll out plan to be approved and implemented .z

## **Department of Rural Development and Land Reform (DRDLR):**

Implementing the DRDLR stimulus package for approved business plans in the Western Cape

## **Department of Rural Development and Agrarian Reform (DRDAR – Eastern Cape):**

The current projects under Langkloof will continue to receive support in line with the Jobs Fund implementation programme, an extension of one year was granted by the Jobs Fund, for monitoring and evaluation purposes.

## **Limpopo Department of Agriculture (LDARD)**

Finalisation and signing of the MoU between the DFDC and LDARD to implement the Revitalization of Agriculture and the Agro-processing Value Chain (RAAVC) programme.

## **Fruit Attraction Spain**

The DFDC will subsidise two farmers to participate in the Fruit Attraction Spain, this fruit attraction is intended to stimulate stone fruit market in Spain.

# 8. Congratulating excellence

The DFDC congratulates Raymond Koopstad, for winning the Future Generation Award-New Farmer Category. This category award, recognises and rewarded Mr. Koopstad for his exceptional performance and intelligent decision making, in running his business.



# 9. Acknowledgements

Acknowledgements goes to the DFDC Board, the DFDC staff, industry bodies Hortgro Pome and Hortgro Stone, government departments, funders and partner commodity associations, most importantly our producers. None of the work done today will be achieved without their respective contributions.

# 10. Statement of responsibility and confirmation of accuracy of the Annual Report

We confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements which has been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and in the manner required by the Companies Act 71, 2008 of South Africa.

The DFDC has captured matters of significance and believes the annual report fairly reflects the state of the operations, the performance, human resources and financial affairs of the company for the financial year ended 30 September 2019.

Chairman: DFDC-SA



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Mr. IC Motala  
Date: 12th June 2020

CEO: DFDC-SA



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Dr ST Xaba  
Date: 12th June 2020

The transformation division of

**HORTGRO**

Growing Fruit IQ

