

## OPINION PIECE:

### Climate change is causing observable disruptions to agriculture

*By Wandile Sihlobo, [Business Day](#), 12 June 2019*

We are currently witnessing the impact of climate change on the agricultural sector, both on the local and global fronts. These effects will probably intensify in future.

Last week, Stats SA presented a gloomier-than-expected picture of the SA agricultural economy, which contracted on a quarter-on-quarter basis by a seasonally adjusted and annualised rate of 13.2%. As tempting as it was for some among us to attribute this to a decline in agricultural investment due to policy uncertainty, this was not the case.

The key driver of the contraction in our domestic agricultural fortunes was the erratic weather in the summer season, which led to a reduction in summer crop plantings and poor yield expectations.

This was also in line with the numbers from key horticultural subsectors that harvested during the first quarter of 2019. A case in point is wine grapes, whose harvest was down by 2% from 2018, which was already down by 14% from the long-term average harvest. This subsector is still reeling from the tail end effects of the 2017 drought in the Western Cape.

By this I am not trying to minimise the effect of the lingering uncertainty about land reform policy, water rights and biosecurity measures. The confusion caused by the lack of clarity on these factors has not created a conducive climate for increased investment in agriculture, as illustrated by the Agbiz/IDC agribusiness confidence index, which remains in pessimistic territory after having eased to 46 points in the first quarter of 2019 and deteriorated further to 44 points in the second quarter. This is below the neutral 50-point mark and implies that agribusinesses are downbeat about business conditions in SA.

Broadly speaking, the despondency has thus far not translated to disinvestment from agriculture. One data point I observe closely, although it is not a perfect indicator of measuring investment reaction to policy changes in the short term, is gross fixed capital formation. This declined by 1% year on year to R17.1bn in 2018 — a year when the discussion about land expropriation without compensation was dominant across the country.

The movable assets agricultural market was also robust in 2018. To illustrate this point, SA's total tractor sales for 2018 amounted to 6,680 units, up by 4% from the previous year. It is only this year that we started noting a reduction in agricultural machinery sales, and that too can be explained by the fact that a number of farmers made purchases in 2018, and therefore there would naturally be a lower replacement rate of agricultural machinery in 2019. The other important factor is the aforementioned reduction in area planted.

The combination of these factors has weighed on jobs, although the decline was minimal, with overall primary agricultural employment falling 1% year on year in the first quarter of 2019 to 837,000. The subsectors that faced a notable reduction were field crops and forestry.

This is not only a story of SA. Neighbouring countries such as Zimbabwe and Mozambique have had their share of erratic weather, ranging from drought late in 2018 to cyclones earlier in 2019. These have had a terrible effect on crops.

Across the Atlantic, US farmers have struggled with plantings due to excessively wet weather conditions. Consider the week of June 9, when US farmers planted 83% of the intended hectares for maize compared with 99% in the corresponding period in 2018.

In May, the SA government published a draft national climate change adaptation strategy which places an obligation on line departments to formulate sector-specific climate change adaptation plans. When the agricultural sector plan is formulated, all of us will need to understand what role we are to play within this strategy and how our actions can complement these efforts for the benefit of the agricultural economy.

The disruption climate change has brought to agriculture, and the projected challenges, are certainly not something that is desirable for economic prosperity but are a very real threat that we need to mitigate and adapt to expeditiously.

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