



Potatoes  
Aartappels SA

**CONSTITUTION**  
**POTATOES SOUTH AFRICA VOLUNTARY**

**Approved by Congress on 16 July 2024**

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## DEFINITIONS

Black person(s)	As defined in the Employment Equity Act of 1996. ( <i>Also see Addendum C</i> )
Chief Executive Officer	Refers to an individual either employed, or key representative of an appointed service provider.
Chief Financial Officer	Refers to a financial expert who has the necessary qualifications to manage and represent the company's finances. The role can also be played by a representative of an appointed service provider with sufficient qualifications. This role also applies to the accountable officer.
Committee	Refers to any committee, sub-committee, standing committee, functional committee, forum, workgroup, etc., established by the Organisation.
Congress	Refers to the highest authority within the Organisation and which is held biennially, a formal meeting of delegates for discussion, and decisions, and action.
Core Business Committees	Refers to the Information, Research and Development, Generic Marketing and Transformation Committees or any other committees established from time to time in line with the core strategy of the Organisation.
Days	Refers to business days based on a five-day week
Delegate	Refers to a potato producer nominated by a nominating body or grouping, which is authorized to nominate delegates to attend meetings of Congress.
District Municipality	In South Africa, district municipalities are administrative divisions of a province. South Africa recognizes two types of district; a metropolitan district and a district municipality. District municipalities make up the vast majority of districts, with metropolitan districts being reserved for large cities and the areas around them (Local Government: Municipal Demarcation Act 27 of 1998). ( <i>Also see Production Regions</i> )
Executive Committee	Refers to the authority acting on behalf of the Organisation when the National Council is not in session.
Expert	A person that is a recognized expert in a specific field.
Farmer	Refers to a person or entity whose main business is primary agricultural activities.
Market Activities	Refers to all activities through different channels where transactional data can be obtained.

Member:	Refers to:
	<ol style="list-style-type: none"> <li>1. A potato producer who is obliged to pay statutory levies under the Marketing of Agricultural Products Act 47/1996, or where such obligation is lacking, is willing to pay the voluntary levies as determined from time to time by the Congress of the Organisation; and</li> <li>2. May be either a natural person, or a Trust/legal entity (as represented by the nominated representative); And</li> <li>3. Endorsing the objectives of the Organisation.</li> </ol>
*(Co-opted)	A person who can contribute to the activities of a Committee due to their experience and expertise.
*(Ex officio)	A person who is not a producer but represents a sub-sector, committee or institution in the industry, or is a specialist employee of the organisation.
*(Observer)	A person who is not officially part of the group holding the meeting, who may provide guidance and has no voting rights.
National Council	Refers to the authority acting on behalf of the Organisation when Congress is not in session.
Office Bearers	Refers to elected National Board (National Council) members to represent producers.
Organisation	Refers to Potatoes South Africa Voluntary.
Potato Producer	Refers to a farmer who produces potatoes for the market: <ol style="list-style-type: none"> <li>1. Fresh potatoes (also known as table or eating potatoes); or</li> <li>2. For processing; and/or</li> <li>3. For Seed Potatoes.</li> </ol>
Production Regions	There are four (4) Production Regions, each consisting of Production Areas with their respective District Municipalities ( <i>Also see District Municipality</i> ): <ol style="list-style-type: none"> <li>1. <b>Eastern Production Region</b> <ol style="list-style-type: none"> <li>1.1 Eastern Free State Production Area <ul style="list-style-type: none"> <li>• Fezile Dabi District Municipality</li> <li>• Thabo Mofutsanyane District Municipality</li> </ul> </li> <li>1.2 KwaZulu Natal Production Area <ul style="list-style-type: none"> <li>• Amajuba District Municipality</li> <li>• Zululand District Municipality</li> <li>• uMkhanyakude District Municipality</li> <li>• King Cetshwayo District Municipality</li> <li>• uMzinyathi District Municipality</li> <li>• uThukela District Municipality</li> <li>• uMgungundlovu District Municipality</li> <li>• iLembe District Municipality</li> <li>• eThekweni Metro</li> <li>• Harry Gwala District Municipality</li> <li>• Ugu District Municipality</li> </ul> </li> </ol> </li> </ol>

- 1.3 North Eastern Cape Production Area
  - Alfred Nzo District Municipality
  - O.R. Tambo District Municipality
  - Chris Hani District Municipality
  - Joe Gqabi District Municipality

## **2. Northern Production Region**

- 2.1 Gauteng Production Area
  - City of Tshwane Metro
  - City of Johannesburg Metro
  - Sedibeng District Municipality
  - Ekurhuleni Metro
  - West Rand District Municipality
- 2.2 Mpumalanga Production Area
  - Ehlanzeni District Municipality
  - Nkangala District Municipality
  - Gert Sibande District Municipality
- 2.3 Marble Hall Production Area
  - Sekhukhune District Municipality
- 2.4 Limpopo Production Area
  - Waterberg District Municipality
  - Capricorn District Municipality
  - Vhembe District Municipality
  - Mopani District Municipality

## **3. Southern Production Region**

- 3.1 Sandveld Production Area
  - West Coast District Municipality
- 3.2 Eastern Cape Production Area
  - Sarah Baartman District Municipality
  - Amathole District Municipality
  - Nelson Mandela Bay Metro
  - Buffalo City Metro
- 3.3 Ceres Production Area
  - Cape Winelands District Municipality
- 3.4 Southern Cape Production Area
  - Central Karoo District Municipality
  - Garden Route District Municipality
  - Overberg District Municipality
- 3.5 South Western Cape Production Area
  - City of Cape Town Metro

## **4. Western Production Region**

- 4.1 North West Production Area
  - Bonjanala District Municipality
  - Ngaka Modiri Molema District Municipality
  - Dr Ruth Segomotsi District Municipality
  - Dr Kenneth Kaunda District Municipality
- 4.2 Northern Cape Production Area
  - John Toalo Gaetsewe District Municipality
  - ZF Mqacawu District Municipality
  - Frances Baard District Municipality
  - Namakwa District Municipality

- Pixley ka Seme District Municipality
- 4.3 South-Western Free State Production Area
  - Xhariep District Municipality
  - Mangaung Metro
- 4.4 Western Free State Production Area
  - Lejweleputswa District Municipality

Transformation Programme Refers to any programme that aims at transformation and that is instituted from time to time by the Organisation.

## **CHAPTER 1: PURPOSE OF CONSTITUTION**

1.1 The purpose of this constitution is to:

1.1.1 provide a framework for the Organisation as:

- a. a voluntary organisation
- b. not for profit
- c. owned by its members
- d. established as a legal entity in terms of its constitution and
- e. autonomous national organisation for the potato producers of the Republic of South Africa.

1.1.2 establish a foundation for the implementation of strategies at national and regional level, as well as in the workplace;

1.1.3 establish a structure for the functioning of a voluntary representative entity.

1.1.4 operate within the guidelines of applicable legislation.

## **CHAPTER 2: NAME OF THE ORGANISATION**

2.1 The name of the Organisation shall be known as Potatoes South Africa Voluntary.

2.2 The development of the Organisation originated from the previously known as the "Potato Producers Organisation".

## **CHAPTER 3: LEGAL STATUS**

3.1 The Organisation is an autonomous specialized organisation not for profit owned by its members and established as a legal entity in terms of its constitution.

3.2 The Organisation is a voluntary organisation with an identity and existence entirely separate and distinct from that of its office bearers or members and shall continue to exist notwithstanding changes in the composition of the membership or office bearers. As such, the Organisation may sue or be sued in its own name and is eligible to its own rights, obligations and duties.

3.3 The Organisation is an organisation not for profit and the income and property of the Organisation, where so ever it may be derived, shall be applied solely towards the promotion of its objectives as recorded herein and no portion thereof shall be paid, divided, distributed or transferred directly or indirectly in any manner whatsoever to the members of the Organisation. This notwithstanding, nothing shall prevent the payment in good faith of reasonable remuneration to any office bearer of the Organisation or to any member thereof in return for any services rendered by such person to the Organisation in accordance with the objectives as laid out in this Constitution.



- 3.4 The Organisation may authorize any person or persons to act on its behalf and to sign all such documents and take all such measures as may be necessary in connection with any proceedings at law brought by or against the Organisation.

## CHAPTER 4: OBJECTIVES

The objective of the Organisation is to serve the interests of the Potato Industry in South Africa and includes, but is not limited to:

- 4.1 to bring about the best possible economic and social position for the potato producer in the South African economy by objectively serving as the link between the Organisation (producers, their leaders and organisation) and all bodies (authorities as well as private) that exert an influence on the potato industry;
- 4.2 to serve as the mouthpiece of the South African potato producers;
- 4.3 to participate on behalf of its members in decision-making and other processes affecting the interests of the potato industry;
- 4.4 by joint action ensure the establishment of the necessary facilities and services for the potato industry, and to organize the industry and to create the required types of services towards this end;
- 4.5 to initiate transformation programmes for the benefit of the potato industry including, but not limited to, emerging potato producers;
- 4.6 recognise the interests of qualifying producers within the Agri BEE Charter by making provision for the interests of such potato producers in the National Council of the Organisation;
- 4.7 to develop and promote solidarity and a spirit of co-operation and belonging amongst all interested parties in the potato industry;
- 4.8 to strive towards the effective production and marketing of potatoes in South Africa;
- 4.9 to limit any business activity or services to matters and services pertaining to the promotion of the potato industry of South Africa;
- 4.10 structure any business activity or service in such a way that financial interests and results are transparent and made available to all parties to whom the Organisation is accountable;
- 4.11 to convey the co-ordinated opinion of the potato producers to Government or other authorities or other non-governmental organisations and to co-operate with them in all matters affecting the well-being of the potato industry, to solve problems and to effect the required legislation;
- 4.12 to strive for the systematic development of an environmental friendly outlook of the potato industry, including, *inter alia*, the preservation of the soil and water resources, the maintenance and improvement of soil fertility and improvement of production and marketing methods;

- 4.13 to establish, promote and maintain optimum understanding between the potato producers and other interest groups in the potato industry; and
- 4.14 to act in accordance with the stated objectives, treat all members strictly on merit and to act strictly non-political.

## **CHAPTER 5: POWERS OF THE ORGANISATION**

- 5.1 The Organisation has all such powers necessary to enable it to achieve its objectives and perform its duties and functions along with such other powers as may be conferred upon it by the appropriate Acts. In addition, the Organisation must perform its functions in accordance with this Constitution.
- 5.2 Subject to any limitations which may be imposed by the appropriate acts and this Constitution, the Organisation may delegate to its members, employees, committees, or the chief executive officer any of its powers, duties and functions provided that:
  - 5.2.1 the Organisation not delegate its power of authority; and
  - 5.2.2 any delegation must be recorded in the Organisation's minutes and be given in writing and must specify:
    - a. the period for which it is valid; and
    - b. which limitations or conditions are applicable to the delegation.
- 5.3 The Organisation may at any time revoke or amend a delegation and it may change or set aside any decision taken in respect of the delegation.
- 5.4 The Organisation may continue to exercise or fulfil delegated powers, duties or activities.
- 5.5 The Organisation remains responsible for all actions taken during the period in which a delegation is valid.
- 5.6 The Organisation shall, for purposes of achieving its objectives and performing its duties and functions, establish such committees as may be necessary for this purpose; (provided that decisions of such committees are subject to the approval of the National Council before such decisions may be executed or pursued unless the National Council has given prior approval to this effect). The National Council may make changes to such committee or revoke the terms of reference.
- 5.7 Notwithstanding the above, the Organisation shall have authority, duties and powers to
  - 5.7.1 retain, buy or otherwise acquire, sell, lease, pawn and/or otherwise mortgage movable or immovable property, offer it as security and/or to alienate it in any other way or to dispose of it and to give or acquire any actual right in respect thereof and to enter into any transaction in general in respect thereof;

- 5.7.2 lend, offer and/or otherwise invest money or funds at its disposal with registered financial institutions as stipulated in Section 1 of the Financial Institutions (Investment of Funds) Act, 1984 and in shares listed on a licensed stock exchange as described in the Stock Exchange Control Act 1985 (Act No. 1 of 1985);
  - 5.7.3 open bank accounts, deposit funds, borrow money, whether against security or not and withdraw or overdraw against it;
  - 5.7.4 establish and defend legal procedure and to present any dispute for arbitration and appoint, and where necessary remunerate, legal practitioners in respect of such legal acts or arbitration and any commission of inquiry;
  - 5.7.5 receive and accept donations and/or contributions of any nature;
  - 5.7.6 indemnify office bearers and employees in respect of any loss or damage which they may incur in the course of their employment and to enter into fidelity bond policies for persons dealing with the funds of the Organisation;
  - 5.7.7 appoint and dismiss employees and advisors;
  - 5.7.8 remunerate persons in cash for services rendered to the Organisation;
  - 5.7.9 pay allowances and establish pension schemes, profit sharing plans and other incentive schemes for the benefit of its office bearers and employees;
  - 5.7.10 establish, publish and disseminate information in whatever appropriate format in furtherance of the objectives of the Organisation;
  - 5.7.11 present a co-ordinated view of potato producers on matters pertaining to their interest to Government or other bodies, and to co-operate with them towards solving problems and drafting legislation and obtain representation on such Governmental and other bodies;
  - 5.7.12 affiliate to such organisations on mutually acceptable terms as approved by Congress;
  - 5.7.13 make recommendations to Government and other bodies pertaining to levies of all potato producers for purposes of transformation, research, generic marketing and information services or other such purposes as may be determined by the National Council; and
  - 5.7.14 if, should it become necessary, determine membership fees and/or voluntary levies payable to the Organisation.
- 5.8 Notwithstanding anything to the contrary, the Organisation shall not be allowed to enter into any transaction to which the value thereof exceeds the value of the assets of the Organisation at any given time, including membership fees as payable from time to time.

