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The importance of organised structures in agriculture

By Corné Louw, head: applied economics and member services, Grain SA

I was born and bred in Bloemfontein in the Free State, where I matriculated and in 2004 completed my Honours degree in Agricultural Economics at the University of the Free State, followed by my Master's degree on the structure of South Africa's fertiliser industry.

My career as an agricultural economist started in 2005 when I joined Grain SA. I currently lead the applied economics and member services team responsible for providing independent, accurate, and timely market and industry information. This role also supports Grain SA's broader mandate by translating complex economic trends into practical insights for producers, enabling informed decision-making.

Stability across the value chain

Grain SA is a voluntary, producer-led industry organisation established in 1999 that represents grain and oilseed producers across South Africa. The organisation represents producers across 33 regions nationally and serves a diverse membership base, including 7 852 commercial and 5 891 emerging grain producers. Through its producer development initiatives, the organisation supports roughly 18 398 beneficiaries, reflecting its strong commitment to transformation and inclusivity within the sector.

Grain SA's vision – to influence macro- and micro-economic environments to enable sustainable and profitable local grain production – reflects the understanding that long-term viability depends on structured engagement with markets, policymakers, and value chain stakeholders. Its mission emphasises inclusivity, voluntary participation, and meaningful partnerships, reinforcing the role of organised agriculture as both an advocate and facilitator.

Through structured representation, Grain SA connects on-farm realities

to national and international decision-making platforms, ensuring that producers remain active participants in shaping their operating environment. By acting as a unified voice, Grain SA enables producers to engage constructively with government, regulators, and industry partners. This coordinated engagement ensures that policy interventions, regulatory frameworks, and market structures are informed by real production realities. In times of economic pressure or sectoral disruption, organised structures provide continuity and credibility – qualities essential for effective advocacy.

In a dynamic and challenging sector such as agriculture, well-organised structures are essential to protect and advance the interests of producers and the broader agricultural value chain. Without this coordination, the sector's ability to remain competitive and sustainable is significantly weakened.

A unifying role

For producers specifically, organised agriculture provides a collective voice that amplifies individual interests and ensures meaningful representation. Through cooperation within formal structures such as AgriSA and its member organisations, producers can influence policy decisions on land, water, trade, labour, and environmental matters. This collective approach helps to level the playing field and ensures that the producer's perspective is heard.

Organised agricultural structures also create stability and trust across the wider value chain. By promoting structured engagement between producers, agribusinesses, and the state, organised agriculture supports the confidence required for investment, innovation, and market development. Importantly, a coherent and well-functioning system enables the sector to respond more effectively to periods of disruption and to develop solutions that benefit the value chain as a whole.



Corné Louw.

In addition to serving as a protective framework, organised agriculture functions as a strategic network in which knowledge, resources, and influence are consolidated to support long-term sustainability and competitiveness. This organised approach allows the sector to engage policy structures as a unified entity, strengthening both credibility and impact. It also provides agriculture with a clear competitive advantage, underpinned by coordination, institutional memory, and strategic alignment.

Complexity reflects diversity

Within the grain and oilseed industries in particular, these structures can appear complex. However, this complexity reflects the diversity of production systems, markets, and policy interfaces the sector must navigate. It is precisely this structured organisation that enables grain producers to operate successfully within a demanding environment and reinforces the importance of strong, representative bodies such as Grain SA within organised agriculture.

As the grain sector confronts ongoing challenges and emerging opportunities, the importance of organised structures remains undeniable. Through unity, informed leadership, and shared purpose, organised agriculture will continue to support producers' profitability, resilience, and growth, ensuring a sustainable future for South Africa's grain industry. 🌱

For more information, send an email to Corné Louw at corne@grainsa.co.za

Diesel refund scheme adjustment

An important change to South Africa's diesel refund scheme will affect primary sector claimants operating on land in the farming, forestry, and mining sectors. Since 1 April this year, qualifying claimants can claim a refund for 100% of the eligible diesel used in qualifying activities.

The adjustment was announced by the minister of finance during the 2025 budget speech, with the objective of better aligning the scheme with its original policy intent of supporting primary sector production. The *Customs and Excise Act, 1964 (Act 91 of 1964)* previously allowed qualifying diesel users in the farming, forestry, and mining sectors to claim refunds on 80% of eligible diesel purchases and usage. As a result of the announcement, the *Act* will be amended to allow eligible claimants to claim refunds on 100% of eligible diesel purchases and usage.

To ensure a smooth transition, the new rate's implementation will occur as follows:

- The 100% refund rate will apply from the April 2026 return period.
- The updated rate will appear on the South Africa Revenue Service's (SARS) system from May 2026, which is the calendar month in which the April 2026 value added tax (VAT) return must be submitted.
- As VAT returns are generally due by the 25th of the following month, or the last business day for eFiling, claimants will not be disadvantaged by the timing of the system update. – *BDO South Africa*

EISA for grain depot manager qualification

The grain handling industry currently has 40 students enrolled in the Occupational Certificate: Grain Depot Manager Programme, with the first intake having started in mid-2024. The two-year programme has progressed well despite an annual three-month training interruption during peak grain intake periods.

AgriSETA has confirmed that the first external integrated summative assessment (EISA) will take place on 30 November this year. Peritum Agri, currently the only accredited provider offering the qualification, expects that 28 students will be ready to write the EISA. An EISA preparatory workshop will be held in September 2026 to prepare students for the case study-based assessment.

The November date set by AgriSETA may pose operational challenges, as it falls in a busy period for the industry, and we have requested that future EISAs be scheduled for February and September.

The EISA must take place at a registered assessment centre. Currently accredited sites include Peritum Agri (Free State), AFGRI (Gauteng), and NWK (North West). Agbiz Grain has also applied for registration as an assessment centre and is busy facilitating the registration of a centre in the Western Cape.

An exemplar question paper is currently being moderated and will be published on the AgriSETA and Agbiz Grain websites to assist the industry in preparing students for the examination. – *Agbiz Grain*

World's largest grain bin planned

Janesville in the south-central part of Wisconsin is the future site of the construction of what will be the world's largest grain bin, with a capacity of 62 670 tonnes. The current record holder is Golden Grain Energy's free-span grain bin in Mason City, Iowa, with a capacity of 59 946 tonnes.

According to JD Construction, which will be constructing the Janesville bin, projects like this aren't just about size but rather about performance, more capacity, faster handling, better efficiency, and infrastructure built to serve agriculture for decades to come. – *JD Construction, Facebook*

SHEQ audit evaluated

Compliance with safety, health, environmental, and quality (SHEQ) standards is critical for the grain handling and storage industry. Sites are characterised by a combination of unique circumstances, including extreme heights (40m), confined spaces, on-site traffic, and hazardous chemicals.

The development of a SHEQ audit tailored to the unique aspects of the grain handling and storage sector has been identified as an important future requirement. The Agbiz Grain SHEQ audit will be based on five pillars: a standards document, an audit questionnaire, an audit standard operating procedure, an audit process, and monitoring and evaluation. The first draft of the SHEQ standards was compiled by a task team and is in the final reviewing phase ahead of piloting at storage sites in the first half of 2026. – *Agbiz Grain*

Machinery sales reflect market sentiment

Tractor sales of 618 units in March were almost 8% less than the 671 units sold in March last year. Tractor sales on a year-to-date basis are now approximately 2% up from last year. Twenty-nine combine harvesters were sold in March, eight fewer than the 37 units sold in March last year. On a year-to-date basis, combine harvester sales are now around 6% up on last year's figures.

Although market sentiment remains positive, several external factors, such as the rand's value and current diesel and fertiliser prices, are holding producers back from buying capital equipment. Summer crop production estimates are generally good. – *Saama press release*

Food safety conduct document approved

Consumers are increasingly concerned about food safety and seek assurances that the food they buy and eat is not only nutritious but was also produced, stored, handled, and processed under responsible, transparent, and hygienic conditions.

The *Agbiz Grain Food Safety Conduct* document was created in 2022 in response to rising customer demand for transparency and reassurance, particularly among industries involved in human and animal food supply chains. The document offers a practical framework for demonstrating compliance with food safety standards and legal obligations, providing reassurance to domestic and export markets. The final draft of the conduct document has been accepted and approved by all members of Agbiz Grain and will be voluntarily implemented by each member upon customer request.

The document, among others, sets out the conditions under which grain must be stored to comply with relevant legislation and good practices. [Click here](#) to access the document.

– *Agbiz Grain*

Grain storage capacity growth stagnant

After two decades of steady growth in grain storage capacity that matched production increases, expansion of on-farm and off-farm grain storage in the United States has stagnated. Joe Janzen, an agricultural economist at the University of Illinois, examined the significant shift and its potential ramifications.

Storage infrastructure consolidated in the 1980s and 1990s following the end of government policies that encouraged large grain stockpiles. That was followed by steady growth that matched production increases, nearly bushel for bushel, in the first two decades of the 2000s. "In December 2025, the most recent data point, production came within 5% of total storage capacity. That's the tightest margin we've seen in the data."

[Click here](#) to read more about Janzen's research and the reasons behind the stagnation trend.

CRISPR-edited wheat cuts carcinogen risk

Research from Rothamsted Research indicates that wheat developed using CRISPR genome editing can achieve significantly lower levels of free asparagine. The amino acid converts to acrylamide, a compound formed during baking and toasting that is considered toxic and potentially carcinogenic. Field trials conducted over two years compared wheat lines edited with CRISPR to those altered through a conventional mutagenesis method known as tilling.

The gene editing targeted specific genes responsible for asparagine production. One edited line reduced free asparagine in grain by 59%, while a line with edits to two related genes achieved a reduction of up to 93%. Neither showed a reduction in yield. In contrast, wheat developed using the traditional tilling method achieved a 50% reduction in asparagine but suffered a yield penalty of nearly 25%.

The research team attributes this to unintended mutations arising from the less precise conventional technique. The lower asparagine content directly resulted in reduced acrylamide formation in food products. Bread and biscuits made from the edited wheat showed substantially lower acrylamide levels, with some bread samples falling below the detectable limit after toasting.

The findings suggest conventional breeding is unlikely to deliver a similar outcome. The development comes amid intensifying regulatory focus on acrylamide in food. European Union legislation sets benchmark levels, with new maximum levels anticipated. – *Indexbox*

Relief for grain pile-up in India

In a significant development for India's Punjab farmers and the state's procurement system, the state government and the Punjab government centre have agreed on a major plan to address the area's growing grain storage crisis. Following a high-level meeting, special trains were deployed to transport around 155 lakh metric tonnes of wheat and rice from the state (one lakh equals 100 000).

