

# Annual Report 2014

## Wine Industry

### SA Young Wine Show

The South African Young Wine Show gives winemakers the opportunity to showcase their best wines of their current vintage.

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 South Africa.

The mission of the South African Young Wine Show is to judge the quality of wines that are still in their infancy - within the year of production – and have some way to go before they are finally blended and bottled. In this way, the industry can give recognition to the production capabilities of a wine cellar. Very few of these wines are for sale or in their final form at the time of being judged.

The eight participating wine regions are Robertson, Worcester/Breedekloof, Stellenbosch, Paarl, Oranje-Vaal, Olifants River, Swartland and Little Karoo and champions are crowned in the following categories: Chenin Blanc, Sauvignon Blanc, Chardonnay, Sémillon, Other White Cultivar, Dry White Blend, Sweet White Wine, Noble Late Harvest, Pinotage, Shiraz, Cabernet Sauvignon, Merlot, Other Red Cultivar, Dry Red Blend, Port, Dessert Wine and Muscadel.

In addition to the 17 SA championship trophies, the impressive General Smuts Trophy – introduced in 1952 – for the overall SA Champion Young Wine, and the Pietman Hugo Trophy, for the cellar with the highest score for five best entries, are also at stake. This year the General Smuts Trophy went to Diemersdal Sauvignon Blanc (wooded) and the Pietman Hugo Trophy to Bon Courage. The awards ceremony was hosted by Swartland Region.

Entries are adjudicated by specialist panels of seven judges drawn from winemakers or wine experts with a formal qualification and specialist knowledge of specific wine styles. An eighth junior judge per panel has been introduced to train future judges.

### Veritas

The Veritas Awards is the longest running and most prestigious wine competition in South Africa and is synonymous with excellence in wine. The organiser, South African National Wine Show Association (SANWSA), represents the full spectrum of the industry. Agri-Expo, as a partner of SANWSA, sponsors the awards ceremony.

After almost two decades the Veritas Awards has earned its reputation as South Africa's most authoritative and credible competition for market ready wines. The Awards with its coveted Veritas emblem, has become synonymous with top quality wines. The first National Bottled Wine Show in South Africa was introduced by the SANWSA in 1990 and renamed the Veritas Awards from 1991.

This year 1 792 wines and brandies yearned for the prestigious double gold Veritas medal. Following five days of strict judging, 1 442 medals were awarded: 68 (3.7%) were honoured with double gold, while 166 (9.2%) won gold, 526 (29.3%) silver and 682 (38%) bronze.

KWV again triumphed as best wine producer at Veritas this year with no less than four double gold and 13 gold medals followed by Nederburg with four double gold and nine gold medals, Boplaas Family Vineyards with four double gold and six gold medals and De Grendel with three double gold medals. In the category for brandy, Van Ryn's took the lead with three double gold medals, followed by Boplaas, Oude Meester, Klipdrift Gold and Flight of the Fish Eagle with one double gold award each.

## Dairy Industry

### South African Dairy Championships

South Africa's first dairy competition was initiated by Agri-Expo 180 years ago when participants competed for the title of Best Imitation of a Dutch Cheese. This year 68 producers entered 821 products in the categories for butter, cheese, cottage cheese, yoghurt, flavoured milk, dairy dips, ice cream and dairy dessert. This year the judging was sponsored by DuPont and took place on 13 March 2014 at the Cape Town International Convention Centre.

A team of 58 judges from six provinces, with the difficult task to taste and evaluate hundreds of products, consisted of experts on cheese, food structures and sensory evaluation. Celebrated chefs and food writers also joined the panel responsible for the judging of the products.

A new category for raw milk cheese was introduced last year and this year the entries for this category increased by 52%. Furthermore, the entries for goat milk products increased from 14% in 2008 to 27% this year.

### DuPont Qualité Awards Dinner

During the DuPont Qualité Awards Dinner on 23 April 2014, the Klein River Cheese Grana, a slow matured hard cheese, received the most coveted honour of being named 2014 Product of the Year.

