



e-Newsletter

45/2020

27 November 2020

The Reserve Bank has just sent a major warning about South Africa's debt



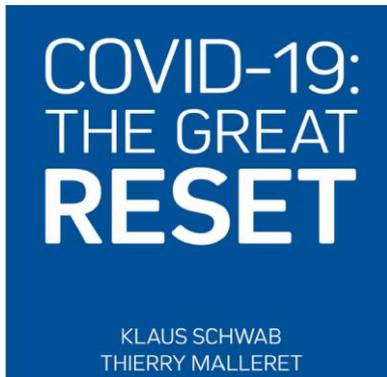
The South African Reserve Bank (SARB) has sent out a warning about the sharp rise in public debt and the potential impact it could have on the country's financial system. In a research note published on Tuesday (24 November), the central bank cited Treasury's October Medium Term Budget Policy Statement which shows that public debt is expected to reach 82% of GDP in the current fiscal year, and to stabilise at 95% in 2026. This is a substantial upward revision from the projected stabilisation of debt at 60% of GDP as recently as the 2019 national budget, it said. Please [click here](#) to read the complete article, first published on *BusinessTech*.

Land reform is happening faster than reported



Agricultural Business Chamber of South Africa chief economist and land reform and agriculture panel advisory member Wandile Sihlobo has argued that land reform is taking place much faster than what is typically reported. He was addressing a webinar on land reform on Monday. He said recent data showed that there had been progress on government's land reform targets, with 17% to 21% of land being administered, despite reports that government had only achieved 9% of its targets. Sihlobo said although the State had, to a certain extent, been good at acquiring land stands, it had failed to transfer and improve people's living standards in those areas. Read the [full article](#) first published on *Polity*.

Covid-19: The Great Reset



Please click [Covid-19: The Great Reset](#) to peruse.

Since it made its entry on the world stage, Covid-19 has dramatically torn up the existing script of how to govern countries, live with others and take part in the global economy. Written by World Economic Forum Founder Klaus Schwab and Monthly Barometer author Thierry Malleret, *Covid-19: The Great Reset* considers its far-reaching and dramatic implications on tomorrow's world. The book's main objective is to help understand what's coming in a multitude of domains. Published in July 2020, in the midst of the crisis and when further waves of infection may still arise, it is a hybrid between a contemporary essay and an academic snapshot of a crucial moment in history. It includes theory and practical examples but is chiefly explanatory, containing many conjectures and ideas about what the post-pandemic world might, and perhaps should, look like.

POLICY AND LEGISLATION

Bottlenecks with proposed Expropriation Bill



An important bottleneck for Agri SA and the agricultural business chamber Agbiz in the proposed new Expropriation Bill is the narrow definition of expropriation. The proposed Bill will be published soon, after which the public will have 60 days to comment. Both organisations have indicated that they will definitely comment. Read more in the [linked article](#) by Nico Burick, written for and first published in *Landbouweekblad*.

AGRIBUSINESS RESEARCH

Agriculture exports hit record on large harvest and efforts to keep sector open



The combination of a large harvest, joint efforts between the government and the private sector to keep agriculture operational since the outset of the Covid-19 pandemic and the lockdown, and long-term export market development efforts continue to pay off for South Africa's agricultural sector. In the third quarter the country recorded record exports of \$3.2bn, a 5% increase year on year. The growth was primarily underpinned by citrus, wine, maize, nuts, deciduous fruit and sugar cane. These products will continue to support South Africa's agricultural exports in the final quarter of 2020. Citrus has featured prominently and exports for 2020 are expected to reach a record 2.5-million tonnes, a 17% increase. Similarly, after the restriction of sales in domestic markets and disruption of exports during the lockdown period, wine exports could continue to improve in the last quarter. Agbiz chief economist Wandile Sihlobo discusses this subject in the [linked article](#), written for and first published in *Business Day*.

The October uptick in South Africa's food price inflation may be a temporary blip



South Africa's food price inflation accelerated to 5.6% y/y in October 2020 from 4.2% in the previous month, and well above the average of 4.4% for the first nine months of the year. This was broad-based and reflective of the agriculture commodity price increases we have observed in the past few months. I will single out a few, with higher weighting on the food price inflation basket, namely: (1) bread and cereals, (2) meat, (3) vegetables, (4) milk, eggs and cheese, and (5) oils and fats.

First, the increases in bread and cereals price inflation mirrors, although to a limited extent, the surge in grains prices that's been underway over the past couple of months. The South African grains prices were pushed higher mainly by the weaker domestic currency, stronger demand in the Southern Africa region and also the Far East, as well as generally higher global grains prices, which are, in turn, supported by strong demand from China. This happened despite the country having received its second-largest maize harvest in history in 2019/20, about 15.4 million tonnes. Wandile Sihlobo discusses the latest data in the [linked blogpost](#).

A blueprint for how Africa can play to its strengths



Industrial policy is in fashion in Africa. The path out of poverty, goes this new thinking, lies through high-value manufacturing, specialisation and industrialisation. This is a worthy and necessary long-term goal. But the truth is most African economies are not in a good position to embark on such a strategy immediately, lacking both the infrastructure and the capital to bring it about. Fortunately, much can be done with what Africa has, including its agricultural and mineral resources. Read more in the [linked article](#) by Wandile Sihlobo and Gracelin Baskaran, a development economist who has consulted for the private sector,

governments and multilateral development banks, written for and first published in *Business Day*.