This move aims to ease pressure on storage facilities ahead of the upcoming Rabi procurement season. Officials said the decision is expected to significantly reduce congestion in warehouses and procurement centres across the state. According to chief minister Bhagwant Mann, Punjab currently has around 180 lakh (18 million) metric tonnes of grain already stored in government godowns. The situation is expected to worsen with the arrival of the new wheat crop.

– *Indian Masterminds* 

Thriving at export parity: The strategic imperative for grain

By Dr Tobias Doyer, Grain SA

Photograph: AFGRI

South African grain producers are facing a fundamental shift: Efficiencies in production are outpacing what the local market can absorb. What was once a question of growth has become a question of direction – where profitability and survival will depend on how effectively the sector competes beyond its borders.

This reflects a deeper shift in the balance between production capacity and domestic demand. As yields improve and production expands, the question is no longer whether South Africa will export grain, but how effectively it can compete in global markets.

The OECD or Organisation for Economic Cooperation and Development, and the Food and Agriculture Organization of the United Nations' (FAO) *Agricultural Outlook 2025-2034* highlights that, while global grain demand will continue to grow, much of this growth will be concentrated outside traditional high-income markets. Growth is shifting towards emerging economies, driven by population expansion, urbanisation, and changing diets.

At the same time, real price growth is expected to remain subdued due to productivity gains and supply expansion in major exporting regions. In the short to medium term, global markets will remain competitive, with tight margins. In this context, South African grain producers face a new strategic imperative: to thrive at export parity.

Shift towards animal protein

Grain demand is more complex than population growth alone. Consumption patterns shift as economies develop and incomes rise. Diets evolve from predominantly plant-based staples, such as grains, sugars, and oils, to include more animal-based protein, such as meat, dairy, seafood, and eggs.

This brings the concept of feed conversion ratio (FCR) into focus. Producing animal protein requires significantly more grain than direct human consumption and represents a significant opportunity for grain producers as future grain demand will increasingly be driven by livestock and poultry production. The question is not just how much grain is produced, but how it is used to create higher-value outputs. Poultry, for example, is among the most efficient converters of grain into protein, yet still requires several kg of feed per kg of meat produced.

This dynamic highlights a key opportunity for grain value chains: future grain demand will be driven by livestock and poultry production in fast-growing economies. However, South Africa is not currently positioned as a high-growth consumption market. Economic growth remains constrained, and while population growth continues, it is

insufficient to absorb the expansion of domestic grain production.

The domestic market alone will not carry the sector forward. The focus must therefore shift towards building the capability to compete internationally.

Exporting bulk grain presents inherent challenges. Grain is a low-value, high-volume commodity, and transporting it over long distances is costly and dependent on efficient logistics systems. South Africa's constraints in rail performance, port efficiency, and handling capacity are well documented. Although there are encouraging signs of improvement in some corridors, these remain binding constraints on competitiveness.

Given these challenges, a more resilient pathway lies in moving up the value chain – converting grain into higher-value

To compete effectively, several critical enablers must be strengthened across the value chain:

Genetics and seed technology: Yield improvements have been an important driver of global competitiveness. Continued access to new breeding technologies will be essential to sustain this trajectory.

Crop protection: Producers face a wide range of biological threats, such as insects, fungi, viruses, and weeds. Timely access to effective agricultural remedies is critical. Regulatory efficiency, particularly under frameworks such as the *Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act 36 of 1947)*, must evolve from a compliance focus to one that enables competitiveness and economic growth.

Soil health and nutrition: Long-term productivity depends on maintaining and improving soil systems through both scientific innovation and practical on-farm application.

Precision agriculture and digital systems: Advances in machinery, sensors, and data analytics are transforming modern agriculture. The integration of artificial intelligence and real-time decision-making tools offers significant potential to optimise input use and reduce costs. However, these gains depend on enabling infrastructure, particularly reliable connectivity and data access, which remains uneven in rural areas.

products such as animal protein (poultry, eggs, dairy, beef and mutton). South Africa's poultry sector, in particular, has achieved notable productivity gains over time, including improved FCRs, faster growth to slaughter weight, and increased operational efficiency.

These gains reflect sustained investment, technological adoption, and industry coordination. They also represent a significant opportunity for the South African grain and livestock complex.

Every tonne of grain exported as protein carries greater value, supports more jobs, and boosts economic resilience compared to bulk grain exports. Whether exporting grain or protein, success ultimately depends on global cost competitiveness. Productivity lies at the core of the sector's ability not only to survive, but to thrive.

The role of logistics

Even with strong on-farm productivity, export competitiveness can easily be undermined by inefficiencies beyond the farm gate, eroding margins and limiting South Africa's ability to compete globally.

Rail, ports, storage, and handling systems ultimately determine whether producers can realise export parity pricing. Without improvement in these systems, gains in on-farm productivity risk being neutralised. While early signs of reform and investment are encouraging, the scale and urgency of improvement required remain substantial.

Working on a niche strategy

South Africa is a relatively small player in global grain markets. Competing purely on scale against major producers such as Brazil and the United States will always be challenging. This reality creates both a constraint and an opportunity to:

- Compete on efficiency in bulk markets where viable.
- Develop niche, high-value segments where differentiation is possible.

Potential niche opportunities include identity-preserved grains, non-GMO segments, high-oil or specialised oilseed varieties, and legumes and alternative protein crops. Niche strategies cannot replace bulk production, but they can expand margins and reduce exposure to global price pressures.

Competing where the price is set

The reality facing South African grain producers is that prices will continue to be determined in global markets as we expand production beyond domestic demand. Thriving in this environment requires not only resilience but deliberate, sustained competitiveness.

This demands a focus on:

- Lower cost structures.
- Higher productivity.
- Efficient logistics.
- Strategic value addition.
- Targeted market positioning.

The outlook is not without opportunity. Global demand will continue to grow, particularly in regions aligned with South Africa's geographic and logistical reach. However, capturing this opportunity will depend on the decisions made today – on farms, across value chains, and within the policy environment. South Africa must do more than participate in global markets. It must build the capability to compete and thrive within them. ²

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Grain industry braces for turbulent season

By Christal-Lize Muller, Plaas Media

Grain producers are facing turbulent times and must carefully consider how to use inputs more efficiently in order to produce more with less. This was the core message from Richard Krige, chairperson of Grain SA, on the first day of the organisation's annual congress held in March at Nampo Park near Bothaville in the Free State. The theme of this year's congress was "Opening the gap – sustainability key; profitability foremost".

Krige warned that global events, particularly the conflict in the Middle East, will likely have a major impact on the agricultural sector. The industry is entering a difficult market cycle characterised by high stock levels and low grain prices, while input costs are projected to continue rising due to geopolitical tensions.

Emphasising that there is no quick solution, he urged producers to arm themselves with accurate information and robust strategies. "As a collective, we can get through this. My message to producers is to think long and hard about your inputs, production practices, and strategies."

Price-cost squeeze tightens

Corné Louw, Grain SA's head of applied economics and member services, noted that global grain stocks remained high, exerting downward pressure on prices. Consequently, South African producers are facing an exceptionally challenging economic cycle. Louw explained that in recent seasons, the domestic grain price structure shifted from import parity to export parity pricing, a change that has lowered the ceiling for local grain prices.

Almost all grain prices declined over the past year. He drew attention to a big profitability gap using market data available at the time of the congress:

- **Maize:** Producer prices dropped by 22%, while total input costs rose by approximately 19%.
- **Soya beans:** Grain prices fell by 23%, despite input costs surging by as much as 45% in some regions.
- **Sunflower:** While grain prices held up slightly better (remaining largely flat), input costs continue to rise, tightening margins.

"If you calculate a production budget anywhere in the country, none of the budgets are in the green. We simply cannot produce profitably at current grain prices. Once total production costs are taken into account, it seems everyone is paying in. The gap between input costs and grain prices is widening by the day," warned Louw.

Supplier behaviour concerns

Krige highlighted that diesel accounts for approximately 18% of producers' input costs, with fertiliser representing an even bigger share, depending on the production system. He warned that market panic tends to create volatile conditions that some suppliers may exploit. "The question I keep asking is to what extent orders have already been placed?" Krige said. "While we see the rand showing some resilience, the rising price of Brent crude oil is directly inflating the costs of essential chemicals and fertiliser."

He also challenged the transparency of existing global supplies and said it was unacceptable that producers preparing for the winter grain planting season were encountering "closed order books" at the time, due to uncertainty surrounding the conflict in the Middle East. "Suppliers know their traditional sales volumes. Every company has targets and growth plans. Did those plans simply disappear when panic set in?"

He said price fluctuations are distorting behaviour within the supply chain. To address these challenges, Grain SA has



Richard Krige, Grain SA chairperson and Corné Louw, Grain SA head of applied economics and member services.

engaged the Fertiliser Association of South Africa (Fertasa) and plans further discussions with suppliers and industry stakeholders.

Fertiliser supply a major risk

Louw cautioned that the Middle East, notably the area around Iran, is a major global source of fertiliser. South Africa imports around 80% of its fertiliser requirements, making the country highly vulnerable to global disruptions. Nitrogen fertiliser and a portion of phosphate fertiliser production are highly energy intensive.

As crude oil prices rise, natural gas prices typically follow, which in turn drives up fertiliser production costs. "This is a clear red flag for South Africa," he warned, adding that some opportunistic suppliers had already raised their prices (before the actual price hike announcements) despite still having stock available. Grain SA intends to address this through industry engagement.

Krige thanked companies that chose a long-term approach rather than exploiting the crisis. Diesel, he said, is a major cost throughout the agricultural value chain and in food distribution. Price increases pass through the system quickly, while price decreases take far longer

to filter through. “With government intervention and support, the state can mitigate some of these risks for consumers,” he said.

Kokkie Kooyman, executive director at Denker Capital, said while he does not expect the fuel situation to stabilise quickly, oil prices typically retreat towards previous levels once tensions ease, though not necessarily to their original lows.

Viability of the wheat industry

Grain SA’s latest grain barometer, presented as a producer ‘reality check’ at the congress, painted a bleak picture as confidence dropped sharply since last year’s congress. Only 40% of the producers who attended reported being more profitable than the previous season. Confidence in the next season also stood at 40%, while only half of attending producers were confident in the industry’s long-term prospects. Less than a third (30%) felt comfortable investing in their farms at the time.

Especially wheat producers painted a concerning picture with the economic sustainability of wheat production in South Africa under significant pressure. During the winter grain working session on day two of the congress, working group chairperson Jose de Kock said the pressure is evident in declining auction and land prices. Several factors are beyond local control, with international price levels being the main driver. He said the decline in nationally planted wheat hectares is now an established trend. Alternative crops, especially maize and soya beans, offer better returns, leading many producers to move away from wheat.

In the Western Cape, however, viable alternatives are limited. Global production trends show that grain output averaged around 480 million tonnes over the past five years. Production rose by nearly 50 million tonnes in the past year alone. This surplus has pushed commodity prices lower. At the same time, input costs continue to rise. This combination puts producers under financial pressure and often makes wheat production unprofitable.