## **CHAPTER 6: LINES OF AUTHORITY**

6.1 The lines of authority of the Organisation shall consist of

6.1.1 Congress.

6.1.2 National Council.

6.1.3 Executive Committee.

6.1.4 Regional Management which shall act on behalf of the potato producers of a specific production area in respect of matters affecting the potato producer in such production area; provided that matters also affecting other production areas shall be referred to the National Council for further action.

## **CHAPTER 7: CONGRESS**

7.1 Authority

Congress is the highest authority within the Organisation with respect to strategic policy matters related to the industry; matters of an internal nature; and the exercise of the powers and the administration of the Organisation.

7.2 Composition

The existing National Council shall determine the number of delegates to a next Congress on the following basis:

7.2.1 A number to be determined consisting of delegates from respective production areas by allocating to each production area a number of delegates pro rata to the total production of that production area in relation to the total production of all the production areas in total.

7.2.2 Members will be appointed on a weighted basis with production area groupings that may amalgamate.

7.2.3 Members may amalgamate into another Production Region with a majority vote which is to be approved by the National Council.

7.2.4 A number to be nominated by current active Enterprise Development Farmers to render representatives who completed the programme eligible to be nominated as a Board member.

7.2.5 At least one delegate representing the seed potato producers and one delegate representing the processing producers as nominated by the National Council.

7.2.6 That only these delegates have voting rights.

### 7.3 Quorum

Half (50%) plus one (1) of the determined delegates with voting rights attending Congress will form a quorum.

### 7.4 Functions of Congress

The functions of Congress shall be:

- 7.4.1 The consideration, discussion and approval of the annual financial statements, audit report and report of the National Council.
- 7.4.2 The election of the Chairperson and the National Council.
- 7.4.3 The appointment of an auditor.
- 7.4.4 The conclusion of any other matters which has been tabled for consideration by the Congress.
- 7.4.5 To appoint the Audit Committee representative who will be a member of the National Council.

### 7.5 Rules of Congress

- 7.5.1 Congress shall meet every 2 (two) years at a place and on a date which has been determined at least one year in advance by the National Council.
- 7.5.2 The Organisation shall give notice to each body or grouping which may nominate delegates at least 60 (sixty) days in advance of the date and place of the meeting of Congress and the composition of the Congress.
- 7.5.3 At least 30 (thirty) days prior to Congress, a list of the names and addresses relating to each nomination body and grouping shall be available at the head office of the Organisation, so that if a delegate is absent due to unforeseen circumstances, the particular nominating body or grouping in the run-up to the Congress, may nominate an alternative delegate in writing.
- 7.5.4 Each body or grouping that may send a delegate to the Congress shall be entitled to submit draft proposals for possible inclusion in the Congress agenda; provided that
  - 7.5.4.1 the draft proposals shall reach the Organisation at least 45 (forty- five) days prior to the date of the Congress or an earlier date prior to the meeting of the Executive Committee, which shall act as the planning committee, of which date prior written notice has been given; and
  - 7.5.4.2 all provisional proposals that cannot be referred to the National Council must be evaluated by means of a meeting of the Executive Committee in which case such a meeting will take place at least two weeks before Congress.

- 7.5.5 If the majority of the National Council so decides at a properly constituted meeting, a special Congress shall be convened, provided that proper notice shall be given in each case, by communicating details of the purpose, place, date and time of the special Congress at least 30 (thirty) days prior to the date on which Congress shall be held, to each nominating body or grouping authorized to nominate delegates. The communication must be done through media that can verify confirmation of receipt.
- 7.5.6 Voting shall take place by means of a show of hands or recognized means of voting; provided that the Chairperson may determine whether voting on a particular matter shall be by secret ballot and shall so be determined if at least 7 (seven) delegates present in person so require. Where a matter concerns the election of a member as the Chairperson of the National Council, voting shall take place by secret ballot after such person has confirmed his or her availability in writing, and has the support of at least two seconders.
- 7.5.7 The Chairperson of the Organisation shall preside as Chairperson at Congress.
- 7.5.8 Proceedings of meetings shall be conducted in accordance with the proceedings for meetings of shareholders as prescribed by the Companies Act No 71 of 2008.

## CHAPTER 8: NATIONAL COUNCIL

### 8.1 Composition of National Council

- 8.1.1 The National Council shall be constituted from the members of the Organisation as follows:
- 8.1.1.1 A Chairperson, elected by Congress;
- 8.1.1.2 the chief executive officer, in an *ex officio* capacity without voting rights on meetings of the National Council;
- 8.1.1.3 Nine (9) members as follows:
- 8.1.1.3.1 Three (3) from the Northern region consisting of:
- a. Two (2) from the Limpopo production area as nominated by the Limpopo production area; and
  - b. One (1) from either the Mpumalanga production area, Gauteng production area or Loskop production area as elected by the delegates representing these areas at Congress;
- 8.1.1.3.2 Two (2) from the Eastern region consisting of:
- a. One (1) from the Eastern Free State production area as nominated by the Eastern Free State production area; and
  - b. One (1) from either the KwaZulu-Natal production area or Northeastern Cape production area as elected by the representatives of these two areas at Congress;

8.1.1.3.3 Two (2) from the Western region consisting of:

- a. One (1) from the Western Free State production area as nominated by the Western Free State production area; and
- b. One (1) from either the Northwest production area, Northern Cape production area or South Western Free State production area as elected by the representatives of these areas at Congress;

8.1.1.3.4 Two (2) from the Southern region consisting of:

- a. One (1) from the Sandveld production area as nominated by that area; and
- b. One (1) from either the Eastern Cape production area, Ceres production area, Southern Cape production area or South Western Cape production area as elected by the representatives of those production areas at Congress;

8.1.1.4 One (1) representative from the seed growers being the Chairperson of the National Seed Potato Committee;

8.1.1.5 One (1) person nominated by the National Council to represent the processing forum;

8.1.1.6 At least three (3) but no more than four (4) active potato producers who are currently in the Enterprise Development programme or who have completed the programme as nominated by current Enterprise Development Farmers.

8.1.1.7 One (1) member as nominated by Congress, to serve as a member of the Audit Committee.

8.1.2 During constituting of the National Council, the following provisions shall be effective:

8.1.2.1 The Chairperson shall have no executive powers and shall be non-aligned. If the Chairperson already represents a production area or region on the National Council, a substitute for that area or region shall be nominated to the National Council in accordance with the provisions of Article 8.1.1.3 by the Regional Management of the production area concerned;

8.1.2.2 If a member of the National Council terminates his membership, he shall forthwith be replaced by a nomination from the particular Regional Management or as by the specific nominating sector;

8.1.2.3 If a member of the National Council stop producing potatoes he shall immediately inform the National Council (refer to Code of Conduct); and

8.1.2.4 If a member of the National Council is not elected to the Regional Management of the production area concerned, he shall conclude his term of office, where after he shall be replaced by the member of the Regional Management duly nominated;

- 8.1.2.5 Members of the National Council shall hold office from the closing of the biennial Congress at which they were elected until the closing of the next Congress for a maximum of three (3) consecutive periods;
- 8.1.2.6 Preferably no more than 50% of the National Council members be replaced during an election, and
- 8.1.2.7 The National Council has the authority to appoint a member to the Council, failing the nomination or election of any person in terms of clause 8.1.

## 8.2 Powers and Duties of National Council

The National Council shall be the highest authority when Congress is not in session and, subject to the control and general policy of the Congress, the National Council shall, inter alia, have the following powers and duties:

- 8.2.1 All the powers of the Organisation as set out in Article 5;
- 8.2.2 To introduce and amend regulations for the effect of management of the affairs of the Organisation and to present it to Congress for approval.
- 8.2.3 To convene the Congress biennial and to report to the Congress on the past two years' activities.
- 8.2.4 To ratify the financial statements of the Organisation for those financial years that Congress is not session.
- 8.2.5 Members of the National Council shall serve as directors on the Board of Potatoes South Africa NPC (Registration Number 2005/0304944/08) for the corresponding period.
- 8.2.6 Appoint a Chief Executive Officer and approve positions of other employees as may be necessary for the effective running of the Organisation.
- 8.2.7 Formulate the general policy of the Organisation.
- 8.2.8 Approve the annual budget of the Organisation.
- 8.2.9 Approve the annual business plan of the Organisation.
- 8.2.10 Terminate the employment and/or terms and conditions of employment of the Chief Executor Officer and other employees of the Organisation.
- 8.2.11 Appoint representatives, agents and institutions to manage and administer certain affairs of the Organisation at remuneration and conditions as may be mutually agreed upon by the parties.
- 8.2.12 Establish committees of the Council such as an Audit Committee, a Human Resource Committee, a Marketing Committee, a Research Committee, an Information Committee, a Transformation Committee and any other committee it may consider necessary in order to achieve the objectives or perform the functions



of the Organisation. Each such committee which in turn shall be subject to such conditions as may be determined by the Executive Committee, may establish ad hoc or sub- committees for such periods as it may consider necessary to achieve the objectives or perform any of the functions of that committee as may be required for the Organisation to achieve its objectives as set out in the Constitution. When establishing any committee in terms of this Constitution, the National Council must provide terms of reference which shall include, subject to the provisions of the Constitution, the following:

- 8.2.12.1 The name of each committee established by it;
  - 8.2.12.2 Membership;
  - 8.2.12.3 Functions;
  - 8.2.12.4 Period of establishment;
  - 8.2.12.5 Accountability;
  - 8.2.12.6 Quorum;
  - 8.2.12.7 Funding;
  - 8.2.12.8 Election of Chairperson;
- 8.2.13 To appoint technical and professional advisors and office bearers without voting rights to attend meetings of the National Council.
  - 8.2.14 To make recommendations to Congress concerning the amendments of the Constitution and Regulations.
  - 8.2.15 To make recommendations to Congress concerning membership fees and producer levies.
  - 8.2.16 To consider and approve or reject new membership applications.
  - 8.2.17 To keep proper minutes of its meetings, meetings of Congress, any extraordinary Congress, the Executive Committee and committees and workgroups.
  - 8.2.18 To appoint able office bearers to represent the Organisation on the Councils or board of Directors of Companies and/or organisations and to terminate their services.
  - 8.2.19 To evaluate the production trends of the existing production areas and identify new developing potato production areas in South Africa and make recommendations to Congress for official recognition of such areas, and thereby new regions or districts and, if necessary, the combination and/or demarcation of production areas, regions and/or districts.
  - 8.2.20 To, through its Audit Committee be responsible to identify and monitor risks and performance indicators in respect of the Organisation.
  - 8.2.21 To monitor and assess the non-financial aspects pertaining to the Organisation.
  - 8.2.22 To continuously determine whether the Organisation has the technical capacity to meet the mandated requirements, to seize opportunities and to excel as service provider.

### 8.3 Duties and Powers of Individual Members of National Council

- 8.3.1 The duties, powers and responsibility of members of the National Council, individually and collectively, vis-à-vis the Organisation, be exactly the same as the duties, powers and responsibility of directors of a company vis-à-vis that company as contained in South African legislation.

#### 8.4 Meetings of the National Council

The National Council shall meet at least twice a year, to finalise matters.

#### 8.5 Election of Chairperson and Vice-Chairperson

8.5.1 The Chairperson of the Organisation, who shall be non-executive and non-aligned, shall be elected by the delegates at the biennial Congress.

8.5.2 The Vice-Chairperson of the Organisation shall be elected by the National Council at the first meeting after a biennial Congress.

8.5.3 In the event of the Chairperson neglecting his duties, a new Chairperson will be elected by the National Council at a meeting of the National Council by means of unanimous vote of a quorum or majority of votes from a full Council and by means of a secret ballot.

#### 8.6 Voting

8.6.1 At all meetings of the National Council:

8.6.1.1 each member of the National Council that represent producers or role players shall have one vote;

8.6.1.2 proxy votes shall not be allowed;

8.6.1.3 all voting shall be determined by a majority of votes. In the case of a tie of votes, whether by a show of hands or by ballot, the meeting will continue the discussion and strive to reach consensus. If consensus cannot be reached reasonably within an acceptable time, the matter will be resolved through the dispute resolution procedure in Chapter 15;

8.6.1.4 all voting shall be conducted by a show of hands unless demanded otherwise by the presiding officer of the meeting or by three members personally present (prior to or at the announcement of the result of the show of hands). The demand for a vote may be withdrawn;

8.6.1.5 unless a vote is thus enforced, the chairperson of the meeting may announce that a decision by a show of hands has been approved or not approved by a determined majority as conclusive proof thereof, without proof of the number ratio of the vote recorded in favour or against any such decision; And

8.6.1.6 If a vote is duly enforced, it shall be taken in such manner and either immediately, or after a break or adjournment as determined by the Chairperson of the meeting. The result of such a vote shall be deemed to be the resolution of the National Council. Counters shall be designated to determine the outcome of the vote.

#### 8.7 Notice of Meetings

8.7.1 Meetings of the National Council shall be convened by issuing written notices to be sent out not less than (21) days prior to the date of the meeting.

- 8.7.2 The notice shall specify the place, the day, the hour and the matters of the meeting and shall be issued to each member in a manner provided for in this constitution.
- 8.7.3 A meeting of the National Council shall, notwithstanding the fact that it is called on shorter notice than that specified in this clause, shall be deemed properly convened if so agreed to by ninety percent of the members.
- 8.7.4 Any notice required or permitted to be given to any members of the National Council under this Constitution shall be given in the manner and in accordance with the provisions of this clause.
- 8.7.5 A notice may be given by the Secretary to any member of the National Council through media that can verify confirmation of receipt.
- 8.7.6 Nothing contained in this Constitution prohibits a meeting of the National Council to be conducted entirely by electronic communication.

