

# New Year's messages from agri leaders

The agriculture sector survived a year of rising uncertainty in 2018, but with the national election and the threat of drought looming, 2019 will be every bit as challenging. According to leaders in the sector, farmers will have to be resilient and partner with the right role players to face the trials that await.



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“ We need partnerships – Senzeni Zokwana, Minister, Department of Agriculture, Forestry and Fisheries ”

It is with great excitement that we begin 2019. The Department of Agriculture, Forestry and Fisheries (DAFF) has much hope for the country's economy as a whole, as well as for the agriculture sector in particular, thanks to the renewed certainty that has been unfolding from government since early last year.

The agriculture sector suffered a huge setback last year due to the impact of the drought, which significantly affected our country's GDP. This shows the critical role that the sector plays in South Africa's economy.

It would be remiss of me to not briefly reflect on the discourse that has dominated much of 2018. I want to reiterate government's position that the policy shift on land, especially in relation to land expropriation without compensation, will not result in the confiscation of commercial farms that are producing goods for our agro-food markets. Food security for this country is a fundamental issue, but the issue of land redress is equally important.

It is in this regard that we urge all stakeholders to focus on workable solutions as proposed by government. In terms of land reform, DAFF is working with provincial departments to grow capacity to be able to better respond with post-settlement support to ensure the success of land reform beneficiaries.

But we need to forge partnerships with the public sector and mentorship mechanisms with established commercial farmers.

**Another concern is the high unemployment rate in the country.**

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## #BizTrends 2019: Agriculture: The future's uncertain, but our vision doesn't have to be

Konanani Liphadzi 7 Jan 2019



According to Statistics South Africa, the unemployment rate among young people aged 15 to 34 is 38,2%, or 21 million people.

This means that more than one in every three young people are unemployed. This poses a massive challenge for South Africa's future.

We believe the agriculture sector can make a major contribution in employment creation for young people. The sector is undergoing disruptions occasioned by the Fourth Industrial Revolution, with new technologies replacing old methods.

However, to successfully target the youth, there will have to be investment in the sector.

DAFF is in the process of finalising the Draft Policy on Comprehensive Producer Development Support.

The policy will be the overall national policy framework for the agriculture, forestry and fisheries sectors, and will guide the Census of Commercial Agriculture, which will run from 15 October 2018 to June 2019.

This will also assist us in establishing an up-to-date frame of reference for conducting surveys in the agriculture sector, and help us to clearly understand the national distribution of commercial and emerging farmers and their performance.

We anticipate a good year and consistent recovery of the sector in its contribution to the national economy.

*“ A year of big issues looms for agriculture – Dr Theo de Jager, president, World Farmers' Organisation ”*

This year promises to be an exciting one for agriculture. In South Africa, politics will dominate our discourse and destiny, especially in the run up to the national election, with the debate around land and expropriation likely to heat up as election day approaches.

On the international front, there are new developments and initiatives that will also impact on how we go about our business, and 2019 might well be crunch time for some of those issues.

## **The UN's Food and Agriculture Organisation has decided to launch a Decade of Family Farming in 2019.**

One of the goals of this initiative is to counter the global phenomenon of corporatisation of primary production, where large companies farm huge tracts of land in competition with smaller family farmers, killing rural towns and knocking the smaller farmers out of the industry in the process.

Family farming is one of the most broad-based mechanisms to create wealth where it is needed most: rural areas.

***The other big event for agriculture in 2019 will be the Climakers Campaign, a farmer-driven agenda on climate change, which was launched at COP24 in Katowice, Poland, in December 2018.***

The campaign centres on answering these two questions: what can farmers do to mitigate and adapt to climate change?; and what would farmers need to do it?

The third issue that has the potential to disrupt the well-being of global agriculture is the future of trade under US President Donald Trump's rule.

Whether called a potential trade war or not, the first shots have certainly been fired, and casualties, such as the pork industry in the US, can't be avoided.

At the World Economic Forum in Davos early in 2019, farmers will take a stand on the impact of trade conflicts on the livelihoods of those who produce perishable goods, and we hope to bring some stability to the discourse on agricultural trade.