De Kock said South Africa is a net importer of wheat. National production is typically just over 1,8 million tonnes, depending on seasonal conditions. Annual consumption ranges from three to 3,5 million tonnes. Imports are therefore essential as local production covers only about 56% of demand. As a result, local producers often receive lower prices than those of wheat imports. South Africa was once self-sufficient in wheat production, but this is no longer the case.

Is self-sufficiency possible?

In response to how the wheat sector can become self-sufficient again, De Kock pointed to the role of the Johannesburg Stock Exchange (JSE), specifically the impact of the high location differential. During the 2023/24 marketing year, the wheat location differential rose to about R800/t. This applies to trading on the JSE Commodities Derivatives Market (formerly Safex) and is also used in the cash market for transport and delivery – a key concern.

De Kock said South Africa has not developed an efficient, balanced cash and hedging market. A functional cash market should compensate producers based on

actual transport costs. In practice, the cash market follows the futures market, leading to price distortions.

Heleen Viljoen, Grain SA economist, explained during the session that the portion of the wheat price represented by the location differential in the Western Cape is four times higher than that of international competitors. In contrast, producers in the United States and Australia deliver grain at points with no location differential.

De Kock said the wheat tariff mechanism remains a critical factor affecting the industry, as tariff adjustments are not announced on time. Producers hope the Wheat Forum’s request to establish a Section 7 committee under the *Marketing of Agricultural Products Act, 1996 (Act 47 of 1996)* will be approved. The committee will examine the wheat value chain, focussing on contentious issues, including potential unfairness in the tariff mechanism.

The maize oversupply

Discussions in the maize working group focussed on improving input efficiency, managing costs more effectively, and stimulating market demand to absorb the surplus production. Some producers questioned whether reducing the number of hectares planted to maize might be a better approach. The challenge, however, is to maintain sufficient production for market security without causing overproduction, which is at the root of the current problem. This oversupply, combined with low international prices, is placing significant pressure on the industry.

The maize working group session was led by chairperson Will Grobler (Sannieshof) along with Dr Dirk Strydom, managing director of Nampo, and Mlibo Qotoyi, operational manager of Grain SA’s Farmer Development Programme.

Dr Strydom indicated in his market overview that South Africa has carryover stocks of both white and yellow maize, with a major production season ahead, according to figures submitted to the National Crop Estimates Committee. Due to limited export markets for white maize, surplus white maize is often sold in the yellow maize market for animal feed purposes, increasing yellow maize exports. He said the current situation suggests



From the left are Tom van Rooyen, a grain producer from Potchefstroom, Kevin Kalb, an American maize producer from Dubois, Indiana, minister of agriculture John Steenhuisen, Shawn Kalb, and Dr Tobias Doyer, Grain SA’s CEO.

Loyalty in the workplace

By Izak Hofmeyr, Plaas Media

Is workplace loyalty fact or fiction? According to Lizelle Jacobs of MindAlive, it is largely a myth. “Managers are often under the impression that they are doing everything right to build loyalty, but in reality, I often see the opposite. People are not loyal, and there are two main reasons for this. The first is the organisation’s culture, which may not support how the human brain functions. The second is leaders who lack the self-awareness and emotional intelligence needed to manage people effectively.”

Jacobs, a business and life coach with 25 years’ experience in the agricultural environment, focusses on leadership development and emotional intelligence. She explains that most employees are driven firstly by fear (of losing their jobs) and secondly by financial rewards such as salaries, bonuses, and promotions. This ‘carrot-and-stick’ approach is, however, not sustainable.

In today’s rapidly changing world, the skills required in the workplace are also evolving. “With artificial intelligence (AI) replacing many technical skills,” she notes, “the emphasis must be on human skills, which is something we have been losing. It’s about learning how to be a good

human being. We cannot expect people to perform like AI systems, because humans simply aren’t wired that way.”

Understanding loyalty

The question, then, is how to cultivate genuine loyalty? Jacobs explains that the first step is to understand what loyalty means. Loyalty involves being faithful and steadfast in your support or commitment to a person, organisation, cause, or beliefs. This is especially relevant when under pressure or when it comes at a personal cost, such as regularly working overtime or on weekends.

Jacobs further explains that the human brain is far more complex than that of most animals. It includes the cerebral cortex or the ‘thinking brain’, which is responsible for higher-level functions such as perception, cognition, language, movement, and conscious thought.

“This thinking brain plays a vital role in loyalty. People decide whether to be loyal based largely on how others make them feel. If those feelings are negative, they may withdraw their loyalty from the individual or the organisation that person represents.” At its basic level, the brain is designed for survival. It constantly scans the environment and the people within it,

categorising them as either charming or alarming.

Each person has five key triggers that activate their internal alarm system, prompting either engagement or withdrawal from a situation:

- **Status:** Do I feel valued and respected? Do I matter?
- **Certainty:** Is there predictability and clarity?
- **Autonomy:** Am I trusted to work independently without being micromanaged?
- **Relatedness:** Do I feel a sense of belonging and trust within the group?
- **Fairness:** Am I being treated justly?

The triangle dilemma

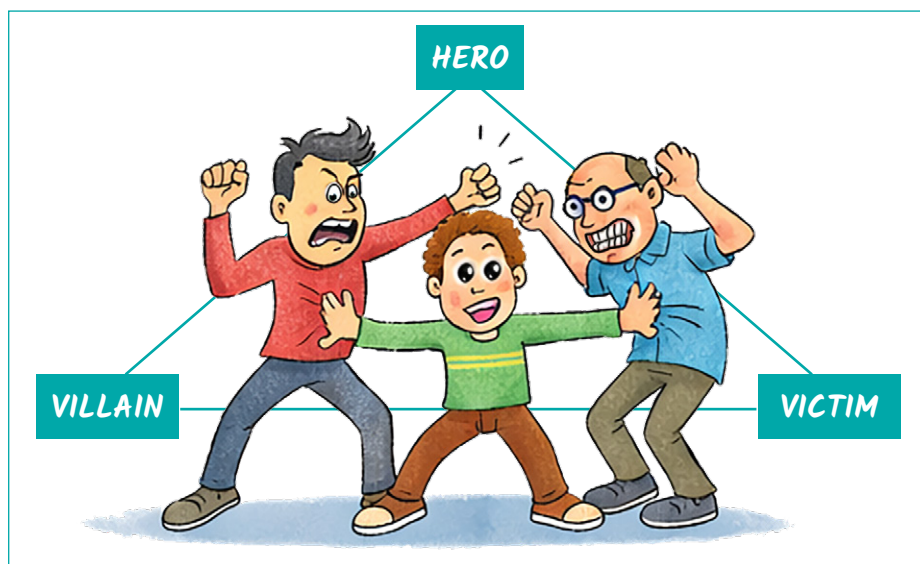
Jacobs illustrates human behaviour using a triangle model. The negative version, known as the drama triangle (Figure 1), consists of three roles: the hero, victim, and villain.

These roles interact in ways that can erode workplace loyalty. Individuals may assume different roles and sometimes move between them very quickly. The cycle often begins with the victim. The victim avoids responsibility, blames others, and hides mistakes. They see themselves as powerless, believing circumstances simply happen to them. For example, if passed over for promotion, they may become cynical and speak negatively about the organisation.

Interestingly, people are often pushed into the victim role. They may start out as a team player, motivated, engaged, and with big dreams, but over time their enthusiasm and engagement decline, often due to the influence of workplace heroes and villains.

The villain is easier to identify. This person displays controlling or toxic behaviour, creates unnecessary rules, and reacts poorly when things don’t go his or her way. Yet the real problem is often the hero. This is usually a well-meaning leader who tries to solve everyone’s problems. While this may seem helpful, it discourages others from thinking independently and fosters dependency;

Figure 1: The drama triangle.



the hero basically does their work for them while the victim is absolved from taking responsibility.

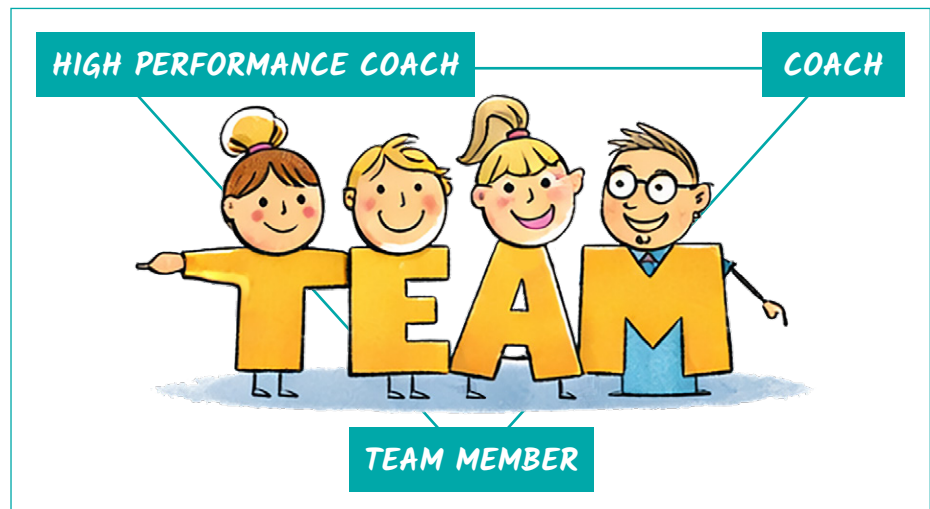
Jacobs emphasises that this is not effective leadership. "By not empowering people to do their own work, they cannot grow or develop essential skills."

This pattern is especially common in the grain industry, where experienced and capable individuals from different generations rise through the ranks by learning the hard way. When such individuals fail to share knowledge, they become the sole problem-solvers simply because they have not empowered others. This leads to long hours, late nights and weekend work, often at the expense of people's personal lives. Over time, this leads to resentment, which pushes them into the victim role.

From drama to loyalty

The drama triangle is not static; the roles can change as circumstances change. Individuals move between roles, yet everyone remains trapped within the triangle. The fed-up hero may turn into the victim, and the victim can easily become the villain.

Figure 2: The loyalty triangle.



Getting out of this triangle requires a change, especially from managers. Letting go of the 'hero' mindset is essential. When managers fail to empower others or withhold knowledge, they inadvertently create harm in the workplace. A manager's true role is to transfer knowledge, develop skills, and act as a mentor. Through this approach, the drama triangle can be transformed into a loyalty triangle (Figure 2).

Within the loyalty triangle, individuals understand their roles as team members. They recognise that they have choices, but that they are also responsible for the consequences of those choices.

