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CONGRESS 2016

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PUBLISHER

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 Tel: +27 (0) 12 807 6686
 Fax: +27 (0) 12 807 5600
 Website: www.agbiz.co.za
 Twitter: [www.twitter.com/AgriChamber](https://twitter.com/AgriChamber)

PRODUCTION OF PUBLICATION

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The Agbiz Congress 2016 takes place as we celebrate our 70th anniversary, indeed a special and proud landmark for us. But it is also with humility and gratitude that we celebrate our very significant contribution to food security and the well-being of our members, the broader agricultural and agribusiness sectors, and the country as a whole.

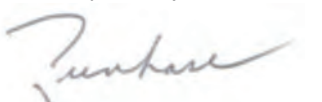
The single most important factor that has ensured the longevity of the Agricultural Business Chamber (Agbiz) in a rapidly changing environment over time, has been the ability of its business leaders to recognise the changing times, and then to adapt and reposition in order to address the changes and challenges successfully.

South Africa and the agribusiness sector again face a determining crossroads of challenges and choices. The well-being of our country is held firmly in the hands of our agricultural and agribusiness sector. It is for this reason that we have purposefully decided on the congress theme "Fit for the future".

We wish to express our sincere thanks to the keynote speaker, the invited speakers, and all other participants in the Agbiz Congress 2016 for their valuable contribution to and support of our special event.

We are also deeply grateful to the sponsors, exhibitors and media partners as well as the organising committee members for their strong support in making this congress possible. By virtue of this support, we have no doubt that this congress will be a great success.

We hope that you will find the congress stimulating, beneficial and, most of all, enjoyable. ■



John Purchase (CEO: Agbiz)

WHO WE ARE

Agbiz (Agricultural Business Chamber) is a voluntary, dynamic and influential association of agribusinesses operating in Southern Africa.

STRATEGIC INTENT

The strategic intent of Agbiz is to advocate for and facilitate a favourable agribusiness environment in order for its members to perform competitively and sustainably.

AGBIZ CULTURE AND VALUES

Agbiz is an inclusive, voluntary association of agribusinesses that cooperates positively and acts dynamically, creatively and with integrity. The culture of Agbiz is to subscribe to the values of ethical business, accountability, leadership, trust, competence, quality service and excellent communication.

CORE STRATEGIC OBJECTIVES

Core objective 1: To promote agribusinesses and Agbiz as key stakeholders and role players in the South African economy.

Core objective 2: To influence the policy and legislative environment insofar as it affects agribusiness activities by way of ongoing and professional interaction with all relevant government institutions.

Core objective 3: To improve the commercial and sustainable agribusiness environment through liaison and cooperation with influential groupings within the business environment, both locally and internationally.

Core objective 4: To support B-BBEE, transformation and development of emerging agribusiness and other role players in the agro-food value chain.

Core objective 5: To create unique, relevant and accessible agribusiness intelligence to support Agbiz programmes.

WHAT IS AGRIBUSINESS? (UNIDO, 2011)

Agribusiness is a broad concept that covers input suppliers, agro-processors, traders, exporters and retailers. Agribusiness provides inputs to farmers and connects them to consumers through the financing, handling, processing, storage, transportation, marketing and distribution of agro-industry products and can be decomposed further into four main groups:

1. Agricultural input industry for increasing agricultural productivity, such as agricultural machinery, equipment and tools; fertilisers, pesticides, insecticides; irrigation systems and related equipment.
2. Agro-industry: food and beverages; tobacco products, leather and leather products; textile, footwear and garment; wood and wood products; rubber products; as well as construction industry products based on agricultural materials.
3. Equipment for processing agricultural raw materials, including machinery, tools, storage facilities, cooling technology and spare parts.
4. Various services, financing, marketing and distribution firms, including storage, transport, ICTs, packaging materials and design for better marketing and distribution. ■

AGBIZ 2016 – FIT FOR THE FUTURE

NICO GROENEWALD

Head of Agribusiness at Standard Bank

e-mail: nico.groenewald@standardbank.co.za



Standard Bank



Henry Ford (1922) said in his book, *My Life and Work*: “The moment the farmer considers himself as an industrialist ... farming will be considered as among the least hazardous and most profitable of occupations.” In a sense referring to innovation, Mr Ford’s statement still holds some lessons for agribusiness, albeit not restricted to industrialisation, which was characterised by, amongst others, the use of technological innovation to solve problems.

No doubt, technological innovation is still part of the wave that will make agriculture and agribusiness fit for the future, but the concept of innovation and its relation to future success is arguably much wider than just technology or technological innovation.

To be fit for the future there are certain critical areas of our businesses that will demand ongoing innovation, thereby ensuring a level of business fitness that will help weathering the external storms in turbulent times, and in fact allow the building of a basis for sustained growth.

When looking towards the sports arena for an analogy, training invariably comes to mind as the primary building block for fitness. Similarly, our future business fitness will strongly depend on how we, not only as individual agribusinesses but also as a broader collective, develop and nurture our people, the future “athletes”, to pick up the baton.

Research from Australia indicates that 42% of the workforce in 2020 will be made up of the Generation Y’s (born in the 80s to 90s) and only 16% of them will choose to live in non-urban areas where we practice agriculture. South Africa’s demographics regarding urbanisation coupled with the aging population of our primary producers are well documented, reflecting similar trends, exacerbated by historical legacies that necessitate an even greater focus on inclusivity. Against this background, we need to ensure that forming the right partnerships with academic institutions, supporting the right training and development initiatives, and being innovative with actions will ensure that the right talent stays and chooses agribusiness. As Edward Scannel from the University of Arizona puts it: “Retention is best when the learner is involved.”

Organisations such as Agbiz and its association with like-minded institutions will add to our collective fitness in this regard.

Another building block of physical fitness is flexibility or suppleness. In agribusiness, being fit enough to win in the future will require organisational flexibility; how we organise and design our businesses with a focus on agility and the ability to increase or change the pace and direction in which our business is running. Of late some encouraging developments on the agribusiness landscape indicate that the SA agribusiness environment is already taking this aspect seriously. Innovative reorganisation of organisational structures is taking place and is likely to increase. There is carefully planned structuring of balance sheets and funding models, and horizontal and vertical alignment in different forms and shapes are taking place with complementary businesses in several agri value chains aiming for growth and expansion. The focus is on a bigger part of consumer spending, locally and internationally. Keeping Henry Ford's quote in mind, innovative organisational positioning, design, funding and business process solutions will result in agribusiness achieving strategic fitness.

Physical fitness also has a strength component. From a broader business perspective, it is likely that the external framework within which we operate will place increased administrative and legislative weight on our shoulders – more complexity and more risks. More so within agribusiness where various trade and phytosanitary requirements will add to the list of general regulatory requirements. Strong and sound compliance frameworks will be a prerequisite in such a tough environment. Association with the appropriate industry and other bodies such as Agbiz will promote the required representation where industry, Government and international role players need to collaborate and coordinate. This statement has added weight when the unique demands on business emanating from our political environment are added to the game.

A business with a competitive advantage is like Bruce Fordyce in the 80s – in a league of his own. Being fit for the future would mean having that “thing” that makes

you better than the competition. It could be excelling in one or more of the fitness aspects already mentioned or it could be sitting within Henry Ford's original quote, within the application of technology and its potentially winning relationship with operational excellence. It means being able to produce cheaper, or process cheaper, faster and/or at a higher quality, only to be cautioned by the known view that technology is not the solution in itself, but rather an enabler driving efficiency in support of broader solutions.

Given the environmental challenges we face and the increasing business imperative that is developing from it, the application of green technology and aspects such as traceability are likely to contribute to competitive advantage opportunities. It is likely that agriculture will be called to account on its almost complete dependency on fossil energy, which is high in greenhouse gases. Increased agricultural production has also resulted in high volumes of biowaste, a significant cause of greenhouse gas emissions. The industry has a responsibility to move to renewable energy sources and also to reuse, recycle or reduce its biowaste output. This in itself could develop into a competitive advantage if innovative solutions fitting the broader business strategy are pursued.

In closing, to be consistently at the top of the business log in future will require an all-round approach, applying the different components of business fitness in various combinations, influenced by an ability to interpret external signals and shifts.

Using the analogy of physical fitness, the missing component to complete fitness is mental strength – the ability to maintain focus, to keep on moving forward despite difficulty. Standard Bank has been associated with agriculture since its establishment more than 150 years ago. The opportunities and challenges facing our business and also those facing agriculture over this period have led us to believe that the South African agribusiness landscape understands the root of mental toughness which has its origins in motivation and the desire to succeed. Standard Bank is convinced that these characteristics will underwrite your combination of the building blocks for future business fitness resulting in a winning combination. Keep moving forward. ■

**“
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COMPETITION.”**

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VINPRO
Wine for Agbiz pre-congress workshop
lunch

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PROGRAMME

TUESDAY 31 MAY 2016

10:30–15:30	Pre-congress workshop
15:30–16:50	Student case competition presentations (first round)
18:30	Welcome function Sponsored by Afgri

WEDNESDAY 1 JUNE 2016

07:00–09:00	Registration
09:00–09:30	Opening and welcome Dr John Purchase, Agbiz CEO
09:30–09:40	Word from the main sponsor (Standard Bank) Mr Nico Groenewald, Head of Agribusiness at Standard Bank
09:40–10:20	Opening keynote: Perspectives on where SA is going Challenges faced by South Africa in terms of real economic issues, such as GDP growth rates, policy impact on the investment environment, depreciation of the rand and food inflation. Mr Lesetja Kganyago, governor of the South African Reserve Bank
10:20–11:00	Chairperson's report Mr Schalk Pienaar, Agbiz chairperson
11:00–11:30	Refreshments/networking
11:30–12:10	Economic outlook Analysis of the South African and global economic environment and what we can expect over the next couple of months and years. Mr Etienne le Roux, chief economist at Rand Merchant Bank (RMB)
12:10–12:50	BEE and black youth expectations View on socio-economic issues in our country, as well as black economic empowerment. Mr Mpumelelo Mkhabela, editor at Sowetan
12:50–13:40	Lunch/networking
13:40–14:20	Trade developments in South Africa Are South Africa's trade, industrial, and investment policies appropriate for our domestic challenges? Mr Peter Draper, managing director at TUTWA Consulting
14:20–15:00	Water security and water governance in South Africa Views on water security and where South Africa should be and is going with its water governance, including equitable water allocation. Prof Mike Muller, visiting adjunct professor, Graduate School of Governance at the University of the Witwatersrand
15:00–15:30	Refreshments/networking

15:30–16:10	Panel discussion Panellists: Mr Etienne le Roux, Prof Mike Muller, Mr Peter Draper and Mr Mpumelelo Mkhabela
16:10–16:50	Student case competition Finalists present to the congress. Facilitator: Prof Johan van Rooyen, IFAMA President, director of the Centre for Agribusiness Development Leadership and professor in Agricultural Economics at Stellenbosch University
16:50–17:00	Conclusion Dr John Purchase, Agbiz CEO
18:30	Agbiz 70th anniversary gala dinner Sponsored by Absa AgriBusiness and John Deere Financial

THURSDAY 2 JUNE 2016

07:30–08:00	Registration
08:00–08:15	Opening and welcome Mr Schalk Pienaar, Agbiz chairperson
08:15–08:45	Land reform status update Update on sustainable solutions to the vexing land reform question in South Africa, while seeking to ensure food security within an open and competitive market environment for agriculture and agribusiness. Dr John Purchase, Agbiz CEO
08:45–09:15	Progress by DRDLR with land reform initiatives Presentation on progress made by Government toward the establishment of schemes to boost agricultural production and agro-processing output, as well as job creation in the value addition activities linked with the various agri-park components. Ms Leona Archary - Deputy Director General: Rural Infrastructure Development at the Department of Rural Development and Land Reform
09:15–09:55	Energy security A presentation on trends in energy supply, globally and nationally, the implications for energy security in South Africa and in particular, implementation of an energy security strategy for an agribusiness and what the critical elements to consider are. Mr Brian Statham, chairperson of the SA National Energy Association (SANEA)
09:55–10:25	Refreshments/networking
10:25–11:05	Scenarios for South Africa South Africa appears to be in or headed for a perfect storm scenario, with political, economic and environmental (drought, etc.) upheaval combining to create great uncertainty, specifically for business. This presentation is an analysis of the scenarios that can play out over the next couple of years in South Africa. Ms Chantell Ilbury, independent scenario strategist, facilitator, speaker and bestselling business author
11:05–11:35	Panel discussion Panellists: Ms Chantell Ilbury, Ms Leona Archary, Mr Brian Statham, Dr John Purchase
11:35–11:45	Closing remarks Dr John Purchase, Agbiz CEO
11:45–12:15	Refreshments/networking
12:15–13:15	Agbiz members meeting

FRIDAY 3 JUNE 2016

10:30–14:00	Agbiz/Obaro post-congress tour to Bergkelder Sponsored by Obaro
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SPEAKER PROFILES



GOVERNOR LESETJA KGANYAGO
GOVERNOR OF THE SOUTH AFRICAN RESERVE BANK (SARB)

GOVERNOR LESETJA KGANYAGO was appointed as governor of the South African Reserve Bank in November 2014 after serving as deputy governor of the South African Reserve Bank since May 2011. In this role he was responsible for various areas including research, financial stability, bank supervision, financial regulatory reform (introducing the twin-peaks regulatory structure), financial surveillance (responsible for the regulation of cross-border flows), risk management and compliance and the SARB College. He has wide-ranging experience in macro-economic policy formulation, financial sector policy, public finance, international finance, public debt management and financial markets. During his tenure as director-general

of the National Treasury, he successfully steered several public finance and financial market reforms. Lesetja also led South Africa's technical team to various G-20 ministers of finance and governors meetings and summits (including the inaugural summit in 2008). He chaired the IMF Development Committee and the G-20 Working Group on IMF governance reform, and was also the vice-chairperson of the Financial Stability Board's Standing Committee on Standards Implementation (FSB SCSI) for a period of four years. Currently, he chairs the Committee of Central Bank Governors (CCBG) and is the co-chairperson of the Financial Stability Board Regional Consultative Group for sub-Saharan Africa (FSB RCG SSA).