This prestigious accolade, as well as the Qualité awards granted to a select few top dairy products, represents the highest honour of the SA Dairy Championships which was this year presented for the 180th time.

Fifteen exceptional products will wear the 2014 Qualité mark of excellence. This year Lancewood led with no less than four Qualité Awards with Marcel's Frozen Yoghurt following closely on their heels with three Qualité's. Ninety-five (95) of the 821 dairy products entered for this year's championships were heralded as SA Champions. Parmalat, South Africa's largest producer of dairy products, took the lead with no less than 13 champions, followed by Lancewood Holdings with 10, Fair Cape Dairies with 7 and Belnori Boutique Cheesery and Clover SA with six each.

## Qualité cheese tastings

In order to further extend the partnership between Agri-Expo and the South African National Wine Show Association (SANWSA) Qualité cheeses are tasted together with the double gold and gold Veritas wines during three exclusive public tastings. Approximately 1 200 members of the public took part in these tastings held in Cape Town, Johannesburg and Durban. These events serve as the ideal platform to promote the Qualité mark as a trustworthy indicator of dairy quality in South Africa.

## Western Cape/Burgundy Cheese making Fellowship

Six young South African cheese makers were announced as the recipients of a cheese making fellowship to Burgundy, France at the DuPont Qualité Awards Dinner. Thirty eight student cheese makers have already benefitted from this practical course, covering a wide spectrum of the making and marketing of cheese. Most of the recipients of the scholarship came from communities with less access to such opportunities. As part of the cooperative agreement, six French students visited South Africa to gain some insight into the South African dairy industry and visited the SA Cheese Festival in April 2014.

## SA Cheese Festival

More than 32 000 cheese-loving visitors arrived to enjoy the unparalleled variety of cheeses and other deli products at the 13th SA Cheese Festival presented at Sandringham from 26 – 29 April.

The challenge for any organiser presenting an event of this magnitude is to ensure that returning visitors experience something new each time, and that logistics continue to improve to grant visitors a superb, safe and stress-free experience. Feedback from the dairy industry is that the festival indeed draws the limelight to cheese for the month of April and that especially small boutique cheeseries gain invaluable exposure during the festival.

With the 2014 theme ‘edutainment’, Agri-Expo once again succeeded in creating an outdoor event where visitors had the opportunity to discover, taste and enjoy new cheeses, deli products, wines and other personal favourites. They could also meet celebrities with a passion for cheese, attend demonstrations by top chefs, winemakers, brew masters and other food fundi’s and collect valuable information. All this happened in an informal, interactive and entertaining environment.

The SA Cheese Festival remains the largest platform for cheese makers in our country to showcase their products to buyers and thousands of visitors over one long weekend. The stands were judged in six categories by independent judges and the following winners were announced on the Saturday morning:

National Cheese	*	Simonsberg / Parmalat
Boutique Cheese	*	Langbaken Karoo Cheese
Wine & other beverages	*	Worcester Wine & Olive Route
Related products	*	Pesto Princess
Catering	*	The Charcuterie
Milk Factory	*	Fleckvieh / Simmentaler (for the sixth consecutive year)

Various companies have over the years chosen to form a partnership with this popular festival by means of sponsorships and the Society would like to thank all sponsors supporting the SA Cheese Festival.

The marketing and media campaign again succeeded in broadcasting the message of cheese and luring visitors to the festival. It is increasingly expected of the marketing team to make use of more social media platforms for which there are no current reliable measuring instruments. However, the marketing value generated through printed media, radio and TV was set at R17m.

## Equestrian

### Agri-Expo Equestrian Show

After the success and interest in the Eventing Section of the show in 2012, it was decided to concentrate on only Eventing for the 2013 Show. A tremendous effort was made to raise sponsorships to enable Agri-Expo to run the event at a level befitting an FEI 1\* event. We thank all our sponsors who contributed to such a fantastic day with one of the biggest crowds seen at an Eventing Show in a long time.

