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# Status of the BEE Codes in the AgriBEE Sector

Members of the public and interested parties had until the 20 January 2016 to comment on the AgriBEE Sector Code. We await further feedback.

The Minister of Trade and Industry, Dr Rob Davies gazetted the Draft AgriBEE Sector Code in terms of section 9(5) of the Broad-Based Black Economic Empowerment Amendment Act. This Draft AgriBEE Sector Code is the outcome of the deliberations of the AgriBEE Charter Council, following the gazetting of the AgriBEE Sector Code on 28 December 2012 and the establishment of the AgriBEE Sector Charter Council in December 2008.

According to Minister Davies, the AgriBEE Sector Code is an important sector code because it will facilitate the transformation of one of the important sectors of our economy which is agriculture. Agriculture is the bedrock of our economy with linkages to all other sectors of the economy.

The scope of application of the Draft AgriBEE Sector Code includes:

- The primary production of agricultural products;

- The provision of inputs and services to Enterprises engaged in the production of agricultural products;
- The beneficiation of agricultural products whether of a primary or semi-beneficiated form;
- The storage, distribution, and/or trading and allied activities related to non-beneficiated agricultural products.

Minister Davies added that the Draft Sector Code is promoting Supplier Development and Enterprise Development.

“One of the key highlights of the Draft AgriBEE Sector code is an increase of the target for supplier development to 3% of Net Profit After Tax (NPAT), which is higher than 2% of NPAT of the Code of Generic Codes as an increase to 1.5% of NPAT for Enterprise Development which is higher than the 1% NPAT of the Code of Generic Codes. The aim is to create a pipeline of black suppliers and black industrialists within the value chain of the South African agricultural industry,” stated Davies.

In addition to strengthening the drive towards creating black suppliers and black industrialists, the Code also gives recognition to initiatives that result in Greenfield ventures, job creation and beneficiation of primary products, support for land reform projects, and support for localisation of goods and services currently being produced in SA currently.

## Useful Downloads

[Download link for the gazetted draft amended AgriBEE Sector Codes](#)

## Sector Highlights

- The Charter aims to support the acceleration of land reform in South Africa by setting targets for equity and land ownership. Landowners are incentivised with bonus points for transferring land to black people in excess of the 30% land reform target. There is also recognition for long-term land use under enterprise development and socio-economic development elements.
- Enhanced recognition is given to initiatives that result in Greenfield ventures, job creation and beneficiation of primary products, and support industrialization

# Understanding the reasons behind the Sector Charters

In February 2007, **the dti** gazetted the Black Economic Empowerment (BEE) Codes of Good Practice, terms of which a number of Transformation Sector Charters (also referred to as Sector Charters) were introduced, vetted and analysed for compliance, as per the stipulations of either **Section 9** or **Section 12** of the B-BBEE Act, No. 53 of 2003.

The responsibility of **the dti** is to ensure that Sector Charters submitted for gazetting are sufficiently aligned to the B-BBEE Act and Codes of Good Practice and more importantly, that they advance the objectives of sustainable B-BBEE.

A B-BBEE Sector Charter, gazetted in terms of **Section 12** of the B-BBEE Act, means that it:

- Has been developed and agreed upon by major stakeholders in the industry;
- Is published for information purposes only and used as a statement of intent by industry players; and
- Is fully binding between and among businesses operating in the industry.

*NB: A Sector Charter gazetted in terms of Section 12 has no bearing on state organs and departments.*

A B-BBEE Sector Charter, gazetted in terms of **Section 9(5)** of the B-BBEE Act, means that it:

- Is a Draft Sector Code, which has complied with the provisions of **Section 12** of the B-BBEE Act, in that major stakeholders have agreed to the stipulations of the Charter; and
- Is a Draft Sector Code, which has been published nationally for public comment and in a period of sixty (60) days.
- A B-BBEE Draft Sector Code, gazetted in terms of **Section 9(1)** of the B-BBEE Act, means that it:
- Becomes a Sector Code of Good Practice (Sector Code) and shares the same status as the B-BBEE Codes of Good Practice, published by the Minister of Trade and Industry, in February 2007, and is fully binding between and among businesses operating in the industry.



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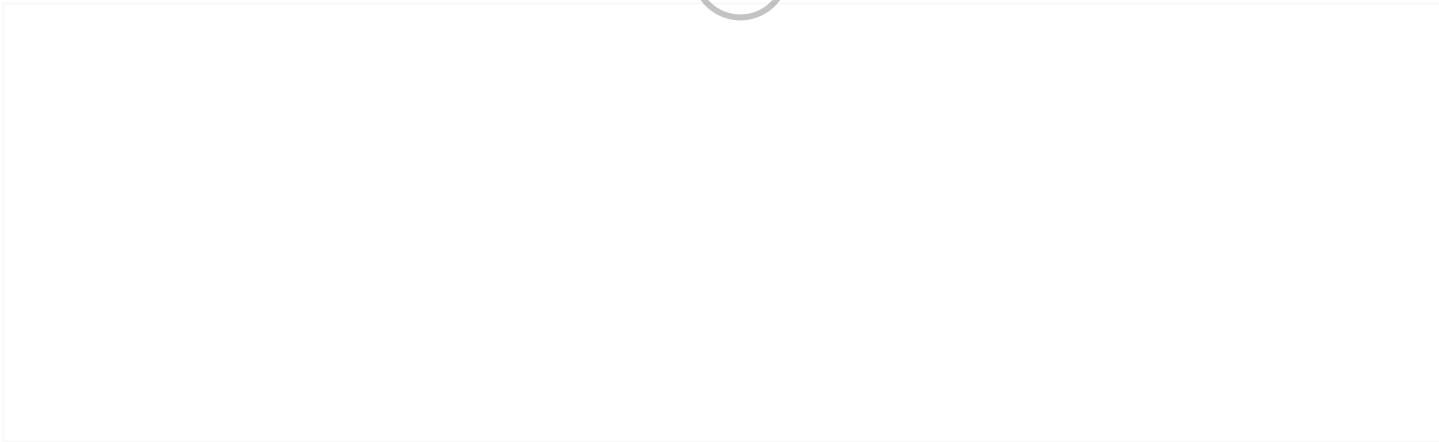


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