We need to convince politicians not to use our products as batons to fight each other when they disagree on issues that have nothing to do with agriculture.

***To have the voices of farmers heard, we need strong farmers' organisations, and broader involvement of individual farmers. The participation of each and every farmer is thus vital.***

May you be blessed on the little piece of the planet that was entrusted to your care, and may it reward you and your family with a profitable and sustainable livelihood!

“ A glimmer of hope – Dr Vuyo Mahlati, president, African Farmers' Association of South Africa ”

As we bid farewell to 2018, there is one word that springs to mind: resilience! The resilience of farmers, of the agriculture sector and of the agricultural economy were apparent.

However, black farmers continue to face stumbling blocks as they strive to grow to feed their households and contribute to national and household food security. Despite this, they continue to play their part to be counted as players in the mainstream economy.

Their efforts to succeed also increase their exposure to the failures of agriculture-related systems, which risks undermining their hard work. These include extension services, training centres, land, water, markets and access to finance.

***The African Farmers' Association of South Africa (AFASA) is thus determined to continue pushing for the transformation of the agriculture sector as part and parcel of the broader agrarian reform government policies promote.***

AFASA's second Agribusiness Transformation Conference, which took place in 2018 and focused on value chain integration and farming as part of the Fourth Industrial Revolution, succeeded in promoting smart partnerships between investors and landowners and amongst farmers themselves.

This glimpse of hope gives us courage to push forward. As South Africa embarked on the delicate, and agonising, but inevitably long-standing, issue of land reform with Parliamentary public hearings on expropriation without compensation, the leadership shown by various farmers' organisations through their joint statement on 27 August 2018 is commendable.

Another show of resilience was the GDP growth in the third quarter of 2018 following a slump in the first two quarters. During the conclusion of the 2018 planting season, we saw how climate change continues to be a reality.

To address the challenge of changing weather patterns, AFASA will put in place a contributory insurance scheme to cover qualifying investors and, most importantly, the farming community.

In 2019, AFASA will aim to improve the performance of black farmers by promoting the modernisation and improvement of farming systems through the introduction of improved technologies and efficient use and management of land.

Together we can and we shall!

“ *Hope for progress, despite uncertainty – Dr John Purchase, CEO, Agbiz* ”

The year 2018 was an eventful one, to say the least, especially in the agribusiness sector. Many challenges came to the fore, such as land reform, AgriBEE, job creation, electricity supply, water availability and quality, and uncertainty in the investment environment, to mention but a few.

Undoubtedly, we will be entering 2019 with a number of these issues creating uncertainty, and they will require our undivided attention.

At the end of a year during which the phrase ‘land expropriation without compensation’ was the most used phrase in the media, the debates around the contentious issue of land reform, particularly of land expropriation without compensation, remain a key risk that could potentially undermine investment in the sector if not handled well.

Orderly, predictable and market-based land reform, within the ambit of the current Constitution of South Africa, is essential to ensure tenure security and business confidence, and to maintain the integrity of the agro-food system.

Although South Africa boasts a healthy and robust agro-food industry, it could come under pressure in 2019. At the end of 2018, sentiment in the agriculture sector remained subdued.

However, given the uncertainty at the end of 2017 regarding many unresolved issues, great strides have been made in 2018, and many of these issues are in the process of being resolved through, amongst others, the Zondo Commission of Enquiry into State Capture and the Nugent Commission of Inquiry into the South African Revenue Service.

With the challenges of greater uncertainty, less control, and greater risk, more opportunities present themselves.

***I urge the agriculture and agribusiness fraternities to identify and exploit these opportunities, and to continue working smart and planning ahead to ensure that we manage the setbacks brought about by these challenges as best we can.***

Thank you to the agribusiness and agriculture family for their continued support throughout 2018, and I wish you all a prosperous 2019.

“ *Support and innovative thinking needed – Louis Meintjies, president, TAU SA* ”

Each new year brings fresh opportunities that should be embraced. Taking hold of these opportunities gives us a sense of purpose and hope for the future.

Given the harsh realities we currently face in South Africa, many people are asking whether there are still opportunities worth pursuing in this country.

