



e-Newsletter

27/2021

16 July 2021

## Message from Agbiz CEO: Agbiz condemns widespread criminality in the strongest terms



The images and acts of brazen looting, vandalism, arson and intimidation have shocked all decent, law-abiding citizens of South Africa, and friends abroad. While the deployment of about 25 000 SANDF members has certainly helped to curtail the well-orchestrated criminality, government underestimated and underplayed the extent and threat of the crisis initially, with resultant loss of tens of billions of rands in losses, not to speak of the loss in business confidence and a major increase in food security risks. Most important is for government to stabilize the

security situation in especially KwaZulu-Natal, to open the major access routes, especially the N3, re-open the Port of Durban, secure the return of public transport and ensure fuel availability and supply. The SAPS and SANDF must show that they are in control and that government will enforce the rule of law and the Constitution at all costs. An independent and thorough assessment and enquiry needs to be launched to get to the root causes of this violence and justice must be seen to be done in charging the perpetrators and getting them incarcerated as soon as possible. Just to confirm that Agbiz has played a major role in assisting our members, and society, in addressing the crisis and mobilizing government into action. We will continue to play a pro-active role in addressing and resolving this major crisis afflicting our beloved country.

## Agbiz participates at ministerial meeting amid the disruptions in KZN



On July 15, Agbiz, along with other agriculture and food stakeholders, joined a meeting organised by Thoko Didiza, Minister of Agriculture, Land Reform and Rural Development. The objective of the meeting was to assess the availability of food in the country and the function of the food supply chains amid the unrests and riots in KwaZulu-Natal and parts of Gauteng. The meeting was also attended by the Ministers of Health, Small Business, Presidency, Trade, Industry and Competition, and Public Enterprise. The significant issues that were agreed upon and currently receiving urgent attention are:

- Opening of national roads (N2 and N3 routes)
- Availability of Police and soldiers on hotspots areas within N2 and N3
- Protection of key areas such as warehouses and silos
- Opening of major harbours such as Port of Durban and Richards Bay
- Availability and access of food suppliers to retailers and spaza shops
- Movement of food essentials by air cargo

Agbiz will continue engaging with the government and various industry stakeholders on these matters. Please [click here](#) for the full statement.

---

## South African riots and food security: why there's an urgent need to restore stability



When South Africa's president, Cyril Ramaphosa, addressed the nation on July 12 amid violence and destruction of property in parts of KwaZulu-Natal and Gauteng, he warned of several risks if the situation was not resolved swiftly. One of them was food security. A lot has been written about the acts of criminality and the disregard for the rule of law that's swept parts of the country. Attention has also been given to the underlying factors that make South African society so fragile. These include rising unemployment, inequality, corruption and poor service delivery. In light of the ongoing state of turbulence, it's important to take a closer look at

food security issues. Agbiz chief economist Wandile Sihlobo discusses this subject in the [linked article](#), written for and first published on *The Conversation*. You can also listen to an [RSG interview](#) with Agbiz CEO Dr John Purchase on this subject.

---

## BUSA calls for a 24-hour curfew, full deployment of army and police including reserve forces



The violence and damage to property that has overwhelmed parts of the country must be stopped immediately. The loss of life and destruction of property is devastating. We now face disruption to supply chains that are essential for the country's basic functioning, including energy, food and supplies needed to fight the pandemic. Critical transport networks are unable to function. Sapref, which supplies a third of the country's fuel needs, has been shut down. The Durban port, which is critical to the export and import of goods has been closed with its cold stores severely affected. National key points that include manufacturing of chlorine for

our water system and explosives for our mining industry are shut down and under threat of invasion. Waterworks have been damaged that are key to provincial water systems in KwaZulu-Natal. Many vaccination sites have had to close, slowing the fight against the pandemic. While the immediate loss of life is shocking, these disruptions will have a severe impact across the country on both lives and livelihoods. Please [click here](#) to read the full BUSA media statement.

## AGRIBUSINESS RESEARCH

### Rising costs to keep farmers on their toes



Amid an abundant harvest, high agricultural commodity prices have been an unexpected windfall for South African farmers, particularly grain and oilseed growers. However, they will have to manage their portfolios well as input costs have also been rising, especially fuel, herbicides and fertiliser. Such higher costs can erode these price gains when farmers embark on the 2021/2022 production campaign starting in October. At the end of the first week of July, the Brent crude oil price was up 72% year on year, trading at about \$74 a barrel. The oil price has a close correlation with the prices of fertiliser and various other agrochemical inputs, as well as fuel. Herbicide prices show similar increases in dollar terms, with glyphosate up 144% year on year in

June. Importantly, SA imports all of its agrochemicals consumption. Wandile Sihlob explores this subject in the [linked article](#), written for and first published in *Business Day*.

### What tractor sales tell us about the state of South Africa's agriculture



In a typical summer season, where there are favourable weather conditions, South African farmers plough roughly four million hectares for summer grains and oilseeds. This comprises maize, sunflower seed, soybeans, groundnuts, sorghum and dry beans. While there remains some uncertainty about the weather conditions for the upcoming summer crop production season, which begins in October, it is fair to say farmers are optimistic and are gearing up for it. The early indicator we have thus far is tractor sales which have remained robust since mid-2020. Just last week, the data from the South African Agricultural Machinery Association showed that the tractor sales were up by 43% y/y in June, with 633 units sold. If we consider the total tractor sales for the first half of this year, we are already 27% ahead of the corresponding period in 2020, with 3 385 units. However, it is worth noting that sales in the first half of last year were negatively affected by lockdown restrictions, so the base is slightly distorted. Wandile Sihlobo discusses the latest data in the [linked article](#).