## 8.8 Absence of Chairperson

- 8.8.1 In the absence of the Chairperson, the Vice-Chairperson acts as Chairperson with all the powers of the Chairperson vested in him. If both are absent the meeting shall elect its own Chairperson from members present at the meeting.
- 8.8.2 Such a Chairperson shall act with all the powers of the Chairperson vested in him.

# CHAPTER 9: EXECUTIVE COMMITTEE

## 9.1 Composition of Executive Committee

- 9.1.1 The National Council may elect an Executive Committee.
- 9.1.2 The Executive Committee shall, between meetings of the National Council, dispose of the relevant operational powers of the National Council and may enlist the services of other persons as required; provided that all resolutions of the Executive Committee shall be referred to the next meeting of the National Council for ratification.
- 9.1.3 The Executive Committee shall meet when necessary to discuss all other matters in the interest of the Organisation and in accordance with the constitution.

## 9.2 Members

- 9.2.1 The Executive Committee shall consist of;
  - 9.2.1.1 The Chairperson of the Organisation;
  - 9.2.1.2 The Vice-Chairperson of the Organisation;
  - 9.2.1.3 The chairpersons of the Information; Research and Development; Generic Marketing; and Transformation committees;

- 9.2.1.4 A member of the Audit Committee (not as Chairperson of the Audit Committee); and
- 9.2.1.5 The Chief Executive Officer who shall be a non-voting member.
- 9.2.1.6 If one member represents more than one role, such person may only have one vote.

9.2.2 Any staff member of the Organisation who may be required from time to time to attend a meeting of the Executive Committee shall be entitled to speak by invitation of the Chairperson, but not to vote.

### 9.3 Terms of Office

9.3.1 The office bearers of the Organisation shall hold office as members of the Executive Committee for as long as they hold the position or office to which they have been appointed. The remaining members of the Executive Committee shall hold office from the time of being elected or appointed until the closure of the next biennial Congress meeting of the Organisation;

9.3.2 In terms of this constitution, the Chairperson of the Organisation or such person acting in the place of the Chairperson shall act as presiding officer at all meetings of the Executive Committee.

### 9.4 Voting

9.4.1 The procedures in clause 8.6 applicable to voting at National Council meetings also apply to meetings of the Executive Committee.

### 9.5 Notice of meetings

9.5.1 The procedures in clause 8.7 applicable to notices of National Council meetings also apply to meetings of the Executive Committee.

## **CHAPTER 10: NATIONAL CHAIRPERSON**

### 10.1 Election of Chairperson

10.1.1 Congress shall elect a Chairperson from the members of Congress by means of an absolute majority i.e. more than 50 % (50% plus 1) of the number of votes cast by delegates who have the right to vote and who are present in person at Congress.

10.1.2 The Chairperson shall serve as such until the closure of the Congress following the one at which he or she was elected.

10.1.3 The Chairperson can be eligible for re-election.

10.1.4 All the delegates who are present at Congress shall nominate and vote by means of secret ballot. Voting shall be conducted through secret ballots after such person has confirmed his or her availability in writing and enjoys the support of at least two seconders.

- 10.1.5 During the nomination and voting process the following rules shall apply, namely:
  - 10.1.5.1 There must be at least 2 (two) seconders for each nomination in each candidacy;
  - 10.1.5.2 If more than one person is nominated and accepts such nomination in writing, a vote shall be taken by secret ballot and if a candidate obtains an absolute majority i.e. more than 50% (50% plus 1) of the number of votes cast, he/she shall be declared elected;
  - 10.1.5.3 If no person obtains an absolute majority, the persons with the highest number of votes shall be placed on the list of candidates for a further election.
  - 10.1.5.4 Voting in the above manner shall be repeated until a candidate obtains an absolute majority whereupon he/she will be declared elected.
- 10.1.6 If a permanent vacancy arises with respect to the office of the Chairperson, the Vice-Chairperson shall fill the vacancy until the following Congress.

## 10.2 Duties and Powers of Chairperson

- 10.2.1 The Chairperson should ensure that the National Council acts equitably as set out in section 8.
- 10.2.2 The chairperson must be able to act objectively in the day-to-day conduct of business by ensuring that all relevant matters are on the agenda and given proper preference.
- 10.2.3 The Chairperson must also ensure that members of the National Council are as fully informed as possible on any matter on which a decision has to be taken.
- 10.2.4 The Chairperson must ensure that members of the National Council participate fully in the governance of the Organisation.
- 10.2.5 The Chairperson should ensure that the non-executive Council members, when applicable, do not exercise only a monitoring role but also contribute to the business decisions or the Organisation.
- 10.2.6 The Chairperson's role is independent from that of the chief executive officer of the Organisation.
- 10.2.7 The Chairperson must ensure the establishment of basic priorities, ethical values, policy and value systems which will bring about an environment of personal involvement and commitment.
- 10.2.8 The Chairperson is responsible for the overall leadership of the Council.
- 10.2.9 The Chairperson shall be responsible for the overseeing in conjunction with the annual work plan for the National Council to ensure smooth running of the Council's activities.
- 10.2.10 The Chairperson is responsible for the regular appraisal of the performance of the Chief Executive Officer of the Organisation.

- 10.2.11 The procedure at meetings and debates shall be determined by the Chairperson. His decision is final unless there is a majority decision of the assembly to proceed with the debate.
- 10.2.12 The Chairperson may at his discretion invite representatives of other organisations or any person or persons at their request or allow them to attend the Congress or any meeting of the Executive Committee and to participate in the discussion. Such persons shall under no circumstances be entitled to vote.
- 10.2.13 The Chairperson also has the right to co-opt any person on any ad hoc sub-committee and to request any person to attend a meeting of any Council or committee of the Organisation and to advise the Council or committee accordingly.
- 10.2.14 The Chairperson shall have a well-thought-out recommendation but not a casting vote, except in the event where a decision on a particular matter must be taken at that particular meeting.
- 10.2.15 A motion on which votes are equally divided shall be deemed as to be rejected except in the case where a decision on a matter has to be taken at that particular meeting and the Chairperson has given his casting vote in terms of clause 10.2.14.
- 10.2.16 The Chairperson does not have a casting vote in the case of the election of persons. Such an election must be decided by a majority vote.

## **CHAPTER 11: REGIONAL MANAGEMENT**

### 11.1 Constitution of Regional Management

- 11.1.1 Each Region, as identified by the National Council and approved by the biennial Congress, shall constitute a representative Management Committee according to need which has to function within the constitution of the Organisation;
- 11.1.2 The Regional Management shall then consist of duly authorised representatives designated from each defined production area within the region;
- 11.1.3 The representation on such a Regional Management is in accordance with the following criteria:
- a. Geographical distribution of the producers;
  - b. Proportionate numbers of producers; and
  - c. Production in the regions.
- 11.1.4 Election of production area representatives shall take place by means of an annual general meeting held at least two months prior to Congress.
- 11.1.5 The electoral process shall be guided by the serving Chairperson of such Regional Management.

## 11.2 Powers and Duties of Regional Management

11.2.1 The Regional Management complies with and/or provides the following services:

- 11.2.1.1 Represents the interests of all the potato producers of the relevant production areas on local level as well as in the broader organisational structure of the Organisation;
- 11.2.1.2 Bear the responsibility for the administration of all nominations to organisations in which members in the relevant Regional Management have seats;
- 11.2.1.3 Conduct campaigns for the development of the potato industry, including the conservation of the land and water resources, the maintenance and improvement of soil fertility and improved production and marketing methods in a balanced farming scheme;
- 11.2.1.4 Strive to fully build cooperation and participation and to increase the involvement of all producers in their production area to facilitate an atmosphere of an esprit de corps (sense of cohesion).
- 11.2.1.5 Meet on a regular basis, at least once a year to make requests and recommendations on behalf of the potato producers regarding all matters pertaining to potatoes in the relevant production area. All matters of national importance must be referred to the National Council of the Organisation.
- 11.2.1.6 Track production and provide perspective in terms of all production and all market activities of the relevant production area. This means the collection and dissemination of information to all role players. Should the Organisation make use of a service provider, the above process will take place through liaison with such service provider;
- 11.2.1.7 Establish and support communication with other production areas and organisations on a regular basis to discuss matters of mutual concern;
- 11.2.1.8 Ensure that potato growers are kept informed of all matters affecting the potato industry;
- 11.2.1.9 Strive to involve cooperation and engagement by all stakeholders in regional activities;
- 11.2.1.10 Mandated to appoint sub-committees to deal with specific disciplines in the production area concerned. Typical examples of sub-committees are:
  - a. Seed Potato Committee; and
  - b. Research Workgroup.
- 11.2.1.11 Determine the terms of reference, responsibilities and reporting levels of the sub-committees and ensure that they function properly;

- 11.2.1.12 Ensure that administrative and secretarial support is provided to the production area and also to evaluate it continuously to ensure that an optimal and cost-effective service is rendered; and
- 11.2.1.13 Handle all matters objectively and on merit; and
- 11.2.1.14 Appoint delegates of that production area to attend Congress (refer to clauses 11.1.4 and 11.1.5).

### 11.3 Powers and Duties of Members of Regional Management

- 11.3.1 The duties, powers and responsibilities of members of the Regional Management, individually and collectively, are set out in the Code of Conduct as developed by National Council attached as Appendix A.

### 11.4 Voting

- 11.4.1 The procedures in clause 8.6 applicable to voting at National Council meetings also apply to meetings of the Regional Management.

### 11.5 Notice of Meetings

- 11.5.1 The procedures in clause 8.7 applicable to notices of meetings of the National Council also apply to meetings of the Regional Management.

## **CHAPTER 12: CHIEF EXECUTIVE OFFICER**

- 12.1 The National Council of the Organisation shall appoint and agree the terms of service of a suitable Chief Executive Officer of the Organisation and from time to time to determine the functions, rights and duties of the Chief Executive Officer and to direct and supervise the Chief Executive Officer in the performance of his or her duties.
- 12.2 The Chairperson and Chief Executive Officer shall agree on an annual performance agreement, subject to at least two review sessions per annum.
- 12.3 The Human Resources Committee shall consider the results of the Chief Executive Officer's appraisal in the evaluation of the Chief Executive Officer.
- 12.4 The Chief Executive Officer must attend all meetings of, and shall be an *ex officio* member of the National Council.
- 12.5 If the Chief Executive Officer is absent or for any reason is unable to perform the functions entrusted to him or her, or there is a vacancy in office of the Chief Executive Officer, the Executive Committee shall appoint an officer or person to act as Chief Executive Officer until the Chief Executive Officer is able to resume his/her, functions or until a Chief Executive Officer is appointed.
- 12.6 The Organisation may, subject to the provisions of this Constitution, appoint persons as employees of the Organisation to assist in the performance of the functions of the Chief Executive Officer.



- 12.7 The Chief Executive Officer is responsible for the following:
- 12.7.1 The development of strategies which will ensure the long-term survival of the members of the Organisation within a competitive environment;
  - 12.7.2 Implementation, recommendations and regular feedback to the National Council in respect of policies, strategies, objectives and key initiatives;
  - 12.7.3 Coordination of the activities of the management team;
  - 12.7.4 Leadership to the management team;
  - 12.7.5 The Chief Executive Officer's duty is to run the business according to the policies and strategies adopted by the National Council of the Organisation;
  - 12.7.6 The performance of the Organisation;
  - 12.7.7 The introduction of sound corporate governance and the creation of a culture of rapid change, transparency, innovation, entrepreneurial thinking and a high level of performance;
  - 12.7.8 Create an environment of setting objectives, organizing providing leadership and effective control to lead the members of the Organisation through uncertain circumstances;
  - 12.7.9 To achieve the objective of wealth creation in the potato industry the Chief Executive Officer will install, maintain and support a culture of a well- informed National Council.

## **CHAPTER 13: FUNCTIONS OF SECRETARY**

- 13.1 The Chief Executive Officer shall appoint a Secretary for the Organisation to fulfil the statutory duties of the Organisation.
- 13.2 The Secretary shall duly be empowered by the National Council to fulfil the relevant statutory duties.
- 13.3 The Secretary shall be responsible to provide the necessary guidance to the National Council and its members on the execution of their respective responsibilities.
- 13.4 The Secretary shall play a leading role in the induction of new and inexperienced members of the National Council.
- 13.5 The Secretary shall play a significant role in supporting the Chairperson and Chief Executive Officer including minute keeping.
- 13.6 The Secretary shall provide a central source of guidance and advice on business ethics and good corporate governance; and
- 13.7 The Secretary shall guide the members of the National Council in respect of its duties and responsibilities and inform them of all new and pending legislation.

# CHAPTER 14: FINANCING, ACCOUNTING AND AUDITING

## 14.1 Finances of Organisation

14.1.1 The funds of the Organisation consist of:

14.1.1.1 interest on investments;

14.1.1.2 donations received from any person, body, government or administration; and

14.1.1.3 membership fees; and

14.1.1.4 any other money received from any other source.

14.1.2 Monies referred to herein may be invested at any institution allowed by the South African Revenue Services (SARS) taking into account the tax-exempt status of the Organisation.

14.1.3 Any monies paid to the Organisation in terms of donations received from any person, body, government or administration must be utilized in accordance with the conditions, if any, stipulated by the donor of such monies.

14.1.4 The Chief Financial Officer, as appointed by the National Council must, in respect of each financial year, submit to the National Council of the Organisation a statement of estimated income and expenditure during such financial year, which must give approval to the budget for:

14.1.4.1 the first financial year before the first meeting of the Organisation; and

14.1.4.2 every consecutive financial year before the beginning of such financial year.

## 14.2 Accounting

14.2.1 Subject to any instructions by the National Council, the Chief Executive Officer is responsible for all monies received and payments made by the Organisation.