The most important shift in this model is not from a managerial mindset to a leadership mindset, but towards a coaching mindset. Coaches are not driven by titles, authority, or power. Instead, they focus on using their experience and skills to empower others. Their value lies not just in knowledge, which is widely accessible in the age of AI, but in their lived experience and the wisdom that comes with it.

"In the loyalty triangle, the different roles evolve significantly. The villain becomes a challenger, or a high-performance coach, to borrow a rugby analogy. This coach sets high expectations, but the team understands and embraces these demands as part of their growth and development. The goal is not to break people down, but to build them up.

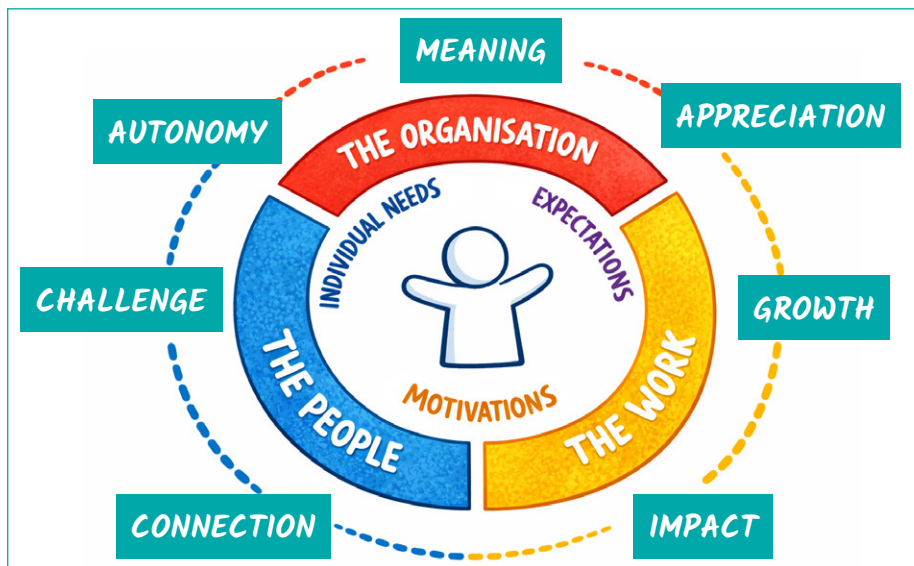
"With this new dynamic in the workplace, stronger loyalty emerges, and the limiting roles of hero, villain, and victim begin to disappear."

When MAGIC happens

A strong culture of loyalty and integrity emerges when the principles of MAGIC (Figure 3) are applied. [a](#)

For more information,
contact Lizelle Jacobs
at 082 877 4461.

Figure 3: The MAGIC principles.



Meaning: Work has meaning and purpose in the larger context of the organisation.

Autonomy and appreciation: People have the freedom to influence how they work and make decisions.

Growth (through challenge): Ongoing challenges promote personal and professional development.

Impact: Individuals can see real, positive results from their efforts. Impact is closely associated with connection.

Challenge: No growth can take place without challenges.



Navigating the logistics of grain

By Izak Hofmeyr, Plaas Media

“Navigating grain logistics in 2025” was the topic of a presentation delivered at a Grain Handling Organisation of Southern Africa (Gosa) seminar by Grain Carriers CEO, Tom Terblanche. In his talk he raised a thought-provoking question often posed by well-known rugby referee and Springbok consultant, Jaco Peyper: “How good is your bad?”

This question framed a central challenge for the grain logistics industry: Is it structured in such a way that, even on a difficult day, it can still meet demand and continue delivering effectively? Terblanche’s message was ultimately hopeful. Despite sizable challenges, the industry continues to move grain to where it is needed in a cost-efficient manner, thereby playing its part in ensuring food security in the country.

He began by highlighting the critical role of road transport within the grain value chain. Around 90% of grain is transported by road annually, with rail accounting for the remaining 10%. The road transport sector has proven its ability to deliver grain reliably and efficiently, not only serving the domestic milling industry but also moving a substantial share of imports and exports to and from ports.

Historical context

Prior to the 1990s, most grain in South Africa was transported by rail under a single-channel marketing system

governed by Grain Marketing Boards. This changed following the political transition in 1994. By 1996, the single-channel system was dismantled in favour of a free-market approach, paving the way for the rapid expansion of road transport.

The ability to move grain directly from farm to end user made road transport particularly attractive, especially over shorter distances where it could compete with rail in both cost and convenience. Rail, however, remained effective and cost-efficient over longer distances, creating a good balance with each system serving its own niche. Terblanche noted that such a balance is essential in a healthy economy and expressed hope that it may be restored in the future.

The free market also accelerated the rise of grain traders, who today move an estimated 90% of the country’s grain. This significantly expanded the client base for road transporters. Terblanche illustrated this growth using his own company: Grain Carriers had around ten clients in 1996, grew to 50 by 2014, and reached around 150 by 2025.

In recent years, collaboration between traders and transporters has evolved into the so-called ‘mill-door’ model, which today is probably the most popular way of delivering grain. In this system, the trader completes a transaction with a miller and appoints a transporter to deliver to a

specific mill within a specific timeframe. Responsibility for delivery rests with the trader and the transporter.

Structure of the value chain

Terblanche identified four main participants in the grain transport value chain: traders, storage operators, transporters, and receivers. A strong relationship between the traders and transporters in this chain is essential.

The roles of the various stakeholders are well established. Traders purchase grain, manage risk through hedging, sell to buyers, and coordinate logistics. Storage operators – whether cooperatives, agricultural companies, or producers with on-farm facilities – are a well-organised segment of the value chain that efficiently manage stock and quality. Temporary storage solutions are also popular. These operators play a crucial role in regulatory compliance, including vehicle verification and weight control to prevent fraud.

Road transporters form the third segment of the value chain and have demonstrated their capacity to move grain efficiently, in compliance with regulations, and at competitive rates. They also make use of advanced technology to ensure operational security.

However, the final segment – the grain receivers, such as processors and by-product distributors – represents the

weakest link in the chain. This sector faces significant technological challenges.

Bottlenecks and inefficiencies

Most intake facilities were built for rail rather than road transport, resulting in inefficiencies when handling trucks. Poor infrastructure maintenance further exacerbates these challenges.

The mill-door model does not help to alleviate these challenges. With multiple transporters delivering to the same site, inadequate planning and limited infrastructure capacity often lead to delays. In many cases, the receiver is also the sender, as raw products are received and processed products are transported onwards. Very often, the same vehicle that delivered the raw product is scheduled to reload the processed product. However, delays and insufficiencies pose a huge challenge.

This weak link in the value chain comes with cost implications. Some of these implications are fewer loads per truck, which means more trucks on the road and fewer kilometres per truck, which in turn drives up costs. Terblanche illustrated

this with a practical example: the fixed monthly cost of a new truck and trailer can be around R132 423. At 5 000km per month, this equates to a fixed cost of R26,48/km. At 10 000km it comes down to R13,24, and at 14 000km to R9,46. This is the effect that inefficiencies, and therefore less than optimal kilometres per truck per month, have on transport costs.

Challenges facing transporters

Apart from this obvious constraint, the industry faces several other challenges. Rising driver costs are a concern, as well as the National Bargaining Council, which Terblanche described as disconnected from industry realities. Drivers often spend long periods away from home and may not cover enough distance to earn a substantial income. As with so many of the state institutions, there is a lack of understanding of specific industry-related problems.

Road conditions are deteriorating despite maintenance efforts, and existing infrastructure struggles to accommodate heavy vehicle volumes. This underscores the need to revitalise a reliable component of rail transport.

Operational disruptions, such as strikes and protests, sometimes involving road closures and vehicle burnings, result in substantial financial losses. Escalating toll fees, fuel levies, and Road Accident Fund contributions further increase cost pressures.

In addition, the industry must contend with rapidly rising input costs, particularly for vehicle replacement, as well as the ever-present risks of theft and hijackings.

Conclusion

Despite these challenges, Terblanche urged stakeholders to be proactive and collaborative. Improving coordination across the value chain and engaging constructively with all parties is essential. "We have to take control and request that millers manage their delivery infrastructure to improve efficiency. Ultimately, the goal is to perform well even on our worst days." [a](#)

For more information,
contact Tom Terblanche
at 082 891 1656.



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Genset project boosts operational capacity at Cape Town Port Container Terminal

By Carin Venter, Plaas Media

The Cape Town Genset project involved installing mobile, high-capacity diesel generators (gensets) and additional reefer container plug points to prevent cold-chain disruptions due to power failures, and strong wind conditions.

The majority of South Africa's fresh fruit is handled and exported through the Port of Cape Town; however, the Mother City is notorious for gale force winds and associated power disruptions, which can halt the loading of refrigerated fruit containers.

These containers require a continuous supply of electricity to maintain their temperature and prevent fruit from spoiling. The port, however, has a limited number of plug points available to power containers awaiting loading. When disruptions persist, these plug points are quickly exhausted, forcing incoming containers to be diverted either to alternative ports or to private cold storage facilities. Both options come at a great cost.



The two 500kVA generators proved effective over three months in preventing container backlogs amid severe weather and power constraints.



Among those who visited the Cape Town Port Container Terminal were Carin Venter of Plaas Media, Tineil Hurter, agriculture marketing manager at Santam, Theo Boshoff, CEO of Agbiz, Noxolo Thabatha, terminal manager at Transnet, Earle Peters, managing executive at Transnet, Lubabalo Kenana, senior planning manager at Transnet, Antoinette van Heerden, logistical affairs manager at FPEF, and Piet de Jager, CEO of FPEF.

To mitigate this risk, Agbiz launched the Cape Town Genset pilot project in collaboration with industry stakeholders and Transnet. The initiative increased temporary plug-point capacity by renting two 500kVA generators, which supplied power to an additional 120 plug points from mid-December 2025 to mid-March 2026.

Agbiz recently invited interested parties on a Transnet-hosted tour of the port to assess the project's impact during the current season.

Boosting operational capacity

The container terminal's generators were operational for only 43% of the required time during the 2024/25 peak deciduous fruit export season. The situation improved during the 2025/26 peak export season with the introduction of the Cape Town Genset project, a collaborative public-private partnership that increased generator capacity at the terminal.

While Transnet covered the generators' operating costs, voluntary contributions funded the generator rental, control boards and additional plug points. Contributors included the Western Cape

provincial government, the Fresh Produce Exporters' Forum (FPEF), Hortgro, the South African Table Grape Industry (SATI), the KAL Group (Agrimark), and Santam.

"The additional cost is outweighed by the potential losses that would have occurred without the added buffer capacity," says Theo Boshoff, CEO of Agbiz. "Had we continued without the generators, potential losses could have amounted to at least R3 million. Based on the utilisation rate of the generators and the number of additional reefer containers accommodated instead of being diverted, we will soon be able to quantify the project's impact on the industry."

