

Annual Report 2011

Wine Industry

SA Young Wine Show

The South African Young Wine Show gives winemakers the opportunity to showcase the best wines of their current vintage. The eight participating wine regions are Robertson, Worcester, Stellenbosch, Paarl, Oranje-Vaal, Olifants River, Swartland and Klein Karoo. The show dates back to 1833 when the Cape of Good Hope Agricultural Society presented the first wine show in South Africa, making the SA Young Wine Show the oldest wine competition in the country.

On the 19th of August the SA Young Wine Show tasting and lunch was held at the Lord Charles Hotel in Somerset West. This year saw a new innovation with a workshop, sponsored by Agri-Expo, and presented by Charl Theron. It was aimed at the up and coming winemakers, and cellar and vineyard workers. The workshop touched on the history of the SA Young Wine Show, the importance of drawing samples, tasting and pointing out of faulty wines. It concluded with a group tasting of the Gold, Silver and Bronze winning wines. This year Flagstone Winery won the General Smuts trophy for their Sémillon wine.

Veritas

Agri-Expo, together with SANWSA (South African National Wine Show Association), presented the 20th Veritas Awards Dinner at the Cape Town International Convention Centre (CTICC) on 8 October. 850 guests attended this prestigious occasion. Three Living Legends of the Wine Industry were honoured and for the first time in the Veritas history brandies were also judged. After the main meal guests were invited to taste some of the prize winning brandies.

Cultivar work groups

Agri-Expo offers financial support to the various work groups for comparative tastings, workshops and seminars, which contributes to the development of the respective cultivars. During the past year this project expanded and several work groups now function successfully.

Dairy

Qualité cheese and Veritas wine tastings

The three annual public tastings of Qualité Awards cheese as part of the Veritas wine tasting events held in Cape Town, Johannesburg and Durban prove to be very successful. The purpose of these tastings is to showcase the best cheeses of the year and to promote the Qualité Awards as an indicator of dairy quality. Consumers and senior hospitality staff attend the tastings and commercial leads are forwarded to cheeseries.

The South African Dairy Championships

The staging and organisation of the South African Dairy Championships compares extremely well with suchlike international competitions. Judging took place on 31 March at the Bellville Civic Centre. Entries for the Championships have stabilised but the 875 entries for the year is still satisfactory and the fact that 77 dairy processors have entered their products is an indication that the Championships is valued.

New classes for dairy desserts have attracted record entries, while the popularity of goat's milk products continues to reflect in the number of entries. A further benefit of participating is the value of the judges' comments, which are passed on to the processors. These comments are used to improve and benchmark their products. Processors are increasingly using their awards to promote their products by displaying the SA Champion and Qualité logos on the packaging.

One international judge and a past Burgundy Cheese making Fellowship student were invited as judges and their participation was well publicised by the press.

The judges' decision to award the Product of the Year prize to a cultured butter from Ladismith Cheese came as a surprise but resulted in the product being re-launched on a national level – a clear indication what influence the Championships could have at commercial level.

The 2010 presentation of the SA Dairy Championships received the EXSA award for the Most Memorable Event of the Year. This is a particularly outstanding achievement and indication of the quality of this presentation.

The Danisco Qualité Awards Dinner

The fact that Danisco had agreed to sponsor the Qualité Awards Dinner for the fourth year is proof of the value and standard of this prestigious event. The dinner was held on 27 April at Bloemhof Girls' High in Stellenbosch and is the foremost dairy event in South Africa.

Four hundred and twenty guests from all sectors of the dairy industry attended this function where the South African Champions, Qualité Awards and the Dairy Product of the Year were announced. The evening was a glittering event with entertainment, good food and wine and unexpected surprises and was well covered by agricultural and industry media.

Africa projects

The following projects were managed by Agri-Expo for SPEAR CC during the past year:

- Equipping a dairy laboratory in Beira and training the personnel;
- Individual consultation with dairy processors in the Manica province in Mozambique;
- Training of a Mozambican veterinary surgeon in hygienic milk production and processing;
- Design, building and equipping of a milk processing plant in Beira;
- Selecting and training of six cheese makers from Mozambique, Malawi, Tanzania and Zambia in Burgundy, France;
- Individual consultation with milk processors in Malawi and Zambia on product quality.

International cheese competitions

The 2010 World Cheese Awards was held in Manchester and the South African cheeses earned a number of gold and silver medals. Agri-Expo acted as South African representative for this competition and handled the logistical aspects of all South African cheeses entered.

Retail training

Four three-day training sessions were presented to the staff of the biggest supermarket group in South Africa by Agri-Expo's Manager: Dairy. To train personnel in the rest of the country, the Group extensively uses the training video made during the previous financial year.

