

# Advancing agribusiness through changing times

Agbiz has its roots in the Co-operative Council that was established in 1946 to represent the interests of agricultural co-operatives. In 1995, following the deregulation of agriculture in South Africa, the organisation adopted the name Agricultural Co-operative Business (ACB) to address the changing needs of agribusinesses.

**I**n 2003, it evolved into the Agricultural Business Chamber (ABC), moving to a fully autonomous and independent association in 2010, and later became known as Agbiz.

Agbiz is a voluntary, dynamic and influential association of agribusinesses operating in South and Southern Africa, ensuring that agribusiness plays a constructive role in the country's economic growth, development and transformation, and creating an environment in which agribusinesses of all sizes and in all sectors can thrive, expand and be competitive.

The members of Agbiz are the core reason for the existence of this association. As such, the activities of Agbiz are directed at addressing the collective interests of its members and adding value to their businesses.

Agbiz has been led by dynamic Chief Executive Officer, Dr John Purchase, since 2007. Previously, he was the CEO of Grain South Africa. Dr Purchase started his professional career as a scientist in South Africa's Agricultural Research Council (ARC), serving in various research and senior managerial positions for 22 years. He is a well-known figure in the agricultural and organised business sphere, having served on various boards, and is regarded as one of the thought leaders playing a crucial role in informing and influencing the government and policymakers on agriculture and agribusiness-related issues.

## What are the main functions of Agbiz?

Essentially, Agbiz advocates for and facilitates a favourable agribusiness environment in order for its members to perform competitively and sustainably. To achieve such an optimal business environment, it strives to:

- Promote agribusinesses and Agbiz as key stakeholders in the South African economy;
- Influence the policy and legislative environment insofar as it affects agribusiness activities, by the way of on-going, evidence-based, transparent and professional interaction with all relevant government institutions;
- Improve the commercial and developing agribusiness environment through liaison and co-operation with like-minded influential groups within the business environment, both locally and globally;



*Dr John Purchase, Chief Executive Officer*

- Support B-BBEE, transformation and the development of emerging agribusiness and other role players in the agro-food value chain; and
- Create unique, relevant and accessible agribusiness intelligence to support Agbiz programmes.

## How do your members benefit from their association with Agbiz?

Through their voluntary association with Agbiz, members benefit primarily by impacting on policy and legislation through structured and

professional interaction with the government and Parliament, either through bilateral engagement directly with the government or through multilateral engagement through business (Business Unity SA) with the National Economic and Labour Council (NEDLAC) of South Africa. Such policy and legislation could entail overarching and strategic matters such as the land question, water, financial and tax regulation, labour matters, trade agreements, environmental legislation (carbon tax and climate change), and others, but also industry or sector-specific legislation that impacts directly on the viability and sustainability of a member or subsector. New policies and legislation often harbour critical risks to industry that the legislative drafters are often not aware of, and it is incumbent on Agbiz to indicate such risks and propose viable amendments. Therefore, there is a strong risk-mitigating benefit for members as well, while a strong networking approach enhances investment in and growth of the sector, and is an additional benefit. Strong linkages to and relationships with the government are essential to ensure significant and inclusive economic growth.

## Land reform features in many headlines at the moment. How do we navigate the process to ensure the sustainability of the agricultural sector?

Right from the onset of the land reform debate, Agbiz has been involved, originally with post-settlement support initiatives but later, also through the National Reference Group (NAREG) following the release of the Green Paper in 2011. Fourteen policies and various pieces of legislation emanated from this process and interaction but it was the subsequent proposed policy of "expropriation without compensation" that brought a new, highly risky and potentially disastrous dimension to the land reform debate.

As in the past, Agbiz has been at the forefront of engagements, both with the public and with the government, including the Constitutional Review Committee of Parliament on more than one occasion. President Ramaphosa has also appointed the highly respected Agbiz Agricultural Economist, Wandile Sihlobo, to the Land Reform Advisory Panel that will interact with the Inter-Ministerial Committee (IMC) on a new land reform legislation framework. I remain confident that through evidence-based debate and engagement, a new land reform process will evolve that will also ensure economic, environmental and social sustainability. Our globally competitive agro-food system is a major asset to our country and should be nurtured and cherished, and not be put at risk.

## One of Agbiz's key objectives is supporting transformation and developing emerging role players in the agro-food value chain. How can transformation in the agricultural sector be improved?

The transformation of the sector remains an imperative and specifically to ensure the inclusive and broad-based growth of the sector. While the targets are onerous and the scorecard imperfect, the AgriBEE Sector Code does provide a framework for inclusive growth and development,

and compliance is strongly supported by Agbiz. This past year, Agbiz held two very successful AgriBEE Sector Code workshops, one in the Western Cape and one in Gauteng, to promote implementation through training and leadership. But inclusive growth, or transformation, is not just about Broad-Based Black Economic Empowerment (B-BBEE Act), it entails many other facets, such as land and water reform, employment equity, skills development, etc. Of critical importance is to develop the right attitude to development and to embrace it as a growth imperative.

## A lot has been said about agriculture's contribution to growth and development in the country, especially in terms of job creation. Can the agricultural industry live up to this expectation?

The National Development Plan (NDP), released in 2012, indicated that the sector has the potential to create an additional 1 million jobs. While there has been a marginal uptick in employment, the sector is currently not on track to create the additional jobs due to a mixture of policy uncertainty, droughts and ineffective service delivery from the government. However, the industry does have the potential to create the jobs if the government and private sector can develop a partnership approach to the implementation of the NDP framework, which should include a public-private partnership (PPP) monitoring and evaluation capacity. Since the majority of our value chains are globally competitive, this creates considerable opportunity for either new or expanded ventures. We just need to create the right developmental and support structures, access to development finance, and aggregated marketing models at scale, and then our potential can be realised.

## The traditional agricultural business model is changing. What is your advice to leaders in agribusiness to meet the challenge of a growing demand for food, fibre and beverages?

Greater interconnectivity and globalisation, together with the Fourth Industrial Revolution technologies, will continue to drive efficiencies and competition, necessitating adaptations to business models. The only certainty today is change and agribusinesses need to continuously assess the changing environment, including the growing consumer demand for food, fibre and beverages, and adapt to the diverse markets and consumer demands, which are emerging.

## In terms of leadership, what is your key philosophy and how do you get the best out of your staff?

The complex and challenging environment in which Agbiz operates demands top-class and top-performing team members to ensure efficiency and impact. Thus, appointing the right people to do the job is critical. My job is firstly to ensure that they are clear on what Agbiz demands from them, and then to empower them to do their job. I do not micromanage, but place my full confidence in their ability to perform and deliver. The debates we have in determining a house position are always interesting and stimulating. ▲