



e-Newsletter

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President sets out four-point plan for SA



Last night, President Cyril Ramaphosa delivered his fifth State of the Nation Address (Sona) against the backdrop of the Covid-19 pandemic, rising poverty and an economy that was already on the ropes before the pandemic hit. The president set out a four-point plan for the future of South Africa; defeating Covid-19, accelerating the economy, implementing economic reforms to drive growth and jobs, and fighting corruption were all identified. Please [click here](#) to access the full Sona address.

Agbiz participates in Technical Industry Agencies (TIA) Workshop at Nedlac



For some time now the private sector has, as have labour and government as well, been experiencing serious challenges with the Technical Industry Agencies (TIA) of government that are supposed to support and enable growth and investment into the economy of the country. So the focus has been on two agencies specifically, viz.:

1. South African Bureau of Standards (SABS)
2. National Regulator for Compulsory Specifications (NRCS)

and they presented on their turnaround strategies and progress with implementation. Social partners raised various matters of concern, much of which are

captured in the following linked document. Please click on [Summary of Concerns and Recommendations to Minister](#). Both the SABS and NRCS presented on their turnaround strategies and these presentations can be perused at [SABS Turnaround](#) and [NRCS Turnaround](#). The work of these agencies impacts on the whole agro-food value chain and it is essential that these agencies function optimally in the service of the South African economy. The shortcomings were again exposed with the Covid pandemic and the need for quality personal protection equipment (PPE).

Agbiz warns that the sharp increase in the NMW will negatively affect labour-intensive subsectors



Following the announcement of an adjustment to the national minimum wage (NMW) with effect from 1 March 2021, Agbiz CEO Dr John Purchase said in a media statement that the increases are not aligned to economic realities. " Agbiz has always supported a decent wage, but this amendment's timing must be questioned. Therefore we must note our disappointment at the latest adjustment, since it does not appear to take affordability or the current economic environment into full consideration. Last year saw the economy shrink in real terms and millions of jobs were lost across various sectors due to the Covid-19 disruptions. While agriculture has

been a shining star in the economy, the labour-intensive subsectors such as the wine industry, have been hard hit by the recent ban on sales. Wine and table grape farmers already face cashflow challenges, and the severe economic impact was illustrated by the respective 37% and 8% year-on-year decline in farm jobs in the Western Cape and Northern Cape in the third quarter of 2020. We fear the recent adjustment will add to already tough economic conditions for farm businesses," said Dr Purchase. Please [click here](#) for the full Agbiz media statement.

POLICY AND LEGISLATION

Minister Sisulu meets with agricultural stakeholders



On 10 February 2021, Minister Sisulu and the senior management of the Department of Water and Sanitation met with stakeholders in the agricultural sector to discuss the National Water and Sanitation Master Plan (NWSMP). The NWSMP, set to be accepted by Cabinet soon, provides the roadmap for the country's management of its water resources. It covers vital topics such as the future mix of water sources, a strategy to meet future demands from various industries and critical infrastructure issues. Critically for the agricultural sector, the NWSMP also touches on the regulation of water use entitlements including controversial proposals to

end the recognition of existing lawful use rights, adopting a 'use-it or lose-it' approach and banning the trading of water rights. These proposals are formulated to allow the department to meet its targets surrounding the reallocation of water rights to previously disadvantaged groupings. Amongst inputs made by representatives from Agri SA and SAWUUA, Agbiz noted that there may be unintended consequences should these policy proposals be put into action in their current format and that a transitional arrangement should be debated that promotes transformation and allows reallocation but still allows security of supply to entities that meet the transformation requirements. Agbiz also noted that the mechanisms in the NWSMP were largely centralised and placed a huge burden on the state. Mechanisms should be explored whereby the objectives of the NWSMP can be taken forward on a public-private-partnership basis to increase capacity and buy-in from all affected stakeholders. Representatives from both the department and private sector endorsed the proposal to host a 'scenario-planning' session to explore all the possible avenues that can be followed to give effect to the objectives of NWSMP as far as the regulation of agricultural water use is concerned. The meeting was certainly a step in the right direction and all the stakeholders must be commended for their pragmatic approach and Agbiz looks forward to actioning the scenario-planning session to find inclusive and practical solutions to some of the challenges facing agricultural water use. The presentation made at the meeting by the department is [linked here](#).

AGRIBUSINESS RESEARCH

Higher prices for grains, dairy and vegetable oils a global occurrence



South Africans are not the only ones experiencing a relative increase in agricultural commodity prices. The world over is experiencing a similar trend, at least, for essential commodities such as grains, dairy and vegetable oils. The Food and Agriculture Organization of the United Nations recently released an update of its monthly Food Price Index, which reached 113 points in January 2021, up 10% year on year, and highest since July 2014. This particular index is compiled as a combined index from agricultural commodity prices in various countries, thus mirroring a fair view of relative global food prices. Read more in the [linked article](#) by

Agbiz chief economist Wandile Sihlobo, written for and first published on *Fin24*.