Advisory and consultancy services

Large and medium cheeseries have made use of the Agri-Expo consultancy service on many occasions. Quality problems with dairy products were rectified and assistance was also given with the launch of new products and factory extensions. A number of lectures were also delivered at the chef training school.

Western Cape / Burgundy Cheese making Fellowship

Cheese making students from the Centre de Formation Professionnelle et de Promotion Agricole in Davayé, Burgundy visited the Western Cape during the year to attend the Cheese Festival and visit various cheeseries. Four Western Cape cheese makers visited Burgundy during September and were joined by two cheese makers from Tanzania and Kenya. The Fellowship remains highly successful as can be seen from the improvement in the cheeses made by past students. During the year, the cooperative agreement between the Burgundy and Western Cape governments was extended for another five years, which is excellent news for local cheese makers.

SA Cheese Festival

The decision to open Sandringham's gates for cheese lovers during the 10th SA Cheese Festival from 29 April to 2 May drew more than 31 600 visitors, as well as the largest number of exhibitors since the inception of the festival.

The Sandringham terrain was divided in four festival areas – the Dairy Square, Carnival Park, Waterfront and Meander, which included the largest cheese emporium ever with a floor area of 3 200m². The many cheese stalls created a total service area of 212m where a wide variety of cheese could be tasted. The bigger Mall with Pinotage and olive experiences, catering stalls in all four areas, presentations in the food theatre, a lifestyle workshop and milk factory kept visitors happy and busy the whole day long. About 8 000 Nataniël, Brümilda van Rensburg, Shaleen Surtie Richards and Jenny Morris enthusiasts joined these celebrities daily at the Checkers Living Table for top class entertainment, snacks and fashion from well known designers.

As in the past, several of Agri-Expo's financial partners showed their loyalty through sponsorships. Various sponsors have been part of the festival for a very long time, but new ones also joined us this year. We would like to thank every sponsor and supplier that contributed to the success of the 10th SA Cheese Festival.

A great honour befell the SA Cheese Festival when Premier Helen Zille presented this festival as a Western Cape Summit. The project was accepted and the six provinces, namely Western Cape, Shandong, Bavaria, Georgia, Quebec and Upper Austria, will endeavour to support the project for the next five years. This year we welcomed a cheese maker and various cheeses from Bayern at the SA Cheese Festival.

An EXSA (Exhibition and Event Association of Southern Africa) team judged the stalls during the festival. The following winners were announced by Minister Gerrit van Rensburg during the exhibitors' breakfast:

Portobello / Rhodes Foods	-National Cheese
Arista Dairies	-Boutique Cheese
Boland Cellar	-Wine
Pesto Princess Foods	-Related Products
Marc's Mediterranean Cuisine	-Catering
Simmentaler/Fleckvieh	-Milk Factory

The marketing and media campaign mainly focused on the fact that the SA Cheese Festival will be celebrating its 10th birthday, as well as on the new venue. Coverage to the amount of R19,6 million was generated.

Cheese lovers, exhibitors and sponsors agreed: the new SA Cheese Festival venue is great!

Equestrian

Cape Premier Yearling Sale

Agri-Expo were contracted to run the inaugural Cape Premier Yearling Sale on 27 and 28 January in the Cape Town International Convention Centre (CTICC). It was a world first for a yearling sale to be run in the centre of a major city. Premier Helen Zille officially opened this prestigious event.

Three hundred and four stables filled four exhibition halls at the CTICC and the auction ring together with exhibition stands were set up in Hall 1. International bloodstock agents and horse owners were flown in from all over the world to participate. The timing of the event was set to coincide with Cape Town's biggest race, the J&B Met, and guests were treated to a 10 day bonanza of the Cape Town racing world.

The final aggregate at the sale was just under R100 million with the top price of R2 500 000 going to two colts. The average price of the 290 yearlings was R404 205.

Cape Summer Yearling Sale

The Cape Summer Yearling Sale was presented at Sandringham on the 4th of March. Only 154 yearlings were catalogued and the average price was R47 946 compared to the year before of R71 976. Sandringham proved to be a magnificent and very popular venue for this sale.

Regional Mare and Weanling Sale

On May 26 the Regional Mare and Weanling Sale was run at Sandringham. 217 mares were catalogued, reaching a surprisingly good average of R53 854 and an aggregate of R5 547 000. Although it rained very heavily in the build up stage of the sale, the actual sale turned out to be an absolutely magnificent day, and it was very well attended.

Cape Show Horse Society

The annual Cape Show Horse Society show was held in Wetton in early January. 200 of Agri-Expo's stables were erected for this occasion and Agri-Expo acted as sponsor. The show mainly consists of Welch and Hackney ponies and was well supported by the community.