14.2.2 The accounting officer is responsible for all monies received and payments made by the Organisation.

14.2.3 The financial year of the Organisation ends on 30 June in each year.

14.2.4 The accounting officer shall ensure recordkeeping in accordance with generally accepted accounting practices which is essential to reflect the state of affairs and the business of the Organisation in a fair manner and to outline the transactions and financial position of the Organisation.

14.2.5 Annual financial statements shall be prepared in respect of every financial year. The statement must consist of:

14.2.5.1 statement of financial position setting out the state of affairs in the Organisation;

14.2.5.2 a return of income received and expenses incurred by the Organisation; and

14.2.5.3 a statement of cash flow.

### 14.3 Audit Committee

14.3.1 In order to ensure that the Organisation is fully appraised, at all times, of its true financial position, the Organisation shall, in accordance with this Constitution, appoint an Audit Committee with specific duties as may be assigned to it to conduct an audit on the accounting records of the Organisation and to report to it at such intervals as it may deem appropriate.

14.3.2 The Audit Committee shall be chaired by a non-aligned suitably qualified person.

## **CHAPTER 15: DISPUTE RESOLUTION**

15.1 Any person involved in a dispute concerning the application or interpretation of this Constitution must refer the dispute in writing to the Chief Executive Officer.

15.2 The Secretary of the Organisation must provide copies of such referral to the Chairperson and members of the Organisation.

15.3 The Organisation must attempt to resolve the dispute via an internal dispute resolution procedure: failing which,

15.4 The Secretary, in line with the Companies Act, must refer the dispute back, or to:

15.4.1 any mediator or arbitrator appointed by the Organisation to resolve the dispute;

## **CHAPTER 16: GENERAL**

### 16.1 Rights and Obligations of Members

16.1.1 Every member has the right to:

16.1.1.1 Be heard on any matter considered at a meeting;

16.1.1.2 Have their views on any matter considered at the meeting recorded in the minutes of the meeting and in any report or recommendation of the meeting.

16.1.2 Members of the Organisation and committees appointed by the National Council excluding full time employees of the state may claim compensation for their participation in the Organisation or its committees in accordance with the regulations.

## 16.2 Disclosure of Interest

16.2.1 A member of the Organisation or any committee or functional committee of the Organisation who is directly or indirectly interested in any business of the Organisation or the committee or the functional committee of which he or she is a member or who holds any office or possesses any property which might cause a conflict of duties or interest must declare that interest or potential conflict prior to assuming any office or, to the extent that any such conflict may arise subsequent to his assuming office, immediately thereafter.

16.2.2 Such a disclosure must be made to a meeting of the Organisation, committee or functional committee where after such disclosure shall be reported to the next meeting of the Organisation and be recorded in the minutes thereof.

## 16.3 Mouthpiece of Organisation

16.3.1 The Chief Executive Officer, as appointed by the National Council, is the official mouthpiece of the Organisation. The Chief Executive Officer shall have discretion to designate employees of the Organisation in the capacity as mouthpiece of

the Organisation with the proviso that all public judgments on behalf of the Organisation are first ratified in advance by the Chief Executive Officer (also see Section 4.2 and 4.14).

16.3.2 Members of the National Council are not mandated to act as a mouthpiece on behalf of the Organisation but may comment on potato-related matters in their private capacity.

## 16.4 Confidentiality

A member or employee of the Organisation or any of its committees or functional committees shall not, while he or she is a member or employee or thereafter, disclose to any person any information, for which non-disclosure has been declared, which he or she acquired whilst exercising or performing any function or duty under this Constitution and which therefore, is confidential to the Organisation, any of its committees or functional committees to any other member or to any employer or employee in the sector or sub-sector, as the case may be.

## 16.5 Terms of Office (Voting)

16.5.1 Any person who attends a meeting in more than one capacity to the extent that he or she is entitled to vote, shall be entitled to one vote only.

# CHAPTER 17: AMENDMENTS TO THIS CONSTITUTION

17.1 The secretary must send copies of any proposed amendments together with the Congress agenda to all members attending the Congress.

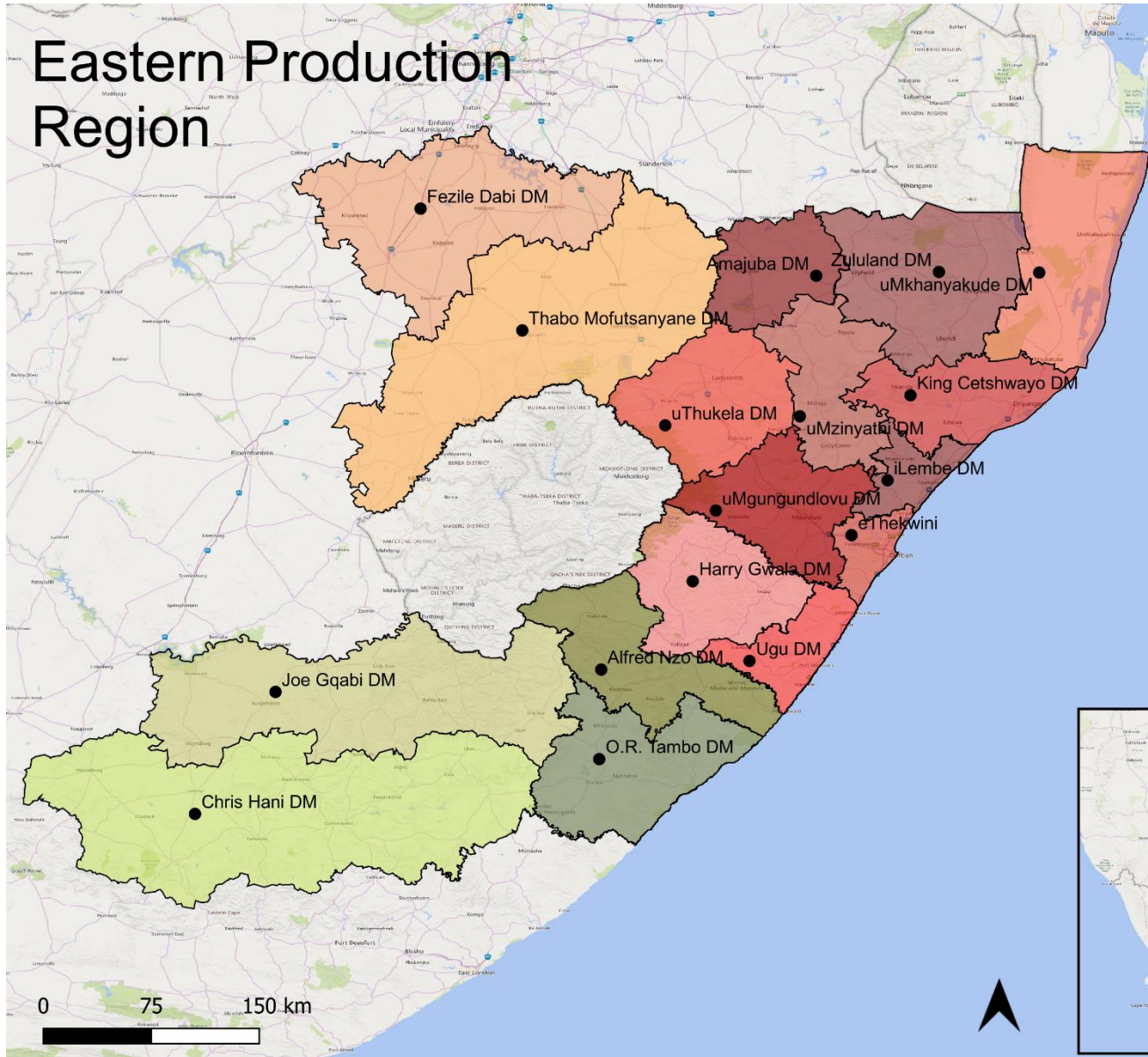
17.2 At least 30 days' notice of a meeting at which an amendment of the constitution is to be considered will, in all instances, be required.

- 17.3 The provisions of this Constitution may be amended only by the decision of at least two-thirds of the members present at a meeting of the Organisation's Congress.

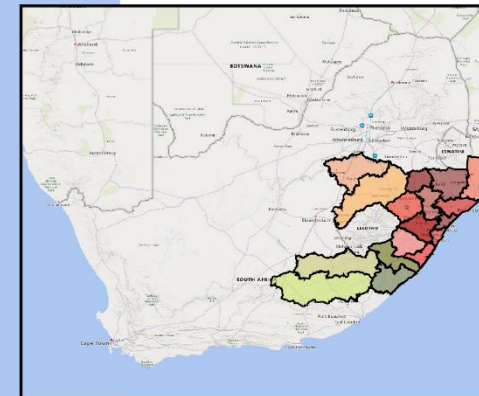
## **CHAPTER 18: DISSOLUTION OR WINDING UP**

- 18.1 The Organisation may be dissolved by a resolution adopted by at least two-thirds of the delegated members at a special Congress convened for the purpose and of which notice of at least 45 (forty-five) days has been given before the Congress.
- 18.2 On liquidation or dissolution, the remaining assets of the Organisation shall be handed over to another association or organisation being a participant in organised agriculture with objects similar to those of the Organisation which has also been exempted from the payment of income tax and donations tax, appointed for this purpose by the National Executive or, failing such appointment, to an association or organisation designated by the court.

# Eastern Production Region



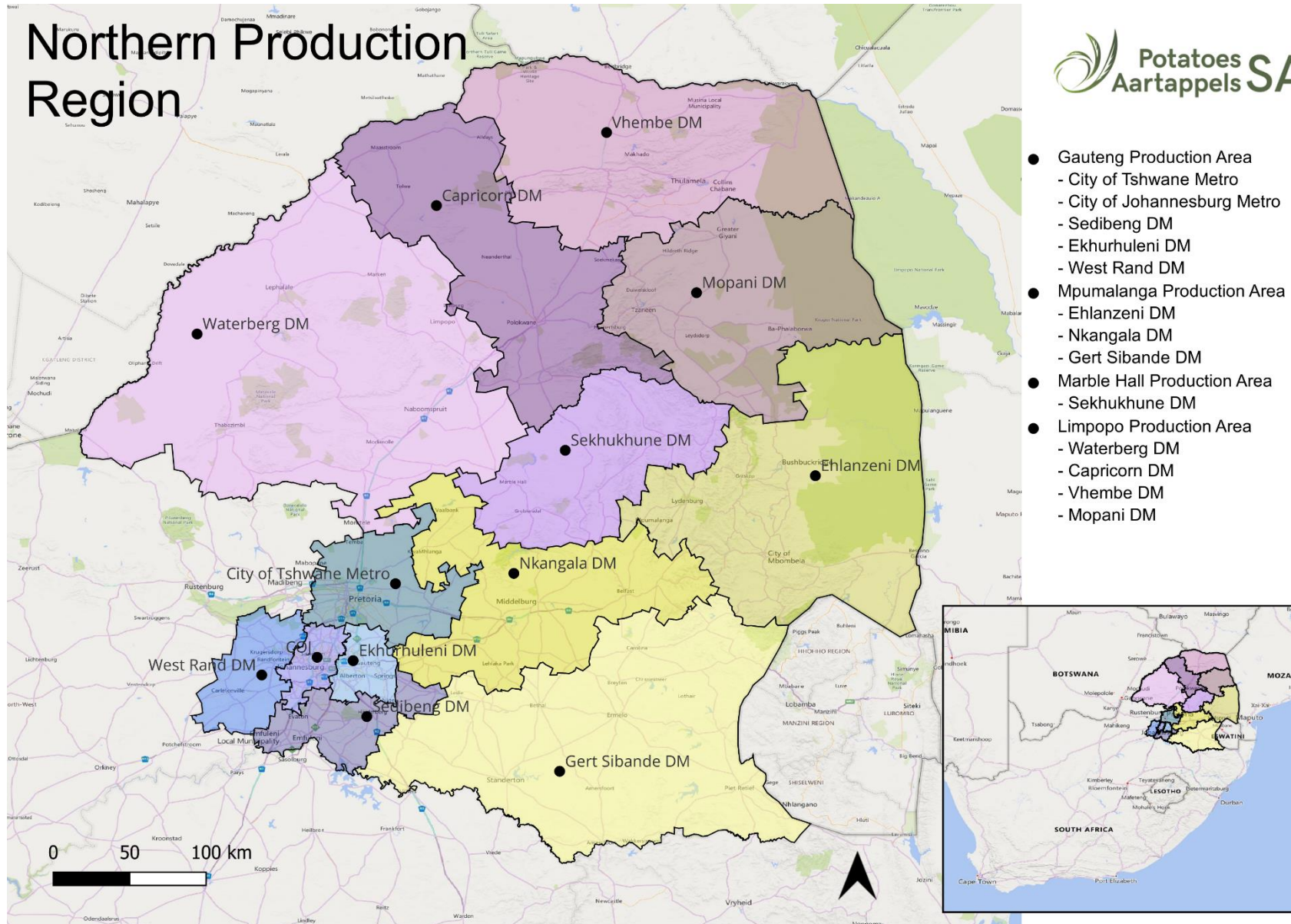
- Eastern FS Production Area
  - Fezile Dabi DM
  - Thabo Mofutsanyane DM
- KZN Production Area
  - Amajuba DM
  - Zululand DM
  - uMkhanyakude DM
  - King Cetshwayo DM
  - uMzinyathi DM
  - uThukela DM
  - uMgungundlovu DM
  - iLembe DM
  - eThekweni Metro
  - Harry Gwala DM
  - Ugu DM
- North Eastern Cape Production Area
  - Alfred Nzo DM
  - O.R. Tambo DM
  - Chris Hani DM
  - Joe Gqabi DM



