



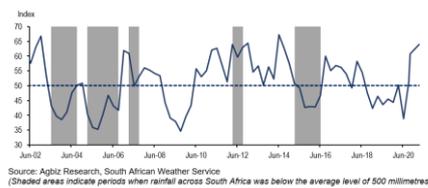
e-Newsletter

10/2021

19 March 2021

Agribusinesses remained optimistic in the first quarter of 2021

Figure 1: Agbiz/IDC Agribusiness Confidence Index*



Source: Agbiz Research, South African Weather Service
(Shaded areas indicate periods when rainfall across South Africa was below the average level of 500 millimetres)

The Agbiz/IDC Agribusiness Confidence Index (ACI) improved from 61 points in the fourth quarter of 2020 to 64 in the first quarter of 2021. This is the highest level of the Agbiz/IDC ACI since the second quarter of 2014. A level above the neutral 50-point mark implies that agribusinesses are optimistic about operating conditions in South Africa. These results likely reflect not only the robust performance of South Africa's agricultural sector in 2020, where gross value-added expanded by 13,1% y/y, but also positive early signs for another season of large

harvests in 2020/21 from most subsectors. This first-quarter survey was conducted in the first two weeks of March 2021 and covered agribusinesses operating in all agricultural subsectors across South Africa. Agbiz chief economist Wandile Sihlobo discusses the latest data in the [linked article](#).

PwC Global CEO Survey: 76% of CEOs predict global economy recovery in 2021



On 11 March 2020, the World Health Organization declared Covid-19 a global pandemic, marking the official start of a period of profound disruption and suffering. One year later, we still find ourselves in its grip, but vaccines developed at breakneck pace have enabled us to envision recovery. The details of that recovery are not yet clear. However, it's certain that we cannot simply go back to the way things were before. For business, 2021 will be a year of reinvention. One year into the Covid-19 pandemic, PwC surveyed 5 050 CEOs around the world about their plans to respond to new threats, transform their operating model and create a more sustainable future. Please click [PwC 24th CEO Survey Report](#) to peruse.

Southern African citrus to reach new heights as 2021 export estimate is released



The Citrus Growers' Association of Southern Africa (CGA) announced earlier this week that the South African citrus industry will likely break all previous export season records with an estimated 158.7 million cartons in 2021. If the estimate is reached, it would represent a third consecutive season of record export volumes, with 130 million cartons exported in 2019, followed by 146 million cartons in 2020. Our current projections for 2021 indicate a 22% growth in export figures in just two years. Eswatini and Zimbabwe combined have also increased their export figures from 3.9 million cartons in 2020, to an estimated 4.4 million cartons in 2021 – an increase of 13%, bringing the total Southern African volume to be exported through our ports to more than 163 million cartons. Please [click here](#) for the full CGA media statement.

POLICY AND LEGISLATION

Why we should never stop asking the tough questions



In law there is a basic requirement called rationality, which means that there must be a clear purpose for every law and there must be a reasonable chance that the law can achieve its purpose. This all sounds pretty clear but when you are working with a topic that are highly sensitive and emotive, it's not always straightforward. The latest amendments proposed to the National Road Traffic Act is a prime example. The Bill seeks to combat road incidents and fatalities caused by driving under the influence of alcohol by reducing the level of alcohol in the blood (BAC) from the current level of 0.05 gram per 100 millilitres of blood to 0.00. In plain language, the Bill removes the

current limit and makes it a criminal offense to get behind the wheel of a car if you have even the slightest trace of alcohol in the blood. Agbiz head of Legal Intelligence Theo Boshoff explores this topic in the [linked article](#), written for and first published in *Farmer's Weekly*.

AGRIBUSINESS RESEARCH

South African government should focus on the expansion of agricultural export markets



In our interactions with various agribusinesses since the start of the year, one issue that consistently comes up, in addition to the usual concerns around land reform policy, is trade. Whether one speaks to beef, wool, fruit or wine producers, increased access to new markets and efficiencies within the Department of Agriculture, Land Reform, and Rural Development in this regard is a constant theme. This is unsurprising as South Africa's agricultural sector is highly export-orientated, with exports accounting for roughly half of the production in value terms, about US\$10,2 billion in 2020 (up 3% y/y). The increase in domestic agricultural output in the recent past and planned

expansion in various subsectors in the coming years means that South African policymakers should focus on creating new opportunities in the export market. Wandile Sihlobo discusses this subject in the [linked article](#), written for and first published on *Fin 24*.