Boshoff adds that collaboration between the industry and Transnet has improved dramatically compared to previous years. "Although the Cape Town Genset-project is considered a relatively small project and not yet fully sustainable due to its reliance on donations, I believe we are definitely heading in the right direction. With a cooperation agreement now in place, I am confident that we can work together on larger, more sustainable projects in the future." [a](#)

For more information, contact Liezl Esterhuizen of Agbiz at 012 807 6686 or liezl@agbiz.co.za



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Logistics and storage challenges in the animal feed industry

By Dr Lucius Phaleng, trade advisor, AFMA

The animal feed industry is an important and stable market for agricultural commodities and agro-industrial by-products, such as oilcake and milling by-products, which are used to produce a wide range of feeds. Animal feed underpins efficient livestock production and plays a key role in the broader economy.

Logistics and storage are often regarded as the lifeline of any production-based industry, and in the animal feed sector, they play an indispensable role. Feed production is a complex and time-sensitive operation that relies heavily on the seamless movement of raw materials and ingredients. As a result, logistics extends across every stage of the value chain, from sourcing inputs to manufacturing and distributing finished products.

The feed industry is also one of the most consistent and significant sources of demand for grain handlers and silo operators, reinforcing the strong interdependence between the grain and feed sectors. This interdependence places pressure on the efficiency and reliability of logistics systems. However, ensuring a stable flow of grain from farms and silos to feed mills is becoming more challenging due to infrastructure and logistical constraints, including declining rail capacity and growing reliance on road transport. In this context, efficient and resilient logistics systems are essential for sustaining continuity in feed supply.

The strategic role of logistics

Supply chain management plays a strategic role in ensuring a reliable and continuous supply of feed to livestock producers. According to industry reports, the global animal feed market is projected to reach US\$415 billion by 2028, growing at a compound annual growth rate of approximately 4,2% (2021 to 2028). While these figures highlight the scale of the industry, the efficiency of local

supply chains remains a key determinant of competitiveness. As global demand expands, the ability of local industries to secure and efficiently manage raw materials becomes a critical driver of sustainable growth.

Raw material suppliers are drawn from a shared pool across the sector. For example, over 70% of grain and oilseed inputs are sourced from a relatively small number of suppliers, highlighting the importance of effective procurement strategies. At the same time, raw material prices are sensitive to global market forces, with grain prices often experiencing significant volatility within a single year, which necessitates robust demand planning.

These pricing pressures are further compounded by structural inefficiencies in the domestic logistics environment, which directly affect input costs and supply reliability. Over the past decade, declining rail capacity in South Africa has led to greater reliance on road transport for moving grain. While road transport offers flexibility, it typically results in higher costs, increased congestion, and a greater risk of disruptions. Consequently, this shift has amplified logistical inefficiencies across the supply chain.

These inefficiencies contribute to higher feed costs, particularly in regions where feed mills are located some distance from grain-producing areas. Given that feed accounts for 60 to 70% of total livestock production costs, such logistical challenges have a serious impact on the competitiveness of the livestock sector. In this context, efficient grain storage infrastructure becomes a crucial complementary factor in mitigating logistical constraints and stabilising supply chains.

Storage and location

The ability to mitigate transportation disruptions depends heavily on the

availability and strategic placement of grain storage facilities. According to the South African Grain Information Service (Sagis), South Africa has more than 20 million tonnes of registered commercial grain storage capacity, largely concentrated in major grain-producing provinces such as the Free State, North West, and Mpumalanga. In addition, on-farm storage capacity has expanded steadily, with estimates suggesting that seven to eight million tonnes of grain are stored on farms. This provides producers with greater flexibility in managing harvest timing, marketing decisions, and logistical flows.

While this extensive storage capacity serves as a critical buffer against supply chain disruptions, it does not fully compensate for systemic inefficiencies in transport and export infrastructure. Port congestion and rail capacity constraints, particularly along bulk commodity corridors operated by Transnet, remain persistent challenges. Declining rail performance over the past decade has shifted more than 80% of domestic grain transport to road, increasing costs and vulnerability to disruptions.

Investment in infrastructure improvements, such as strategically located silo facilities, is essential to mitigate these challenges. Well-positioned storage facilities enable efficient grain aggregation during harvest and facilitate year-round distribution, ensuring a stable supply for feed manufacturers. Conversely, poorly located or insufficient storage increases transport distances, raises costs, and reduces supply chain efficiency. Developing a well-distributed silo network is therefore vital for enhancing resilience and reducing costs in the livestock feed supply chain. [📍](#)

For more information, send an email to Dr Lucius Phaleng at trade@afma.co.za

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Grain industry takes a direct hit as Eskom puts additional strain on agriculture

By Carin Venter, Plaas Media

The National Energy Regulator of South Africa (Nersa) approved an average electricity price increase of 8,76% for Eskom direct customers, effective 1 April 2026. Municipal bulk purchases will increase by 9,01% from 1 July 2026, with a further increase of 8,83% scheduled for April 2027. According to Eskom, these tariff adjustments are necessary to recover operating and debt-related costs.

Electricity costs have also been affected by Eskom's retail tariff plan (RTP), introduced in April 2025. While the focus has largely been on fixed charges such as network or line costs, the plan also includes significant changes to unit pricing. These include revised time-of-use (TOU) periods, and adjusted winter and summer TOU ratios.

Higher electricity tariffs and the introduction of unbundled (non-unit) charges, implemented on 1 April 2025, have placed considerable financial pressure on multiple industries, including the agricultural sector.



Grain SA warns that rising electricity costs pose serious economic risks across the grain value chain, including for storage, production and processing. Storage facilities are facing sharply increasing operating expenses, threatening crop yields and food security.

According to an independent energy consultancy study, the RTP could increase costs by around 8% for industries with electricity consumption similar to that of large silos, even before unit tariff adjustments.

Impact on agriculture

The National Agricultural Marketing Council (NAMC) considers the sharp

rise in electricity tariffs a serious threat to South Africa's agricultural sector, rural livelihoods, and food security. Higher electricity costs are driving up production expenses, particularly for irrigation and cold storage, leading to more expensive food and weakened export competitiveness.

The NAMC cautions that these tariff increases will intensify existing cost pressures linked to previous hikes and ongoing energy supply challenges. Given agriculture's central role in food security, employment, and export earnings, the cumulative impact could undermine sector sustainability and broader economic recovery if left unaddressed.

Figure 1: Unbundled energy charges. (Source: Eskom)

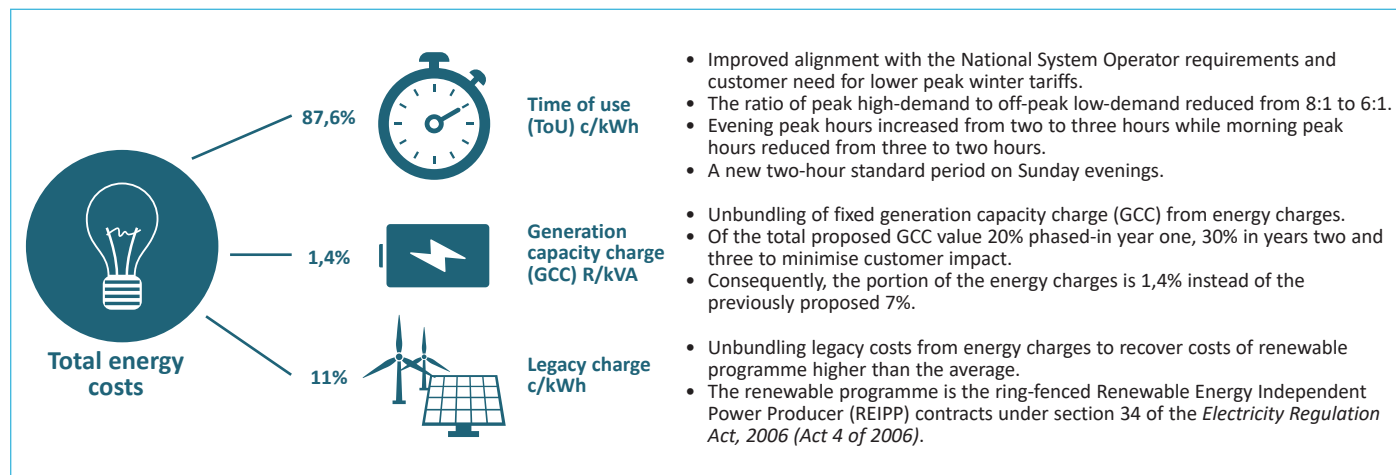


Figure 2: Short-run effects of electricity tariff hike on agriculture and food industries. (Source: UPGEM results; own calculations)

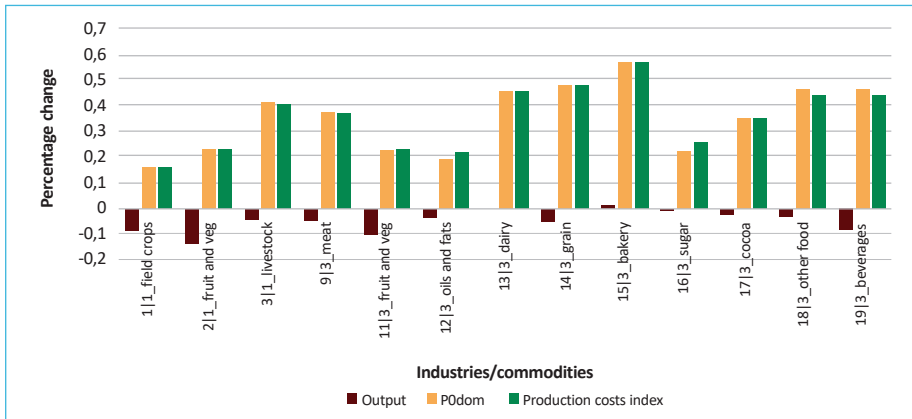
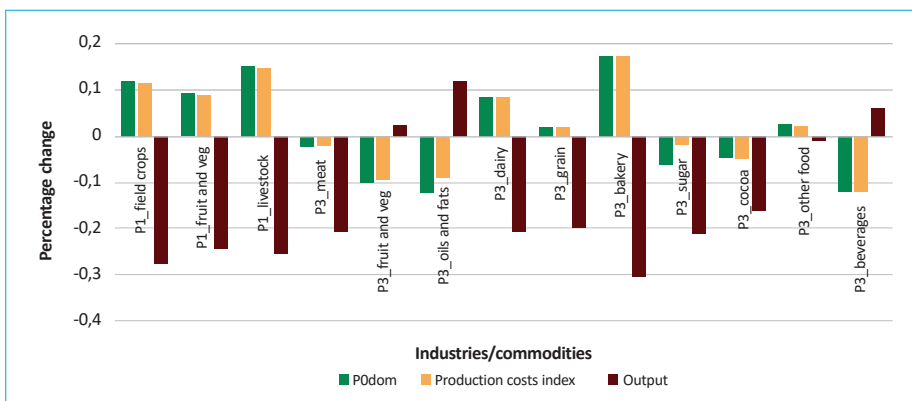


Figure 2 illustrates that, in the short term, rising electricity costs are expected to increase production expenses across all primary agricultural and food-producing sectors, while reducing overall output. Over the longer term, the proposed tariff hike will lead to higher production costs for primary agriculture and food-producing sectors (Figure 3).