MR SCHALK PIENAAR
AGBIZ CHAIRPERSON

MR SCHALK PIENAAR was elected as chairperson of Agbiz during the congress in 2011. He has served on the Executive Committee of Agbiz since 2007. He holds a BCom degree and Education diploma, and has attended various focused industry courses locally and overseas, covering such areas as performance and productivity improvement, turnaround and change management as well as strategic leadership. Before his retirement as the CEO of Suidwes Beleggings in 2012 (Suidwes Investments), he served in various senior executive positions in Suidwes. Prior to joining Suidwes he was a divisional director of Premier Foods, during

which period he was a director as well as chairperson of the National Chamber of Milling. He also served as a member of the maize and wheat advisory committees and as a trustee of the Maize Trust. Schalk spent 20 years in agricultural development in South Africa, of which seven years as CEO of Agricor. He has extensive experience in high-profile executive and non-executive managerial and director positions, which was the result of his balanced exposure to and practical knowledge of policy, legislative and governance requirements, complemented by senior positions in a diverse group of organisations.



DR JOHN PURCHASE
AGBIZ CEO

DR JOHN PURCHASE is CEO of the Agricultural Business Chamber (Agbiz), having been appointed to the position in 2007. Prior to taking up the position he was the CEO of Grain South Africa. John started his professional career as a scientist on South Africa's Agricultural Research Council (ARC). He was appointed to the board of the Land and Agricultural Bank of South Africa in July 2012 and served a three-year term until July 2015. John was appointed as council member to

the National Agricultural Marketing Council (NAMC) and still serves in this capacity. From 2012 to 2015 he served as chairperson of the CEO Forum. John was appointed by the minister of the Department of Agriculture Forestry and Fisheries (DAFF) to serve on the reference group that provided direction and oversight in the development of DAFF's Integrated Growth and Development Framework (IGDF) for the South African agriculture, forestry and fisheries sectors. He currently serves on the AgriBEE Charter Council, and also serves as a trustee of the Maize Trust. In 2015 he was appointed as chairperson of the board of the South African Grain Information Services (SAGIS). John serves on the Presidential Business Working Group in Agbiz' capacity as a member of Business Unity South Africa (BUSA). He serves on various BUSA and NEDLAC task teams and committees. John has recently also been appointed as the business convenor within NEDLAC's Trade and Industry Chamber.



MR ETIENNE LE ROUX
CHIEF ECONOMIST,
RAND MERCHANT BANK (RMB)

MR ETIENNE LE ROUX graduated with a BCom, BCom Hons and MCom Economics from North-West University. He obtained his degrees cum laude. In 1995, Etienne was credited as the best master's student in the Faculty of Economics. After lecturing economics at North-West University, he followed a career as economist at the National Treasury. His focus area of research at the time was the currency and balance of payments. While employed by the treasury, Etienne completed courses in International Trade and National Accounting Studies at the New York University. Following his career as economist at the National Treasury, he joined First National Bank as financial markets economist. In 1998, Etienne joined Rand Merchant Bank in a similar role. During his time at the bank he received various performance awards. Prior to being appointed chief economist in 2009, he was co-head of Rand Merchant Bank's fixed income, commodity and currency research team. Other than the many responsibilities he has in the broader FirstRand Group, Etienne is also a regular in the media and has published various op-eds in the printed press. On occasion Etienne still acts as a guest lecturer in economics at North-West University's Potchefstroom campus. In July 2013 he was appointed by the minister in the Presidency as a member of the South African Statistics Council.



MR MPUMELELO MKHABELA
EDITOR OF THE SOWETAN

MR MPUMELELO MKHABELA has been a journalist since 1999 and editor of the Sowetan since 2011. He has been chairperson of the South African National Editors' Forum since 2013. Mpumelelo worked for *City Press* (as political correspondent), *Sunday Times* (as parliamentary bureau chief), *The Sunday Independent* (as deputy editor) and *Daily Dispatch* (as editor). He holds a BA Hons in Political Science (University of Limpopo), MA in International Politics (University of South Africa) and Bachelor of Journalism Honours (Stellenbosch University). Mpumelelo is currently a Political Science PhD candidate at the University of Pretoria.



MR PETER DRAPER
MANAGING DIRECTOR,
TUTWA CONSULTING

MR PETER DRAPER is managing director of Tutwa Consulting, which specialises in policy and regulatory analysis, international business expansion advisory and corporate public affairs advisory in Southern African and emerging markets. In South Africa he is senior research fellow in the economic diplomacy programme at the South African Institute of International Affairs, and lecturer at Wits Business School, where he has won two teaching awards. Internationally, he is a member of the board of trustees of the Botswana Institute for Development Policy Analysis; member and vice-chairperson of the World Economic Forum's Global Agenda Council on the global trade and FDI system; member of the board of trustees of the International Chamber of Commerce's Research Foundation; non-resident senior fellow of the Brussels-based European Centre for International Political Economy; and associated researcher at the German Development Institute (DIE). Previously, he worked in South Africa's national Department of Trade and Industry in various positions, including head of economic analysis and research in the trade policy/relations division. Prior to that he taught economic history and political economy, and headed the economics department at the then University of Durban-Westville.



PROF MIKE MULLER
VISITING ADJUNCT
PROFESSOR AT THE
WITWATERSRAND UNIVERSITY
SCHOOL OF GOVERNANCE

PROF MIKE MULLER is a visiting adjunct professor at the Witwatersrand University School of Governance. As a registered professional engineer, he was director-general of South Africa's Department of Water Affairs and Forestry (1997–2005), responsible for new policy and legislation, investment programmes that gave millions of people access to safe water and sanitation, and for water-sharing negotiations with Mozambique, Swaziland and Lesotho, which unlocked major investments. He was also a commissioner of South Africa's first National Planning Commission (2010–2015) and chairperson of the World Economic Forum's Global Agenda Council on Water Security (2012–2014). Currently he advises a variety of organisations on local and global level on water and development issues. He has published on water, natural resources, development and global change and has a particular interest in Southern African integration and development, including cooperative approaches to achieving regional food and water security in the face of climate challenges. Previously, he managed infrastructure and policy programmes at the Development Bank of Southern Africa (1988–1994) and water programmes for the Mozambique government (1979–1988).



MS LEONA ARCHARY
DEPUTY DIRECTOR GENERAL
OF THE DEPARTMENT OF
RURAL DEVELOPMENT AND
LAND REFORM (DRDLR)

MS LEONA ARCHARY is deputy director general at the Department of Rural Development and Land Reform (DRDLR). She has been employed in Government since 1991 and specifically in the DRDLR since 1997. During the past few years she was, amongst others, involved in the development of the Green Paper on Land Reform and the Rural Development Framework.

In addition, she led a team in the implementation of the Rural Infrastructure Programme, which forms part of the Comprehensive Rural Development Plan that is being championed by the DRDLR. Leona has been leading several strategic projects and programmes to enhance integration across Government. Included in this are the following: a multi-sectorial team in the development of rural development plans for the 22 districts identified by Cabinet, the departmental team in the participation of the APAP implementation plans, and the technical task team for outcome 7. In 2012 Leona completed her Master's degree in Management at Wits University with her mini-dissertation entitled "Sustainable land reform in the Ehlanzeni District, Mpumalanga". Through this research process, Leona has been able to further understand the needs and dynamics of rural communities and areas.



MR BRIAN STATHAM
CHAIRPERSON OF THE SA NATIONAL ENERGY ASSOCIATION (SANEA)

MR BRIAN ANDREW STATHAM has some 40 years of experience in energy and has been involved in construction (coal, hydro and nuclear), operations, research, production planning, investment planning, project development (coal, hydro, LNG, natural gas, nuclear) and strategic planning, predominantly in the area of power generation. Brian retired from Eskom in April 2014 but has retained his interest in energy matters and is the founder of Brian Statham and Associates (BSA). BSA is a multi-faceted consulting organisation in the energy sector with associates in the liquid fuels, gas, renewables

and marketing sectors. He has served on a number of governmental task forces and committees dealing with energy matters. In February 2015 Brian was appointed as a member of the Ministerial Advisory Council on Energy. Since 1999 Brian has also been actively involved in the work of the South African National Energy Association (SANEA) and the World Energy Council (WEC). He served as secretary-general of SANEA from 2000 to 2006 and in 2007 he was appointed as chairperson, a role he still fulfils today. Brian is also an officer (trustee) of the World Energy Council.

**“
BRIAN HAS ALSO BEEN
ACTIVELY INVOLVED
IN THE WORK OF
THE SOUTH AFRICAN
NATIONAL ENERGY
ASSOCIATION (SANEA)
AND THE WORLD
ENERGY COUNCIL
(WEC).”**



MS CHANTELL ILBURY
INDEPENDENT SCENARIO STRATEGIST AND FACILITATOR

MS CHANTELL ILBURY is an independent scenario strategist, facilitator, speaker and best-selling business author. She specialises in guiding organisations through strategic conversations, especially in times of uncertainty. Her work has taken her as far afield as the UK, the USA, the Netherlands, Belgium, Austria, Italy, Ukraine, Australia, Jamaica, Kuwait, Singapore, India as well as right throughout Africa. Chantell holds a BSc in Chemistry, a post-graduate Higher Diploma in Education, and an Executive MBA from the University of Cape Town Graduate School of Business. She studied Strategic

Negotiation through Harvard Business School in Boston. It was at UCT where she first met Anglo America's Clem Sunter and shared her ideas on scenario planning, which led to the writing of their best-selling books *The Mind of a Fox*, *Games Foxes Play* and *Socrates and the Fox*. The three books were published as *The Fox Trilogy* in 2011. Her latest book – a collection of her memoirs and strategic insights – is titled *A Fox's Tale*, and is due for release at the end of June this year. Chantell is also a guest lecturer on strategy and scenario planning at a number of top business schools. ■



Humbly thankful for the rain.

— www.bkb.co.za —



CONGRESS STUDENT PROMOTION PROGRAMME

Since 2008 Agbiz has been hosting a very successful Congress Student Promotion Programme where top graduated students in agribusiness-related fields of study get the opportunity to meet and engage with industry leaders.

Post-graduate students to compete in case study competition

During the 2012 Congress, the inaugural student case competition was hosted to provide students with the opportunity to showcase their skills and knowledge.

Sixteen top graduate students are appointed by major universities across the country to take part in the competition. They are grouped into four teams where they compete against one another by developing business-oriented solutions for a real-world business problem or case, specifically written for this event.

Each team presents to a panel of industry experts in the first round. The top two teams are selected to present in

the final round at the congress. Congress delegates vote for the team that impressed them the most.

Prizes are awarded at the gala dinner of the Agbiz Congress for the winning team (based on a combination of valuation aspects), the runner-up team and the four most outstanding individual students (based on their contribution to the teamwork effort).

The facilitator of the competition this year is Prof Johan van Rooyen, IFAMA president and director of the Centre for Agribusiness Development Leadership and professor in Agricultural Economics at the University of Stellenbosch.

THANK YOU TO THE FOLLOWING AGBIZ MEMBERS
who are sponsoring the students of this year: **FNB, Kaap Agri, Monsanto, NWK, Overberg Agri, Signa, SSK, Syngenta, Talent Africa and TWK.**

MEET THE 2016 CONGRESS STUDENTS

PILELA MAJOKWENI Sponsored by FNB

PILELA MAJOKWENI completed her BSc Agricultural Economics at the University of Fort Hare (UFH) in 2014 and is currently doing her MSc Agricultural Economics at the University of KwaZulu-Natal (UKZN). Her research focuses on assessing the impact of institutional support on smallholder productivity in Msinga, KwaZulu-Natal. Pilela has a passion for the development of women and aspires to use her education towards empowering rural women in Africa.



SANELISE TAFI
SPONSORED BY KAAP AGRI



SANELISE TAFI obtained his BSc Agriculture Hons in Agricultural Economics at the University of Fort Hare (UFH) in 2015. He is currently doing his MSc Agricultural Economics degree at UFH. Sanelise graduated with tutorship and civic leadership experience gained from working with a community engagement team, where he volunteered to equip the youth of a local disadvantaged community.