Member Shows

Agricultural societies

Agri-Expo acted as sponsor for 24 agricultural shows that are members of the Society. These member shows have for years been promoting the image of agriculture and Agri-Expo is proud of this year's accomplishments. Five national, 20 provincial, two inter-provincial, 28 regional and 31 club championships took place at member shows under the Agri-Expo flag. Various youth, poultry and emerging farmer shows were also held. The feedback from breeder societies was favourable and the interest to present shows in the Western Cape showed tremendous growth.

The annual general meeting of member shows took place on 20 July at Moorreesburg. During this meeting show dates were discussed as well as the challenges in this industry. Agri-Expo presents this meeting at different agricultural societies on a rotation basis with the aim for shows to get to know the different facilities and to learn from each other.

Agricultural shows in the Western Cape are an integral part of the rural community and the comparison of agricultural products that takes place often contributes to an improvement in the quality of these products. Agri-Expo is proud of the way that these 24 shows promoted agriculture to the general public and thanks every volunteer that served on a committee or were part of a management team for their time and commitment towards promoting agriculture in an exciting way to the public.

Western Cape Yearling Poultry Show

The aim of the annual Yearling Poultry Show is to give exhibitors the opportunity to have their young birds compete against each other. In the past this was a one-day show, but the committee decided to test the concept of a two-day show. This decision was received with great excitement, especially with members who had to travel far, and exhibitors as far as Beaufort West, Prince Albert, Williston and Oudtshoorn supported the show. The 709 entries from 36 exhibitors represented 63 different breeds of chickens and ducks. Generally the judges were satisfied with the condition and quality of the poultry and the public supported the event well.

In preparation of the upcoming Western Cape Championships, youth show learners completed their theoretical and practical exams and the examiners were pleased with the results.

Western Cape Poultry Club Show

The annual Western Cape Poultry Club Show took place at Kleinplasia, Worcester, from 9 to 11 July and a total of 1 642 entries were received from 51 exhibitors. These entries represented 82 different breeds of chickens and water birds. Entries were received from as far as Ermelo and Rustenburg. The judges praised the well prepared chickens and the overall condition and quality of chickens. Agri-Expo is proud of each shower that took the trouble of competing.

Western Cape Veteran Tractor and Engine Club Show

The annual Veteran Tractor and Engine Club Show took place in Moorreesburg on 6 & 7 August. This establishment preserves the history of our agricultural activities and therefore Agri-Expo acts as main sponsor at the annual Show. This year, more than 4 000 visitors viewed close to 250 veteran tractors, 50 stationary engines, many farm implements, two working smithies, two steam machines and much more. Many new members joined during the expo, which gives an indication that the enthusiasm and awareness created by the exhibitions and programme is invaluable. Agri-Expo instituted a floating trophy for the best small club in the Western Cape as incentive for the most enthusiastic small club. This year the Villiersdorp club won the trophy.

Youth

Youth Shows

The Western Cape Agricultural Youth Association is an independent organisation with its own constitution, management and code of conduct. Agri-Expo is the main sponsor of this Association. This year the Association presented six Regional Shows with 535 learners participating - Winelands 97, Eden 65, Cederberg 162, Overberg 55, Swartland 58, Boland 98.

These learners take part in the following categories:

- Winelands: Beef Cattle, Dairy Cattle, Milk Goats, Boer Goats, Wool Sheep & Mutton Sheep
- Eden: Beef Cattle, Dairy Cattle, Wool Sheep, Mutton Sheep, Poultry & Horses
- Cederberg: Milk Goats, Boer Goats, Angora Goats, Wool Sheep, Mutton Sheep & Home Industry
- Overberg: Beef Cattle, Dairy Cattle, Wool & Mutton Sheep
- Swartland: Beef Cattle, Wool Sheep, Mutton Sheep, Milk Goats, Boer Goats & Angora Goats
- Boland: Beef Cattle, Dairy Cattle, Wool Sheep, Mutton Sheep & Milk Goats

Development courses were presented in Lutzville and Buffeljags River. These courses bring new participants to the youth show and in this way promote youth shows.

The Western Cape Championships took place in Worcester and the standard of participants from across the Western Cape was of outstanding quality.

The National Championships took place in September at the Morgenzon Agricultural Academy. The Western Cape team showed their prowess like the previous five years and were crowned the champions of this competition. The team won 15 gold medals, 13 silver and 8 bronze medals. Agri-Expo congratulates each learner that was actively involved in this initiative and spent much time preparing for the championships. We believe that this initiative generates a love of animals and creates a definite support base for agriculture in the future.