Figure 3: Long-run effects of electricity tariff hike on agriculture and food industries. (Source: UPGEM results; own calculations)



Profit margins in irrigated maize production have already declined by double digits; in sugarcane farming electricity has become the second-largest input cost after labour. The horticultural sector is similarly exposed, particularly due to rising irrigation and cold-chain costs during the summer season. What was once a producer profitability or sector-expense concern is evolving into a systemic food-security risk.

A recent Agbiz Grain case study highlights the impact of increased non-unit electricity charges on silo operations. According to general manager Dr Charl van der Merwe, structural tariff changes are set to have a substantial effect on the grain industry. Electricity costs could rise by as much as 9%, even before the standard tariff increase is applied. Businesses operating predominantly during peak periods will be hardest hit, with cost pressures expected to ripple across the entire grain value chain, especially where electricity use is continuous or cannot be shifted to off-peak periods.

Table 1: Impact of the new RTP on silos with a capacity of 80 000 to 90 000 tonnes (silo A), and 30 000 to 40 000 tonnes (silo B). (Source: Agbiz Grain)

				Silo A 80 000 to 90 000t	Silo B 30 000 to 40 000t
Network charges	(A)			8,66%	10,28%
	Network demand charge	c/kWh	EK	-17,72%	-17,72%
	Network capacity charge	R/kVA	VK	26,12%	26,12%
Energy charges	(B)			20,72%	17,39%
	Peak consumption	c/kWh	EK	-34,81%	-39,21%
	Standard consumption	c/kWh	EK	-1,31%	-1,33%
	Off-peak consumption	c/kWh	EK	2,69%	-0,28%
	Generation capacity charge	R/kVA	VK	New	New
	Legacy charge	c/kWh	EK	New	New
Other charges	(C)			-61,91%	-52,69%
	Ancillary service charge	c/kWh	EK	-55%	-55%
	Reactive energy charge	c/kVArh	EK	0%	0,09%
	Administration charge	R/day	VK	-80,67%	-88,25%
	Service charge	R/day	VK	-53,55%	-42,97%
	Fixed costs (VK)	(D)		36,94%	33,37%
	Unit costs (EK)	(E)		-3,46%	-6,78%
Total excl VAT	(F)		9,48%	7,45%	

Fixed and unit costs do not represent a 50/50 split.

Table 1 sets out the impact of the new RTP on silos with a capacity of 80 000 to 90 000 tonnes (silo A) and 30 000 to 40 000 tonnes (silo B).

AgriSA raises concern

AgriSA's chief operating officer, Jolanda Andrag, has submitted an urgent enquiry highlighting serious concerns about Eskom's tariff structure and its impact on agriculture. The organisation points to three key issues:

1 Structural tariff increases exceeding approved averages

Although Nersa approved an average tariff increase of 12,74% for 2025/26 on 1 April last year, structural unbundling and the reallocation of tariff components have resulted in effective increases of 25 to 30% for many agricultural users, with some irrigation operations experiencing even higher costs. As electricity is a

non-discretionary input, these increases are difficult to absorb or pass on in competitive commodity markets without affecting farm viability and ultimately food prices.

2 Outstanding electricity market inquiry

Nersa launched an electricity market inquiry in October 2025 to assess fixed charges, capacity allocations, and the impact of tariff design. Originally scheduled for completion on 12 December 2025, the inquiry remains unresolved. This delay raises concerns, as the unbundled tariff structure continues without a final determination on whether the resulting cost shifts are equitable and consistent with the *Electricity Regulation Act, 2006 (Act 4 of 2006)*. The absence of a concluded inquiry means that structural distortions remain embedded in the 2026/27 tariff framework.

3 High Court redetermination

The impact of structural unbundling is now being compounded by further increases arising from the High Court judgment of 21 December 2025, which

requires Nersa to redetermine Eskom's allowable revenue. The regulatory asset base (RAB) redetermination approved additional allowable revenue of R54,7 billion, to be recovered in phases during 2026/27 and 2027/28. This results in an additional 3,4% increase in 2026/27 and 2,64% in 2027/28, bringing total increases to 8,76 and 8,83%, respectively. While these increases are being phased in, they are layered onto an already elevated structural cost base introduced in 2025/26, further intensifying cost pressures across the agricultural sector.

AgriSA's call to action

Beyond the RAB redetermination, the broader multi-year price determination 6 (MYPD6) trajectory remains steep. Electricity tariffs have risen by around 264% since 2011, averaging around 9% annually, well above inflation and commodity price growth. Agriculture operates in highly competitive global markets where the ability to pass on rising input costs is limited. The combined impact of structural unbundling,

tariff redetermination increases, and projected MYPD6 escalations is eroding sector profitability.

AgriSA is therefore calling for urgent intervention, including:

- The immediate conclusion of Nersa's electricity market inquiry.
- A review of the unbundled tariff structure introduced in 2025/26.
- Correction of inequitable cost allocations in fixed and capacity charges before finalising the 2026/27 tariff framework.
- A comprehensive assessment of the cumulative impact of structural unbundling and the RAB redetermination on national food security. [a](#)

For more information, send an email to Dr Charl van der Merwe at charl@agbizgrain.co.za or Jolanda Andrag at jolanda@agrisa.org.za



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Legal appointments in SHEQ: Ensuring compliance, competence, and legal defensibility

By Christal-Lize Muller, Plaas Media

Legal appointments are valid only when backed by a clear legal requirement, proven competence, defensible training, and effective system integration. This was highlighted at the thirteenth virtual safety, health, environment, and quality (SHEQ) workshop on lawful appointments presented by Agbiz and Agbiz Grain.

Ken Annandale, chief executive officer of Intra-Safe (Pty) Ltd, examined legal appointments in health and safety, focussing on the shift from paper compliance to legal defensibility. Annandale clarified what requires accreditation and what does not, addressing widespread misinformation often used to justify unnecessary training. His presentation outlined what the *Occupational Health and Safety Act, 1993 (Act 85 of 1993) (OHS Act)* requires from companies and how to improve compliance. The session aimed to provide practical, legally sound guidance on applying legal appointments within the OHS Act framework and its regulations.

The importance of Section 8

Annandale, an audiometrist with more than 30 years of experience in occupational safety, explained that South Africa's safety legislation evolved from the *Factories, Machinery and Building Work Act, 1941 (Act 22 of 1941)*, and *Machinery and Occupational Safety Act, 1983 (Act 6 of 1983)* to *OHS Act* – the primary legislation covering approximately 17 million workers. It includes 22 regulations and supporting standards, reflecting established global frameworks. Although *OHS Act* comprises of 50 sections, an understanding of key provisions is sufficient.

Section 8 (employer's general duty) sets the core formula for health and safety, stating that the employer shall:

- Establish workplace hazards.
- Establish and implement precautionary measures.
- Provide information, instructions, training, and supervision by persons trained to understand the hazards.

Legislation reflects accumulated lessons formalised over time, centred on the employer-employee relationship. Section 13 (employer's duty to inform) requires that, as far as reasonably practicable, employees must be made conversant and informed about:

- Hazards to health and safety related to their work.
- Risks from articles or agents they produce, use, handle, store, or transport.
- Machinery or plants they operate and the required precautions.

Fines and penalties

Hazards and risks must be identified and applicable regulations understood

to avoid compliance gaps. Under *OHS Act*, an employer may face a fine of up to R50 000 or imprisonment for each offence. In terms of the proposed *OHS Act* amendment bill, penalties may potentially be increased to fines of up to R5 million or imprisonment upon conviction.

Appointments and competency

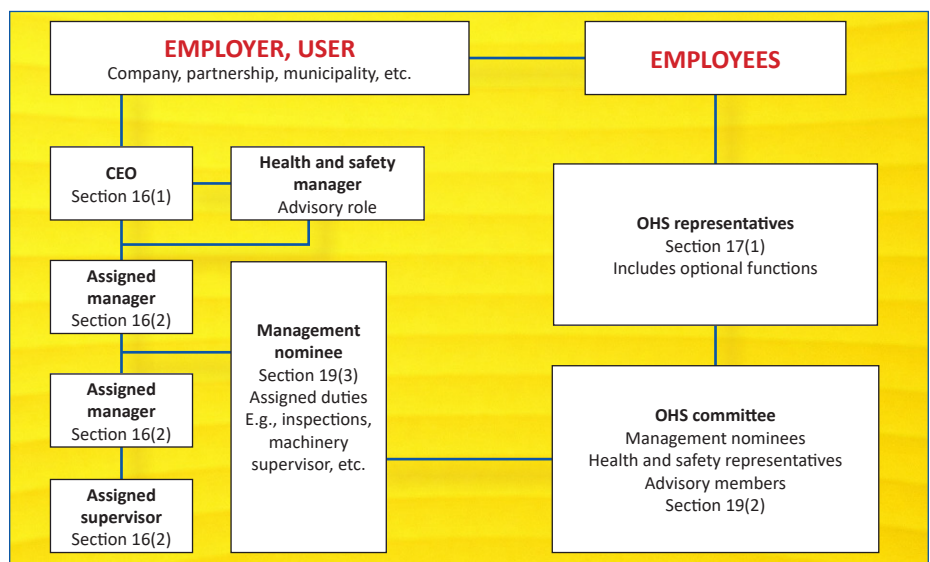
Annandale explained that appointments arise from the organisational structure of the safety management system (SMS) or occupational health and safety management system, led by the employer (Figure 1).

Appointments, he explained, must match hazard-based system needs with individuals who are competent and suitable for their roles within the SMS.

Steps to competency

- Compile a step-by-step task inventory (Section 8).

Figure 1: Example of a safety management system organisational structure. (Source: Intra)



- Conduct hazard identification and risk assessment (Section 8).
- Document detailed safe work procedures as evidence (Section 8).
- Inform, instruct, train, and supervise all employees (Sections 8 and 13).
- Evaluate competence – a competency evaluation by the employer.
- Issue formal appointment letters (human resources' responsibility).
- Retain documents as legal proof (Section 39).
- Implement control measures.
- Audit for proof of compliance.