TATENDA MUTUNGIRA
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TATENDA MUTUNGIRA is currently doing his Master's degree in Agricultural Economics at the University of Pretoria (UP). His research is based on crop revenue insurance and will be a significant contribution to the South African agricultural economics and insurance fields. He is appointed as a research assistant for the South African Land Observatory. His responsibilities include publishing summaries of the media and policy documents on land in South Africa. He maintains an up-to-date database on all publications captured. Tatenda is also involved in administrative support and general office duties within the Department of Agricultural Economics at UP.



HANNES VAN DER MERWE
SPONSORED BY MONSANTO

HANNES VAN DER MERWE is currently enrolled at the University of Stellenbosch (US) to complete his MSc Agricultural Economics degree. His thesis involves building a pre-merger model to quantify the accrual and distribution of benefits from specialised enterprise diversification through partnerships as an expansion and growth strategy for

Northern Free State grain farms. During his BSc Agricultural Economics degree at the University of Pretoria (UP), he majored in Financial Management and Accounting. This enabled him to develop an orchard replacement strategy in the restructuring of the production portfolio of Louisvale Wines Stellenbosch (completed March 2015). Hannes has a passion for nature that sprouts from his farm upbringing. He learnt the essence of hard work, forward-thinking, self-motivation and taking responsibility for his decisions.

DOMINIQUE BOUGARD
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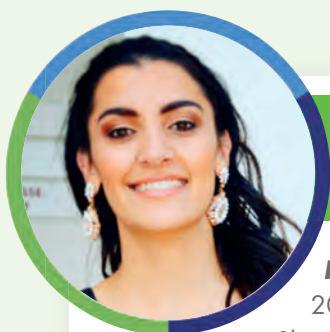


DOMINIQUE BOUGARD studied BAgric in Animal Production at the University of Stellenbosch (US) from 2012 to 2014. She completed her Honours degree in Agricultural Management at the University of the Free State (UFS) in 2015. Dominique is currently working at UFS as a research assistant while completing her Master's degree in Credit Modelling to predict agricultural applicants.

NONTHANDO BUTHELEZI
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NONTHANDO BUTHELEZI completed her BSc degree in 2015 at the University of KwaZulu-Natal (UKZN) and is currently busy with her Master's degree in Agricultural Economics. She focuses on the costs and benefits analysis of investments in environmental infrastructure.



MICHAELA ZIETSMAN

SPONSORED BY SSK

MICHAELA ZIETSMAN obtained her BCom Economics & Risk Management degree in 2014 and BCom Hons Risk Management degree in 2015 at the North-West University (NWU).

She is currently busy with her MCom Risk Management degree at NWU. Her research topic is "Enhancing options trading: forecasting volatility clustering". Michaela describes herself as performance-driven, highly motivated and a hardworking Master's student. She has a passion for people and a curious mind with the desire for a career in business and finance.

CARMEN VAN NIEKERK

SPONSORED BY SYNGENTA



CARMEN VAN NIEKERK is a PhD Nutrition student at the University of Pretoria (UP). Her PhD study will focus on the classification of potatoes in the South African market by means of a rapid assessment method. In 2015 she completed her MSc Nutrition degree entitled "Biodiversity of potatoes as related to nutrient content and quality". Research from her Master's study is in the process of being implemented in the South African potato industry. She is a researcher at the Institute of Food Nutrition and Well-being in the Department of Agriculture and Wildlife Sciences at the University of Pretoria.

FRIEDA SCHEEPERS

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FRIEDA SCHEEPERS studied Economy, Risk and Investment Management at the North-West University (NWU) in Potchefstroom, obtaining econometric, risk management and international trade knowledge and skills as well as a Golden Key award (2012–2014). Thereafter, she developed an even stronger critical mindset and communicating skills during an Honours degree in Risk Management (2015 NWU). She is currently busy with a Master's degree in Economics relating to agriculture (2016 NWU). Frieda describes herself as a dynamic, decisive and ambitious professional with a passion to make a difference.



JAIMÉ MANUEL

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JAIMÉ MANUEL completed a degree in Business Science at the University of Cape Town (UCT) in 2014, majoring in Finance (Hons) and Accounting. In 2013 he was asked to assist with an emerging farmer project in the Free State and developed a keen interest in agriculture and agribusiness. Accordingly, he decided to pursue a career in agribusiness and enrolled at the University of Stellenbosch (US) in 2015 as a postgraduate studying towards an MSc in Agricultural Economics. He is currently working towards a dissertation in the field of agricultural finance.

STRUAN GARLAND

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STRUAN GARLAND completed his BCom in AgriBusiness Management degree cum laude in 2015 at the University of Pretoria (UP). He is currently busy with his BCom Hons in Agricultural Economics at UP. In 2015 Struan was nominated to attend the Produce Marketing Association (PMA) Annual Conference in Atlanta, Georgia. His employment history includes: Dairy farm manager, tutor in the Department of Statistics at UP, as well as market analyst at UT Grain Management. Currently Struan serves as website manager at AgrilInfo.org. His philosophy is "bite off more than you can chew and chew harder".

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LUAN VAN DER WALT completed his BSc Agric degree in Agricultural Economics and Animal Sciences in 2015, and is currently busy with his BSc Honours degree in Agricultural Economics at the University of the Free State (UFS). He started to work as a research assistant at the Department of Agricultural Economics at the UFS where he assists senior researchers with relevant research. He wrote a paper for the AEASA Conference in 2015 and presented the paper at the annual AEASA Conference in 2015.



NJABULO NKOSI
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NJABULO NKOSI completed his BSc Agricultural Economics degree at the University of KwaZulu-Natal (UKZN) in 2015 and is currently busy with his MSc Agricultural Economics degree. His research topic is links between food security, climate change and food market value chain. Lawrence describes himself as positive, focused, eager and driven to grow and develop further in the agricultural field.



MANZI SISHI
SPONSORED BY TWK

MANZI SISHI is a BSc Food Science (Biochemistry) graduate and currently pursuing her MSc Food Science degree at the University of Stellenbosch (US). The nature of her degree has awarded her with an excellent foundation in understanding the functioning of the food industry. She is a conscientious, hardworking, enthusiastic individual who always strives to perform any task at her utmost best.



PUTUMA QUQANI
SPONSORED BY TALENT AFRICA

PUTUMA QUQANI obtained a BSc Agricultural Economics degree in 2015 from the University of Fort Hare (UFH). Putuma is currently busy with BSc Hons studies in Agricultural Economics, anticipating to finish in November 2016. Her academic research experience has afforded her to learn to engage and work with people of all levels. Moreover, academic research has exposed her to research work presentations.



PASCALINA MOHLOTSANE
SPONSORED BY TALENT AFRICA

PASCALINA MOHLOTSANE obtained her BSc Agricultural Economics and Food Sciences degree in 2014 and her Honours degree in BSc Agricultural Economics in 2015 at the University of the Free State (UFS). She is currently doing her MSc in Agricultural Economics. Her Master's research is on "Water footprint assessment of wheat and derived wheat products", which is part of the Water Research Commission project under the supervision of Dr Henry Jordaan. Pascalina attended and presented at the first conference of the Water Footprint Research Alliance in April 2016. From 2012 to 2016 she was appointed as a facilitator of the New Academic Tutorial Programme (NATP), now known as A_STEP, where she was one of the facilitators of the following agricultural modules: Introduction to agricultural economics, Introduction to business functions, Agricultural finance, and Strategic management and production economics. In 2015 she was appointed as a research assistant at the Department of Agricultural Economics at UFS. Pascalina describes herself as a self-starter, a go-getter and a team player, who is able to adapt easily in any environment. ■



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BASA/AGBIZ PROPOSAL:

Commercial financing for NDP model on land reform

Dr John Purchase, CEO: Agbiz, e-mail: john@agbiz.co.za

The South African agricultural sector, in its widest context of government, organised agriculture, commercial lenders and agribusinesses, has realised the need for all parties to play an active and collaborative role in addressing land reform. The success of land reform lies in the formalisation of the relationship between Government, enabling stakeholders, commercial agriculture and new emerging farmers.

The respective members of Banking Association South Africa (BASA) and the Agricultural Business Chamber (Agbiz) support the concept of land reform in order to address the historic inequalities created by South Africa's past. They also acknowledge the important role they as members can play in the successful outcome of land transformation.

PROPOSAL PROCESS

In 2014 BASA and Agbiz established a task team in order to address the challenge. Several workshops were held to arrive at the final proposal that was submitted to Rural Development and Land Reform Minister, Gugile Nkwinti, in February 2015.

The rationale for active participation is that commercial lenders as a rule have very strong credit and business case approval processes in order to protect their depositors and investors from lending losses. As such, they have a fiduciary responsibility to protect and ensure that depositor's funds are not unduly placed at risk and that only loans that are commercially viable and sustainable are afforded to borrowers. These processes should provide Government with a high level of comfort that only viable land reform projects will be approved for participation in the intended grant funding mechanism, since commercial lenders themselves will participate in the funding of these projects, provided their commercial lending criteria have been met.

Participation by the commercial financing sector should also provide Government with assurance on the market

value of land acquired for land reform, as commercial lenders' land valuation processes will identify any discrepancies from market values. Commercial lenders will continue to apply their respective current valuation and extension methodologies in respect of agricultural finance. Furthermore, commercial lenders' credit approval processes provide many self-regulating checks and balances that will address Government's concerns around land reform failures or potential abuses of the intended grant funding mechanism. All registered financial service providers are governed by the relevant regulatory framework (National Credit Act, Consumer Protection Act, Banks Act, etc.) which governs good lending principles.

“ THE RATIONALE FOR ACTIVE PARTICIPATION IS THAT COMMERCIAL LENDERS AS A RULE HAVE VERY STRONG CREDIT AND BUSINESS CASE APPROVAL PROCESSES IN ORDER TO PROTECT THEIR DEPOSITORS AND INVESTORS FROM LENDING LOSSES.”

It should be noted, however, that Agbiz and BASA members did not view the proposal as the solution to all land reform objectives. The proposal was aligned to Chapter 6 of the National Development Plan (NDP). Commercial lenders have a commercial mandate and can only be active and participate in land reform within this mandate. They therefore cannot provide lending outside of normal commercial lending criteria, nor can they solve many of the other aspects of land reform that need to be addressed, e.g. previously failed projects, land held by Government, tribal or communal land, the land audit, land claims, legislative amendments, etc.

MEMORANDUM OF UNDERSTANDING

A BASA/Agbiz/DRDLR task team was established to develop a Memorandum of Understanding (MOU).

The aim of the MOU is to provide a framework for a voluntary land reform model premised on commercial principles by focussing specifically on the opportunities within commercial agriculture. The intent of the MOU is to establish a working agreement between the parties and to encourage cooperation between the parties in order to achieve the aim of the MOU. The intention is further that the solutions proposed serve as substitution

to the current “Strengthening of the relative rights of people working the land (so-called 50-50 model)”.

The MOU makes provision for the establishment of a joint working committee (JWC) with the specific mandate of establishing a process and framework that allows tangible financial support from all parties to approved land reform transactions in a structured manner. This will enable the transfer of ownership of agricultural land from existing commercial farmers to previously disadvantaged persons/groups, with specific reference to black beneficiaries.

MOU PRINCIPLES

The MOU is underpinned by a number of principles:

- Land ownership and transfer of title within the existing property ownership/deeds registration framework is the primary principle of this MOU.
- Communal land and land owned by the State where ownership and title are not to be transferred to private sector stakeholders are excluded from this financing model.
- Land reform within commercial agriculture is underpinned by market principles, which is premised on the acquisition of a property at fair market value, which in turn is based on what an unpressured knowledgeable buyer would pay to a knowledgeable and unpressured seller in the market. Therefore it does not undermine agriculture property values on which lenders place reliance for loans, which they afford to commercial farmers.
- The active participation of commercial farmers in the financing of land reform and the establishment of a viable black commercial farming sector is a critical success factor.
- The principle of “once empowered, always empowered” for a commercial farmer who voluntarily embarks on a land reform initiative in terms of this MOU is endorsed by parties.

“Once empowered, always empowered” infers that once a commercial farmer has concluded a land reform initiative he/she is deemed to have fulfilled his/her land reform commitment. Should the black beneficiaries dispose of their shareholding/land, the commercial farmer is not required to repeat a land reform transaction.

- The establishment of an outcome and documented recommendation is important in order to ring-fence land transactions approved and processed via the JWC as described in this MOU. This refers to the exemption of parties directly involved in these transactions from future land reform requirements and obligation.
- Commercial farmers must have the right to choose or select their partner(s), i.e. the process must be demand-driven where the selection of a partner(s) is apolitical, voluntary and essentially a business decision.
- An understanding of the ownership status of agricultural land is important to enable progress tracking and reporting. An initial national land audit followed by annual updates of the status of land ownership is a necessity for the success of this MOU to be evaluated. The land ownership register should be held within the deeds registry so that it is made available publicly on an on-going basis.

PERIOD OF AGREEMENT

The MOU will become effective when signed by the parties and will initially be for a period of three years. It will also be subject to annual review, which will determine progress towards the target of 20% transfer of agricultural land to black beneficiaries over a fifteen-year period.