Agricultural Schools

Agri-Expo realizes that educational institutions experience tremendous financial pressure and therefore decided to support agricultural schools according to their needs. Loans have been made available to the three agricultural schools in the Western Cape to improve the standard of the schools and so ensure quality education to learners.

This year Agri-Expo assisted Augsburg Agricultural Gymnasium with a loan to plant citrus. This project will help generate a future income which will enable them to assist needy children, finance upgrades and to better improve the resources available on the farm. Such a project will also teach children how to establish and manage an orchard.

Agri-Expo annually supports the three agricultural schools in the Western Cape with bursaries during their prize giving ceremonies. These bursaries go to the best learners in each grade as well as those who achieved above their abilities. Agri-Expo is proud of the achievements of these schools.

General

CAPE WOMEN'S AGRICULTURAL ASSOCIATION (CWAA)

The CWAA's 81st annual congress took place in Kimberley from 17 to 19 August 2010. The Society continued its support and again presented the CWAA with a sponsorship for the presentation of their congress. The CWAA, in turn, gives Agri-Expo good exposure on its website, in printed documents and during the congress itself.

The Society again made its trophies available to Circle Tygerberg for presentation at their annual show. The Marketing Manager attended the opening of their 44th Circle Congress held in March at

Eensgezind, Klipheuwel. The congress was organised by the Durbanville WAA who also celebrated their 80th birthday at this occasion.

Agricultural Writers SA

During the month of October, Agri-Expo provided administrative assistance for the Agricultural Writers SA's annual photo competition. Mr Theuns Botha won the coveted title of Agricultural Photographer of the Year.

Conservation

The Society supported two WWF projects with its annual grant to this organisation: the conservation of the Riverine Rabbit and the Karoo Eco-Schools project where learners are made aware of conservation of the environment.

Sandringham

Following on the Agricultural Research Council's (ARC) decision not to make Bien Donné available to Agri-Expo for the usual SA Cheese Festival dates; it was decided to present the festival at Sandringham, the Society's own venue.

Due to the fact that no project of such dimensions has ever been presented on the farm, several improvements had to be made. As a final answer from the ARC were received at a very late stage these improvements had to be finalised within a period of six months – with the December holidays as part of this period.

The first step was to rezone the central part of the farm from Agricultural Zone 1 to a Tourism Zone, and to obtain a temporary deviation rezoning of agricultural land. Approval for these rezoning applications was only granted towards the end of June 2010 and Agri-Expo immediately submitted the next application for permanent rezoning of 5ha agricultural land for exhibitions.

In the meantime the challenge was to create parking space for a minimum of 2 500 cars. Unused land of 5ha was levelled, drainage and irrigation installed and grass planted. A further challenge was the access routes to Sandringham and a new brick road was built from the entrance to create dedicated entrance and exit roads to direct the traffic more efficiently.

One of the biggest frustrations was the delays with the approval of the new entrance gate. A limiting regulation caused the end result to be less than perfect which caused a bottle neck. The visual effect of the entrance to Sandringham is, however, as planned. In addition other existing roads at Sandringham were upgraded, ramps were built for easy exhibitor access to the arenas and various

sets of steps and level areas created to enhance wheel chair accessibility. Attention was also given to the beautification of the terrain and the planting of trees.

Although the last builders only left the site on the morning of the SA Cheese Festival, the challenges were met and Sandringham was ready to receive more than 31 000 members of the public.

Agri-Expo congratulates staff members who functioned under extreme pressure to ready Sandringham for this prestigious event.

In addition to all the above developments, we are also establishing a new Cross Country Course. Currently all effort goes towards preparing this course, which has been designed according to international standards, for the 2011 Agri-Expo Equestrian Show. The course was designed by Dave Evans who designed the 2008 Olympic Games course.

As with any terrain, certain aspects will need continuous attention or improvement, but the basis has been laid to establish Sandringham as the Gateway to Agriculture in the Western Cape.

Finances

The greatest risk for financial markets and the world economy remains the high and ever increasing levels of government debt of the developed economies. Europe's debt crisis and the uncertainty regarding the condition of these global economies put stock markets across the globe under pressure.

It is clear that the international economic environment severely impacts on the South African economy. Fund managers warn that the investment environment will be much harsher for the next 5 to 10 years than the previous decade and that investors should expect significantly smaller dividends than usual.

Against this backdrop it is gratifying to give feedback about the condition of Agri-Expo's investments. The Society's asset managers achieved the goals set for all the investment funds and the local investments easily trumped inflation. However, the continuous strength of the Rand had a negative impact on the conversion value of the foreign investments. The Rand is unnaturally strong and it is expected to decrease in value. The portfolio is well diversified between the different asset classes as well as hedge funds. The focus will remain on affordable and stable long term returns and the avoidance of large capital losses.