This event also incorporated the SA Adult Team Championship, which was won by the team from Gauteng. Unfortunately, although this was a SA Championship, the SA Eventing Committee agreed to allow another FEI Eventing Show on the same weekend resulting in the Agri-Expo show only having two teams competing for the Interprovincials, and no individual entries from other provinces.

The visiting Course Designer, David Evans (UK), commented that the cross country track had the best going he had experienced in South Africa.

### Auctions

**Cape Thoroughbred Sales (CTS)** contracted Agri-Expo to run three very successful auctions. Agri-Expo is tasked with setting up sales and stabling logistics while CTS concentrate on the marketing, creating the catalogues and selling the horses. This has developed into a very strong partnership.

**The R2 000 000 Ready to Run Sale** was held in November 2013 at Durbanville Racecourse with history being made with a colt sold for a record South African price of R4.5 million. There were 195 lots on offer producing an aggregate of R36 635 000 (a 42% increase on 2012) and an average increase of 23% at R209 343.

The January 2014 **Cape Premier Yearling Sale – Book 1** was held at CTICC, with a trimmed but very strong catalogue, producing an aggregate of R103 025 000 (an increase of 4.7%) while the average of R572 361 increased by a solid 18.5%. In a surprising upturn for the books, fillies trumped the colts with two joint top price fillies and one colt going for R3.2 million. This is the only sale of thoroughbred horses in the world that takes place in a conference facility in the centre of a city.

**The Cape Premier Yearling Sale – Book 2** was held in March 2014 at Durbanville Racecourse with a record number of horses and produced very good sales results. The 290 lots on sale went for an aggregate of R38 545 000 at an average of R144 906. The highest price paid was R1.5 million – almost triple last year’s highest price of R575 000!!

## Member Shows

### **Agricultural Societies**

Agri-Expo acts as sponsor for 22 agricultural shows that are members of the Society and that promote the image of agriculture. A number of national, provincial and regional championships of outstanding quality are annually being held at these shows. The standard of animals and products increases from year to year and especially the National Championships draw a lot of attention, not only from the rest of South Africa, but also internationally. Apart from these presentations, various youth shows, emerging farmer shows and poultry shows were held.

On 5 and 6 June 2014, Agri-Expo presented a Member Show Congress at the Protea Hotel, Stellenbosch, at the request of member shows identifying the need for new management to learn more about planning and the presentation of a show. Agri-Expo’s staff addressed Congress with ideas and suggestions for shows on how to position themselves better in the challenging show industry of today.

The Annual General Meeting of member shows took place during the Congress on 6 June. Show dates were discussed for the upcoming year as well as challenges in the show industry.

Agricultural shows in the Western Cape are an integral part of the rural communities and play a significant role in comparing agricultural products and thereby raising the bar of quality.

### **Western Cape Poultry Young Bird Show**

The annual Young Bird Show took place on 16 and 17 May 2014 at Kleinplasia in Worcester. The aim of the Young Bird Show is to create an opportunity for exhibitors to let their young birds that are on show for the first time, compete against each other.

A total of 656 entries were received from 31 exhibitors, representing 80 different poultry breeds. The judges were satisfied with the quality of the poultry and many members of the general public attended the show. The attendance of young breeders was impressive.

### **Western Cape Poultry Club Show**

The annual Western Cape Poultry Club Show took place at Kleinplasia, Worcester from 5 – 7 June and received a total of 1 409 entries from 43 exhibitors. These entries represented 89 different breeds of chickens, geese, turkeys as well as eggs. Despite varying weather conditions and long distances, exhibitors nevertheless went to a

lot of trouble with the preparation of their entries. The judges were satisfied and impressed by the quality, condition and appearance of the poultry.

In preparation for the upcoming National Youth Show Championships, youth show learners did their theory and practical examinations.

This show attracted huge interest from the general public this year and Agri-Expo is proud of the way in which the Western Cape Poultry Club promotes the show and breed authenticity of poultry.