THE JOINT WORKING COMMITTEE (JWC)

The key objectives of the JWC are as follows:

- To increase and fast-track the investment and financing of land sales
- Assessing and recommending individual land transactions placed before the JWC by commercial banks and/or agribusinesses and which are

premised on the transfer of ownership of agricultural land to previously disadvantaged groups, specifically black people (includes Asian, Black and Coloured racial groupings)

- Assessing the socio-economic impact of proposed land transactions and the framework of the transaction in terms of its contribution to job creation and/or job security, skills transfer and its contribution to community upliftment
- Assessing a submitted application to ensure that food security will not be negatively affected as a result of the transaction
- Confirming the economic viability and repayment viability of the land transaction as determined and approved by respective BASA/Agbiz members, including land values
- The assessment of a land reform transaction will be premised on market value criteria
- Assessing and recommending the quantum and conditions of a monetary grant from DRDLR to support the land transaction, based on the portion of black ownership/interest to a land transaction
- Monitoring and reporting back to all parties on progress with transactions
- To establish and document a clear policy and process framework for future land transactions, based on the findings and experience gained from the land transactions, and thus enabling the possible extension of the MOU to land reform transactions falling outside of the scope of the MOU

The JWC will consist of authorised representatives of DRDLR, BASA, Agbiz and other identified key sector stakeholders, as required from time to time.

The parties will submit applications for discussion and/or approval at least seven days prior to the next scheduled meeting of the JWC. The JWC undertakes to complete the grant approval process within 60 days of the submission of applications, followed by DRDLR disbursing funds within 14 days thereafter (subject to all disbursement conditions being fulfilled).



THE EXPECTATION IS THAT THE MOU WILL HAVE BEEN SIGNED BY THE TIME THE 2016 AGBIZ CONGRESS IS HELD IN JUNE."

CRITICAL SUCCESS FACTORS

The success of the MOU will depend on a number of critical factors, inter alia:

- The involvement and timeous participation of the relevant parties and stakeholders across all spheres of government
- The timeous identification of suitable projects involving land transactions, supported by timeous credit assessment and in principle approval of loan applications by members of BASA and Agbiz in their respective separate capacities as authorised credit providers
- Adherence to the timelines
- Consensus between the parties regarding their roles and responsibilities
- Ring-fenced land transactions approved and processed by the JWC, which provide commercial farmers with exemption from future land reform requirements/legislation
- Ensuring that all discussions, negotiations and approvals adhere to all relevant legislation

CONCLUSION

The expectation is that the MOU will have been signed by the time the 2016 Agbiz Congress is held in June. The financial institutions have committed significant resources to the programme and it is trusted that Government, and specifically DRDLR, will match commitment with the necessary diligence and responsibility. ■

BRINGING AGRICULTURAL TRAINING BACK ON TRACK

Derick van der Walt, Greenpepper Communication,
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When first established, the Sector Education and Training Authorities (SETAs) were good news, especially for the agricultural sector, as the industry, like most, needs a skilled workforce. The idea was to provide South Africans with skills that would not only equip them to do better in their jobs, but also to improve the chances of new entrants to market finding employment.

The AgriSETA was committed right from the start and followed a strategic direction relevant to the needs of the sector, specifically its human development needs.

But then politics came into play, says Dr John Purchase, CEO of Agbiz. "Ministerial appointments brought a political dynamic into the SETA and over the years external forces compelled SETAs to engage in activities they did not necessarily favour or that were not important to the sector. Underspending has also plagued SETAs since inception," he says.

A new SETA landscape proposal, which involves a revamped skills development strategy is now on the cards, but will this get agricultural training back on track?

"Organised agriculture's (farming and agribusinesses) position is that the AgriSETA should be improved and strengthened and that its board should be more accountable. Excessive instability in the system since the National Skills Development Strategy was introduced 15 years ago has made it very difficult for agriculture to get to grips with skills development in the sector and to take it forward in a structured and organised manner.

"We believe that the ministerial appointments to governing boards have not strengthened these boards, but rather weakened and politicised them. While there used to be a balance in governing boards of equal (and only) employee and employer representatives, ministerial appointees brought a new and political dimension into strategic planning and decision-making. The funds raised by the skills levy are from a specific economic sector to be used largely for the benefit of that sector. These funds should be administered by the employers and employees of a specific sector, no-one else," Purchase believes.

Agbiz and Agri SA, on behalf of primary and secondary agriculture, made a joint submission in response to the call for public comments on the new SETA landscape, while BUSA (representing organised agriculture at Nedlac where these

matters are discussed) submitted similar but more general comments and views.

“Organised agriculture disagrees with the proposals insofar as they want to drastically change the training landscape. We realise, however, that there is a need for changes to be instituted. In essence, we support Option 1 of the landscape as published for comment in the Government Gazette of 10 November 2015. This option calls for minimum change,” Purchase says.

Purchase also states that organised agriculture agrees that career development (learning pathways and occupations) should define future learning, as proposed by the new strategy, rather than only focusing on finding jobs. “We also strongly believe that agricultural colleges must be key delivery agents for learning pathways. They should be recognised and capacitated to do so. This not only refers to their staff component, but also to their infrastructure, which has been badly neglected over the past years.”

He also believes that the proposal should be supported to have practical training on farms and that “workplaces should be opened”. However, security on farms remains a priority. “One should be realistic about allowing large numbers of unknown persons onto farms and business premises,” Purchase says.

“We further disagree with the concept of advisory boards (SETABs). We believe that SETAs should not be advisory bodies. They need to be centralised skills authorities taking control of sector training.”

Purchase points out that organised agriculture also does not agree with the new proposed funding model. “We totally disagree with the centralisation of funds and that decision-making powers over the bulk of the levy should be centralised within the National Skills Fund (NSF). These functions should rest with stakeholders

who paid the levy. We also don’t agree with the absolute divide between pivotal and sector-specific discretionary grants. With the establishment of the Skills Development Act, it was agreed amongst social partners that employers should be encouraged to do skills development in the workplace. With the reduction of a 50% skills levy to 20%, refundable to participating employers, the motivation, and in most cases also funding for skills training at the workplace, have been reduced. The apparent shift of skills levy funds to supplement voted funds to finance universities for ‘no fees increase’ or ‘fees must fall’ campaigns is against the spirit of the act and we do not support it.

“The governance of SETAs needs to be addressed. The composition of boards and the role of ministerial appointees, board fees and the participation of line function government departments should also be scrutinised. We believe employers’ role on the boards should be strengthened. SETAs should become permanent structures, as the five-year licence agreement only creates uncertainty and limits long-term planning. In the case of AgriSETA, it is recommended that its scope should be aligned with that of the Department of Agriculture, Forestry and Fisheries (DAFF),” Purchase says. ■



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NATIONAL MINIMUM WAGE



REMAINS A MAJOR CHALLENGE

**Derick van der Walt, Greenpepper Communication,
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The enforcement of a national minimum wage (NMW) remains a serious challenge for organised agriculture, primary producers as well as agribusinesses.

This statement is supported by a study released in December 2015 by the Development Policy Research Unit of the University of Cape Town, commissioned by the Department of Labour. The study indicated that an NMW is a complex issue and several variables should be taken into account when considering it. The study also showed the detrimental effect that introducing the sectoral determination had on employment in the agricultural sector.

"We remain convinced that a solution should be in the best interest of the country. It should, however, bring stability to the labour market and should validate South Africa's democratic institutions. We believe that employees must earn a fair wage, but socio-economic and market imperatives should not be compromised," says Dr John Purchase, CEO of Agbiz.

"We will consider a wage floor that is below existing collective bargaining agreements and sectoral determinations to cater for those workers who fall outside these provisions. A wage floor should, however, not lead to job displacement. We also believe that sectoral determination provides a solution as it takes the specific needs and circumstances of a sector into account," he says.



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BUSA represents organised agriculture on the Nedlac Labour Relations Technical Task Team that is investigating the issue. This task team advises a high-level committee of principals (CoP) under the auspices of the deputy president, consisting of senior politicians and other role players from the business sector. "We still have a long way to go before consensus is reached on the matter," Purchase says.

**WITHIN THE TECHNICAL TASK TEAM
THERE IS AGREEMENT ON THE
FOLLOWING:**

- The exclusion from the NMW of unpaid volunteers employed for charitable purposes and the state security agency. Exclusion of trainees and those covered by the Merchant Shipping Act, and non-profit organisations (NPOs) is still being discussed. Business believes that genuine employees should be covered by the NMW, but those who are volunteering for charitable purposes or for work experience or training should be excluded.
- Which allowances, payments and working subsidies should be excluded from remuneration for the purposes of the NMW. The gross salary, before deductions, should be the amount used for the NMW. There is no agreement yet on whether employer contributions to pension and medical aid and "money in kind" can be calculated as part of the gross amount. Business has argued that such contributions and payment in kind should form part of the gross salary.



**THE ENFORCEMENT OF A
NATIONAL MINIMUM WAGE (NMW)
REMAINS A SERIOUS CHALLENGE
FOR ORGANISED AGRICULTURE,
PRIMARY PRODUCERS AS WELL
AS AGRIBUSINESSES"**

Purchase points out that in late 2015 the technical task team experienced some challenges to the process. "Labour was keen to engage in 'without-prejudice' discussions on a proposed level for a NMW. Business, on the other hand, maintained that determining the level should be subject to independent and careful analysis by the Employment Conditions Commission."

Agreement was reached to continue with "without-prejudice" discussions on the NMW, as there are also other outstanding areas of concern. A working group of the CoP, consisting of a representative each of the labour sector, business and Government, was established to investigate and deliberate. The outcomes will be passed on to the Employment Conditions Commission for stress testing in terms of criteria set out in the Basic Conditions of Employment Act to gauge the impact that such a wage may have on both the business sector and workers.

"Business believes that agreement on the NMW is paramount. The NMW should not endanger stability in labour relations and should restore business confidence. We also believe in a package approach. The NMW should be accompanied by measures to stabilise labour relations and must address violence and compulsory advisory arbitration.

"Business is further convinced that the legislative process should be simple to ensure that it is easy to enforce and does not create an undue regulatory burden. Nedlac's role as a facilitator for social dialogue should also be reinforced. This is a forum for social dialogue on policy. Social partners should not undermine Nedlac by making it a collective bargaining forum," Purchase believes. ■

THE NEED FOR TRANSFORMATIVE LEADERSHIP

IN GRAPPLING WITH OUR SOCIAL AND ECONOMIC CHALLENGES

Dr Mzukisi Qobo is associate professor at the Pan African Institute, University of Johannesburg and a director of public affairs at Tutwa Consulting, e-mail: mzukisi.qobo@gmail.com

More than ever before, there is a need to sustain dialogue and forge a strong relationship between government and business. The continuing slide of the economy, the threat of junk status, the erosion of the ethical base of our politics and institutions, and the declining public mood, thrust a challenge to leaders across society to leave their comfort zones and explore a journey that is less travelled.

One of the most comfortable positions to be in is that of criticising government. Those of us who shape public discourse are in the habit of doing this. It is now plain to everyone that fractures in our politics go deep, and that the economy is performing far below its potential, with adverse consequences for businesses and ordinary citizens.

There is nothing wrong in criticising bad policy decisions and choices, but when this is a singular preoccupation of



those who have it within their power to offer solutions, it saps positive energy. In many ways we have reached a point where government has barricaded itself from the growing noise of criticism. And they now also look for faults in those who criticise them.

Some government leaders would admit that their decisions have not always taken the country forward, but would also turn back at business leaders and ask pointedly – what are you doing to address the deep-seated socio-economic challenges that are still a reminder of the past? And how are you doing on equity?

The fact that business has not acquitted itself well on transformation issues in the past makes it harder for it to get the attention of government. Even when government reaches out to business as it happened in February 2016 ahead of the budget vote, this is done grudgingly, and to give a public impression in grappling with economic challenges.

CALL FOR TRANSFORMATIVE LEADERSHIP

Society expects much from both government and business leaders in generating solutions to our mounting social and economic challenges. Recently, the faith-based fraternity of civil society, under the leadership of Archbishop Thabo Makgoba, launched a platform called the Socio-Economic Future of South Africa (SEFSA). Even though its face is a prominent Anglican archbishop, the platform is not defined in narrow ecumenical terms, but crafted to draw together diverse strands of society.

This initiative recognises that to work together requires that we move out of our sectoral trenches, reach out to other concerned South Africans and civic leaders, commit to a shared vision of how the future should look like, and build momentum for change.

The other leading figures in this initiative are Professor Nick Binedell of the Gordon Institute Business School and Zwelinzima Vavi, formerly COSATU general

secretary. At its launch, Makgoba stressed the need for “collective faith in the future”. This is not about banal optimism, but a faith that is grounded in concrete initiatives that various social actors, especially business and civic leaders, are engineering to build such a future – even against hope.

Others, however, have developed fatigue and insist that there have been too many civil society initiatives in the past, and that they have not borne fruit. They characterise these as lost causes that will fizzle over time. Even so, it is worth exploring different avenues to achieve outcomes that could contribute to collective good.

In his work, *Orthodoxy*, Gilbert K. Chesterton warns us not to completely throw away those avenues for change that have been rejected by sections of humankind as lost causes. He points out that: “The task of modern idealists indeed is made much too easy for them by the fact that they are always taught that if a thing has been defeated, it has been disproved ... [But] the lost causes are exactly those which might have saved the world.”