# Northern Production Region



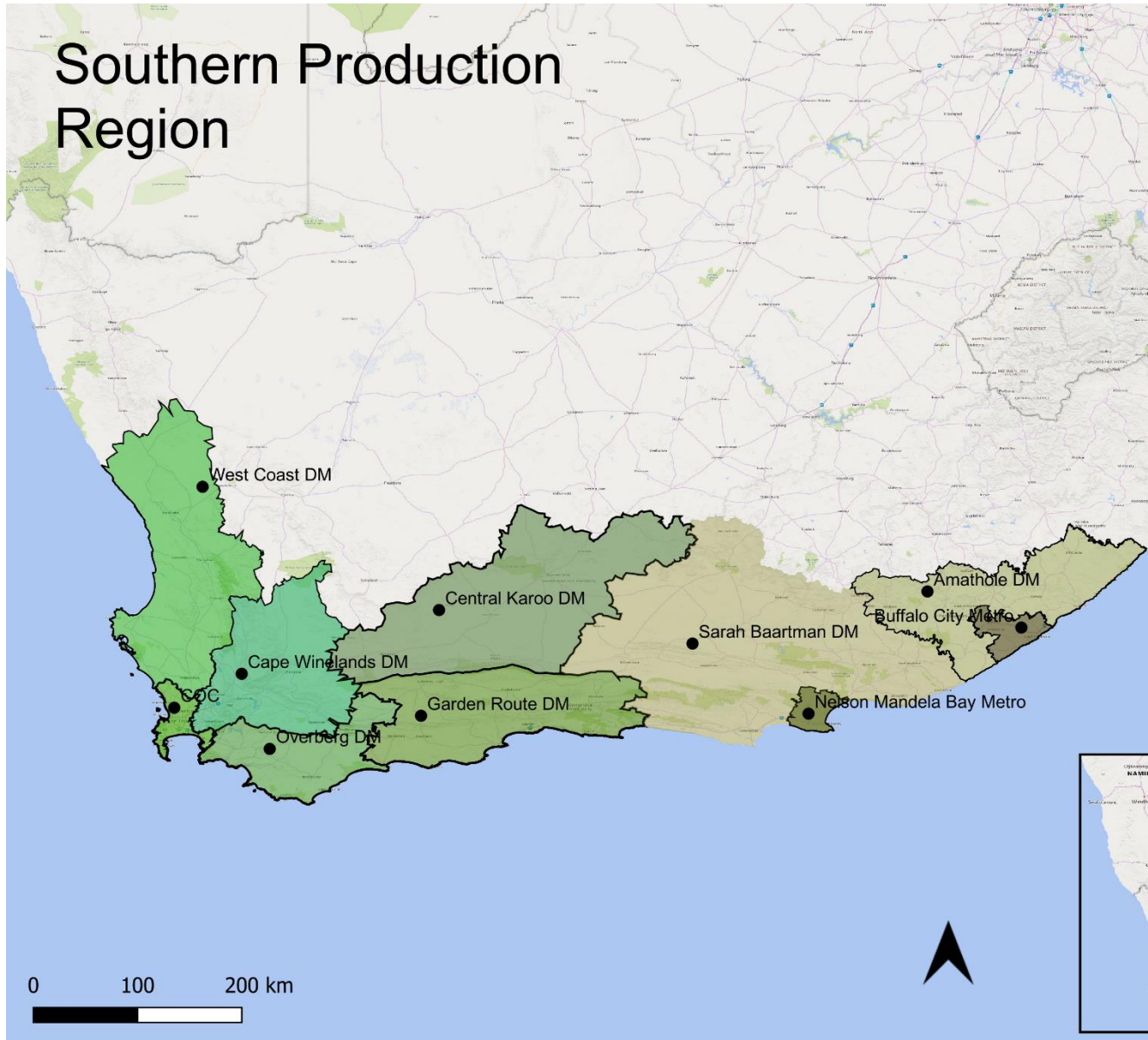
- **Gauteng Production Area**
  - City of Tshwane Metro
  - City of Johannesburg Metro
  - Sedibeng DM
  - Ekurhuleni DM
  - West Rand DM
- **Mpumalanga Production Area**
  - Ehlanzeni DM
  - Nkangala DM
  - Gert Sibande DM
- **Marble Hall Production Area**
  - Sekhukhune DM
- **Limpopo Production Area**
  - Waterberg DM
  - Capricorn DM
  - Vhembe DM
  - Mopani DM



# Southern Production Region

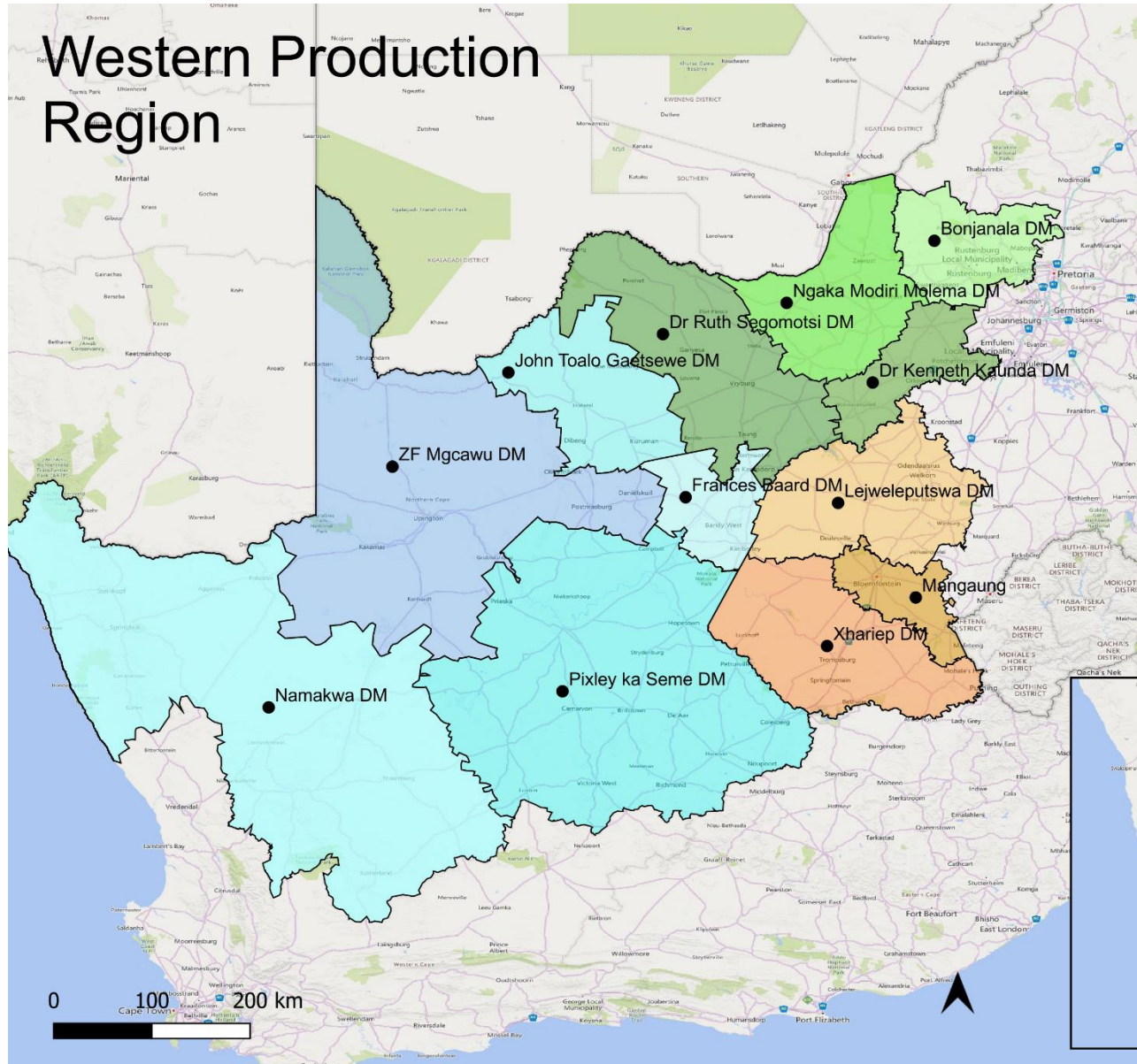


- Sandveld Production Area
  - West Coast DM
- Eastern Cape Production Area
  - Sarah Baartman DM
  - Amathole DM
  - Nelson Mandela Bay Metro
  - Buffalo City Metro
- Ceres Production Area
  - Cape Winelands DM
- Southern Cape Production Area
  - Central Karoo DM
  - Garden Route DM
  - Overberg DM
- South Western Cape Production Area
  - City of Cape Town Metro

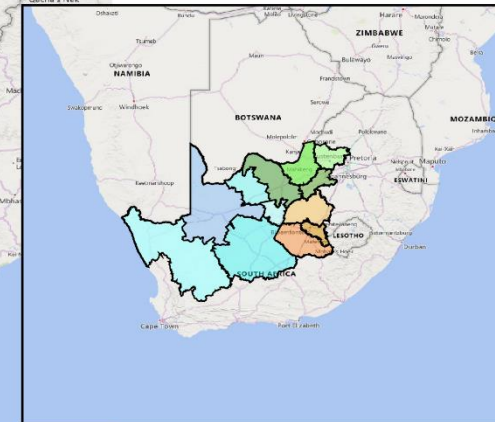




# Western Production Region



- North West Production Area
  - Bonjanala DM
  - Ngaka Modiri Molema DM
  - Dr Ruth Segomotsi DM
  - Dr Kenneth Kaunda DM
- Northern Cape Production Area
  - John Toalo Gaetsewe DM
  - ZF Mgcawu DM
  - Frances Baard DM
  - Namakwa DM
  - Pixley ka Seme DM
- Western FS Production Area
  - Lejweleputswa DM
- South Western FS Production Area
  - Xhariep DM
  - Mangaung Metro



# **PROCEDURAL RULES OF THE INFORMATION COMMITTEE OF POTATOES SA (VOLUNTARY)**

## 1. Name

The committee is known as the Information Committee of Potatoes SA (Voluntary) and is hereafter referred to as the Information Committee.

## 2. Definitions

Refer to Definitions in Constitution.

## 3. Status

3.1 The Information Committee functions as a separate committee of the National Council of Potatoes South Africa.

3.2 The rules and amendments to the Procedural Rules of the Information Committee are approved by the National Council of Potatoes SA (Vol).

3.3 The Information Committee shall report to the National Council provided that the Committee shall report to the Executive Management Committee between meetings of the National Council.

3.4 Where reference is made to the National Council in this Procedural Rules, reference is also made to the Executive Management Committee of the National Council.

## 4. Objectives

4.1 The establishment of an information system aimed at the acquisition, processing and dissemination of management information (including agricultural economic information) that is correct, relevant, timely and important for role-players to make informed decisions regarding the production and marketing of potatoes.

## 5. Composition

5.1 The composition of the Information Committee is determined by the National Council of Potatoes South Africa.

5.2 The Information Committee consists of 4 (four) members, excluding the Chairperson.

5.3 At least half of the members must not be representatives on the National Council.

5.4 The Manager: Information and the Information Specialist (Data Analyst) of Potatoes South Africa has ex officio sitting on the Committee.

5.5 The Information Committee has the right to co-optation.

5.6 If the Chairperson and the Vice Chairperson of the Information Committee are absent, the members and representatives present appoint a chairperson from their ranks for the duration of the meeting.

5.7 The Secretary of Potatoes South Africa is responsible for the secretarial duties of the Information Committee before and during official meetings.

## 6. Designation of Members and Representatives

6.1 The Chairperson of the Information Committee is formally appointed by the National Council in terms of the Constitution of Potatoes South Africa at the first meeting of the National Council after Congress.

6.2 Members of the Information Committee are appointed by the regional management in the respective production areas as follows:

- 6.2.1 1 (one) from the Northern Region as nominated by the Limpopo production area;
  - 6.2.2 1 (one) from the Eastern Region as nominated by the Eastern Free State production area;
  - 6.2.3 1 (one) from the Western region as nominated by the Western Free State production area;
  - 6.2.4 1 (one) from the Southern region as nominated by the Sandveld production area;
  - 6.2.5 1 (one) "observer" designated by the PIDT.
- 6.3 A Vice Chairperson is appointed by the Information Committee from their ranks at the first meeting after Congress.
- 6.4 To promote continuity, the Chairperson and members are appointed for a two-year term and can be re-elected for a maximum of three (3) consecutive periods.
- 6.5 If a vacancy arises in the position of Chair of the Information Committee, the Secretary must notify the National Council without delay. In the case of other vacancies, the Secretary shall do the same by notifying the relevant regional structures, sub-structures, committees and institutions. The National Council and regional management shall, on receipt of such notice, or within a reasonable period thereafter, fill the vacancy.

## 7. Powers

The Information Committee has the power to, through its Chairperson:

- 7.1 investigate matters he deems necessary and to seek advice from external experts; and
- 7.2 make recommendations regarding resources that may be necessary to properly carry out the duties and responsibilities of the Information Core Business and which are reasonably affordable.

## 8. Duties and Responsibilities

The basic duties and responsibilities of the Information Committee include, among others, the following:

- 8.1 Recommendations regarding an information strategy based on the needs of all role players in the potato industry;
- 8.2 Recommendations regarding the approval of the budget of the Information Core Business;
- 8.3 Overview of the implementation of the Information Strategy;
- 8.4 Approval and review of the implementation of the business plan of the Information Core Business consisting of:
  - 8.4.1 A database and an industry information system, and
  - 8.4.2 Industry Intelligence.
- 8.5 Determining information needs, defining them in projects, obtaining tenders, approving and funding them.
- 8.6 Reporting to the National Council on information matters of Potatoes South Africa.

## 9. Functioning

- 9.1 The Information Committee meets at least twice a year on dates determined by the Information Committee.
- 9.2 A minimum of 50% plus one voting member must be present at a meeting (in person or via electronic media) to form a quorum.
- 9.3 Matters are decided by majority vote and at a tie of votes the matter stands over until the next meeting. If there is another tie of votes, the matter is rejected. The Chairperson does not have a casting vote.