Most food-insecure SA provinces have vast tracts of underutilised land, which could be a priority for agricultural expansion



Global agricultural indices typically have to contend with several challenges in the quest to provide a valuable measure of any particular subject. Data consistency in quality, coverage, frequency and reliability across all countries is one of them, as are the weightings and ranking. The compilers of an index have to give thorough consideration to these because they can be subjective. I was reminded of these points by Prof. Johann Kirsten of Stellenbosch University when we looked at the Global Food Security Index (GFSI) recently released by Corteva and the Economist Intelligence Unit, writes Wandile Sihlobo. The index showed that SA's ranking in

terms of food security has dropped to 69th place out of 113 countries from 44th in 2019. Read more in the [linked article](#) by Wandile Sihlobo.

OTHER NEWS

Rising market power - a threat to the recovery?



The crisis has hit small and medium enterprises especially hard, causing massive job losses and other economic scars. Among these - less noticeable, but also serious - is rising market power among dominant firms as they emerge even stronger while smaller rivals fall away. We know from experience and IMF research that excessive market power in the hands of a few firms can be a drag on medium-term growth, stifling innovation and holding back investment. Such an outcome could undermine the recovery from the Covid-19 crisis, and it would block the rise of many emerging firms at a time when their dynamism is desperately needed. Read more in the [linked IMF blogpost](#).

BUSA Covid-19 cargo movement update



The BUSA Covid-19 cargo movement update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. This report is the 29th update. In short, a better working week was broadly experienced this week, as growth was reported in various high-frequency metrics. However, as the GDP figures and forecasts indicate, it remains unlikely that the accumulated economic damage will be wiped out before the end of 2021 or even the start of 2022. Still, this dire situation emphasises South Africa's need to urgently capitalize on the economic rebound opportunities presented by more favourable growth

determinants across many sectors, including trade. Please [click here](#) to peruse.

Better prospects for rain over the interior going forward



Drier conditions dominated across most of the summer rainfall region, including the grain-production areas, since late February. The first half of March saw little in the way of precipitation – in stark contrast to earlier conditions. The next few days will see a return of somewhat wetter conditions, with scattered thundershowers expected over most of the summer rainfall region, including the important grain-production areas. Coupled with the wetter conditions over the summer rainfall region, the southern parts of the country will experience a return of strong south-easterlies, with some rain along the Garden Route while most of

the winter rainfall region should remain dry according to current forecasts. Read more in the latest edition of [Cumulus](#), published by AgriSeker.

Loskop cotton gin under new management



The management of Vaalharts Cotton, located in Hartswater, officially took over the management of the Loskop cotton gin in Marble Hall on Friday 12 March 2021. The cotton gin in Marble Hall will, during this transition period, be known as Vaalharts - Loskop Cotton. Vaalharts Cotton's managing director, Louis Olivier and the chief financial officer, Johan Wolhuter, will also fulfil these respective roles at the "new" Vaalharts - Loskop Cotton. Louis Olivier has nine years of experience in running a cotton gin. He is a qualified agriculturist with 30-years of experience in the cotton industry, both as a farmer and a businessman. Johan Wolhuter is financially qualified and has been handling the financial

management function at Vaalharts for the past two years. Please [click here](#) for the full media statement.

Latest issue of *Harvest SA*



In the 51st issue of *Harvest SA*: Find out from Nedbank's John Hudson whether agriculture will be our country's economic saving grace. Glean insight from Willie Jacobs, new CEO at Potatoes SA, into ways of funding agriculture at a time when Land Bank is not performing at its best. Take a deep dive into irrigation with Felix Reinders, and do a recce of what promises to be the future of agriculture: precision farming, as brought to you by the Agricultural Research Council. An update from the Citrus Growers Association and reflections on the value of an agricultural lifestyle by Agritourism SA's Jacqui Taylor round off this issue. Please [click here](#) for access to the digital copy.

MEMBERS' NEWS

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

Annual Southern Hemisphere Fresh Fruit Trade Congress

25 March 2021 | Virtual

[More information](#)

International Tropical Agriculture Week

22-26 March 2021

[More information](#)

Sustainable Innovative Producers and Emerging Farmers Agribusiness Conference 2021

30-31 March 2021 | The Capital on the Park, Sandton | Johannesburg

[More information](#)

Second International Congress of Biological Control (ICBC2)

26-30 April 2021 | Virtual

[More information](#)

Agbiz Congress 2021

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](#)



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