He stressed the importance of proper documentation and archiving, noting that appointments must be in writing and supported by evidence. Certain records, such as those for occupational medical surveillance, may need to be retained for up to 40 years. Legal validity depends on demonstrable proof. Employers cannot divest themselves of their Section 8 responsibilities and may only delegate duties to persons who are demonstrably competent. Training alone is insufficient; competence must be proven.

The competent person

The Department of Employment and Labour (DEL) expects the employer, and not the training provider, to determine competence. This is a common principle of legislation and aligned with *OHSA*. Core elements of competence are knowledge, training, and experience.

The DEL requires employers to assess and formally declare whether a person is competent to perform a specific task and to manage its associated risks. Delegating responsibility to someone who lacks an understanding of hazards and risks is imprudent, and relying solely on training providers is inadequate. The South African Qualifications Authority (SAQA), the National Qualifications Framework (NQF), and the Quality Council for Trades and Occupations (QCTO) have their own systems for attaining competence.

“Competence is not a certificate, course completion, or a provider declaration. A competent person is one who can demonstrate the required knowledge, training, and experience for the task,” Annandale said. Appropriate qualifications and training may be registered in terms of the *National Qualification Framework Act, 2008 (Act 67 of 2008)*, which may be

stated in *OHSA* and its regulations. The competent person must be familiar with *OHSA* and its regulations.

The DEL's competent person guidelines place full responsibility for competence assessment on the employer (or a delegated appointee). It must be assessed whether the individual can demonstrably apply the required knowledge, training, experience, and legal understanding.

Forthcoming regulatory changes (such as draft construction regulations) may remove references to NQF, SAQA, Sector Education and Training Authorities (SETA), QCTO, and the Department of Higher Education (DHET) – reinforcing employer accountability.

In simple terms, competence rests on three pillars: knowledge, training, and experience. It is not a certificate, course completion, or provider declaration, but a defensible, contextual judgement. Appointing someone without proven competence is unlawful, and relying solely on external providers is legally unwise, as they lack full insight into specific workplace hazards and risks.

Accreditation and training

Training can support competence, often through accredited providers, Annandale noted. Understanding what ‘accredited’ means is critical, as accreditation ultimately enables the issuing of a certificate of competency to a student or employee.

Accreditation applies to organisations, not to individuals or training material. Only entities such as companies, non-governmental organisations, non-profit organisations, or organisations registered with the Companies and Intellectual Property Commission can be accredited. This accreditation authorises them to deliver training that may lead to the awarding of a certificate of competency.

DHET/QCTO structure

Annandale explained that the DHET/QCTO system offers three certification types: full qualifications (trades/occupations), part qualifications, and skills programmes (SPs), all aimed at issuing competency certificates. The SETA system became burdensome (21 SETAs, and reportedly some 11 000-unit standards), leading DHET to cancel most

unit standards. Those selected have been extended until June 2026, while the rest have been scrapped.

The QCTO is the only entity offering new accreditation and only where unit standards have been replaced by curriculum codes. There are currently very few Occupational Health and Safety (OHS) short-course curricula, creating a gap. Legacy unit standards can still be checked on the SAQA database. Previously, accreditation was linked to these standards.

Annandale referenced the *Ergonomics Regulations (2019)*, noting that ‘training’ is mentioned extensively (28 times). Regulation 3 specifies who must be trained and the scope of that training. However, no unit standards were ever developed for employees. The ergonomics risk assessor unit standard expired, meaning no new competency certificates have been issued from 2025 onwards (with existing students required to complete by 2027). This has created a significant skills gap despite ongoing regulatory requirements.

Unit standards serve only as guidance and do not replace legislation. In their absence, employers must rely on risk assessments and ensure that employees receive risk-based legal compliance training, highlighting systemic inconsistencies.

QCTO, SETA, and SAQA

QCTO, SETA, and SAQA unit standards are not part of legislation and cannot replace it; they merely support it. Training content must align with the applicable laws and regulations, and serves as guidance rather than legal authority. Annandale cautioned that a significant proportion of training offered in the market is misaligned with actual legal requirements.

He further noted that the *Ergonomics Regulations (2019)* explicitly define a ‘competent person’ and are among the few regulations to do so with clarity. Although ergonomics work-based training was largely absent during the Covid-19 period, it has since re-emerged as a critical focus area. The ergonomics risk assessment unit standard has expired and is no longer accredited. Unless revived by the DHET, which is unlikely given the transition towards QCTO

qualifications, it may no longer be used for accreditation purposes.

Codes and training material

The QCTO curriculum and its accompanying explanatory document outline the prescribed course content and structure. SPs, such as emergency first aid responder courses, are offered at basic, intermediate, and advanced levels, and providers may deliver only the level for which they are registered. For example, only practitioners registered with the Health Professions Council of South Africa may present advanced-level emergency first aid training.

An ergonomics curriculum is not yet available on the QCTO website, although its release is anticipated. QCTO curriculum documentation is often complex and difficult to interpret.

Annandale’s company has developed workshops to simplify QCTO accreditation processes and supports organisations in managing accreditation more efficiently. The work also informed the publication *The Q Book on the QCTO system*. He stressed the need to improve training standards in South Africa and warned against unregulated ‘fly-by-night’ training providers.

Scrutinising the curriculum

The QCTO’s SP curriculum is often developed by well-meaning SMEs, with limited knowledge of the law. An example of this is the erroneous reference to “Regulation 7 of the *OHSA*”, which does not exist. Often misquoted regulations must always be referenced within their specific regulatory framework. A 2005 DEL draft (never promulgated) suggested expanding first-aider duties to include cleaning up bodily fluid spills, but this is not law.

Annandale noted that such requirements now fall under the *Hazardous Biological Agents (HBA) Regulations* (formerly *Hazardous Biological Substances Regulations*). These broadly define hazardous biological material, including all blood, bodily fluids, secretions, and excretions (except sweat), regardless of visible blood or intact skin.

Training advocating the cleanup of bodily fluid spills at the scene of an incident may infringe both section 24 of the *OHSA* and the stipulations of the *HBA* regulations.

It may be unlawful, resulting in a potential Commission for Conciliation, Mediation and Arbitration intervention by compelling employees to expose themselves to HBAs without adequate authority, protection or training.

Reporting incidents

Section 24 of the *OHSA* prohibits disturbing an incident scene and mandates the reporting of workplace incidents involving injury, death, or dangerous occurrences related to work, plant, or machinery. Where a person is killed or seriously injured, no one may disturb the scene or remove any article or substance without an inspector’s consent, except where necessary to prevent further incidents, to rescue people, or to remove the injured or deceased.

Instructing volunteer first aiders to clean up bodily fluids may fall within the scope of the *HBA* regulations. Compelling employees to do so could expose employers to legal liability, particularly where such instructions conflict with training or expose workers to regulated biological hazards. First aid and post-incident clean-up procedures must be aligned with legal requirements, as improper instruction may have serious legal consequences.

QCTO skills programmes

The QCTO published some low credit SPs (*Figure 2*). Annandale questioned certain QCTO skill programme terms, including ‘OHS Compliance ensurer SP’, noting the term ‘ensurer’ is not standard English and, in his view, lacks clear legal grounds as it is not found in a typical legal lexicon and is considered awkward and potentially ambiguous. He also raised concerns about the term ‘Essential OHS Representative (low-risk) SP’, questioning how ‘low-risk’ is defined

and who is responsible for determining the risk classification. He explained that progression typically requires completing a risk assessor course before moving to higher roles such as an OHS officer, depending on the structure of the programme.

While these SPs exist and can be used, organisations should ensure proper accreditation and clarity in their application within legal and operational frameworks.

Claims for training

Employers may recover skills development levies (SDL) via the SETA rebate system, funded through SARS allocations to SETAs. Even if training is not accredited or NQF-aligned, employers may still claim back under *Gazette No 20865* (7 February 2000), provided the required processes are followed. However, a reasonable employer should normally use accredited providers, as unverified training increases risk.


To qualify for SDL-related recovery, employers must submit:

- A workplace skills plan.
- An annual training report.
- Appointment of a skills development facilitator (SDF).

Annandale clarified that an SDF is an administrative role, not a training role. Moreover, an SP facilitator is the person (trainer) who delivers training to students; a skills development provider is not an individual, but an accredited organisation responsible for the provision and quality assurance of training. Selecting unaccredited providers without substantive due diligence is risky. Under broad-based black economic empowerment

Figure 2: QCTO low credit skills programmes. (Source: Intra)

SP-250603 OHS risk assessor	3/2
SP-250604 Essential OHS compliance ensurer	2/2
SP-250815 Essential OHS representative (low risk)	2/2
SP-250817 Evacuation marshal	2/2
SP-250906 Incident investigator team member	4/2



(enterprise and supplier development scoring), training can earn points, but mandatory statutory training does not qualify.

Annandale's company offers workshops on SAQA, NQF, QCTO, SETA, and DHET processes. He strongly advised obtaining proper accreditation to avoid disputes and ensure clarity of compliance. Organisations must also distinguish between internal and external training. External providers must understand the client's specific business context and risk profile, otherwise training may be irrelevant or ineffective. Companies also require training tailored to their operational needs to ensure practical value and validity.

Training delivery and oversight

Training is essential from both legal and operational perspectives. Annandale advised organisations to focus on programmes they can realistically deliver and to plan the full training journey, starting with the selection of suitable candidates.

An NQF level four is equivalent to matric. Facilitators should ideally complete facilitator/moderator training (e.g. through the Education, Training, and Development Practices SETA), with QCTO pathways being longer and more structured.

The roles of facilitator, assessor, and moderator must remain separate – one person cannot perform all roles for the same programme.

Annandale stressed the importance of critically evaluating training materials rather than relying blindly on those generated by artificial intelligence. "When purchasing off-the-shelf material, suppliers should be required to demonstrate the experience and qualifications of their developers, and to provide samples of the deliverables for review." Where legally required, accreditation should be obtained, either independently or with support, while also ensuring that facilitators hold the necessary qualifications.

QCTO currently limits providers to five SPs per accreditation application at a time. While applications are processed,

site visits may occur, and training material may be reviewed. Approval is granted via formal accreditation letters that must be kept as proof for audits or inspections. The process typically takes around six months.

Once accredited, providers enter a structured system involving facilitation, assessment, and moderation, with multiple assessment stages (formative, summative, and final). Unlike the former SETA/NLRD system, QCTO manages certification centrally and issues certificates directly, not providers. QCTO discourages reliance on accreditation consultants or agents. Accredited providers may then deliver compliance training, but such courses are not credit-bearing unless formally structured under QCTO qualifications. ^a

For more information on becoming a QCTO-accredited OHS training provider, contact Ken Annandale at 082 920 8912 or send an email to ken@intrasafe.co.za

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Regulatory future of herbicides and pesticides

By Annelize Crosby, head of legal intelligence, Agbiz

There is mounting international pressure to impose more stringent and comprehensive regulation of herbicides and pesticides. South Africa is a signatory to several international conventions, including the Rotterdam Convention on the safe trade of hazardous chemicals, the Stockholm Convention on persistent organic pollutants, and the Basel Convention regulating the transboundary movement and disposal of hazardous waste.