MANAGING CONVERSATIONS WITH GOVERNMENT

I recently read a refreshing article by Professor Arnold Smit of the University of Stellenbosch Business School in which he discusses the importance of respectful conversation¹. He draws on the themes of the book titled *In Difficult Conversations*, published in 1999 as part of the Harvard Negotiation Project. In the book, the authors distinguish between three types of conversations.

The first is the “what happened conversation”, where differences are held over particularistic facts. Instead of exploring the views and truths of others, we rather fight for the acceptance of our version of things. We sometimes even insert principle, and say “I am standing on the point of principle” to lend credence to our pride and deeply entrenched dogma. We find it hard to transcend our ossified biases to explore what the world of the others looks like or just to take a moment to listen and understand. This requires strategic patience, which is in search of something bigger and more uplifting than the current position.

¹ Arnold Smit, “Deal with what’s wrong without destroying what’s good”, Thoughts Thursday, 10 March 2016. <http://www.usb-ed.com/content/Pages/deal-with-whats-wrong-without-destroying-whats-good.aspx>



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Secondly, according to Smit there is the “feelings conversation” in which we recognise the emotional charge between and within us. Here, instead of acknowledging and owning up to the discomfort, we apportion the negative emotions to the other party and, consequently, rob the conversation of honesty and inter-subjective connectivity. “This is failure to take responsibility of our perceptions and the negative emotion that they generate.”

Finally, there is the “identity conversation”, which leads to our feeling threatened and, consequently, we try to find protection in a group similar to ourselves while labeling the others as the enemy. Here dogma becomes our guide. We exchange our dogma with those who have a similar dogmatic outlook as us, and once we are challenged, we immediately close rank. Instead of searching for new solutions, we seek affirmation for our heuristic biases. Sometimes we take refuge in racial groups or clans, thereby missing an opportunity to build something bigger than us that we could bequeath future generations.

WHAT NEEDS TO BE DONE?

As William Eggers and Paul Macmillan point out in their book, *The Solution Revolution*: “Citizens, businesses, entrepreneurs, and foundations, often turn to each other rather than relying solely on the public sector to coordinate solutions to every problem.”

The time has come for business leaders to raise their platform of engagement with government. If things were to collapse, the effect would reverberate across society; the economy would be badly damaged; return on capital would be whittled down; and social instability would become pervasive. The fiscal strain that would follow in the wake of a sub-investment downgrade, for example, will not induce pain just for those in Luthuli House or in the Union Buildings, but

“BUSINESS LEADERS DO NOT HAVE TO SHOUT FROM THE ROOFTOP OR SUPPORT POLITICAL PARTIES TO PLAY A POSITIVE ROLE IN SOCIAL CHANGE. THEY ARE EXPECTED TO BE GOOD CORPORATE CITIZENS, UNDERTAKE TRANSFORMATION HOWEVER PAINFUL, BECOME CONSCIENTIOUS, AND CONTRIBUTE SOLUTIONS TO THE CHALLENGES THAT SOCIETY GRAPPLES WITH.”

would weigh heavily in the corporate boardrooms, in the profits of companies, and in the pockets of the middle classes through high taxes. Menacingly it would debase the livelihood of ordinary citizens. The future would be bleaker for our children and future generations.

More than the downgrade, we have to be concerned about the character of leadership that tough economic times tend to produce. When it gets tougher in the economy, politicians tend to appeal to raw nationalistic feelings, to the emotiveness of race, and to shift the blame to corporates that are resisting transformation. Populism gains wider currency in such circumstances, and this tends to play to growing resentment caused by high

levels of social inequalities and declining opportunities for gainful employment.

Granted, it is not the core business of corporates to fix politics. The worst thing, however, is not to realise a more transcendental role that locates business leaders as social actors who have it within their power to contribute meaningfully to social change. Business leaders do not have to shout from the rooftop or support political parties to play a positive role in social change. They are expected to be good corporate citizens, undertake transformation however painful, become conscientious, and contribute solutions to the challenges that society grapples with.

The role of business can also be expressed in the form of informal dialogues with government where a climate of candour is created. It can also come from playing a role in supporting the renewal of ideas for change, nurturing think tanks, and working with existing initiatives that are exploring long-term solutions to our social and economic challenges. ■

USING SATELLITE IMAGERY FOR ESTIMATING WATER USED¹ BY IRRIGATED AGRICULTURE

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This past year South Africa has been in the grip of a severe drought – some areas have been experiencing these conditions for more than two years. As a consequence, large areas under rain-fed agriculture have been greatly affected. Many irrigated areas have also been affected adversely, resulting in water conservation measures and water restrictions imposed, with water supplies substantially cut.

Without water, no agricultural production can take place. As a result, in the midst of an extreme event, questions that arise around water management include:

- Do we know how much water we need for (irrigated) agricultural production? And how much water is available?
- Do we have this information available per water management area/region to answer these questions?

- Do we know the hectare extent of irrigated agriculture and its contribution to crop production and the economy?
- How can one best utilise available water resources in support of sustainable food production?
- Can we tell which types of crops are more water-efficient in terms of production?
- For future events: how can we empower ourselves with knowledge to ensure that we apply available water resources optimally?

Current research funded by the Water Research Commission and the Department of Agriculture, Forestry and Fisheries (DAFF) might help in answering some of these questions and enable better water resources management and planning in the future.

This project utilises earth observation and geospatial data in combination with complex algorithms in an innovative way to estimate the following:

¹ When we talk about water used by agriculture, we refer to actual consumptive and beneficial use of water by crops (represented by the actual evapotranspiration from a cropped surface). Water used does not refer to the irrigation applied to crops.

- Area under irrigated agriculture in 2014/15
- Total water consumed by irrigated agriculture in South Africa
- Water consumed by individual irrigated agricultural crops

This research aims to update out-dated estimates related to South African irrigated agriculture and will provide a better understanding of site-specific agricultural crop water consumption. A water accounting framework will be used to determine water resource excesses at various water management scales. Water accounting describes a catchment's hydrological processes, manageable and unmanageable water flows and their interaction with land use. This information can also be used as a reference for making decisions on possible expansions in irrigated agriculture.

Earth observation and geospatial data are an independent source for assessing water resources. The ETLook model, developed by Dutch company eLEAF, uses this type of information in a pioneering manner to estimate transpiration, intercepted evaporation and soil evaporation. As input, ETLook utilises spatial data sets from operational satellites, spatially interpolated weather data and other static data sets. The satellite-based data used includes, for example, the soil water

in the top soil layer and precipitation. The resulting data products (e.g. evapotranspiration or ET and biomass production) cover the whole of South Africa and are available for every 250x250 m pixel area. The process followed is shown in Figure 1.

The water consumption (ET) by vegetation (agriculture and other) across the entire South Africa was calculated for the period 1 August 2014 to 31 July 2015 (Figure 2) and is expressed in mm/yr. This annual ET map was generated using daily satellite images captured over the 12-month period and represent the sum of the twelve monthly ET maps generated.

This annual ET map shows areas with higher (darker blue) and lower (white-pink-light green) ET. Differences in the ET are associated with the water availability (whether through rainfall or irrigation applied), the vegetation or crop type and the climatic conditions. This map of ET gives a clear indication of the existing variation in water use by crops and other types of vegetation during their growth. Understanding the spatial distribution of ET across the country provides insight into crop water requirements in various regions.

Seasonal differences in ET are observed from the maps. For example, Figure 3 shows such variations in the

Figure 1: Inputs and process employed to calculate transpiration and evaporation as well as the biomass production using the ETLook model.

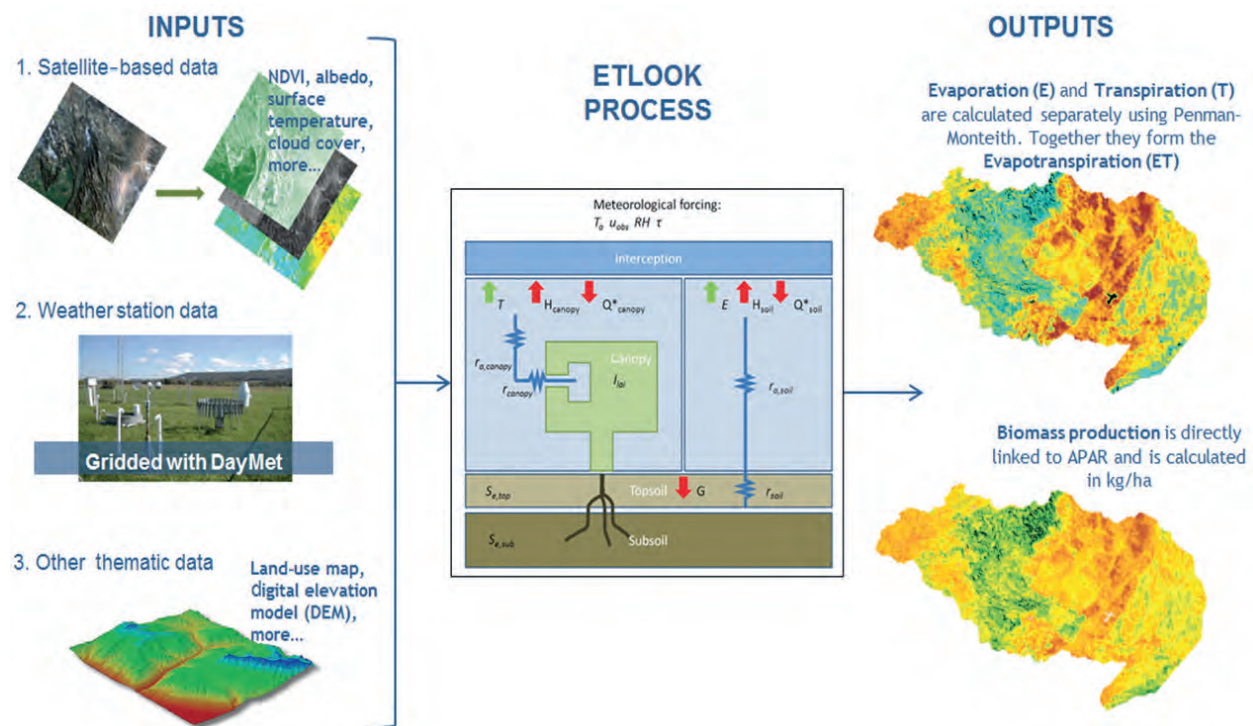
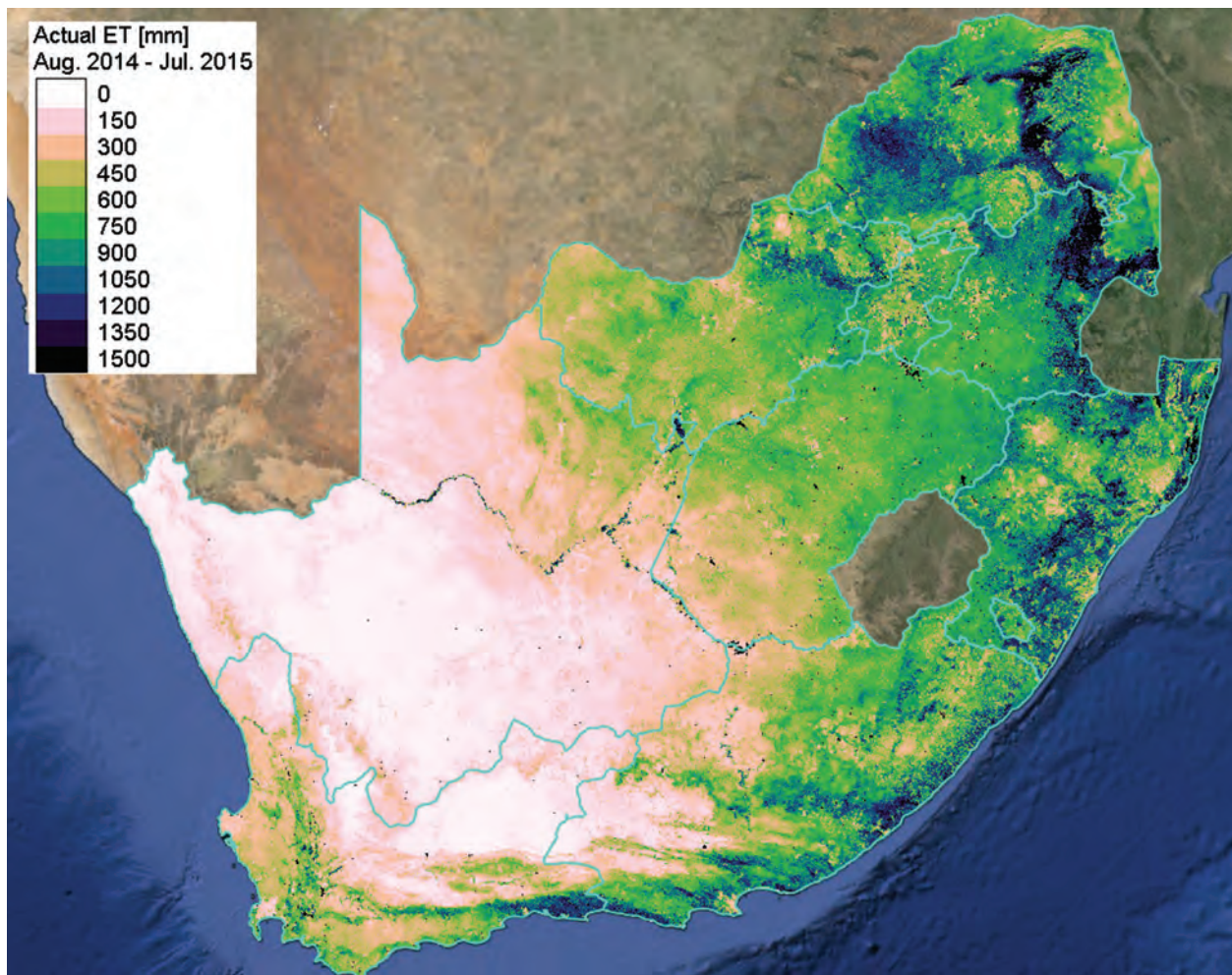


Figure 2: The water consumption by vegetation (agriculture and other) across South Africa, for the period 1 August 2014 to 31 July 2015.