## Western Cape Veteran Tractor and Engine Club

The Western Cape Veteran Tractor and Engine Club presented the National Show in Villiersdorp from 8 – 11 August 2013. This organisation preserves the history of our agricultural industry and therefore Agri-Expo supports the show as sponsor.

A record amount of visitors had the privilege to view 230 veteran tractors, 50 stationary engines, a large number of farm implements, two working farrieries, two steam engines and many more. Apart from the normal supply of restored and unrestored engines and farm implements, visitors could also see bread being baked, cracklings prepared and witblits distilled. The theme of the show was 'the development of the fruit industry' and this also inspired many historical pieces of equipment being on show.

The Villiersdorp Club undertook the enormous task of restoring the Alwyn Vintcent, the last steam tug that was operational in South African waters. The fact that the vessel could be visited by the public, definitely contributed to the fact that the expo attracted such enormous interest.

The Agri-Expo floating trophy for the best and most fervent small club in the Western Cape was this year won by Villiersdorp Club.

# Youth

## Youth Shows

Agri-Expo acts as main sponsor for the Western Cape Agricultural Youth Society. This is an independent organisation promoting agriculture amongst the youth in the Western Cape through the presentation of youth shows. The Society presented seven regional shows this year with 588 learners participating – the largest number ever participating in youth shows in the Western Cape. These regional shows were presented at: Swellendam 110, Eden 91, Cederberg 140, Overberg 50, Swartland 52, Herold 68 and Boland 77. Learners must qualify at these regional shows to receive an invitation to the Agri-Expo Western Cape Championships.

Learners take part in the following categories:

- **Swellendam:** Beef Cattle, Dairy Cattle, Horses, Milk Goats and Wool Sheep
- **Eden:** Beef Cattle, Dairy Cattle, Wool Sheep, Mutton Sheep, Poultry and Horses

- **Cederberg:** Milk Goats, Boer Goats, Angora Goats, Wool Sheep, Mutton Sheep and Culinary Art
- **Overberg:** Beef Cattle, Dairy Cattle, Wool Sheep and Mutton Sheep
- **Swartland:** Beef Cattle, Wool Sheep, Mutton Sheep, Milk Goats, Boer Goats and Angora Goats
- **Herold:** Beef Cattle, Dairy Cattle, Wool Sheep, Mutton Sheep, Boer Goats, Milk Goats and Angora Goats
- **Boland:** Beef Cattle, Dairy Cattle, Wool Sheep, Mutton Sheep and Milk Goats

A development course was presented for learners of the FD Conradie Primary School at Prins Alfred Hamlet. The Western Cape Youth Show Society encourages new learners to join the Youth Show movement and promote the Youth Show concept to schools that are not aware of this sport.

The Agri-Expo Western Cape Youth Show Championships were held at Clanwilliam on 4, 5 and 6 May 2014 and the standard of participants from across the province was excellent. A total of 115 learners participated.

The National Youth Show Championships took place in Kroonstad in September 2013. As was the case during the past seven years, the Western Cape team was crowned the champions of this competition. The team won 15 gold, 11 silver and 10 bronze medals.

## Agricultural Schools

Agricultural Schools play a very important role in the future of agriculture in the Western Cape and that is why Agri-Expo supports agricultural schools according to their needs.

Agri Expo annually supports the agricultural schools with bursaries awarded during their prize giving ceremonies. These bursaries are given to the best learners in every grade, as well as those learners who performed above their potential on academic as well as agricultural level.

# General

## Women in Agriculture

### Cape Women's Agricultural Association (CWAA)

The 84rd Annual Conference of the CWAA took place from 20 - 22 August 2013 in Durbanville. The Society is a financial partner of the Association and funds are made available to present a conference of quality and to train their judges. The new theme for the next year – Expand your Boundaries – was introduced at Conference.

The CWAA celebrated their 85th anniversary at Eensgezind near Durbanville on 6 February 2014. Mrs Rabie, Marketing Manager, was invited to toast the organisation at this special occasion on behalf of Agri-Expo.