## 10. Management Committee

- 10.1 The Management Committee consists of the Chairperson and Vice Chairperson of the Information Committee.
- 10.2 The Management Committee has the right to decision making when the full Information Committee does not meet.
- 10.3 The Management Committee handles decisions referred to the Executive Committee by the Information Committee, as well as ad hoc decisions to be taken to enable the Manager: Information to manage the information budget and process.

# PROCEDURAL RULES OF THE MARKETING COMMITTEE OF POTATOES SA (VOLUNTARY)

## 1. Name

The committee shall be known as the Marketing Committee of Potatoes SA (Voluntary) and will henceforth be referred to as the Marketing Committee.

## 2. Definitions

Refer to Definitions in Constitution.

## 3. Status

3.1 The Marketing Committee shall function as a standing committee of the National Council of Potatoes South Africa to manage that core business of Potatoes South Africa consisting of local and foreign market development and access, and generic product promotions.

3.2 The regulations and amendments to the regulations of the Marketing Committee shall be approved by the National Council.

3.3 The Marketing Committee shall report to the National Council provided that the Committee shall report to the Management Committee between meetings of National Council.

3.4 When reference to the National Council in the regulations, it will also refer to the Management Committee of the National Council.

## 4. Objectives

4.1 The objectives of the Marketing Committee shall be to:

4.1.1 Support the industry with strategic management of knowledge, including:

- Industry strategic and tactical information:
- Acquisition of consumer intelligence
- Acquisition of market and trade Intelligence
- Knowledge transfer

4.1.2 Support industry services towards potato consumption, comprising of:

- The development of a potato value proposal that aims to educate consumers and the trade (in a manner applicable to each) regarding the benefits of potatoes
- Dissemination of value proposal to consumers through generic product promotions
- Dissemination of the Potato Value proposal to the trade and industry through the development, maintenance and support of industry and trade relations
- Expansion of the South African Potato industry beyond South Africa's borders through properly planned and orchestrated market access activities (Foreign Market Development).

## 5. Composition

- 5.1 The composition of the Marketing Committee shall be decided upon by the National Council of Potatoes South Africa and which shall be representative of all the sub-sectors that could contribute to reaching the goals of the Committee.
- 5.2 The Marketing Committee shall consist of four (4) members, excluding the Chairperson, and the Chairperson of the National Seed Growers Forum.
- 5.3 Members of the Marketing Committee shall represent the different production regions.
- 5.4 To ensure representation by the whole industry provision is made for representatives of the following sub-sectors to be co-opted to the Marketing Committee:
- Fresh Produce Markets (as nominated by SAUFM)
  - Market Agents (as nominated by IMASA)
  - Processors (one each from the French fry and Crisp sub-sectors)
  - Trade
    - Formal Trade (as nominated by the Retail Sector)
    - Informal Trade (as nominated by the Informal Sector)
  - Consumers (as nominated by the SANCU)
  - A representative as nominated by the Minister responsible for Agriculture (DALRRD)
  - National Agricultural Marketing Council (as nominated by the NAMC)
- 5.5 A representative from the PIDT responsible for marketing will, by virtue of his position, sit *ex officio* on the Marketing Committee.
- 5.5 The Marketing Manager in an *ex officio* capacity.
- 5.6 The Marketing Committee shall have the right to expanding the composition of the committee and to co-option.
- 5.8 If the Chairperson and Vice-Chairperson of the Marketing Committee are absent at a meeting, the members and representatives present shall appoint an acting chairperson from their own ranks for the duration of the said meeting.
- 5.9 The Secretary of Potatoes South Africa is responsible for the secretarial duties of the Marketing Committee before and during official meetings.

## 6. Appointment of Members and Representatives

- 6.1 The Chairperson of the Marketing Committee is formally appointed by the National Council in accordance to the Constitution of Potatoes South Africa during the first meeting of the National Council after Congress.
- 6.2 Members of the Marketing Committee are nominated in the respective production regions by Regional Management as follows:
- 6.2.1 One (1) from the Northern region.
  - 6.2.2 One (1) for the Eastern Region
  - 6.2.3 One (1) for the Western Region
  - 6.2.4 One (1) for the Southern Region

6.3 A Vice-chairperson is appointed from within the Marketing Committee by the Marketing Committee during its first meeting after Congress.

6.4 To promote continuity, the Chairperson and members are appointed for a two-year term and can be re-elected for a maximum of three (3) consecutive periods. The other sub-sector representatives on the Marketing Committee shall be requested to serve accordingly.

6.5 Should a vacancy in the Chairperson position of the Marketing Committee occur for whatever reason, the Secretary shall inform the National Council without delay of such vacancy. In the case of all other vacancies the Secretary shall likewise inform the relevant regional managements and sub-sectors. At the receipt of such notice the National Council and/or relevant sub-sector shall immediately, or within a reasonable period, appoint a suitable representative to fill the vacancy.

## 7. Functioning

7.1 The Marketing Committee shall meet at least twice a year on dates as determined by the Marketing Committee.

7.2 Special meetings of the Marketing Committee may be called by any member.

7.3 A minimum of 50% plus one member/representative eligible to vote must be personally (or via electronic media) present at a meeting to constitute a quorum.

7.4 Matters are decided by majority vote and in the case of a tie the matter shall be rejected.

## 8. Management Committee

8.1 The Management Committee consists of the Chairperson and Vice-Chairperson of the Marketing Committee, and two additional members and one industry representative that are appointed by the Marketing Committee.

8.2 The Management Committee has the right to make decisions if the full Marketing Committee is not meeting.

8.3 The Management Committee handles decisions that are referred to it by the Marketing Committee, as well as *ad hoc* decisions that must be taken to empower the Manager: Market Development and Access, and the Manager: Generic Product Promotion to manage the Marketing budget and processes.

## 9. Powers

The Marketing Committee shall be empowered to:

9.1 Obtain the advice and assistance of external experts to assist with the activities of the committee; and

9.2 Recommend the allocation of the relevant resources which it deems necessary to properly execute its duties and responsibilities with the proviso that it shall be reasonably affordable.

## 10. Duties and Responsibilities

The basic duties and responsibilities of the Marketing Committee shall include:

- 10.1 Recommendation of the marketing strategy to the National Council;
- 10.2 Recommendation for approval of the marketing budget;
- 10.3 Oversee the implementation of the marketing strategy;
- 10.4 The approval and oversight of the implementation of the marketing business plan consisting of:
  - 10.4.1 Consumer and market Intelligence;
  - 10.4.3 Consumer education;
  - 10.4.4 Brand and product promotion;
  - 10.4.5 Trade and industry relations; and
  - 10.4.6 Foreign market development and access
- 10.5 Instituting market research and other related research it deems necessary to ensure that promotional activities are properly directed to ensure that funding is correctly applied; and
- 10.6 Reporting back to the National Council or to the Executive Committee in between meetings of the National Council.



# PROCEDURAL RULES OF THE RESEARCH COMMITTEE OF POTATOES SA (VOLUNTARY)

## 1. Name

The committee is known as the Research Committee of Potatoes SA (Voluntary) and is hereafter referred to as the Research Committee.

## 2. Definitions

Refer to Definitions in Constitution.

## 3. Status

- 3.1 The Research Committee functions as a separate committee of the National Council of Potatoes South Africa (Voluntary).
- 3.2 The rules and amendments to the Procedural Rules of the Research Committee are approved by the National Council.
- 3.3 The Research Committee shall report to the National Council provided that the Committee shall report to the Executive Management Committee between meetings of the National Council.
- 3.4 Where reference is made to the National Council in the charter, reference is also made to the Executive Management Committee.

## 4. Objectives

- 4.1 Facilitation in determining research needs.
- 4.2 Prioritization of research needs.
- 4.3 Identify research projects to address needs.
- 4.4 Evaluation of research proposals following the report of an expert in the field.
- 4.5 Identify suitable institutions to carry out research projects.
- 4.6 Annual evaluation of progress reports following the recommendations of experts.
- 4.7 Monitor the expenditure of research funds.
- 4.8 Recommendations to the National Council regarding the research budget and functioning of the Research Committee.
- 4.9 Dissemination of information.

These objectives are supportive of the main objectives set out in the Research Strategy of Potatoes South Africa, namely:

- Motivated equipped staff
- Research agenda based on industry priorities
- Engaged and informed producers
- Financial wealth for producers.

## 5. Composition

- 5.1 The Research Committee consists of eight (8) members, including the Chairperson.

- 5.2 The members shall originate from potato production regions across the country to ensure representation of the entire country.
- 5.3 Only one producer per production region.
- 5.4 At least half of the members shall be producers.
- 5.5 Two members shall be seed potato growers, or represent seed potato growers.
- 5.6 At least one member from the Enterprise Development producers.
- 5.7 In order to ensure representation of the entire industry, provision is made for representatives of the following sub-sectors, committees and institutions to be co-opted onto the Research Committee:
  - a. Chief Executive Officer of Potato Laboratory Services;
  - b. Managing Director of Potato Certification Service;
  - c. Representative of the French fries sub-sector;
  - d. Representative of the potato crisps sub-sector.
- 5.8 The trustee of the Potato Industry Development Trust responsible for research will be an ex officio member.
- 5.9 The Manager Research and Innovation, and the Researcher of Potatoes South Africa, are ex officio members.
- 5.10 The Research Committee has the right to co-optation.
- 5.11 If the Chairperson and the Vice Chairperson of the Research Committee are absent, the members and representatives present appoint a chairperson from their ranks for the duration of the meeting.
- 5.12 The Secretary of Potatoes South Africa is responsible for the secretarial duties of the Research Committee for and at official meetings.

## 6. Appointment of Members

- 6.1 The Chairperson of the Research Committee is formally appointed by the National Council in terms of the Constitution of Potatoes South Africa at the first meeting of the National Council after Congress.
- 6.2 Members of the Research Committee are identified by the regional management in the respective production areas, while the Research Committee shall designate members from combined production areas on the basis of members identified in such areas as follows:
  - 6.2.1 2 (two) from the Northern region consisting of:
    - 6.2.1.1 1 (one) of the Limpopo production area as nominated by the Limpopo production area; And
    - 6.2.1.2 1 (one) of either the Mpumalanga production area, Gauteng production area or Loskop production area as nominated by

these production areas;

6.2.2 2 (two) from the Eastern region consisting of:

6.2.2.1 1 (one) of the Eastern Free State production area as nominated by the Eastern Free State production area; And

6.2.2.2 1 (one) of either the KwaZulu-Natal production area or North Eastern Cape production area as nominated by these production areas;

6.2.3 2 (two) from the Western region consisting of:

6.2.3.1 1 (one) of the Western Free State production area as nominated by the Western Free State production area; And

6.2.3.1 1 (one) of either the North West production area, Northern Cape production area or South Western Free State production area as nominated by these production areas;

6.2.4 2 (two) from the Southern region comprising:

6.2.4.1 1 (one) of the Sandveld production area as nominated by that area; And

6.2.4.2 1 (one) of either the Eastern Cape production area, Ceres production area, Southern Cape production area or South-West Cape production area as nominated by these production areas;

6.3 A Vice Chairperson is appointed by the Research Committee from among their ranks at the first meeting after Congress.

6.4 To promote continuity, the Chairperson and members are appointed for a two-year term and can be re-elected for a maximum of three (3) consecutive periods.

6.5 If a vacancy arises in the Chairperson's position of the Research Committee, the Secretary must notify the National Council without delay. The National Council must, on receipt of such notice, or within a reasonable period thereafter, fill the vacancy.

## 7. Functioning

7.1 The Research Committee meets at least twice a year on dates determined by the Research Committee.

7.2 A minimum of 50% plus one voting member must be present in their own person (or via electronic media) at a meeting to form a quorum.

7.3 Matters are decided by majority vote and at a tie of votes the matter stands over until the next meeting. If there is another tie of votes, the matter is rejected. The Chairperson does not have a casting vote.

## 8. Management Committee

8.1 The Management Committee comprises the Chairperson and Vice Chairperson of the Research Committee, and two additional members appointed by the Research Committee.

- 8.2 The Management Committee has the right to decision-making when the full research committee does not meet.
  - 8.3 The Management Committee handles decisions referred to the Executive Committee by the Research Committee, as well as ad hoc decisions to be taken to enable the Manager Research to manage the research budget and process.
9. Work Group Chairpersons' Meeting
- 9.1 Status of the Work Group Chairpersons' Meeting:
    - 9.1.1 The Work Group Chairperson's Meeting functions under the auspices of the Research Committee.
    - 9.1.2 The Chairperson reports to the Research Committee at the Research Committee's annual budget meeting.
    - 9.1.3 The Research Committee may designate members to attend the Work Group Chairperson's Meeting.
    - 9.1.4 The Research Committee has the right to co-optation with respect to other representatives of sub-sectors or experts to attend the Work Group Chairperson's Meeting.
  - 9.2 Purpose of the Work Group Chairperson's Meeting:
    - 9.2.1 Evaluate Work Group reports and presentations, make recommendations to the Research Committee regarding projects, and make recommendations regarding Work Group research methodologies.
  - 9.3 Functioning of the Work Group Chairpersons' Meeting:
    - 9.3.1 The Work Group Chairperson's Meeting meets annually, two months before the Potato Research Symposium and is attended by Work Group Chairperson or their secundus, Potatoes SA's regional representatives, as well as Potatoes South Africa's Manager: Research and Development and the Researcher.
    - 9.3.2 The Researcher of Potatoes South Africa is responsible for the administration of the meeting and maintains a decision list available to the Research Committee.
  - 9.4 Attendance of Work Group Chairperson's Meeting:
    - 9.4.2 The Work Group Chairperson's Committee is comprised of:
      - 9.4.2.1 The Chairperson designated by the Meeting
      - 9.4.2.2 PIDT member responsible for research
      - 9.4.2.3 Co-opted experts
      - 9.4.2.4 Representatives of Work Groups of all production regions
      - 9.4.2.5 Researcher (Potatoes SA)
      - 9.4.2.6 Manager Research (Potatoes SA)
      - 9.4.2.7 Regional Managers (Potatoes SA)
    - 9.4.3 The Work Group Chairperson's Committee has the right to co-optation.

