

PRESS Release Achieving equitable agriculture trade for Africa

12th Agribusiness Africa Conference 18 & 19 July 2018, Emperors Palace - South Africa



Caption: Agribusiness Africa Conference 2018: From left; Marthinus Kotzé (programme director), Denene Erasmus (Farmer's Weekly), Dr John Purchase (CEO of Agbiz) and Pieter Geldenhuys (innovation expert and futurist). More than 250 delegates from 23 countries attended the 12th Agribusiness Africa Conference that was hosted by Farmer's Weekly at Emperors Palace in Johannesburg recently. (Credit: Hema Patel)

Despite some cyclical challenges that could impact commodity prices, the investment case for agriculture in Africa remains strong. This was one of the main messages that emerged during the 12th Agribusiness Africa Conference, which was recently hosted by *Farmer's Weekly* at Emperors Palace in Johannesburg.

According to Chris Potgieter, head of private client securities at Old Mutual Wealth, who was one of the speakers at the conference, demand for food products would continue to increase globally due to population growth and the higher calorie intake of the growing middle class. Strong demand, coupled with supply constraints that were likely to occur due to the limited availability of resources such as land and water, meant that, on macro level, the investment outlook for agriculture was optimistic, he said.

“Innovation will equip agriculture to cope with the competing challenges of addressing food and nutrition security, improving livelihoods, combating climate change and sustainably managing natural resources. There will be a way to feed the world and money will be made by investors who are able to select the right investments,” he added.

In her opening address, Denene Erasmus, *Farmer's Weekly* editor, said that she was pleased by the high number of international delegates at the conference, given that many of the solutions needed to grow agriculture in South Africa and the rest of Africa would only be made possible through international partnerships. The countries represented amongst the more than 260 delegates that attended this year's conference included Lesotho, Botswana, Nigeria, Mozambique, Zambia, Kenya, Zimbabwe, Swaziland, Sudan, Angola, Namibia, Tunisia, Italy, Finland, India, Germany, the US, Argentina, Israel, the Netherlands, Australia and France.

Africa is the second most unequal continent in the world after Latin America, Erasmus said. “While Africa's first challenge might be to improve economic growth, the second and perhaps greater challenge, given high levels of income inequality, will be to make sure growth is equitable, and that there is wide distribution of wealth that will reduce poverty and create jobs.” Referring to this year's conference theme ‘Partnerships for equitable trade’, Erasmus said it was important that as agricultural trade continued to become ever more globalised, Africa's farmers were given a fair chance to join global value chains. “Not only will this require the upgrading of existing, and establishment of new, agricultural supply chains, there will have to be investment in infrastructure, [and] corporations will have to invest in the type of research and development that will be useful and beneficial to Africa's farmers. None of this will be easy, and it will require the right kind of leadership and effective partnerships between government, farmers and private sector investors and corporations.”

Chicken dumping took centre stage during one of the panel discussions at the conference. Francois Baird, founder of non-profit trade movement FairPlay, accused the EU of chicken dumping and costing the local poultry industry thousands of jobs as a result of unfair trade practices. Baird said that these unfair trade practices were a “big problem” for most of Africa, and that the continent, including South Africa, had to toughen its negotiation position if it were to benefit from trade agreements with large trade blocs such as the EU. Dessy Choumelova, counsellor for agriculture, food safety and climate change for the EU delegation to South Africa responded to Baird's statements, saying said that FairPlay's “media campaign [was] not based on facts”. She had earlier spoken about fair trade between the EU and South Africa as stipulated in the SADC-EU economic partnership agreement (EPA).

According to Choumelova, the South African poultry industry was not doing enough to be competitive and explained that imports from the EU to South Africa had declined 70% from 2016 to 2017, due to the outbreak of avian influenza in poultry-producing countries in the EU. “This [shortfall] was taken up by other countries, not [by the] local market,” she said.

During her presentation, Dr Doaa Abdel-Motaal, trade specialist and former deputy chief of staff at the World Trade Organization, said a stable policy environment that allowed trade to flow freely was necessary for African countries to attract foreign investors.

Other highlights from the two-day event included a presentation by Dr Theo de Jager, president of the World Farmers' Organisation, who discussed the difficulties facing family farms globally, as well as the keynote address delivered by Pieter Geldenhuys, innovation expert and futurist, who spoke about the impact of technology on agriculture over the next five to 10 years. Prof Ruth Hall, associate professor at the Institute of Poverty, Land and Agrarian Studies at the University of the Western Cape, discussed issues of land ownership in Africa during her keynote address, and said that South Africans needed to learn from experiences elsewhere on the continent, where the state and traditional authorities treated community and customary land as their own and transacted it over the heads of local people. "Many Africans remain squatters on their land," she said.

Speaking about the situation in South Africa, Hall said that the debate around land reform had been obscured by political agendas. According to Hall, the high-level panel on land reform headed by former president Kgalema Motlanthe concluded that the failure of land reform had largely been political, institutional, and budgetary. "Land reform has never received more than 1% of the budget; currently [the figure] stands at 0,4% of the national budget," she said – *Denene Erasmus, Editor Farmer's Weekly*

For more about this conference and other Farmer's Weekly events visit farmersweekly@caxton.co.za.