

Agricultural Policy and the elections

With the elections imminent, fireside conversations have drifted towards predictions for the elections and what it could mean for agriculture. Most polls indicate that we could be headed for a coalition of some kind and questions naturally gravitate towards what this could mean for critical policies affecting the agricultural sector. Without looking too deep into the crystal ball, here are a few policy areas that are worth looking out for post-elections.

Looking at the various manifestos, all parties across the political spectrum have two issues in common this year, namely skills development and immigration. Interestingly, all political parties support training and skills development for agriculture as it is seen to harbor the potential for significant job creation. This could be a very positive sign if it leads to a renewed focus on the functioning of the Ari and Foodbev SETAs, the priority skills under the AgriBEE Sector code and functioning of state extension services. However, an element of realism may also be required as the sector does not have an unlimited ability to absorb additional labour. To remain competitive, the South African agricultural sector relies on biotechnology and a sophisticated mechanization. One can therefore expect a shift towards small teams of highly skilled workers that can operate sophisticated technology. This is not unique to South Africa and is a global trend. With the right enablers in place (as outlined in the Agricultural and Agro-processing Master Plan) the sector can still create more jobs through expanding labor-intensive commodities. However, policies that advocate for a romanticized notion of small-scale production premised on manual labour may be out of touch with the economic reality of modern agriculture.

Secondly, almost all political parties have touched on labour migration and immigration. Critical and scarce skills that cannot be found in South Africa tends to be viewed differently from unskilled and semi-skilled migrant labour. As much political parties campaign on issues relating to border control, the actual enforcement mechanisms are unlikely to change irrespective of the election. The Border Management Agency has finally been established to mirror the coast guard and board guard arrangements in the US and Australia. Legislation was adopted a few years ago to transfer powers from the SAPS, Department of Home Affairs and Department of Agriculture to the newly-created Border Guard and Border Management Agency, respectively. Transferring staff from all of these government departments to the new entity was a massive undertaking but the agency and border guard is now functioning. Irrespective of the elections, this process far advanced and is unlikely to be reversed. As far as policy goes, we are likely to see the visa regime for unskilled and semi-skilled migrant

labour to tighten up. Similar proposals have already been made in the White Paper on Labour Migration and most political parties seem to support the tightening of regulations in their campaigns.

One area where political parties have starkly diverging views is on the matter of transformation. As readers will know, these views diverge in the extreme, ranging from expropriation without compensation to eradicating BBBEE legislation altogether. Realistically, neither view is likely to be accommodated in a coalition scenario. We have already seen a failed attempt to amend the Constitution to accommodate expropriation without compensation. Our centralist political discourse did not support this radical proposal in the previous attempt and it is difficult to see why that would change. Likewise, the center-right may be campaigning to remove BBBEE but it is very unlikely to find broad-based support. Given South Africa's unique history, affirmative action and equitable access to natural resources is deeply embedded into our Constitution. There are certainly challenges to implement BBBEE, especially in agriculture, but an alternative is not readily available. These issues are therefore unlikely to change significantly after the elections.

Finally, there are fundamental reforms taking place in our energy and logistics sectors. In both instances, the role of state entities are changing towards creating a platform for regulated competition. Eskom and Transnet are being unbundled with entities being created to manage the port, rail and transmission infrastructure on behalf of the state. This also paves the way for independent power producers and third parties to operate on rail infrastructure. These reforms are not merely policy proposals, they are entrenched in amendments to the Electricity Regulation Act and the Economic Regulation of Transport Bill. Both are in advanced stages of the legislative framework and are sorely needed to solve 'bread-and-butter' issues like loadshedding and logistics.

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