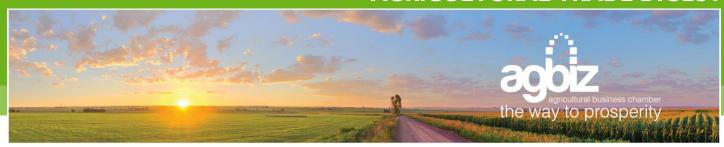
## AGRICULTURAL TRADE DIGEST



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## SA agriculture must guard against the flood of geopolitical noise

- The challenges that have constrained South Africa's agricultural growth potential in the past few years remain. These include poorly functioning municipalities, deteriorating roads and rail, inefficiencies at the ports, slow process of releasing the government-owned land to beneficiaries with title deeds, higher crime levels and stock theft, amongst other issues. These challenges must be resolved for South Africa's agriculture to grow robustly in the coming years.
- At the start of the year, we expected that the focus would primarily continue to be on a collaborative approach between the government and private sector to tackle these challenges. However, much of the public discourse has been on international trade risks and misinformation about land reform policy in South Africa. While it is important to address the misinformation and the risks it presents to South Africa's participation in AGOA (African Growth and Opportunity Act), these two issues must not take all the focus and efforts of stakeholders. The domestic challenges still matter more as they directly affect the daily operations of farming businesses and agribusiness in many small towns across South Africa.
- Significantly, given that we are in an environment of heightened uncertainty, the sector's approach should
  move from the reactive mode we observed since the start of the year to a proactive approach. This
  would entail South Africa refocusing on domestic plans and programmes such as the Agriculture and
  Agro-processing Mater Plan and Operation Vulindlela.
- In trade matters, there should be increased efforts to widen export markets to new regions. The present environment, where all countries are uncertain about the direction of world trade, also presents an opportunity for South Africa to strengthen friendship and trade in various regions. Within BRICS, South Africa must use the current geopolitical climate to firm up trade ties with this bloc, addressing all tariffs and non-tariff barriers that have long made South African agricultural products uncompetitive relative to those countries that have duty-free access to some BRICS markets, such as China, and India, amongst others. This approach would be in line with the aspirations of the Agriculture and the Agro-processing Master Plan, which seeks to expand South Africa's agricultural production through an export-oriented approach, in addition to gains that can be realized domestically with value addition.
- Opening up new markets would also refocus South Africans on the port issues and rural roads, which
  require significant improvement. As things stand, the more attention given to global issues that various
  regions of South Africa have limited influence on, the more domestic challenges will continue to constrain
  the sector's growth.

- This refocusing must start at the government level. The directorates responsible for domestic matters
  in the Department of Agriculture and Department of Trade Industry, amongst others, must refocus and
  rekindle conversations with stakeholders about the programmes underway. Equally, a small and wellresourced team with senior government officials and the private sector must focus on widening trade
  to new markets.
- Given that we are in a noisy time in international trade, frequent stakeholder updates by the government and private sector trade teams that would work on trade would provide comfort about the work underway. This would also assure stakeholders that this team is directing the trade matters of the agricultural sector in the right direction. The Department of Agriculture must use the existing channels of industry engagements, such as the working groups in the Agriculture and Agro-processing Master Plan and the CEO's Forum of Organized Agriculture and Agribusiness.
- Allowing the geopolitical noise to drown out the core issues constraining this sector's long-term growth and job creation will guarantee limited progress. In other areas that require a release of the government land with title deeds to beneficiaries, the government should march forward with that process and not open more discussion. The new beneficiaries would then partake in the programmes under the Mater Plan, collaborating with commodity associations and many development organizations such as <a href="Serdev, SA PALS">Serdev, SA PALS</a>, <a href="Karan Farming">Karan Farming</a>, and <a href="AGDA">AGDA</a>, among others.
- Ultimately, this is not an attempt to minimize the global risks, which could have profound implications for South Africa's agriculture. However, some balance and focus on domestic issues would help.