Rainfall could cause slight delays in SA summer crop plantings, but that shouldn't be a concern



The one dominant event in South Africa's agriculture this past week was increased rainfall in several summer crop-growing regions. This was primarily in the eastern regions of the country, and there were also destructive winds in the former Transkei in the Eastern Cape and also parts of Gauteng. Summer crop plantings have been completed in some areas in the eastern regions of South Africa, hence, while rains are a welcome development, we are worried about the devastation that could be caused by the heavy winds. So far, however, we have only received anecdotal evidence of destructions in relatively small farms in the

Eastern Cape. We continue to closely monitor weather events in other parts of the country. We are in a La Niña year and could continue experiencing heavy rainfall in various parts of the country in the coming months. Wandile Sihlobo shares his insights on this subject in the [linked blogpost](#).

OTHER NEWS

Trump's legacy in Africa and what to expect from Biden



Donald Trump was propelled to the US presidency by promising to rewrite globalisation rules. This included restricting trade when it directly hurt the US, clamping down on immigration, and reducing commitments to the global order. His administration's "America First" foreign policy also meant disengaging from its obligations to Africa, which he infamously referred to as "shit-hole countries". Historically, the US foreign policy approach to Africa could be classified as benign neglect. This was characterised by a general lack of interest in the continent in the pre-World War II era. After World War II, US policy involved engaging or disengaging with individual countries, mostly defined in terms of counteracting the Soviet Union's attempt to gain influence in the region.

Read more in the [linked article](#), written for and first published on *The Conversation*.

Blueberry battle serves as catalyst for industry reform



The South Africa fruit industry has been turned upside down as a result of the recent court battle involving Ross Berries and United Exports. Reforms are set to be on the cards that will see greater transparency in contracts involving licenced cultivars and marketing of fruit. The legal battle between the two companies has opened a can of worms as dubious practices to undermine farmers have come to light. Last week, the two containers of Ross Berries' blueberries that were seized by Dutch Authorities at the Rotterdam Harbour at the request of United Exports nearly a month ago, were finally released and opened. The container of blueberries had no trace of any reference to

United Exports' OzBlu brands, as previously alleged by the company as the reason for the seizure. Please [click here](#) to read a media statement issued on behalf of Ross Berries.

Covid-19: Cargo movement update



The *BUSA Covid-19: Cargo movement update* – the 16th of its kind – contains a combined overview of the flow of air, sea, and road freight to and from South Africa in the past week. The report provides a consolidated view of the different modalities published earlier by the Business for South Africa supply chain team. The available supply chain indicators once again point to a slow and delayed economic recovery from the Covid-19 induced recession. Furthermore, the indicators continually make it clear that the effects will last long into 2021, and probably even 2022. The South African supply chain and greater trading

community need to continue to ensure that everything possible is done to mitigate the impact of Covid-19 on the industry as a whole. However, the overall sentiment is, unfortunately, trending downwards in the midst of the travails of the national and global economy. Please [click here](#) to peruse.

MEMBERS' NEWS

Get the latest news from the FPEF

Keeping it Fresh, the newsletter of the Fresh Produce Exporters' Forum, contains all the recent relevant news and developments. Please [click here](#) for the latest edition.

Weekly newsletter from CGA

Justin Chadwick, CEO of the Citrus Growers' Association of Southern African, shares the latest news in the citrus industry in his weekly update - *From the desk of the CEO*. Please [click here](#) to peruse.

The latest news from the pork industry

Read more about the latest developments and news in the pork industry in the South African Pork Producers' Organisation's (SAPPO) newsletter, [SAPPO Weekly Update](#).

UPCOMING EVENTS

CONGRESS
2021

BUILDING RESILIENT AND
SUSTAINABLE AGRI-FOOD
ECOSYSTEMS

7 - 9 April 2021 | Sun City

agbiz

For more information, please visit the [congress web page](#).

Agbiz Congress 2021

Theme: "Building resilient and sustainable agri-food ecosystems".

7-9 April 2021 | Sun City Convention Centre | South Africa

[More information](#)

Second International Congress of Biological Control (ICBC2)

26-30 April 2021 | Davos, Switzerland

[More information](#)

2020 AgriAllAfrica Agribusiness Conference - POSTPONED TO 2021

Theme: "Imagined responses to Covid-19: Progress with the development of solutions"

6 May 2021 | CSIR | Pretoria

Enquiries: Marianna.duplessis@gmail.com | +27 063 076 9135

AGBIZ MEMBERSHIP

Why join Agbiz?

- Agbiz is the only organisation that serves the broader and common over-arching business interests of agribusinesses in South Africa.
- Agbiz addresses the legislative and policy environment on the many fronts that it impacts on the agribusiness environment.
- Agbiz facilitates considerable top-level networking opportunities so that South African agribusinesses can play an active and creative role within the local and international organised business environment.
- Agbiz research provides sector-specific information for informed decision-making.
- Agbiz newsletter publishes members' press releases and member product announcements.

[Please visit the Agbiz website for more information](#)



THIRD-PARTY WEBSITE LINKS TO THIS NEWSLETTER

The Agbiz Newsletter may contain a few links to websites that belong to third parties unrelated to us. By making these links available, we are not endorsing third-party websites, their content, products, services or their events. Agbiz seeks to protect the integrity of its newsletter and links used in it, and therefore welcomes any feedback.