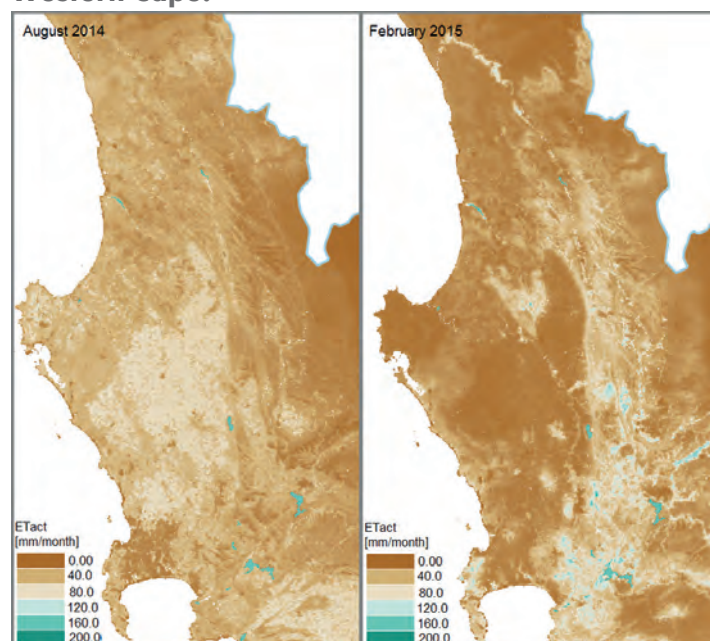


Western Cape for August 2014 and February 2015. These two maps show distinctly different ET estimates: for example, in February the higher ET areas relate to dams and irrigated areas, whilst in August the higher ET values correspond to areas under rain-fed winter wheat.

Extracting ET information from any point presented in the ET maps provides insight into the water consumption profile of a crop or vegetation over the season. In the example shown in Figure 4, data from an irrigated table grape field and a rain-fed wheat field situated in the Western Cape are shown. It shows that the ET from the rain-fed wheat field is typically much lower than that for the table grape field, with peaks in ET for the wheat field in September and for the table grape field in January.

Using the data sets generated thus far, ET profiles can be generated for any agricultural crop (or

Figure 3: Monthly (mm) water use maps for August and February 2015 for a portion of the Western Cape.



vegetated surface). This can be done to compare the water used by crops (as in Figure 4), or to investigate the differences between irrigated and rain-fed scenarios for the same crop type. An example of the latter application for a sugarcane field is shown in Figure 5. This can assist water managers either at Water Users Association (WUA) or Catchment Management Agency (CMA) level with their planning. It provides estimates of the amount of water needed for the production of a specific crop, for each month of the year. Given that many new cultivars and crops have been introduced to South Africa over the past 20 years and that there is little knowledge in terms of their water use and crop water requirements, this research will bring a wealth of information.

The current project results will be expanded in the coming months by incorporating existing data and knowledge. Irrigated agriculture experts as well as government

officials will be consulted to evaluate results obtained through this research.

Having its focus on irrigated agriculture, the next step in the project is to generate a map identifying all areas under irrigated agriculture in South Africa. Reference tables will be generated showing seasonal ET profiles for various irrigated agricultural crops. By applying the process of water accounting (future work), all the generated data sets will be used to assist in determining if additional water resources are available for further agricultural development and where these areas are situated.

This new knowledge regarding recent irrigated agricultural crop water use will assist water managers to improve water resource management. It will also help prepare for improved water management during extreme drought conditions in future. ■

Figure 4: ET “profiles” for a field with irrigated table grapes and one with dry-land wheat situated in the Western Cape. The actual monthly water consumption data is shown in mm.

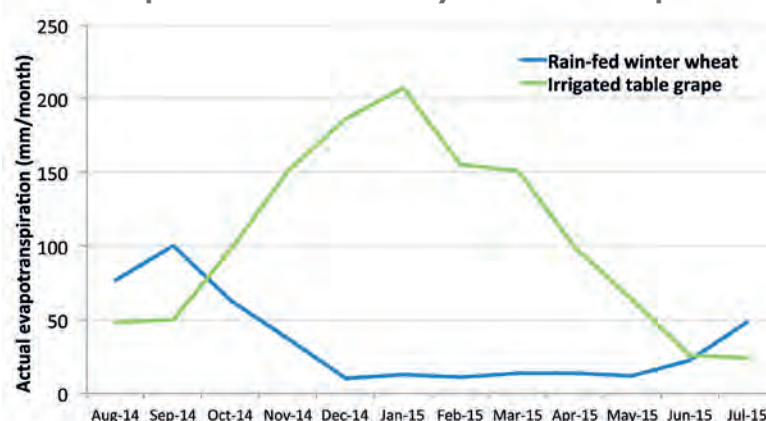
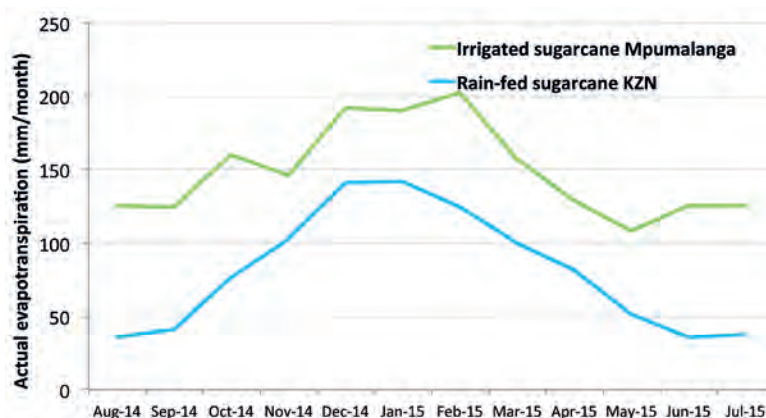
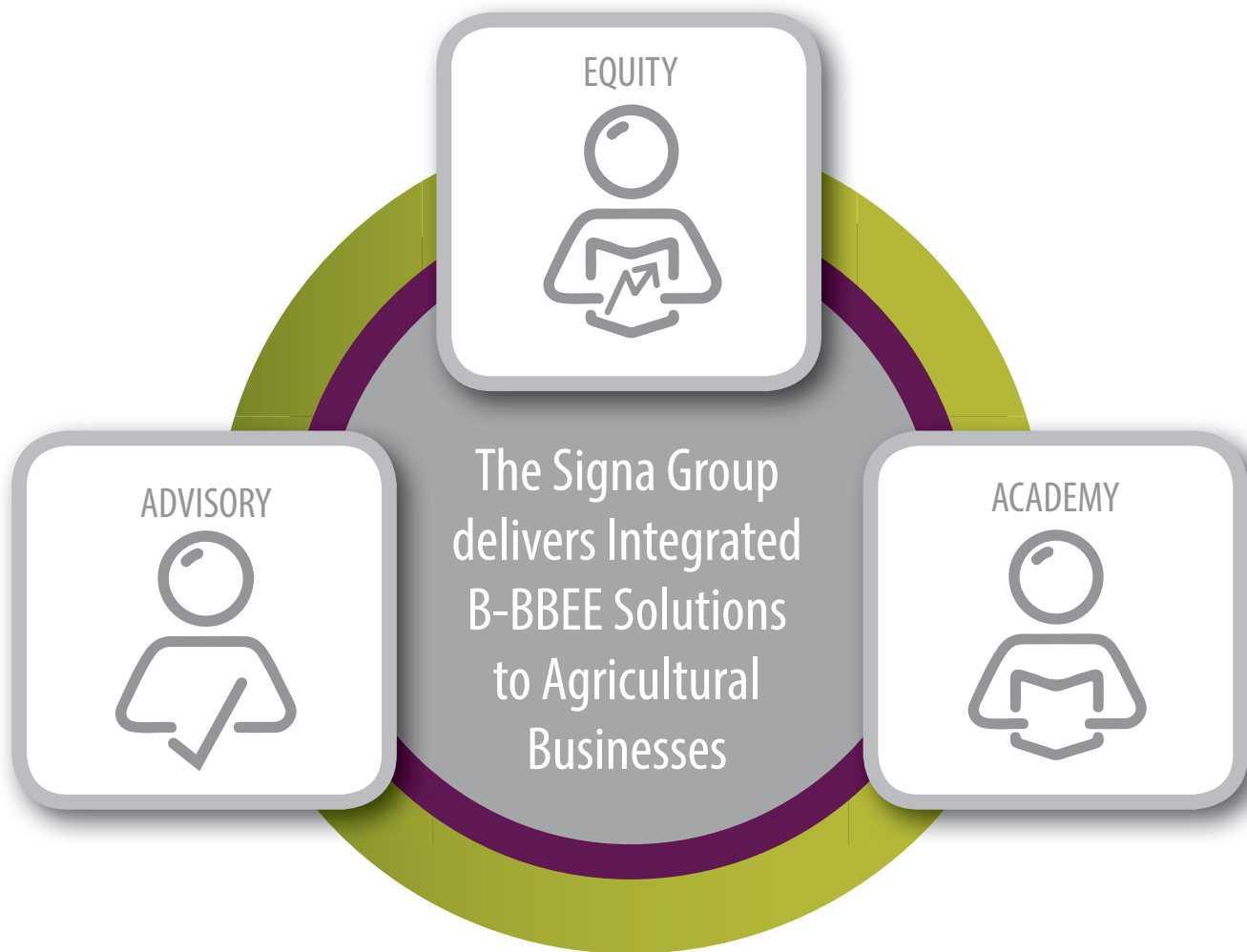


Figure 5: ET “profiles” for a field with irrigated sugarcane and another with dry-land sugarcane situated in Mpumalanga and KZN respectively. The actual monthly water consumption data is shown in mm.



Acknowledgements: This research article forms part of the WIDE-SCALE MODELLING OF WATER AND WATER AVAILABILITY WITH EARTH OBSERVATION/SATELLITE IMAGERY project funded by the Water Research Commission (WRC) (Project no. K5/2401//4). The project is being carried out by Stellenbosch University, in partnership with eLEAF®, Agricultural Research Council, GeoTerra Image® and independent consultants.



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REVIEWING SOUTH AFRICA'S POSITION

WITHIN THE GLOBAL CONTEXT
AGRICULTURAL TRADE, THE TPP
AND ITS POTENTIAL IMPACT

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The International Monetary Fund (IMF, 2011) came to several conclusions in its report titled “Changing patterns of global trade”. Three of these are of particular interest to African countries in general, and South Africa in particular. Firstly, it was noted that the global shift in trade patterns related to the tripling of global output, compared to levels observed in the 1950s. This, to a large extent, was attributed to the integration of emerging markets into the global economy. The second observation was that the liberalisation of trade had led to significantly lower tariffs in the advanced economies, followed more recently by developing economies. The third point related to the increasing recognition of the important role of global supply chains, linked with the increase in trade interconnectedness, and with emerging markets now playing a key role within these global supply chains. The report acknowledged the fact that “advanced economies tend to be upstream in the supply chain ... [whereas] emerging economies tend to be downstream in the supply chain”.

A World Trade Organisation (WTO, 2013) report seemed to concur with each of the general observations and conclusions made by the IMF (2011). But the WTO (2013) goes on to describe the role and impact of geopolitics in advancing and reinforcing the observed structural trends. The significance of geopolitics was further underscored by analysts such as Draper, Lacey and Ramkolowan (2014) in their description of mega-regional trade agreements (i.e. the Trans-Pacific Partnership [TPP] and the Trans-Atlantic Trade and Investment Partnership [TTIP]), whose emergence has been tipped as a major “game-changer” in the pattern of global trade. Analysts such as Leo Quigley said that the TPP represents a “polarisation of world trade”, his point meant to describe how a major part of future global trade will likely become concentrated within the 12 participant countries in the Pacific Rim.

WHAT'S THE DEAL?