## Other

### **Agricultural Writers SA**

Agri-Expo hosts the annual photo competition of the SA Agricultural Writers and handled the entries and logistics on 1 November 2013 at Agri-Expo's offices in Durbanville.

Seven photographers entered some 100 photos into this prestigious competition and the panel of seven judges chose Mr Johan Norval's photo 'Awassi Rams' as the Photo of the Year. Mr Johan Norval was also named the Agricultural Photographer of the Year with his portfolio of photographs receiving the highest score at the competition.

### **Conservation**

Agri-Expo has been supporting the World Wildlife Fund (WWF) for a number of years. This year was no exception and the WWF was one of the organisations that benefitted from presenting the annual SA Cheese Festival. Among other things the funding is used for the Karoo Eco Schools programme and for the conservation of endangered animal species. Agri-Expo is recognised as a Silver Sponsor by this outstanding organisation.

### **Royal Agricultural Society of the Commonwealth (RASC)**

As a member of the RASC, the Society received a visit from Mr Michael Lambert, Media Secretary of the RASC. He met with the Chief Executive Officer. It is with real sadness that the Society then also received the news of the passing of Mr Philip Bolam, Honorary Press Secretary of the RASC and a good friend of the Society. Mr Bolam was also the official representative of the RASC during the Society's 175th year celebrations in 2006 and communicated the greetings and congratulatory message of HRH, the Duke of Edinburgh at the event.

## In-house

### **EXSA award**

The 2013 SA Cheese Festival received the EXSA (Exhibition and Event Association of Southern Africa) award for Best Outdoor Venue Exhibition in Southern Africa in the Trade & Consumer category for exhibitions larger than 12000m<sup>2</sup>. This is the second year in a row and the fourth time since Agri-Expo became a member of EXSA in 2007, that the Cheese Festival has won this award.

## Staff

Agri-Expo has always played a leading role in the various areas in which it functions. In order to adapt to new challenges and the changing environment, a strategic planning session was held with the Council and staff of the Society. One of the most important results was a restructuring of the Society. The moving of current staff into other positions in order to fill newly created positions, became necessary.

We welcome Razelle Segers who joined the Society as Receptionist/Secretary, Elsa Visser as Events Assistant and Porchia Adams as Manager: Marketing and Communication. It is a privilege for Agri-Expo to add people of this calibre to the Society's dynamic team.

After more than 30 years' service to the Society, we had to say farewell to Memory Kalis this year, who for health reasons had to go on early retirement. An illuminated address was presented to her as a special gesture through which the Council, members and staff of the Society could thank her for her selfless service and positive attitude towards her work and life. The friendly way in which she always handled exhibitors contributed to establishing Agri-Expo as a dynamic organisation.

## Finances

We are again happy to report that Agri-Expo's investment managers reached their performance goals and in many instances outperformed the set goals. The total investment portfolio easily outperformed inflation with more than 10%, which places Agri-Expo's investments in a very positive position for the year.

Should it be accepted that equities are the main driver of most funds in general, the returns are even more outstanding, as the total portfolio only has 18% exposure to the local equity market and 11% exposure to international equity markets. With only 29% exposure to equities, this return on investment was acquired. This supports the previous investment changes and it is believed that further changes in terms of diversification can only protect the portfolio further for the future.

In last year's report we indicated that the investment team believed that interest rates had reached the record lows. During the past year we then also saw the first interest rate hike. The last increase was only 0.25% which is in line with the expectation that interest rates will increase systematically over the next few years. With inflation also at its highest level in many years and the weakening rand, it is difficult to determine what the market will do. Most fund managers indicate that they believe that the market is fairly high.

It is consequently important to mention again that the nature of Agri-Expo's portfolio is constructed to yield a return in line with inflation plus 3% to 4%. The outperformance of 10% above inflation must be seen as above expectations and it is even possible that under performance can occur after a year such as the present one. We do believe that the probability of underperformance can be limited with further diversification without losing the opportunity for growth.