



e-Newsletter

11/2021

1 April 2021



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## Land Bank responds with an update on its liability solution



In a media statement, Land Bank announced that it is continuing its negotiations with all lenders/funders towards the finalisation of an agreement to take the bank out of its default position, and to have a structured solution for the repayment and settlement of its debts. "Land Bank and its funders had set a target to work towards the conclusion of a commitment agreement by 31 March 2021. Unfortunately, this date is not going to be met due to the need for the bank and its lenders/funders to incorporate a material change in the previous version of the liability solution. The revised version of the liability solution was necessitated by the objectives set by the

shareholder with its confirmation of the capital injection, where the injection is not only expected to enable the liability solution but such solution would also have to incorporate the entrenchment of the development and transformation objective of the bank." Please [click here](#) to read the full Land Bank media statement.

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## Minister Didiza meets with stakeholders to discuss AAMP



Earlier this week, Minister of Agriculture, Land Reform and Rural Development Thoko Didiza met with the representatives of agriculture unions, agribusiness, labour unions, and civil society, amongst other stakeholders, to assess progress on the drafting and consultations of the Agriculture and Agro-processing Master Plan (AAMP). Minister Didiza indicated that "the first meeting of the Master Plan took place on June 26, 2020, at the height of the pandemic, where social partners adopted the framework for developing the master plan. Since then, stakeholder consultations have examined various agriculture and agro-processing

subsectors and how these can be expanded to contribute to economic growth, inclusiveness, and job creation. These efforts are part of the broader Economic Reconstruction and Recovery Plan the President announced late last year." The process is rigorous and evidence-based, led by the National Agricultural Marketing Council (NAMC), Bureau for Food and Agriculture Policy (BFAP) and Competition, Regulation and Economic Development (CCRED). More details on the meeting are available in the [linked media statement](#).

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**Stay safe: act responsibly and stay protected, always**



The Easter long weekend is around the corner. It is a time when many South Africans travel around the country to visit family, friends or for religious purposes. It is also a time when there are increased traffic volumes on our roads. Unfortunately, this period usually sees a high rate of road accidents and fatalities. This is concerning for government because most road accidents can be prevented and are caused by human error. The root causes of these accidents are driving under the influence of alcohol, excessive speeding, not wearing seatbelts, dangerous overtaking, talking on the phone while driving, unroadworthy vehicles and pedestrians failing to observe traffic rules. This year our country also has to deal with the impact of the Covid-19 pandemic. Covid-19 remains with us and is spread through contact with others, particularly at events or gatherings where there are a large number of people.

During this Easter holiday we must strictly adhere to social distancing, wearing a mask at all times in public and washing our hands with soap and water or sanitiser. The Department of Government Communication and Information System (GCIS) has published a toolkit that includes [generic 2021 safer easter holiday key messages](#), [an emailer](#), social media headers for [Facebook](#) and [Twitter](#), and a [digital poster](#) and has requested companies to assist them in spreading the message.

## AGRIBUSINESS RESEARCH

### What SA consumers can expect from food price inflation this year



Last week, the South African Crop Estimates Committee (CEC) mildly lifted its forecast for 2020/21 summer grain and oilseeds production from the previous month by 1% to 18,7 million tonnes (this compared with 17,6 million tonnes in 2019/20 production season). The upward adjustments were on maize, soybeans and sorghum, whereas sunflower seed, dry bean and groundnut production were revised. If we zoom into significant crops, the 2020/21 maize, soybean and sunflower seed harvests are forecast at 15,9 million tonnes (up 4% y/y, and second-largest harvest on record), 1,7 million tonnes (up 39% y/y, a record harvest), and 696 290 tonnes

(down 12% y/y).

"In sum, the broadly large summer grain and oilseeds production estimate this season is on the back of increased area plantings for summer crops and favourable rainfall since the start of the season. I expect the maize production estimate to be adjusted somewhat in the coming month as farmers on the ground continue to express optimism about yield prospects. This will likely add downward pressure on maize prices, which bodes well for South Africa's consumer food price inflation for 2021." Agbiz chief economist Wandile Sihlobo discusses the latest data in the [linked article](#), written for and first published on *Fin24*.

