

Ownership

- 1. What is the sector?
- (2.1) AgriBEE applies to the entire value chain ... provided that their primary business (defined as a turnover of >50%) is based on agriculture as defined in the National Accounts.
- Caveat: we also need to look at NEW products that may not yet fall within this definition, e.g. marula, Devil's claw, etc.

Land reform

- 2.1 Land ownership in the communal areas is not addressed. The Steering Committee needs to engage with DLA, DPLG on this matter.
- 2.2 AgriBEE must address only AGRICULTURAL land
- 2.3 People with disabilities must be addressed more explicitly under the Ownership element. It was proposed that designated be explicitly separated into its component parts, and that people with disabilities be given a weight of 1%.

Land reform

- 2.4 Alternative forms of land access (lease, sharecropping) should be given greater prominence. The Steering Committee needs to come up with innovative proposals in this regard.
- 2.5 We should not encourage people to embark on empowerment initiatives but at the same time tell them their efforts may not count under the final Scorecard. A positive message should be sent out.
- 2.6 A way should be found of recognising participation through the pension funds.

Land reform

- 2.7 The Wine Charter Land Reform proposal was tabled. Delegates agreed:
- The proposal should be taken seriously, BUT
- The Steering Committee was urged to think through any possible unintended consequences, especially the opportunity for circumvention of the spirit of the Charter.

	AgriBEE	Wine	e.g.1	e.g.2	e.g.3
Voting rights	5	5	5	-	5
Economic interest	7	5	5	-	5
Associated enterprises	8	5	5	5	-
Land	-	5	-	5	-
Management	10	5	5	5	5
Enterprise development	10	15	15	15	15
Land	-	5	-	5	5
	40	45	35	35	35

Land reform

- 2.8 Should employees have a 'right of first refusal'? Hotly debated, especially as there may be other 'willing and able' (i.e. with the necessary access to funds) participants. The group recommended that the industry should undertake to favour employees, and that the Steering Committee should put this into the Charter as a commitment by the industry.
- 2.9 Other issues:
- The responsibilities (commitments) of beneficiaries should be added to the Charter
- AgriBEE initiatives should include provision for exit strategies so that people do not become 'locked in' to failing enterprises. At the same time, support strategies should be put in place to reduce the risk of failure (see below)

Verification

- 3. Can the targets be verified?
- There was discussion on what would happen if the targets were not met. There was agreement on the sentiments raised with regard to verification that had been made in plenary (i.e. a balance between the cost and effectiveness of verification should be sought, what are the penalties for non-compliance)
- The Wine Charter process was embarking on an exercise to address a broader question, namely whether the industry would be transformed if all the targets had been met. A scenario planning exercise was necessary in this regard.

4. What can be done to support those who fill in the Scorecard?

- 4.1 How can failed/failing businesses be helped to ensure that beneficiaries are not penalised because of factors beyond their control?
- 4.2 The Steering Committee was urged to identify sources of funding at each element of the Scorecard.
- 4.3 The issue of a 'debt amnesty' was raised to ensure that beneficiaries of AgriBEE had access to funds. While this proposal was controversial, there was general agreement that innovative funding sources should be identified and pursued.
- 4.4 It was accepted that (the lack of) money was the key obstacle to successful AgriBEE.