In September 2023, the United Nations adopted the voluntary *Global Framework on Chemicals (GFC)*, which sets out five strategic objectives and 28 targets to guide the management of chemicals and waste across their lifecycle. It represents a global commitment to prevent or minimise harm from chemicals and waste to human health and the environment.

Global framework on chemicals

The five objectives of the *GFC* are:

- Establishment of legal frameworks, institutional mechanisms, and capacities.
- Generation, availability, and accessibility of comprehensive and sufficient knowledge, data, and information.
- Identifying, prioritising, and addressing key issues of concern.
- Encouraging the adoption of safer and more sustainable alternatives across product value chains, and promoting responsible chemical management in sectors such as industry, agriculture, and healthcare, with improved transparency and access to information on chemical risks.
- Enhancing implementation through improved resource mobilisation, partnerships, cooperation, and capacity building.

The main implications for the agricultural sector are:

- Agrochemical lifecycle management: Safe production, use, and disposal of agricultural chemicals.

- Targets on hazardous pesticides: Phasing out highly hazardous pesticides (HHPs) and promoting safer alternatives.
- Capacity building for producers: Developing countries can benefit from the *GFC* Fund, which supports training, technology transfer, and safer chemical management in agriculture.
- Waste and pollution reduction: Minimising agricultural waste and recycling or safe disposal systems.
- Integration with food safety: Harmonisation of maximum residue limits (MRLs), ensuring agricultural exports meet global safety requirements.

Implementation in South Africa

The Department of Forestry, Fisheries and the Environment is leading the development of South Africa's implementation plan for the *GFC*. On 20 March 2026, the department held an engagement session with affected sectors, during which it presented a draft *National Implementation Plan*.

Some of the important proposals regarding the agricultural sector include:

- Phasing-out of HHPs due to their potential impacts on the health of agricultural workers, communities, and on food safety and ecosystems.
- Promotion of integrated pest management (IPM) as a safer alternative.
- Regulatory review and alignment with international standards to ensure pesticides used in South Africa meet global safety criteria.
- Safer alternatives and green chemistry.
- Progressive substitution of high-risk substances.
- Toxic metals such as lead and cadmium are priority risks, given their potential to contaminate soils, crops, and food chains.
- Stricter controls on, for instance, fertilisers, paints, and industrial processes that can affect agricultural land.

- Alignment with multilateral agreements (Basel, Rotterdam, Stockholm Conventions) to ensure compliance in agricultural trade.
- Preventing illegal trade in pesticides and hazardous substances.

Existing regulatory regime

South Africa already has a comprehensive regulatory framework supporting sustainable and responsible food production. Agricultural crop protection is highly regulated, with strict requirements for labelling, application standards, MRLs, and record keeping. The primary legislation governing agricultural remedies is the *Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act 36 of 1947)*, supported by detailed regulations.

Labour and environmental safeguards are similarly robust. South Africa has adopted numerous International Labour Organisation (ILO) conventions, while worker safety is regulated under the *Occupational Health and Safety Act, 1993 (Act 85 of 1993)* and the *Regulations for Hazardous Chemical Agents*. Environmental oversight is largely provided by the *National Environmental Management Act, 1998 (Act 107 of 1998)*, ensuring that pesticide use aligns with environmental protection and sustainability practices.

The way forward

Stakeholders will be given the opportunity to engage on the draft National Implementation Plan. The National Department of Agriculture has also indicated its intention to revise the regulatory framework (*Act 36*), and stakeholders will be allowed to engage with the department on a new legislative framework. Agbiz will participate in these consultative processes. [🔗](#)

For more information, send an email to Annelize Crosby at annelize@agbiz.co.za

Clarity on the use of restricted agricultural remedies

By Koos du Pisanie, Plaas Media

A single word change in legislation has led to a significant shift in how highly hazardous agricultural remedies are bought and used in South Africa.

Since 2011, the pest control operator (PCO) regulations have required anyone handling 'restricted-use agricultural remedies' to be registered as a PCO. Roleen la Grange, regulatory manager at CropLife SA, explains that registration as a PCO typically applies to individuals who offer pest control services for payment. Employees carrying out pest control activities on their employer's property are exempt, but those handling restricted-use remedies without direct supervision of a registered PCO must still register.

In 2023, new regulations introduced the term 'restricted agricultural remedies'. While appearing minor, this wording change raised questions about whether these two terms referred to the same category of products and, more importantly, whether the same rules applied to both. To resolve this uncertainty, the matter was taken to court.

On 26 January, the court handed down its judgment: 'Restricted agricultural remedies', as defined in Annexure A of the 2023 regulations, are not the same as 'restricted-use agricultural remedies' under the PCO regulations. As a result, restricted agricultural remedies do not automatically fall under the PCO regulatory framework.

What it means

According to La Grange, this ruling means that distributors may sell these products without requiring buyers to present a PCO registration certificate. Producers may also purchase and apply them without being registered as PCOs or operating under PCO supervision, provided they are not offering pest control as a paid service.

It is important to note that this ruling only affects the automatic requirement for PCO registration to handle restricted agricultural remedies. All other legislation governing these substances remains in force; where PCO registration was required prior to the 2023 regulations, it is still mandatory.

Restricted agricultural remedies are still classified as Group I Category B hazardous substances under the *Hazardous Substances Act, 1973 (Act 15 of 1973)*. They must therefore continue to be sold, stored, and used in accordance with the Act and its regulations.

(The government had the option to appeal the ruling, but chose not to do so.)

What happens next?

Despite the clarity provided by the court, this is not the final word on the matter. In December 2025, industry stakeholders submitted a proposal to the registrar of *Act 36 of 1947*, to develop a practical and effective strategy for managing restricted agricultural remedies on farms. A multi-stakeholder working

group has since been established to address ongoing challenges and guide future implementation.

Key questions from the industry

La Grange mentioned that the ruling has sparked a number of important questions among producers and other stakeholders.

Should I still apply for PCO registration? Although the court ruled that these remedies fall outside the PCO regulations, the decision was based on legal ambiguity. This could be corrected at any time, potentially reinstating the requirement. In addition, future proposals may still require users to be properly trained. Pursuing PCO registration, therefore, remains a worthwhile investment.

Will existing PCO applications still be processed? Yes. Government will continue evaluating all submitted applications.

Has the list of restricted remedies changed? No. The classification criteria remain unchanged, and restriction statements will continue to appear on labels for now.

What if the label says, "for use by PCOs only"? Product labels are legally binding and must be followed. However, the ruling has created uncertainty in this area. CropLife SA is consulting legal experts and government for guidance. Restriction statements will remain on labels until clarity is provided.

Does this affect the phase-out of highly hazardous pesticides (HHPs)? South Africa remains committed to phasing out HHPs by 2035, where risks cannot be adequately managed. Restricting these products to PCO use formed part of that risk-management strategy. Stakeholders are encouraged to continue limiting their use to properly trained producers who comply with all relevant legislation. In practice, the phase-out is already underway and will continue ahead of the 2035 deadline.

Can prior experience count towards PCO registration? Currently, no. Legal advice indicates that the registrar does not have the authority to recognise prior learning within the existing framework. However, this may change. The working group intends to propose amendments to allow recognition of prior experience in future.

A sector in transition

While the court ruling has provided much-needed clarity, it also exposed gaps in the current regulatory framework. The agricultural sector now finds itself in a transitional phase, where collaboration between government and industry will be key.

The objective is to ensure that agricultural remedies are used safely, responsibly, and in a manner that supports productivity and public health. [a](#)

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Points to ponder

By Jannie de Villiers



Silence is golden

When I was a teenager, we spent every December holiday on my grandfather's farm. Those were times of great joy and left me with treasured memories of that time of my life. It was there that I learned to love agriculture.

However, there were also a few incidents that shaped my character for the years to come. I want to share one of those moments with you, and I hope that it might be of use to you in your life and business.

A heated debate

One evening, the men were engaged in a fairly heated debate about whether their sons should complete two years of national service in the army or rather come to the farm to start helping full-time. One of my uncles, who had a large farming operation, had three sons. The *brannas* was already supporting his arguments, especially adding to the volume with which he spoke.

I listened intently, as my own national service was only a few years away. My father, the commanding officer of a commando unit in the Free State, was present. He was a quiet man and did not drink. I kept watching him, expecting him to step in and bring some sense to the debate. He never did.

They don't need to know

Later that night, as we were getting ready for bed, I asked him why he didn't correct them or help them understand the situation better. His answer was simple: "They don't need to know."

That was all. Later that night, lying in the dark, I thought deeply about his words. As I grew older I began to practise what

I had learned that day on the farm. I am far more talkative than my father, and it is often difficult to stay quiet when discussions become heated during a meeting, especially when you believe you can offer one of the best solutions. But I have learned that not every hill is worth dying on.

The value of quiet observation

Farley Ledgerwood wrote a brilliant article about becoming quieter as you grow older. The article is filled with practical advice for all of us. He encourages readers not to express an opinion about everything simply because they have one. Too often, people debate subjects – such as the current foot-and-mouth disease outbreak – over which they have no control or influence.

These debates create stress and headaches, and damage relationships, yet they have no effect on the outcome. When you learn to be quieter, you have time to start noticing more (or pondering more – pun intended). You listen to and understand others better, and you can assist when asked. That is what we call empathy, a rare trait among agriculturalists.

The 'tree and forest' principle

I want to conclude with a saying that we developed in our family when my children were still young and living at home. We called it the *boom en bos* (tree and forest) principle. If someone tells you

about their tree, don't tell them about your forest.

I rarely enter a discussion nowadays without experiencing this phenomenon. Someone shares how traumatic a car accident was for them, and almost immediately another person interrupts to describe their own accident – somehow more dramatic, more severe, and impossible to outdo.

If you doubt whether this is the right approach for you, consider the following from scripture and assimilate it into your own behaviour:

- Proverbs 17:27 – A man of knowledge uses words with restraint, and a man of understanding is even-tempered.
- Proverbs 17:28 – Even a fool is thought wise if he keeps silent, and discerning if he holds his tongue.
- Proverbs 18:2 – A fool finds no pleasure in understanding but delights in airing his own opinion.
- Proverbs 18:6 – A fool's lips bring him strife, and his mouth invites a beating.
- Proverbs 18:7 – A fool's mouth is his undoing, and his lips are a snare to his soul.
- Proverbs 18:13 – He who answers before listening – that is his folly and his shame. [🔗](#)

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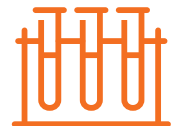
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