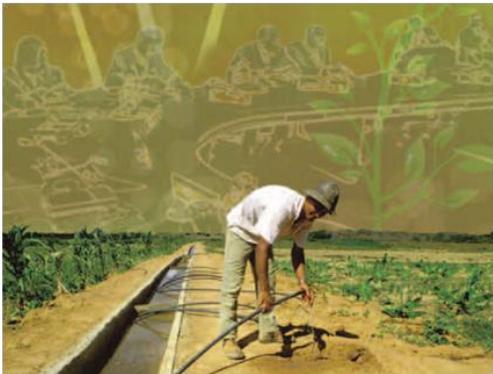
### BRICS might offer agriculture markets SA needs



Despite a vibrant agricultural sector, there is a standard list of challenges that South African agribusinesses commonly cite - land-reform policy, droughts and infrastructure are among the most frequently cited. However, a growing challenge facing firms - particularly those in beef, wool, fruit and wine - is the need to identify new markets. The need isn't surprising given that South Africa's agricultural sector is export-orientated, with exports accounting for about half of the production in value terms, about US\$10,2bn (about R150bn) in 2020 (up 3% y/y). Wandile Sihlobo explores this subject in the [linked article](#), written for and first published in *Business Day*.

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## How a government panel on land reform in South Africa is stuck in old ways

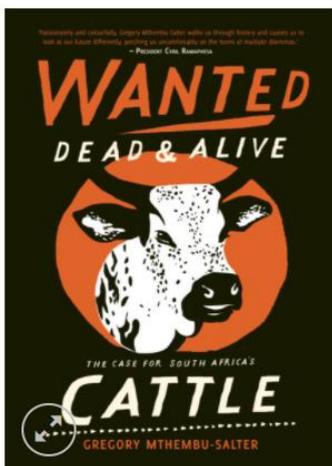


As a member of the Presidential Advisory Panel on Land Reform and Agriculture, Wandile Sihlobo responded to Prof. Gran's commentary on the work and conclusions of the panel, in an article published in *Agrekon*. "To contribute towards the better delivery of the land reform programme and address the failures mentioned above, President Cyril Ramaphosa assembled a panel of experts -The Presidential Advisory Panel on Land Reform and Agriculture (Panel), to undertake the task. The panel's report initially drew criticism from various farmer interest groups as it did not denounce the emerging policy proposal that South Africa should consider expropriation of land without compensation. While

such critique is understandable, it shows that some critics lacked a clear understanding of the central mandate on this proposal. The panel was tasked to outline 'under what conditions should expropriation of land without compensation be applied'. It was not to ask if the panel agreed with the proposal or not." The complete article is [linked here](#).

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## Why do South Africans appreciate cattle farming so much?



Agricultural books are not widely available in popular bookstores in South Africa. And even when they are available, they tend to be written in a style that is not accessible to non-experts in the field. Such challenges usually mean that the literature is restricted to academics and practitioners in the agriculture sector alone. While it could be argued that this is not a phenomenon unique to agriculture, the conditions are different, especially if we take a South African perspective. Agriculture is one of the sectors in which the South African government aims to increase the participation of black people, and also to ensure that farming of all kinds will assist to revitalise the rural economy and create jobs. The dearth of accessible agricultural books is what makes Gregory Mthembu-Salter's new book, *Wanted: Dead & alive: The Case for South Africa's Cattle*, so important. Wandile Sihlobo gives his views on the book in the [linked book review](#), written for and first published in the *South African Journal of Science*.

## AGBIZ GRAIN

### Consumers want to know more and more about the value chain



The South African agricultural commodity market is experiencing stability thanks to its dedicated local market participants. They deserve recognition for their contribution to food security, and not only to the availability of food, but also to its affordability. South Africa should pay attention to the affordability of food by supporting policies that create jobs, promote overall productivity in the country and consequently help the economy grow, and leave more money in the consumer's wallet for food that he/she can afford. Agbiz Grain general manager Wessel Lemmer discusses this subject in the [linked article](#), written for and first published in *Landbouweekblad*.