# PROCEDURAL RULES OF THE TRANSFORMATION COMMITTEE OF POTATOES SA (VOLUNTARY)

## 1. Name

The committee shall be known as the Transformation Committee of Potatoes SA (Voluntary) and will henceforth be referred to as the Transformation Committee.

## 2. Definitions

Refer to Definitions in Constitution.

## 3. Status

3.1 The Transformation Committee shall function as a standing committee of the National Council of Potatoes South Africa to manage the core function of Transformation for Potatoes South Africa.

3.2 The regulations and amendments to the regulations of the Transformation Committee shall be approved by the National Council.

3.3 The Transformation Committee shall report to the National Council provided that the Committee shall report to the Management Committee between meetings of the National Council.

3.4 When reference to the National Council in the regulations, it will also refer to the Management Committee of the National Council.

## 4. Objectives

4.1 The objectives of the Transformation Committee are to advance the transformation activities of Potatoes South Africa through performing the duties as mentioned in paragraph 10.

## 5. Composition

5.1 The composition of the Transformation Committee shall be decided upon by the National Council of Potatoes South Africa and which shall be representative of all the sub-sectors that could contribute to reaching the goals of the Committee.

5.2 The Transformation Committee shall consist of five (5) members, excluding the Chairperson; i.e. one additional member appointed by the National Council and four (4) Enterprise Development farmers as nominated by Enterprise Development members.

5.3 The four (4) Enterprise Development members of the Transformation Committee shall represent the different production regions in their capacity as members of the National Council.

5.4 To ensure representation by the whole industry provision is made for representatives of the following sub-sectors to be co-opted to the Transformation Committee:

- Department of Agriculture (as nominated by DALRRD)
- National Agricultural Marketing Council (as nominated by the NAMC)
- Chemical input suppliers (as nominated by AVCASA)

- Fertiliser input suppliers (as nominated by FERTASA)
  - Seed input supplier (as nominated by the National Seed Growers Committee)
  - Agribusiness representative (as nominated by Agri-business Chamber)
  - Processors (as nominated by the Processors Forum)
    - Crisps sector
    - French Fries Sector
- 5.5 A representative from the PIDT responsible for Transformation will sit in *ex officio* capacity.
- 5.6 The Manager: Transformation and the Transformation Specialist in an *ex officio* capacity.
- 5.7 The Transformation Committee shall have the right to expanding the composition of the committee and to co-option.
- 5.8 If the Chairperson and Vice-Chairperson of the Transformation Committee are absent at a meeting, the members and representatives present shall appoint an acting chairperson from their own ranks for the duration of the said meeting.
- 5.9 The Secretary of Potatoes South Africa is responsible for the secretarial duties of the Transformation Committee before and during official meetings.
6. Appointment of Members and Representatives
- 6.1 The Chairperson of the Transformation Committee is formally appointed by the National Council in accordance to the Constitution of Potatoes South Africa during the first meeting of the National Council after Congress.
- 6.2 One additional member is formally appointed by the National Council during the first meeting of the National Council after Congress.
- 6.3 Enterprise Development members of the Transformation Committee are nominated from the Production Areas.
- 6.4 A Vice-chairperson is appointed from within the Transformation Committee by the Transformation Committee members during its first meeting after Congress.
- 6.5 To promote continuity, the Chairperson and members are appointed for a two-year term and can be re-elected for a maximum of three (3) consecutive periods. The other sub-sector representatives on the Transformation Committee shall be requested to serve accordingly.
- 6.6 Should a vacancy in the Chairperson position of the Transformation Committee occur for whatever reason, the Secretary shall inform the National Council without delay of such vacancy. In the case of all other vacancies the Secretary shall likewise inform the relevant regional managements and sub- sectors. At the receipt of such notice the National Council and/or relevant sub-sector shall immediately, or within a reasonable period, appoint a suitable representative to fill the vacancy.
- 6.7 Members who cease to actively produce potatoes during their tenure will be required to inform the Committee.

## 7. Functioning

- 7.1 The Transformation Committee shall meet at least twice a year on dates as determined by the Transformation Committee.
- 7.2 Special meetings of the Transformation Committee may be called by any member.
- 7.3 A minimum of 50% plus one member/representative eligible to vote must be personally present (or via electronic media) at a meeting to constitute a quorum.
- 7.4 Matters are decided by majority vote and in the case of a tie the matter shall be rejected.

## 8. Management Committee

- 8.1 The Management Committee consists of the Chairperson, one additional member/representative that are appointed by the Transformation Committee and the Manager: Transformation.
- 8.2 The Management Committee has the right to make decisions if the full Transformation Committee is not meeting.
- 8.3 The Management Committee handles decisions that are referred to it by the Transformation Committee, as well as *ad hoc* decisions that must be taken to empower the Manager: Transformation to manage the Transformation budget and processes.

## 9. Powers

The Transformation Committee shall be empowered to:

- 9.1 Obtain the advice and assistance of external experts to assist with the activities of the committee; and
- 9.2 Recommend the allocation of the relevant resources which it deems necessary to properly execute its duties and responsibilities with the proviso that it shall be reasonably affordable.

## 10. Duties and Responsibilities

The basic duties and responsibilities of the Transformation Committee shall include:

- 10.1 Recommendation of the Transformation strategy to the National Council;
- 10.2 Recommendation for approval of the Transformation budget;
- 10.3 Oversee the implementation of the Transformation strategy (in line with statutory requirements);
- 10.4 The approval and oversight of the implementation of the Transformation business plan consisting of:
  - 10.4.1 Enterprise Development;
  - 10.4.3 Small Grower Development Programme;
  - 10.4.4 Tertiary Skills Development; and
  - 10.4.5 Farm based Training.
- 10.5 Facilitate linkages between the PSA Transformation Core Business and key stakeholders in the value chain to ensure successful accomplishment of the

overarching goal/s; and

10.6 Reporting back to the National Council or to the Executive Committee in between meetings of the National Council.



# PROCEDURAL RULES OF THE POTATOES SA TRANSFORMATION ADVISORY COMMITTEE (PTAC)

## 1. Name

The committee shall be known as the Potatoes SA Transformation Advisory Committee (PTAC) of Potatoes South Africa (Voluntary) and will henceforth be referred to as the PTAC Committee.

## 2. Purpose

The purpose of this committee is to fulfil an advisory role, and also to serve as a control mechanism for Potatoes SA, with regard to the broader Transformation Programme of Potatoes SA, and specifically with regard to the Enterprise Development Programme. The achievement of this objective will take place with due regard for the duties and responsibilities of the Transformation Committee as contained in Addendum A.

## 3. Composition

### 3.1 Members appointed by the Board of Potatoes SA

3.1.1 A member who in no way benefits from Potatoes SA's Transformation Projects.

3.1.2 An experienced and knowledgeable member from the financial sector, preferably from the banking or agribusiness environment, who is well equipped with knowledge of general agricultural practices and the financing of agribusinesses.

3.1.3 A commercial potato producer active in any of the provinces, who preferably participated previously in a Transformation Programme, but who is not a member of the Board of Directors of Potatoes SA, and not a current beneficiary of any of the Transformation Programmes.

3.1.4 Three (3) experienced potato producers who could be a member of the Board of Directors of Potatoes SA, or an Independent, preferably with at least ten (10) years direct financial management experience including negotiations with banks, as well as transformation experience are required for quorum purposes.

3.1.5 The Chief Executive Officer (CEO) of Potatoes SA.

3.1.6 Transformation Manager of Potatoes SA, but as ex-officio member with no voting rights.

3.1.7 The committee will have the right to co-opt specific expertise in potato production where necessary.

### 3.2 Observer Member appointed by the PIDT

3.2.1 An appointed PIDT Trustee to attend meetings of PTAC in observer capacity, (non-voting).

## 4. Appointment of Members and Representatives

4.1 To promote continuity, the Chairperson and members are appointed for a two-year term and can be re-elected for a maximum of three (3) consecutive periods. The other sub-sector representatives on the Transformation Committee shall be requested to serve accordingly.

## 5. Functioning

- 5.1 The PTAC shall meet at least twice a year on dates as determined by PTAC.
- 5.2 Special meetings of PTAC may be called by any member.
- 5.3 A minimum of 50% plus one member/representative eligible to vote must be personally present (or via electronic media) at a meeting to constitute a quorum.
- 5.4 Matters are decided by majority vote and in the case of a tie the matter shall be rejected.

## 5. Enterprise Development Programme

In addition to complying with the broader NAMC guideline that at least 20% of revenue collected through levies should be spent on transformation, 60% of this revenue should be spent on an Enterprise Development Programme in order to establish commercial black potato producers (Addendum B contains the NAMC guidelines regarding the 20% of levy income that must be spent on transformation).

The activities of the Enterprise Development Programme can be divided into the following four segments, namely:

- a. Selection of prospective producers,
- b. Implementation of producer-based projects,
- c. Monitoring of projects, and
- d. Commercialization of potato producers at the end of the programme (which producer can be part of the programme for more than 5 years depending on expansions that take place in terms of potato production during the initial period of 5 years).

### 5.1 Selection process of candidates

Prospective black commercial potato growers can access the Enterprise Development Programme in various ways, provided that adequate financial and other resources are available to Potatoes SA at any given time. The different ways to access the programme include, but are not limited to, the following:

- i. Apply to become part of the programme,
- ii. Recommended by a third party / organization to become part of the programme, and
- iii. Identified by Potatoes SA as a potential candidate to become part of the programme.

Whichever of the above may apply, there are processes that will be followed in order to determine whether a prospective black commercial potato producer will indeed gain access to the Enterprise Development Programme. These processes include the following, on a consecutive basis:

- a. The credit record of candidates should be checked. Only in cases where candidates do not have a negative credit record can the next step in the selection process be continued (in exceptional cases with the necessary merit, these criteria can be reconsidered).
- b. The rule of thumb for achieving commercial status is considered to be 30 hectares under irrigation and 50 hectares under dryland conditions. It must therefore be determined whether sufficient land is available for the cultivation of potatoes in a 4-to-5-year rotation system (this rule of thumb can be deviated from within the context of total farming activities, for example vegetable cultivation in rotation with potatoes, but will be judged on merit). Other criteria broadly applied to identify black farmers are indicated Addendum C.

- c. Soil analysis must be done with regard to the suitability of the soil (currently and in the future) for potato cultivation. Soil analysis will include analysis with regard to the structure and composition of the soil and must be supported by a professional opinion regarding the suitability of the soil for potato cultivation. In the case where soil is suitable for the cultivation of potatoes, the soil analysis must be suitable and can be used for recommendations regarding, among other things, lime and fertilizer recommendations. The aforementioned recommendations will initially be used to determine the cost of lime and fertilizer applications for budgetary purposes in the event that a candidate makes the shortlist for which a complete business plan will be drawn up. The cost of soil analysis can be carried by Potatoes SA, if there are no other ways to fund it.
- d. If a candidate wants to grow potatoes under irrigation, it is important that the water sources (quantity available) and the quality of the water is disclosed and specified, as well as whether the producer is in possession of a water license. If there is uncertainty about the first two, either (i) the necessary tests must be done in advance to be paid by the candidate or (ii) anecdotal information is relied on and the costs of the necessary tests and analysis are included in the business plan. (Mentors and producers in the area can usually provide anecdotal information, yet all anecdotal information must be followed up by completing the necessary water quantity and quality).
- e. The preparation of a pre-feasibility study is essential and will include, but is not limited to, the following information: Biographical information of the candidate including the candidate's experience of farming; A description of the farm in terms of availability and potential of the land and water resources; infrastructure; mechanization; use of labour; access to finance; access to extension services and / or a mentor and the availability of markets. Only candidate where the pre-feasibility studies show that there is potential to become involved in potato production will be considered for complete business plans. The decision regarding whether to proceed with full business plans will be made in consultation with members of the PTAC and/or the other partners of Potatoes SA who do business in a specific area and / or other potato producers in the area. It is a requirement to establish a succession plan if the candidate is above a certain age: e.g. 55 years old.
- f. The compilation of whole farm business plans is essential in order to determine the sustainability of a project. Addendum D shows the minimum requirements that the business plan must meet. The whole farm business plan must include all other income from other farming branches of the farm, as well as other external income, in the cash flow in order to determine whether a candidate will be able to become a commercial producer.
- g. The primary focus will be on the potato branch, while standard incomes and costs of other crops in a particular area will be used. If the business plan is not drawn up internally or by one of Potatoes SA's partners, for whatever reason, service providers will be used. Service providers must have the necessary financial knowledge and agricultural experience to compile the whole farm business plan.
- h. Once business plans have been completed, it will be evaluated by the business development unit (BDU) established for the specific project (s). The business development unit will consist of the following entities depending on the specific project's characteristics and needs, namely: Potatoes SA staff, the producer, the mentor, input suppliers, dealers, etc. The business development unit will, among other things, make recommendations or request adjustments where necessary to the business plan, ensure that the financial analysis are realistic for the relevant production area and whether a project can continue or not.

- i. Final business plans with motivations will be sent to the members and / or a member in a relevant area of BDU the PTAC in order to enable the PTAC to ask any questions or clarify any ambiguities that may exist.
- j. When all parties, including members of the BDU and the PTAC, are satisfied, taking into account potential risks, a candidate can be placed in the implementation phase.

