

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



By [Konanani Liphadzi](#)

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Stats SA's announcement of 2.2% GDP growth for Q3 of 2018 made SA's exit from the recession official. This time it was thanks to the secondary and tertiary sectors, which grew by 4,5% and 2,6% respectively.

In 2017 the agricultural sector was the fiscal champion that hauled the country out of the then recession. The sector made the single largest contribution to GDP for two consecutive quarters.



But the markets take no prisoners.

The Agbiz/IDC agribusiness confidence index reported a drop in confidence in Q4 for agriculture to 42 points (from a high of 54 points in Q3), signalling a nine-year low; and on the slightly brighter side, Stats SA reported 6,5% growth for the sector, with a contribution of 0,1 of a percentage point to GDP growth. This is a stark reminder of how intricately linked the developments in our political landscape are to changes in the markets.

The profile of agriculture is changing around the world. For SA agriculture to remain on-trend and ensure a future of continued, steady growth here are some areas to keep focussing on.

Food security

Agriculture remains the nation's food source. But amongst the sector's two biggest challenges are currently a need for decisive strides by the government towards policy certainty around land reform (that will enhance food security); and, of course, a lack of rain. Without these, much-needed investor confidence continues to wane, our crop yields remain compromised and our livestock continues to die.

By 2050, the global population is expected to exceed 9 billion, with the UN projecting a required 70% increase in food production to match this growth. This'll translate into greater demand for innovative job creation tactics. The increase in population is set to also impact significantly on climate change. In 2015 SA signed a pledge at COP21 in Paris – known as our Intended Nationally Determined Contribution – to combat global warming by reducing our coal production to 90 million tons within 12 years.

Our official pledge for SA is to reduce emissions to between 398 and 614 millions tonnes (Mt) of CO2 equivalents between 2025 and 2030; to between 212Mt and 420Mt by 2050. Jesse Burton, a researcher at the UCT's Energy Research Centre, highlights that SA currently hovers in the middle of that range. But a new report by the Intergovernmental Panel on Climate Change (IPCC) shows that the country needs to go even below the planned range. For us in the fresh fruit industry – and the agricultural sector at large – our increasing challenges around climate change heighten the need for specific ongoing initiatives that maintain accountability and drive responsible farming.

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Youth focus

During his speech at the Global Citizen Festival held at the FNB Stadium on 2 December, president Ramaphosa committed R2 million to youth empowerment; and confirmed government's intention to spend R6 million to grant poor children free access to schooling. This is the latest in recent strides made by the government to demonstrate its commitment to youth empowerment (especially, given our staggering youth unemployment rate).

This commitment aligns with Nelson Mandela's, to our youth and to the eradication of poverty through education. The former president was commemorated with the "Mandela 100" theme at the event.

As for the increasing demand for jobs, a strengthened effort to integrate our youth into the agricultural sector is critical. Our farmers are ageing: the average age of a South African farmer is 60+. Therefore, the future success and growth of agriculture hinge heavily on more young minds entering the sector.

In the fresh fruit industry, we visit tertiary institutions regularly to inform our youth of the myriad career opportunities the sector has to offer. It's been paying off – with more and more graduates now enjoying thriving careers in the industry – but more needs to be done to accelerate the process. Here, continued partnerships with government are imperative.



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Collaborative innovation

The fresh fruit industry – but also agriculture at large – rely on the government to continue to negotiate favourable trade agreements with international governments, to ensure trade that is economically sound.

But continued trade relations and overall growth for the sector remain a pipedream without collaborative innovation and the deployment of technology within the sector. Our world-class research teams are our lodestars when it comes to informing our strict risk management strategies. These outcomes help nurture those vital trade relations, the revenue from which enables us to continue to create jobs, drive transformation, and realise inclusive through collective commitment.





A strong commitment to ethical practices

Legislation – like the UK’s Modern Day Slavery Act – is changing and compliance determines critical access to trading partners. Consumers around the world are also evolving and demanding transparency and authenticity – they want to know the origins of their food. The clarion call for demonstrated ethics is not about to go away. Rather, it’s likely to grow louder.

The Global Slavery Index’s reveal that 248,700 people are trapped in modern slavery in SA; the Walk Free Foundation survey confirming that more than 200,000 of these are in situations of forced labour is enough motivation to ensure compliance.

For our fruit growing businesses, the Sustainability Initiative of South Africa (Siza) helps owners to address forced labour and hidden labour exploitation. But as a global player, the entire agricultural sector will be required to continue to adopt labour practices, to remain in the fold.

The future will always be uncertain, as our evolving world continues to demand that we do more with less. But with decisive action, robust partnerships, and continued innovation the agricultural sector can rise again to become the fiscal champion that it is.

ABOUT KONANANI LIPHADZI

Dr Konanani Liphadzi is the CEO of Fruit SA, a non-profit organisation that represents the voice of SA’s fresh fruit industry.

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