## OTHER NEWS

### Agbiz welcomes Thapelo Machaba to the team



Agbiz would like to welcome Thapelo Machaba who will be starting on 1 April 2021 in the public policy/advocacy intern position. Thapelo will bring additional experience and expertise to the team having previously worked as an agricultural economist for the Department of Rural Development and Land Reform as well as a rural development coordinator in the Gauteng Department of Agriculture and Rural Development. Thapelo holds a BCom in Agricultural Economics from the University of Pretoria and is also studying towards a BCom in Financial Management with Unisa. The Agbiz team welcomes Thapelo to the team and looks forward to her contribution.

### When strong institutions and massive inequalities collide



South Africa was one of the 1990s iconic cases of democratization. Yet starting in the mid-2000s, the country began to experience a disruptive collision between its strong political institutions and massive economic inequality. The collision intensified across the 2010s, resulting in economic stagnation and increasing threats to institutional integrity. Understanding why this collision occurred and worsened over time is relevant not just for other middle-income countries but also many higher-income democracies wrestling with similar tensions between a declining tolerance for high or rising inequality and institutions that seemed strong in the past but find their legitimacy increasingly being questioned. In an article, published on *Carnegie Endowment of International Peace*, the authors argue that South Africa's economic and social imbalances can no longer be swept under the rug. The country has three choices: muddle through, endure another surge of ethnopopulism, or pursue inclusive development. Please [click here](#) to peruse.

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## The case for open land-data systems



Last month, a former Zimbabwean cabinet minister was arrested for illegally selling parcels of state land. A few days earlier, a Malaysian court convicted the ex-chairman of a state-owned land development agency of corruption. And in January, the Estonian government collapsed amid allegations of corrupt property dealings. These recent events all turned the spotlight on the growing but neglected threat of land-related corruption. In the [linked article](#) published on *Project Syndicate*, the author argue that in countries where accurate, accessible land records are not maintained, it is the marginalized and vulnerable who are the worst affected by corruption and covert

land grabs. But the ongoing revolution in information and communications technology provides unprecedented opportunities to digitize land records and open them to all.

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## BUSA Covid-19 cargo movement update



The 31st *BUSA Covid-19 Cargo Movement Update* contains a consolidated overview of the South African supply chain and the current state of international trade. In broad terms, UNCTAD projects an overall more substantial growth than expected in 2021, despite the ongoing problems of inequality, indebtedness and weak investment threatening hopes for a more resilient future. The report's date marks exactly one year since the country went into a nation-wide lockdown. In the subsequent 12 months, the extended South African supply chain has been devastated on many fronts. Some high-frequency numbers have returned to

pre-lockdown levels, such as international air cargo. However, other metrics, such as containerised cargo, have struggled to close the gap. As the macro environment gains economic momentum, the South African supply chain is expected to follow suit, albeit slowly. Nonetheless, as the Suez Canal incident shows, international supply chains remain highly intertwined and fragile. Please [click here](#) to peruse.

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## Southern Hemisphere Fruit Trade Congress highlighted key priorities of SHAFFE in 2021



The first Southern Hemisphere Fruit Trade Congress highlighted the key priorities of the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) in its strategy for 2021 - 2023 and served as a platform for announcing a new cooperation agreement with the Chinese fruit importing industry. The first-ever online event also highlighted the key challenges and opportunities for the region and defined that building on individual key strengths is the way forward for 2021 and beyond. The Southern Hemisphere Fruit Trade Congress, organised by the Southern Hemisphere Association of Fresh Fruit Exporters

([www.shaffe.net](http://www.shaffe.net)), with the defining theme “Keeping the World supplied” took place virtually on 25 March 2021. With 615 registered participants from all over the world and two run-ups for convenient dial-in from different time zones, the first annual congress has reached an exceptional outreach. Read more about the congress in the [linked media statement](#).

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## Invitation to a webcast discussion on ethics, corporate governance and people

Motlanalo Inc., in association with HIA! Digital Network and RMB Private Banking, will be hosting a webcast discussion on ethics, corporate governance, and people on 9 April 2021. A panel of highly esteemed business and public sector leaders, facilitated by Cas Coovadia, CEO of Business Unity South Africa (BUSA), will provide their insights and perspectives. Please [click here](#) for more information and the link to the webcast.

## 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.

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### 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.

### Food Safety Summit 2021

8-9 June 2021

[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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