The future seems dark and uncertain, and as a result, many South Africans, who find themselves in a position to do so, are leaving the country. For many of us, this is simply not possible, and those of us who stay will have to work together to ensure that there is a future for all South Africans.

As farmers, we are rooted in South Africa, but the reality we are faced with is that the ANC has placed party above country, and its actions are aimed solely at saving the ANC no matter the cost.

Over and above the turbulent political situation, farmers also face the threat of drought, poor water quality, and unreliable and expensive electricity supply. Some farmers have not had rain for the past three years, and have suffered repeated poor harvests.

For them it has become impossible to carry on. Banks and input suppliers that have profited from these farmers in the past have now withdrawn to the sidelines, becoming mere spectators to their suffering.

**• What will happen if those farmers in the drought-stricken areas of Mpumalanga, the Free State, North West and Limpopo are forced to give up their farms?**

**• What will happen to South Africa when there are no commercial farmers left?**

**• Where will the banks and agricultural input suppliers go to find clients?**

**• How will these businesses survive?**

**• Certainly not by servicing the subsistence farming sector only! Who will grow the food that has to feed 60 million South Africans and people in other African countries?**

We need farmers to remain on their farms and to continue farming. The opportunity we have at this uncertain time is to look at the primary agriculture sector and the entire agricultural value chain through a new lens.

What do we want the primary agriculture sector to look like by 2030? We hold the future of farming and food security in our hands, and together we have to establish a new dispensation characterised by innovative thinking and solutions.

TAU SA has already started implementing this new approach and our doors are open to anyone who believes that we can be the captains of our own future by adopting a fresh approach to create a safe and secure, as well as economically sustainable, operating environment for farmers.

## **We will continue to pray for wisdom, insight and strength.**

*“ Farmers will persevere Dan Kriek, president, Agri SA ”*

I believe 2018 can best be described as an emotional rollercoaster for farmers. The massive uncertainty unleashed by the expropriation without compensation (EWC) process had a devastating effect on investor and business confidence.

The sentiment on the ground among those who are against and those who support changes to the Constitution alike has become unhealthy and, in some cases, irrational and racially polarised.



**#BizTrends 2019: Land reform - the year that was, as we look ahead to 2019**

Peter Setou 7 Jan 2019



The outcome of increased frustration about the slow progress of land reform on one side, and massive uncertainty on the other, was always going to be a hardening of attitudes. In the absence of meaningful intervention, situations like these could lead to a standoff and, heaven forbid, a showdown.

We thus need visionary leadership on all sides to break the deadlock and get people talking about solutions.



We must give due credit to the ANC leadership for initiating meaningful dialogue with organised agriculture and agribusiness.

Agri SA participated in top-level discussions on the possible impact of EWC on productive agricultural land and ways to enhance sustainable land reform. The private sector will play a key role.

Even the worst situations have silver linings. The heated EWC debate inevitably made way for discussions on what the alternative solutions should be. Politicians, policymakers and civilians will have to acknowledge the effect that EWC will have on the economy.

Any negative impact on land prices will have definite negative consequences for food security and future economic growth.

Ultimately, we do not take our assurances from politicians. Our civil liberties are enshrined in the Bill of Rights and should be rigorously protected. Giving property rights to those not yet privileged enough to enjoy it will be the greatest empowerment exercise this country has ever seen.

While this whole debate is raging, ordinary farmers are going about their daily task of producing food, fuel and fibre.

***They do so in times of hardship and tribulation; they produce on private land, state land, leased land and in communal land tenure systems; they come in all shapes and sizes; they suffer because of violence and crime and are forced to resort to extraordinary measures to protect themselves, their loved ones and their belongings; and they produce for a global market with very little government support.***

Our farmers are progressive and understand the need for sustainable land reform and transformation initiatives.

The real debate should be on how we enable and create meaningful partnerships in developing the agriculture sector on an inclusive and sustainable basis.

This year will be a year of choices. We will go to the polls to elect our “freely elected representatives”. May we strengthen our democracy in a peaceful and orderly manner, and may we reaffirm the values enshrined in our Constitution.

I believe that we will find solutions to our problems in calmer waters after the national election.

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