The emerging question is why the TPP is relevant to any discourse on global trade, especially among African countries. There are two reasons why it is important for an emerging market such as South Africa to pay particular attention to the goings-on in such mega-regional trade agreements. Firstly, the significance of the TPP agreement lies in the numbers – the Brookings Institution described

the Asian Pacific as a region constituting as much as half of all global trade. According to a study for the United States Department of Agriculture (USDA) done by Burfischer and others, the TPP region has a population of 800 million people (11% of the global population) and a combined gross domestic product (GDP) of about US\$28 trillion (40% of global GDP). The study further explains that agricultural imports of TPP countries average US\$279 billion between 2010 and 2012, half of which were sourced from other TPP partners. The question then, for South African agriculture, is just how much of TPP agricultural imports will be further deflected into the TPP region as a result of eliminated tariffs. In other words, how much of South Africa's existing and future export opportunities will be lost as a result of the preferential market access granted by markets like the USA to competing countries like Chile, Vietnam and Peru, among others? This also brings into question the future value of the Africa Growth Opportunity Act (AGOA), given that TPP partners now also enjoy comparable market access into the US market. Secondly, how can South Africa's agriculture (re)position itself to deal with the reconfiguration of global trade to sustain its growth in the future? These are very fundamental questions, and it is critical to reflect not only on past and on-going efforts from both the public and private sectors, but also on whether such efforts are consistent with the changing realities of the global trade landscape.

HOW IS SOUTH AFRICA POSITIONING ITSELF?

Statements made by the Minister of the Department of Trade and Industry (the dti), Dr Rob Davies, have suggested that Government's primary concern lies in guarding its policy space. The stated policy path is that of very cautious liberalisation. In this sense, the Government has opposed the neo-liberal narrative which promotes indiscriminate trade openness, for fear of exposing sectors of the economy to unfair global competition. Such well-placed concerns also extend to global value chains, which are built on the same neo-liberal foundations of open trade. In fact, Minister Rob Davies expressed the need to depart from the definition of global value chains as defined by developed economies and redefine the narrative to suit the African industrialisation agenda. Deep scepticism exists among analysts, politicians and observers that global value chains as described by developed economies will only serve to impede, rather than promote, any chance of transforming Africa's prospects of industrialisation. Industry leaders and policy makers agree that Africa's best chance lies in deepening intra-regional

trade and promoting its own regional value chains. It is against this background that the Tripartite Free Trade Agreement has found significant relevance, despite the numerous challenges that may exist regarding its implementation. Minister Davies also said that the TFTA can be used as a vehicle for what he termed "smart protection", referring to how the market access within the TFTA can provide more opportunities to develop its manufacturing sectors and scale up the value chain into higher value production activities.

Regional integration between South Africa and the rest of the continent aligns well with the focus by the private sector. Recent trade trends show an impressive expansion of South Africa's agricultural exports into other African countries, with Africa standing as the leading importer of South Africa's agricultural products over the past five to six years. Ideally, the TFTA should expand South Africa's export opportunities. However, that might not happen to the degree that analysts



RECENT TRADE TRENDS SHOW AN IMPRESSIVE EXPANSION OF SOUTH AFRICA'S AGRICULTURAL EXPORTS INTO OTHER AFRICAN COUNTRIES, WITH AFRICA STANDING AS THE LEADING IMPORTER OF SOUTH AFRICA'S AGRICULTURAL PRODUCTS OVER THE PAST FIVE TO SIX YEARS."



and observers expect. A recent study by Mold and Mukwaya has shown that, despite increasing intra-regional trade by 29%, not all member countries will enjoy positive welfare effects and not all sectors will grow meaningfully. Fortunately, agro-processing is among the key potential winners of the TFTA – but it will all depend on how effectively the TFTA is implemented. Experience in regional economic communities (RECs) have shown that sub-Saharan Africa countries are still far from absorbing the complexity of deep integration, particularly when it comes to implementation.

HOW WILL THE TPP AFFECT SOUTH AFRICA'S EXPORT GROWTH?

There is no consensus as yet regarding the impact of the TPP and non-TPP countries, with some analysts arguing positive impacts (World Bank, 2016; Petri, Plummer and Zhai, 2012) and others pointing out negative impacts (Capaldo and Izurieta, 2016). A Tufts report done by Capaldo and Izurieta showed that the TPP will likely lead to losses in employment and increases in inequality in countries such as Japan and the USA. The report further projects that 770 000 jobs will be lost among TPP countries, with most of them in the USA. Overall effects on Malaysia were estimated to be negative as well. Results vary with regard to non-participant countries. A study by Narayan and Sharma (2014) showed mixed results in India, and Thorstensen and Ferraz (2014) projected negative impacts for Brazil. The more general view is that, overall, non-TPP countries will likely experience negative effects on growth and employment.

In the South African case, there has not been a modelling exercise to assess the impact of the TPP on the country's agricultural sector. What is expected, however, is that significant preference erosion will occur regarding South Africa's preferential market access in the US market under AGOA. As a point of illustration, South Africa's top three agricultural exports into the US market – shelled macadamia nuts, wine and fresh oranges – will be subject to some level of competition from other TPP countries. But from a market access perspective, the differences between tariffs faced by South Africa compared to other TPP competitors appear marginal, and in some cases, are null. For example, South Africa's shelled macadamia nuts enter the US market duty free, with its major competitors, Canada and Australia, also enjoying duty free market access, while Vietnam nuts are charged a duty of 0,4% ad valorem. Another example relates to South Africa's major competitors for wine in the US market, which include New Zealand and Chile, whose wine is charged a tariff of 1,59% and 0,42%

ad valorem respectively. Regarding oranges, all of South Africa's major competitors in the US market, such as Chile, Mexico and Australia, export duty free. So in this sense it would seem that elimination of duties in the TPP region might not cause any significant shifts in South Africa's market position, if at all, since all of the duties are already reasonably low.

However, concerns remain for South Africa's apple exports into Asia where South Africa had recorded some meaningful growth and expansion in Malaysia and Singapore, which accounted for a combined 12% of South Africa's total apple exports in 2015. The two countries are both part of the TPP and apples from other TPP partners such as Chile and the USA are charged a 5% duty ad valorem. South Africa is also charged a similar duty and is likely to encounter some competition if US and Chilean apple duties are eliminated under the TPP arrangement – bearing in mind that the USA is the leading exporter of fresh apples globally, with Chile being the fourth largest and New Zealand the seventh largest.

Beyond the tariff narrative are the higher-level rules that define market access conditions under the TPP agreement. These higher-level rules under the SPS-Plus approach go beyond those specified under the WTO SPS Agreement and are likely going to make non-TPP countries like South Africa less competitive. This is where the greater concern for South Africa will be, and it will be interesting to see if South Africa's position on global value chains and the TFTA will offer options to expand agricultural export growth that sufficiently counters the potential negative effects of the TPP. ■





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EVOLUTION

of South Africa's international trade environment

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Trade agreements construct a host of opportunities and threats to individual business entities, depending on a company's offensive stance on exports or defensive stance relating to import competition. The results of these processes often take several years to concretise, but when they take effect, they have a sudden and profound impact on the bottom line of a company. We trust that "trade" is firmly on the agenda in the boardrooms of Agbiz member companies.

Over the past year, South Africa has been engaged on numerous trade negotiation fronts. The World Trade Organization (WTO) held its 10th Ministerial Conference, the first ever in Africa, in December 2015. This ministerial was notable not so much for the substance delivered, but more so in the sense that Kenya has clearly emerged as the "de facto" leader of the African contingent in the WTO, a position that South Africa was considered to hold for many years. The African dynamic is also rapidly morphing with the three African trade blocs – the Eastern African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC), launching the largest free trade agreement (FTA) in the eastern and southern part of the African continent. It is known as the Tripartite Free Trade Agreement or TFTA for short. The first cross-border movement of goods under the TFTA is likely to happen in 2018. In the meantime, South Africa continues to forge ahead with its new relationship with the European Union (EU) under the SADC-EU Economic Partnership Agreement (EPA).

The veracity of this relationship is tested with tense engagements on market access constraints for South Africa on citrus black spot and the commencement of an investigation into safeguard protection from EU poultry. The trade relationship with the United States of America (USA) has also been heated of late. This relationship does not yet take place in terms of a fully-fledged trade agreement and as such is a sanguine illustration of the tightrope in trade dynamics faced by a middle-income state like South Africa.

The unsteady lead-up to South Africa's continued inclusion or otherwise in the US's trade preference programme, the African Growth and Opportunity Act (AGOA), has left the business community pondering whether this programme is morphing from a blessing to a curse.

AGOA is a trade preference programme providing duty-free access for some imports from eligible sub-Saharan African countries. South Africa is one of approximately 40 such countries. The USA first authorised AGOA under President Bill Clinton in 2000 to encourage export-led growth in Africa, as well as to foster wider political and economic relations with the region.

US imports under AGOA represent only a tiny share, 1%, of total US imports and are concentrated in oil and energy products. That said, South Africa's AGOA access actually creates 66% more jobs in the USA than it does in South Africa. The biggest segment of South African exports under AGOA last year was from the motor industry with citrus, wine and macadamia nuts featuring as the most prominent agricultural exports.

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Contrary to popular belief, AGOA is not a free trade agreement between the USA and South Africa, or other African countries. A free trade agreement caters to reciprocal market access concessions by the parties and both parties assume rights and obligations under the agreement. AGOA is different – preferential access into the USA, which is not reciprocated by African countries. This “aid in the form of trade” type arrangement is in fact inconsistent with the general rules of the WTO’s multilateral system and exists at that level only under a general waiver of obligations agreed to periodically by the WTO’s membership. This in itself is telling.

As a unilateral preference instrument, AGOA serves as a tool for wider US foreign policy and can be used as a carrot to encourage preferred behaviour from African countries on a political, security or human rights front. A good example of this leverage exercised in practice in our neighbourhood, is the withdrawal of AGOA benefits from Swaziland on human rights grounds.

The question currently at issue is whether South Africa will go the same way. There is a strong body of thought in the USA that its policy should focus more on two-way trade agreements with Africa, particularly with a relatively advanced state like South Africa. The European Union has, for example, negotiated economic partnership agreements (EPAs) with several African countries that provide some reciprocal market access benefits, potentially placing the USA at a competitive disadvantage relative to the Europeans in this market. The wheat import quota into South Africa under the EPA, not mirrored for US wheat exporters, is a good example of such a disadvantage.

AGOA was due to expire and was then renewed in 2015. It has a new stipulation that, if US industries have objections to AGOA imports, such access could be re-evaluated in a so-called out-of-cycle review. The US poultry and meat industries made such objections and South Africa was placed under such review. In a conciliatory gesture, South Africa conceded to an annual quota of 65 000 tons of US poultry free of anti-dumping dues, but by a quirk of fate the USA had an outbreak of bird flu, so the quota could not be made effective on health grounds.

The USA requested South Africa to ban poultry imports only from the 20 or so US states where avian flu had broken out. Under the WTO’s sanitary rules, the USA needed to satisfy South Africa that the disease can be contained to those states, which it seemingly was not

able to do. Of interest is that in recent years the USA has banned the importation of Argentinean beef, this despite an Argentinean request for the recognition of disease-free areas – like the USA has itself asked of South Africa. The WTO recently ruled that this US action was contrary to WTO rules. This too is telling.

President Obama had three options available. Firstly, he could maintain South Africa’s status as is; secondly, he could cancel South Africa’s beneficiary status; or thirdly, he could withdraw, suspend or limit concessions made to South Africa. In November 2015 Obama indicated that South Africa was failing to meet his criteria and that he intended to suspend duty-free treatment for all AGOA-eligible agricultural goods from South Africa after 60 days. Although South Africa made some progress, it ostensibly did not meet all of the US demands. Thus, in January 2016, a US proclamation was issued suspending South Africa’s agricultural products under AGOA effective from 15 March 2016. Under great pressure the issues were resolved by South Africa to US satisfaction, a mere slither ahead of the March 2016 deadline. This enforcement of US interests is seen by US officials as “holding our trading partners to their commitments” while sanguine South African observers understand that South Africa has essentially been bullied and has capitulated in response to the bullying in the absence of the protection of a fully-fledged free trade agreement.

These AGOA dynamics create uncertainty, which translates into business risk. Blessing or curse? That remains to be seen. However, what is evident, is that building an export strategy that is competitive only premised on AGOA benefits, is risky business indeed. It underpins that a reciprocal trade agreement subject to the rigours of international law is far more preferable to a discretionary aid for trade arrangement. This underscores the value of trade agreements to South Africa and impresses upon the necessity for business to have their proverbial “sleeves rolled up” in constructing these trade treaties. It is most probable that the negotiations for a fully-fledged free trade agreement between the USA and SACU, which stalled a decade ago, will be back on the negotiating front sooner than may be expected. Alert is the order of the day for South African businesses.

This example serves to encourage those in the boardroom to take adequate strategic trade advice from International Trade and Investment Intelligence at Agbiz on all trade agreements, in protecting their domestic interest and their future export prospects for their products or services in bolstering the corporate bottom line. ■

FOREIGN DIRECT INVESTMENT IN THE AGRICULTURAL SECTOR: the South African position

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In 2014, foreign direct investment (FDI) to Africa increased by 64%. The integration of Africa into the global trade and global production networks is changing the traditional way of doing business in Africa. Long-term pressure tends towards more transparency and best principle practices. One of the major questions African policy makers will have to address, is integration into global value chains and sustainable investment options.

While FDI to Africa surged, United Nations Conference on Trade and Development (UNCTAD) reported that Southern Africa had the most significant declines in FDI during the past year. This is attributed to the end of the commodity “super-cycle”, which impacted resource-seeking FDI. This highlights the global value chain debate and the importance of the value-added renewable resource sector. In this shift, investment in agriculture becomes crucial for economic development and employment.