Cost of soybeans will remain high for South Africa's poultry industry



South Africa's poultry trade matters have frequently grabbed headlines for as long as I can remember. While such topical discussions are welcome when addressing unfair trade, the subject of the sustainability of South Africa's poultry industry should also weigh in on the issue of input costs. South Africa's quest to retool its poultry industry depends on increased soybean availability, a crucial ingredient in poultry feed manufacture. Roughly 50-70% of broiler production costs in South Africa are attributed to the feed, 70-80% of which is comprised of maize and soybean costs. Yellow maize production has been a

success story for South Africa for decades, as the country is usually a net exporter of the product. However, the opposite is true for soybeans. South Africa remains a significant net importer of soybean oilcake or meal, a major ingredient in poultry feed. Read more in the [linked article](#) by Wandile Sihlobo, written for and first published in *Business Day*.

Fuel price increase on the cards in March 2021



While we are still early in the month and more data is yet to be available, the Central Energy Fund's preliminary estimates suggest that South Africa could experience another increase in fuel prices. Petrol (95 ULP Inland) and diesel (0.05% wholesale inland) prices could increase by 59 cents per litre (c/l) and 45 (c/l) respectively, on 03 March 2021. This adjustment means the retail price of petrol could rise to R16,26 per litre from the current level of R15,67 per litre. Simultaneously, the wholesale diesel price could increase to R14,03 per litre from R13,58 per litre in February 2021. This will be the highest level for petrol since December 2019, while for diesel it's the

highest level since March 2020. Wandile Sihlobo discusses the latest data in the [linked article](#).

Solid start of the year for South Africa's agricultural machinery sales



South Africa's agricultural machinery sales have had a solid start to the year, with tractor sales up by 28% year on year with 445 units sold in January 2021. The combine harvester sales in the same month were at the same levels as in 2020, with five units sold. These strong sales are somewhat a continuation of the 2020 activity where the tractor sales amounted to 5 738 units, up by 9% from 2019, with combine harvester sales up by 23% from the same year, amounting to 184 units. The underpinning driver is the slightly improved farmers' finances following higher agricultural output in 2020, coupled with relatively higher commodity prices. In

the [linked article](#), Wandile Sihlobo discusses the latest data.

SA grains need sunshine more than rain at this point



The latest data in South Africa's agricultural sector reinforce the view that the 2020/21 production season could potentially deliver one of the largest harvests on record. For more on this, Thami Ngubeni of Newzroom Africa chats to Agbiz chief economist Wandile Sihlobo. Please [click here](#) to view the interview.

OTHER NEWS

US commercial diplomacy and implications for Africa



It has been over six months since the US and Kenya initiated discussions on a free trade agreement. These negotiations that began in July 2020 were to serve as a template on how the US would forge comprehensive trade agreements with African countries beyond the lifespan of the current Africa Growth and Opportunity Act cycle that ends in 2025. When the two countries knuckled down in July 2020, it was still a matter of speculation whether or not Donald Trump would win the presidential elections in November 2020. At the time, it was difficult to discern what would likely be US foreign policy focus on Africa beyond the Trump administration. In the

[linked article](#), Prof. Mzukisi Qobo of the Wits School of Governance explores this subject further.

The department warns public about the risks associated with rabies



The Department of Agriculture, Land Reform and Rural Development (DALRRD) and the South African Veterinary Council (SAVC) alerted members of the public on the risks associated with rabies. Since the beginning of the year, the number of confirmed rabies cases are thirty-three (33) in animals. The department is saddened to report that one human fatality has been reported from KwaZulu-Natal (a 10-year-old boy). Both entities would like to assure members of the public that although rabies is an unfortunate reality, it can be prevented. Please [click here](#) to read a joint media statement from the DALRRD and the SAVC to alert members of the public on the risks associated with rabies.

Predictions indicate that La Niña is still strong



The latest ENSO outlook from the National Oceanic and Atmospheric Administration (NOAA) National Weather Service Climate Prediction Center says La Niña is here but there is a ~60% chance that neutral conditions return this spring. Chances then rise for La Niña's return next fall. [The linked discussion](#) is a consolidated effort of the National Oceanic and Atmospheric Administration (NOAA), NOAA's National Weather Service, and their funded institutions. Oceanic and atmospheric conditions are updated weekly on the Climate Prediction Center website.

Cotton market report



According to the International Cotton Advisory Committee (ICAC), global production for 2020/21 is currently estimated at 24.1 million tons. This is an 8% decrease from the previous season, with decreases of between 12% and 33% coming from several major producers, amongst others, the USA, Brazil, Pakistan, West Africa, Turkey and Uzbekistan whilst production in the world's largest producing countries namely China and India are expected to increase. With production decreases in several consuming countries that rely on domestic production, trade is expected to rebound to 9.3 million tons during 2020/21. Read the

latest news from the cotton industry in the [linked Cotton Market Report](#).

Latest edition of *The FairPlay Bulletin*

The FairPlay Bulletin is a monthly digest of news and editorial opinion issued by The FairPlay Movement, a not-for-profit trade movement that fights for jobs. Its goal is to end predatory trade practices between countries so that big and small nations play by the same rules. 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

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

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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.

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