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Will the slow pace of structural reform in agriculture persist?

- Despite all the commendable government work in opening up export markets, helping to control the spread of animal diseases, and supporting smallholder farmers over the recent past, South Africa's agriculture has been operating from one crisis to another. This has limited the sector's full potential growth. Last year, the big challenge was load-shedding and its effects on agricultural production. Later in the year, there were widespread animal diseases and crises at ports, railway lines, and roads. This means many government programmes aimed at addressing the sector's long-term growth remain on the periphery as government officials and the private sector throw their weight on the present issues. For example, the interventions needed for the long-term expansion of the sector contained in the Agriculture and Agro-processing Master Plan have seen limited implementation thus far.
- Moreover, the launch of the Land Reform Agency, aimed at releasing government-owned land to carefully selected beneficiaries with title deeds, has been delayed. We believe that this Agency, and the deliberate release of land, is a vital catalyst to the expansion of South Africa's agricultural sector. The government has roughly 2,5 million hectares under its Proactive Land Acquisition Strategy (PLAS) that could be transferred to new entrant farmers and boost production in various value chains. President Cyril Ramaphosa has spoken in the past about setting up this Agency in various State of the Nation Addresses. Still, there has been limited progress in delivering these promises to the nation.
- We have also observed a slow delivery of crucial aspects, such as the reforming and modernization of the registrar's office and the efficient registration of new agrochemicals. These are some of the challenges that have caused a profound sense of unhappiness amongst the various sector stakeholders. This unhappiness is illustrated by the various sentiment indicators in the sector, such as the Agbiz/IDC Agribusiness Confidence Index.
- We now fear the months ahead may show very little delivery because of two major challenges, amongst other hindrances. First, the elections are two months away, and the political leadership of various government departments that are crucial for the cross-cutting aspects of the master plans are likely to be focused on reelection. In an ideal situation, the election cycle should not be an issue, and government officials should continue implementing already adopted programmes.
- Another challenge this year is the change in agricultural conditions, whose real financial impact on farmers and consumers will likely show only in the coming months. Parts of South Africa have been dry and extremely hot. This week marks nearly two months since some regions of South Africa last received adequate rainfall. Throughout February and March, the rainfall has been scant across South Africa, with an intense heatwave that made the summer crop growing conditions difficult. These months are also critical for crop pollination, a growth stage that typically requires higher moisture levels. We have now gone through pollination with limited moisture, reinforcing fears of a potentially bad summer crop in

South Africa this year. Another challenge of the 2023/24 season is the difficulty of forecasting the size of the summer crop as we face a moving target and continuous unfavourable weather conditions. The crop forecasts for later in the year will likely show a more realistic picture of the crop conditions.

Policy consideration

- While there is profound uncertainty, the Department of Agriculture, Land Reform, and Rural Development (DALRRD) would do well by focusing on a few aspects that would still uplift the mood in the sector and illustrate the government's commitment to its programmes to stakeholders. These would include the following:
 - A clear communication about modernizing the Fertilizers, Farm Feeds, Seeds and Remedies Act 36 of 1947, intended to provide for the registration of fertilizers, farm feeds, and sterilizing plants. This issue perpetually comes up in various farmers' meetings, and the government must provide direction.
 - The DALRRD should also urgently address the assignees' issue, as one often hears much unfavourable talk about the LEAF programme, which should be reviewed.
 - Clarity about the Land Reform Agency is also essential.
 - The Director General must call a meeting and guide the sector about the status of the Agriculture and Agro-processing Master Plan and the direction for the implementation process now and post-elections.