## Hope for food prices



The improved weather conditions in the US and parts of Europe, along with harvest pressure in South America, have led to a slight cooling of global grains and vegetable oil prices. This is evident in the Food and Agriculture Organization of the United Nations' Global Food Price Index which fell by 3% in June from the previous month to 125 points; the first drop in 12 consecutive monthly increases. The decline in grains and oilseeds was a major driver of this development. With that said, the index is still 34% higher than the corresponding period last year. Read more in the [linked article](#) by Wandile Sihlobo, first published in *The Citizen*.

## OTHER NEWS

### Law must prevail and key corridors protected: the time to act is now



The South African Association of Freight Forwarders (SAAFF) strongly condemns the wanton destruction of the country's key infrastructure, goods and property and the senseless loss of lives over the past week. We respect South Africa's law and the Constitution, but it is time to take action. It is time for us to work together, make plans, implement those plans and ensure that our supply chains continue to operate. SAAFF's membership comprises freight forwarders, who are the architects of the supply chain. For the economy to function and for people to be able to survive and prosper, supply chains need to function unimpeded. The closure of the

Port of Durban and parts of the N2, N3 and N4 over recent days as a result of the senseless looting and destruction of trucks, their cargo, shopping malls, distribution centres and beyond has severely impacted our supply chains. This has massive short-term consequences and even more devastating long-term ones for everyone in this country. Read the full SAAFF statement [here](#).

### KZN unrest: SA Canegrowers calls on government to declare a state of emergency



The South African Canegrowers Association strongly condemns the criminality that has swept areas in KwaZulu-Natal and Gauteng. With the violence and destruction escalating in cane growing areas, we call on government to declare a state of emergency and to immediately deploy more South African Defence Force troops to bring law and order in hotspot areas. KwaZulu-Natal is not only ground zero for the unrest, but also the heart of South Africa's sugar industry. Gauteng has also been hit hard, with the destruction now extending to Mpumalanga and the Northern Cape. The lawlessness evident throughout the country has

caused enormous harm to the national economy. That this is taking place in the middle of the harvesting season has caused irrecoverable losses to cane growers, workers, and the one million livelihoods that depend on the sugar industry. Read more in the [linked media statement](#).

---

## Could renewed social unrest hinder the recovery?



Protests driven by the pandemic's economic fallout are on the rise, with potentially long-lasting economic consequences. Protests can be catalysts for political reform and social change. But what impact do they have on the economy? According to the latest Global Peace Index, the number of riots, general strikes and anti-government demonstrations around the world has increased by a staggering 244 percent in the last decade. Lockdowns and fears of contagion forced a temporary lull. But in virtually every region of the world, demonstrators are making a comeback. Causes range from frustration over governments' handling of the crisis to

mounting inequality and corruption—factors that tend to heighten existing tensions and disparities and have led to social unrest in the aftermath of previous pandemics. Please [click here](#) to read the IMF blogpost.

---

## What Covid-19 can teach us about mitigating climate change



While the Covid-19 pandemic continues to ravage the world, climate change—a crisis that can cause even greater destruction—looms. All crises teach us lessons, but the pandemic has gone further: it has reminded us about the power of nature. A recent Ipsos poll conducted globally for the IMF found that 43 percent of people surveyed reported being more worried about climate change now than they were before the pandemic, with only 7 percent saying they are less worried. The heightened public awareness about the dangers of unmitigated climate change make this an important moment for policymakers to enact bold reforms. But many challenges lie ahead.

Please [click here](#) to read the IMF blogpost on this subject.

## MEMBERS' NEWS

### Impact of current unrest in South Africa on the crop protection industry



CropLife South Africa is extremely concerned about the ongoing lawlessness in the country, especially in KwaZulu-Natal. In particular, the impact of the vandalism and theft on agricultural production in KwaZulu-Natal (and the rest of the country should the situation worsen) is particularly worrisome. As the agricultural industry gears up for the summer rainfall planting season, CropLife SA member companies are currently producing or importing significant volumes of plant protection products for the coming summer rainfall growing season. Unfortunately,

CropLife SA member companies have already reported significant losses of infrastructure and inventories of plant protection products in KwaZulu-Natal and with the Port of Durban currently unable to receive or process shipments, very few new plant protection products can enter the country. We are also receiving reports of large areas of sugarcane and staple grain crops that have been deliberately destroyed in various parts of KwaZulu-Natal, along with sporadic illegal invasions of farm homesteads. Thankfully, CropLife SA has not received any reports of injuries from member companies. Read more in the [linked media statement](#).

### 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



**Agbiz Congress 2021 has officially been postponed to 2022.** The event was scheduled to be held from 7 to 9 April 2021, but due to current Covid regulations, it has been postponed to 22 to 24 June 2022 at Sun City.

Sustainability Summit 2021

21-23 September 2021 | Virtual  
[More information](#)

**2021 AFMA Symposium**  
18-19 October 2021  
Enquiries: [events@afma.co.za](mailto:events@afma.co.za)

**Intra-African Trade Fair 2021**  
15-21 November 2021 | Durban  
[More information](#)

**Agbiz Congress 2022**  
22-24 June 2022 | Sun City

## 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.