## 5.2 Implementation of projects

A project must be implemented as per the approved business plan within the financial and time frame contained in the financial plan and GANNT's graph, respectively. By way of illustration, implementation will include, but is not limited to, the following:

### 5.2.1 General

- a. Signed contract with mentor if applicable.
- b. Open a business bank account.
- c. Register the business as a food business operator.
- d. Appoint an Auditor / Accountant who must prepare monthly or quarterly management statements (depending on a single crop or multiple crops produced and cattle sales) and the financial statements at the end of the financial year.
- e. Register for VAT.
- f. Registration of workers at UIF.
- g. Registration with Accident Commissioner.
- h. Orientation regarding the potato industry, including, but not limited to, the complete potato value chain, role players in the potato value chain, marketing options and the operation of the various marketing options, etc.

### 5.2.2 Cultivation

- a. Soil preparation.
- b. Identify and initiate soil preparation duties / tasks / implements.
- c. Ordering, delivery and inspection of seed.
- d. Ordering and applying fertilizer according to fertilizer recommendations. e. Plant.
- f. Crop management practices, including chemical treatments in line with recommendations of chemical agent and best practices in the specific area.
- g. Harvesting and packaging.

### 5.2.3 Marketing

Mentors must comply with the actions contained in the mentorship agreement and submit a monthly progress report to the BDU, as well as submit a report.

Revenue generated from the sale of potatoes must be paid into the business account of a financial institution so that the revenue can be controlled to ensure that the necessary input suppliers are paid and sufficient funds are available for own contributions the following production year.

To comply with this, an "agreement of delivery" must be established between the producer and the sales agent so that total deliveries can be monitored.

- a. This action can take place directly after estimated crop yield has been determined.
- b. The sales company/marketing agent must also have a good name and record financially, also financially, and be able to transfer funds electronically into the producer's bank account. Part of the "delivery agreement" must contain a provision that no cash transactions must take place between buyer/sales agent and producer.
- c. A legal declaration document must be signed to monitor any cash sales, which inevitably will be concluded, for disclosure purposes and financial reliability of the monthly or quarterly statements.

#### 5.2.4 Training and exposure of candidates

Training and exposure will be an integral part of the process of preparing candidates to become full-fledged commercial potato producers.

- a. Exposure
  - i. The producer must, together with his mentor, be exposed to various input suppliers.
  - ii. It must be ensured that the producer is enabled to negotiate with commercial banks and agricultural companies regarding financing to compensate for the reduction of Potatoes SA's financial contribution.
  - iii. Attendance at agricultural seminars, shows and tours, but also specific to potato production.
- b. Training with regard to the business component of potato cultivation
  - i. Obtaining tax number.
  - ii. VAT number.
  - iii. Registration of workers at UIF.
  - iv. Registration with Accident Commissioner.
  - v. Training of all financial aspects of farming as a business from planning phase to marketing and income realization, as well as the expert decision making of net income spending.
  - vi. Appointment of auditor / professional accountant CPA / CFA (for cost savings - this is acceptable, especially for SBEs and MBEs) for the preparation of financial statements that can be submitted to banks.
  - vii. Preparation of balance sheets.
  - viii. The compilation of a simplified balance sheet that represents the full details of the total farming business, from which gross profit of the various branches, e.g. Livestock, and so on, will be able to be determined.
- c. Training by mentor and other experts in physical cultivation of potatoes
  - i. Preparation of the soil.
  - ii. Planting of potatoes.
  - iii. Disease and pest control, as well as other aspects applicable.
  - iv. Irrigation practices.

- v. Classification and grouping of potatoes.

### 5.3 Monitoring and Reporting on the Progress of the Project

Monitoring and reporting will take place on an ongoing basis by members of the BDU. The aim is to ensure that when corrective action is required, it takes place on a timely basis and also that the financial implications can be taken into account. Proposals for affirmative action may be made by members of the BDU and / or PTAC. In order to enable monitoring, the following information is required by PTAC:

- 5.3.1 Potato crop budgets, together with comparative information from a particular region, will have to be submitted to the PTAC to be able to see what the actual production costs of the producer are.
  - a. At the end of the production and marketing season, the gross income from the sale of potatoes must be reported. The cultivation practices, average yield per hectare, the quality of the potatoes harvested, the average price achieved and the marketing channels used must be reported.
    - i. If deviations occur from the business plan, this must be indicated, as well as the reason that gave rise to deviations.
    - ii. Based on the information reported, the PTAC will make recommendations that can be taken into account by the BDU in preparation for next season's plantings.
  - b. Where possible, the financial statements of the producer prepared by an auditing firm should be submitted to PTAC.

### 5.4 Commercialization phase

Producers will normally be part of Potatoes SA's Enterprise Development Programme for 5 years. However, the option exists that a producer can be on this programme for longer if expansions take place during the first 5 years, or as stated above, after the five year period when expansion should take place.

Notwithstanding any expansion, at least two members of PTAC and the staff of Potatoes SA responsible for a producer will visit the project in the 5th year of the project during the growing season of the potatoes.

This visit will be for the sole purpose of ascertaining PTAC whether the producer is fully equipped to function as a commercial farmer. This will further enable PTAC to evaluate the training process at the same time.

Addendum E provides criteria used by, among others, financial institutions to determine whether production and other loans can be granted to a producer or not. PTAC may use these criteria in order to make recommendations to Potatoes SA regarding paragraphs 3.1 to 3.3. The criteria include the following:

- a. Character
- b. Capacity
- c. Capital
- d. Collateral
- e. Circumstances and
- f. Trust

6. Meeting frequencies

- 6.1 Two official meetings must be held per year where a detailed exposition of all the producers' activities must be presented to the PTAC.
- 6.2 The dates of these two meetings must be of such a nature that they are held before the Potatoes SA Transformation Committee Meetings where recommendations of PTAC will be presented.
- 6.3 Ad hoc meetings can be held by telephone or virtually. In the case of a producer within one of the three regions as indicated at the beginning of this document, the commercial producer, the financial expert, the designated person can arrange a meeting through Potatoes SA secretariat so that quick decisions can be made.

## **ADDENDUM A**

### **Extract from Procedural Rules of the Transformation Committee of Potatoes SA (Voluntary)**

#### **8. Duties and Responsibilities**

The basic duties and responsibilities of the Transformation Committee shall include:

- 8.1 Recommendation of the Transformation strategy to the National Council;
- 8.2 Recommendation for approval of the Transformation budget;
- 8.3 Oversee the implementation of the Transformation strategy (in line with statutory requirements);
- 8.4 The approval and oversight of the implementation of the Transformation business plan consisting of:
  - 10.4.1 Enterprise Development;
  - 10.4.2 Small Grower Development Programme;
  - 10.4.3 Tertiary Skills Development; and
  - 10.4.4 Farm based Training.
- 10.5 Facilitate linkages between the PSA Transformation Core Business and key stakeholders in the value chain to ensure successful accomplishment of the overarching goal/s; and
- 10.6 Reporting back to the National Council or to the Executive Committee in between meetings of the National Council.



## ADDENDUM B

### NAMC Guidelines Regarding 20% of Levies Spent on Transformation

Pillar	Activities	Allocation %
<b>Enterprise Development</b>	<ul style="list-style-type: none"> <li>• Fund agribusinesses of black-owned farms with the procurement of production infrastructure, material and inputs.</li> <li>• For field crops and horticultural products, the industry shall fund with soil preparation services.</li> <li>• For livestock, the industry shall fund the purchase of vaccination, dosage programmes and veterinary services.</li> <li>• Fund the cost of accreditation, various legal and professional services (such as Siza or HACCP).</li> <li>• The industry shall assist farmers to access the market including the facilitation of supply agreements or purchase contracts.</li> <li>• The industry shall fund the development of business plans.</li> <li>• The industry shall explore other funding alternatives to increase the transformation budget (such as CASP, Jobs Fund and others).</li> <li>• Assist in ensuring that appropriate agricultural infrastructure, machinery and equipment are in place and good condition (e.g. Electricity and water, bio-security measures, etc.).</li> <li>• The industry shall procure materials, inputs and services from black-owned enterprises and agribusinesses.</li> </ul>	60%
<b>Skills Development</b>	<ul style="list-style-type: none"> <li>• The industry shall fund training and mentoring farmers and other production chain actors such as propagators, herders, processing staff and marketers, machine and equipment users, mechanics and supervisors to develop capabilities to better manage their farm and agribusinesses.</li> <li>• Training shall be provided by SETA- Accredited skills developers in terms of the AgriBEE Charter</li> <li>• To ensure these capabilities in future to manage farm and agribusinesses the industry shall fund bursaries for black people to develop such capabilities</li> </ul>	18%
<b>Management Control</b>	The industry shall fund the position of transformation manager. Only appointments in this capacity of members of Black Designated Groups that promote equity shall be funded.	17%
<b>Ownership</b>	The industry themselves or using funding alternatives shall or can purchase equity in existing enterprises for Black Designated Groups.	
<b>Socio Economic Development (Small Growers)</b>	Industries are encouraged to do activities that contribute positively to the quality of life of workers and their communities.	5%

## **ADDENDUM C**

### **Other Criteria Broadly used to Identify Black Farmers**

1. Own at least 20ha of land or must have a permission to occupy for a minimum period of 4 years.
2. Lead farmer/ entity with linkages and expertise.
3. The farmer should be actively farming and have a track record.
4. Priority will be given to land reform beneficiaries where applicable.
5. Land should be accessible for information/ farmer days.
6. Land should be accessible for business and technical workgroup.
7. Establish if bush pigs or theft are a problem in the area.
8. Soil must be suitable for potato production.
9. Evaluation of history of the land (crops planted) for at least the past 5 years for risk and nematodes.
10. Favourable climate conditions suitable for potato production (seek expert advice)
11. Preference given for sites with irrigation.
12. Demonstration of the identification of markets.
13. Fenced land a benefit.
14. Registered Entity.

## **ADDENDUM D**

### **Minimum Requirements that a Business Plan Must Meet**

Executive summary List of Tables

List of Figures

- 1 STATUS QUO ANALYSIS
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  - 1.2 Assessment of resources
    - 1.2.1 Soil and land availability
    - 1.2.2 Water
    - 1.2.3 Climate
    - 1.2.4 Assessment of infrastructure (fixed assets and moveable's)
    - 1.2.5 Access to electricity
    - 1.2.6 Access to road infrastructure
  - 1.3 Assessment of the Institutional arrangements
    - 1.3.1 Institutional set-up
    - 1.3.2 Support Structure
    - 1.3.3 Relations to other public institutions
    - 1.3.4 Relations to other public and private stakeholders
    - 1.3.5 Land ownership
    - 1.3.6 SWOT Analysis
  - 1.4 Summary: Business Architecture design and strategy formulation
- 2 THE PRODUCTION PLANNING PROCESS
  - 2.1 Inventory list
  - 2.2 Production planning
    - 2.2.1 Enterprise budget
    - 2.2.2 Capital requirements
    - 2.2.3 Cash flow budget – Base Scenario
    - 2.2.4 Cash flow budget – Realistic Scenario (Including financial help and grants)
  - 2.3 Follow up procedures
- 3 FINAL CONCLUSIONS AND KEY RECOMMENDATIONS
  - 3.1 Conclusions
  - 3.2 Recommendations
- 4 GANNTS CHART/IMPLEMENTATION PLAN

Annexure A: Water Registration Documents

## **ADDENDUM E**

### **Criteria used by, inter alia, financial institutions to determine whether production and other loans will be granted to a producer**

#### **Character**

The character indicates the person who owns and manages the business. Producers need to be aware of the importance of their practical approach to their farming business as well as having a commercial bank account. Emerging producers and apprentice producers should both be present with mentor visits. The Transformation Programme should enrich and strengthen producers' skills to strengthen their character for credit purposes.

#### **Capacity**

Capacity refers to the ability of the emerging producer to repay the loan facilities. Banks look at the cash flow and payment history of the farming business as well as the owner / s. Banks are also looking at alternative sources of repayment in the event of a drought or natural disaster to which the business is exposed. The PTAC must ensure that financial skills are present in the farming business. Financial discipline and business plans are crucial. Business plans need to be reviewed annually. Record keeping is important. Payments and deposits must be deposited in the business bank account. Emerging producers need to be trained from a business perspective.

#### **Capital**

Capital refers to the emerging producer's own contribution to the farm or business. Banks do not want to take the risk alone if the producer has not invested in the business. Emerging producers must invest themselves and must be encouraged to make a contribution. The provision of grants received from the government must be reinvested in the business. Banks are looking at reinvestment while on the programme. Expansion of the farm is possible with available land. Support must be made available to emerging producers to help build a capital base. Cost of living cannot be recovered from the farming business while the emerging producer is on the Transformation Programme.

#### **Collateral**

Collateral refers to the assets owned by business, which does not mean that the business cannot necessarily repay the loan. Collateral is considered a secondary source of repayment. Banks are generally interested in a business that can repay the loan from its own operations and not through its assets. Assets are considered a business enabler used to make money rather than repay a loan. Banks are looking at the ability of the emerging producer to repay the loan. PSA should investigate how land beneficiaries can be helped to start an active business that is attractive to prospective emerging producers.

#### **Circumstances**

Circumstances referred to consist of the economic conditions, industrial conditions, competitors, market size, the duration of the industry and the enterprise. PSA's Transformation Programme is to some extent well aligned with the preparation of our emerging producers. Progress is being made with partnerships being closed.

#### **Trust**

Trust of the emerging producer is presented with its credit history, financial behaviour and previous five principles discussed. With the absence of proper cash records, financial statements and cash flow, no trust is offered. The above characteristics must be present throughout the Transformation Programme. The financial behaviour of an emerging producer must be assessed and determined in advance, such as whether the farming business has a commercial bank account.