South Africa remains the leading recipient of FDI on the continent, but the past two years have seen marked declines in multinational enterprise (MNE) activity. Lacklustre economic performance, increasing policy uncertainty and increasing rhetoric about landownership are quickly turning investors’ perceptions about the future of South Africa. The recent announcement by Barclays about divesting from Africa, but especially South Africa, is but one example.

Figures on South Africa’s share in FDI inflows to Africa vary between 18% and 5%. It remains the leader in telecommunication, financial and business services. The sectors represent the value-added services part of global value chain analysis.

With significant movement in the value-added services, the focus shifts to where South Africa lies in terms of value-added renewable resources and its role in the global value chain.

Foreign direct investment in the agricultural subsectors has to be viewed from a greenfield and mergers and acquisitions (M&A) perspective. When these types of FDI are investigated, they provide a similar picture about FDI inflows into South Africa as well as FDI outflows in the agricultural sector.

GREENFIELDS INFLOWS INTO SOUTH AFRICA

Greenfield investments are diverse and for many subsectors only two or three investments took place during the period 2003 to 2015. Biomass power is the dominant sector with more than a third of FDI in agriculture, followed by breweries and distilleries. A second tier is formed by pesticide, fertilisers and other agricultural chemicals, grains and oilseeds, fruits and vegetables and specialist foods, agriculture, construction and mining machinery, and food and beverage stores (food and tobacco).

The United Kingdom, United States of America and the Netherlands are the largest sources of FDI in agriculture in South Africa. These investments have a strong

focus on the processing and resulting manufacturing of agricultural output as well as support services and industries. Companies include Wasabi Energy, Cargill, Unilever, Heineken and Mitsui & Co.

The picture that emerges is one of value-added renewable resources that shows the integration of South Africa into the global agricultural value chain. This bodes well for job creation and economic development, but not for government rhetoric about foreign landownership. The focus on manufacturing and processing shows that foreign MNEs are not buying up agricultural land.

M&A INFLOWS INTO SOUTH AFRICA

Another vehicle for foreign MNEs to invest in South Africa is the acquisition of local assets. However, the picture that emerges is much the same. During the period, investments took place in 49 subsectors, with only one or two deals per subsector. Alcoholic beverages, sugar refining and business services attracted the most FDI.

The largest investors are the United Kingdom, United States of America and the Netherlands. France is also added to the mix. Phillip Morris, Cargill, Danone, ABF Overseas, Heineken and SAB Miller are the largest investors. It is worthy to note that SAB Miller has a primary listing in London and is therefore considered British.

As with greenfields, the focus of these investments is processing and resulting manufacturing along with support services. This confirms the value chain integration perspective.

GREENFIELD OUTFLOWS FROM SOUTH AFRICA

Agricultural greenfield FDI outflows from South Africa are mainly focused on Africa and the Indian subcontinent. Investments concentrate on agricultural input production and some processing. Shoprite and Pick n Pay lead the food retail with Tongaat Hulett and Astral Foods being significant players. Mozambique, Angola and Nigeria are dominating the destination markets.



SOUTH AFRICAN FIRMS ARE EXPLORING NEW OPPORTUNITIES IN AFRICA AND THE INDIAN SUBCONTINENT.”

This underlying current, which is seen in the FDI inflows of input production and further processing, continues the picture of global value chain investment. The main question that will need to be investigated following this study, is whether the destination markets

- have increased production
- have increased exports in related products

Answering these questions will indicate whether the investments are purely market-seeking investments or part of MNEs building global value chains.

M&A OUTFLOWS FROM SOUTH AFRICA

Outflows of FDI through the M&A channel confirms the previous findings. An added dimension is that some South African MNEs are investing in production in Eastern Europe (Romania) and manufacturing in Europe and North America. These investments clearly focus on market-seeking activities, which highlights that the traditional MNE behaviour in FDI still remains the primary driving force.

The United Kingdom and Nigeria are the major recipients from South Africa. The Distell Group, Remgro, Illovo Sugar and Tiger Brands are the major MNEs.

CONCLUSION

South African agriculture is being integrated into the global agricultural value chain by firms from the United Kingdom, United States of America and the Netherlands investing diversely in agricultural inputs and processing in South Africa. In response, South African firms are exploring new opportunities in Africa and the Indian subcontinent. This makes them valuable players in the global value chains of developing countries. For South African policy makers this poses the problem that firms in global value chains are exposed to the global factors that influence their sectors, but less and less to local policies and restrictions. ■



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DIAGNOSTICS OF SOUTH AFRICA'S TRADE COMPETITIVENESS IN AGRO-FOOD

Dr Ernst Idsardi, senior lecturer at the School of Economics at North-West University (NWU), Potchefstroom Campus, e-mail: ernst.idsardi@nwu.ac.za



Trade competitiveness performance is measured by investigating the long-term trends in the Revealed Trade Advantage (RTA) index of the agro-complex. For the purpose of the analysis this broad industry classification comprises seven sectors, namely: agricultural production inputs (e.g. fertilisers, seeds), primary agricultural capital inputs (e.g. tractors, planters), capital inputs for agro-processing (e.g. dairy machinery, mills), primary agricultural production (e.g. grains, fruits), forestry products (e.g. lumber, wood pulp), agro-processing of food products (e.g. meat, wine) and agro-processing of non-food products (e.g. leather, cotton fabric). The level of trade competitiveness reflects the ability of a sector to sustain quality, productivity and specialisation within an international context.

The RTA index was developed by Vollrath in 1991 and accounts for exports and imports simultaneously. The index is derived by subtracting the Revealed Import Advantage (RMA) index from the Revealed Export Advantage (RCA) index. This provides a better reflection of local content and production competencies as it counters for re-exports. An $RTA > 0$ reveals a positive revealed trade competitiveness and an $RTA < 0$ indicates no revealed trade competitiveness. The index is a revealed measure because it is an outcome-based diagnostic of international competitiveness using trade data. The RTA indices for the period 1992 to 2014 were calculated for the seven sectors of the agro-complex. The results are presented in the graphs on page 50. Note that the bold dotted reference line in each graph represents the threshold between positive and negative revealed trade competitiveness ($RTA = 0$).

The primary agriculture and forestry sectors have recorded a positive level of revealed trade

FIT FOR THE FUTURE

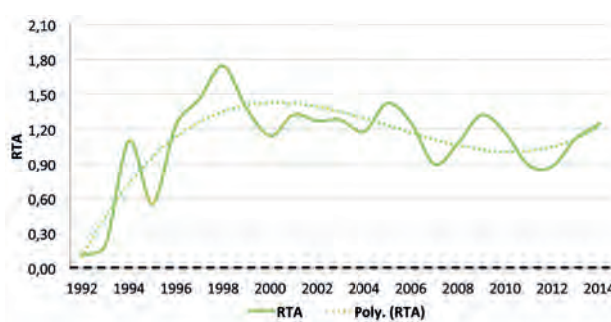
competitiveness for the entire period since 1992. Capital inputs for both primary agriculture and agro-processing only showed negative levels of revealed trade competitiveness during the same period. This implies that these specific sectors predominantly rely on imports. The other three sectors, agro-processing of food and non-food and production inputs for primary agriculture, showed both positive and negative levels of revealed trade competitiveness in the period from 1992 to 2014.

The graphs show that all sectors recorded stark increases in their levels of revealed competitiveness between 1994 and 1998; a period during which South Africa became integrated in global markets after its first democratic elections. Furthermore, apart from capital inputs for primary agriculture, all sectors showed a declining trend (see the respective polynomial trend lines) in their trade competitiveness from about 1998 until 2010. The agro-processing of food and the production inputs for primary agriculture sectors saw their positive level of competitiveness diminish to negative levels during this period. A remarkable upsurge in competitiveness levels is seen across the seven sectors since around 2012.

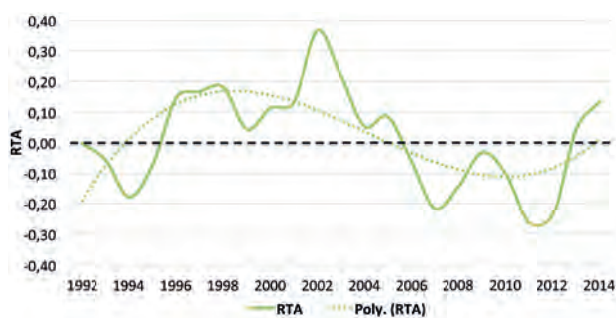
Looking specifically at the height of the levels of revealed trade competitiveness in the seven sectors in 2014, South Africa's international production competencies within the agro-complex can be ranked as follows:

- i. Primary agriculture
- ii. Agro-processing of food products
- iii. Agro-processing of non-food products
- iv. Forestry
- v. Production inputs for primary agriculture
- vi. Capital inputs for primary agriculture
- vii. Capital inputs for agro-processing

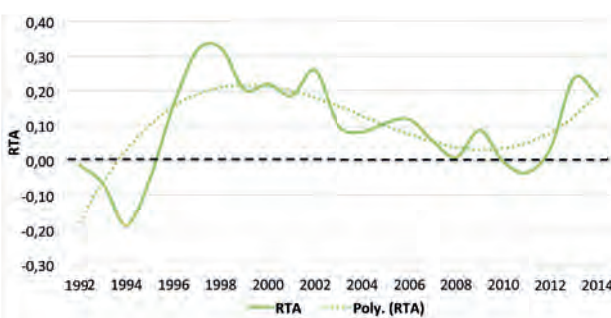
Primary agriculture



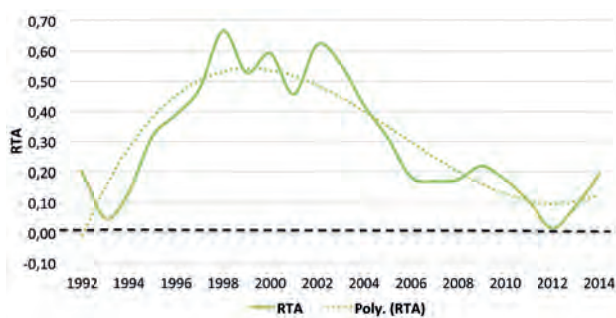
Agro-processing of food products



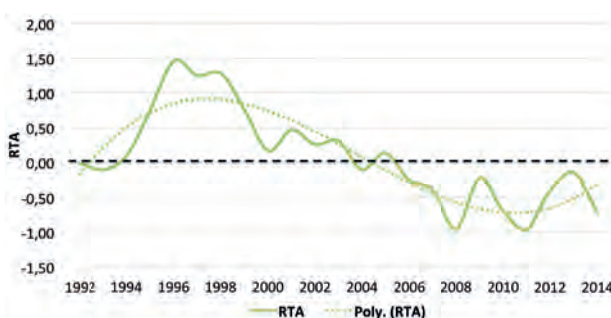
Agro-processing of non-food products



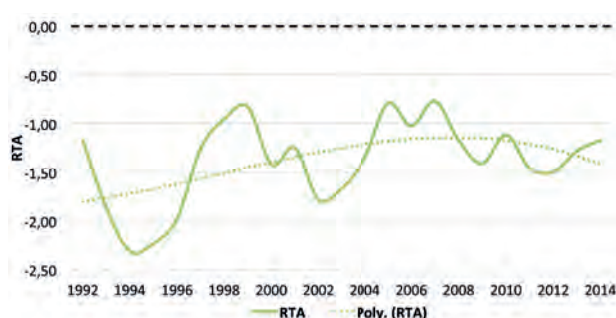
Forestry



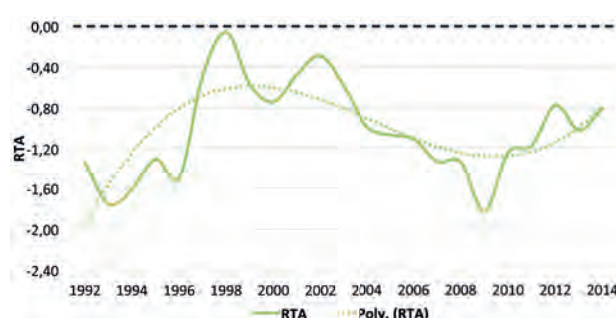
Production inputs for primary agriculture



Capital inputs for primary agriculture



Capital inputs for agro-processing



TRENDS IN THE REVEALED TRADE COMPETITIVENESS WITHIN SOUTH AFRICA'S AGRO-COMPLEX

An overview of the products with the highest level of revealed trade competitiveness in 2014 within each sector is shown in the table below. Note that these are not necessarily the products with the highest levels of exports, but products in which South Africa has the highest relative level of international specialisation. It is evident from the table that South Africa's trade competitiveness in primary agriculture and agro-processing of food revolves around fruit crops. Specialisation in the agro-

processing of non-food products mainly focuses on skin and leather products. The main competencies in the other three sectors are slightly more diverse. The proportion of products with a high level of revealed trade competitiveness (i.e. $RTA > 1$) within each sector of the agro-complex is shown in the last row of the table. In 25% of the products within the primary agricultural sector, South Africa has a high level of competitiveness, whereas in only 12% of the products within the agro-processing of non-food sector the country has a high level of trade competitiveness. ■

Products with the highest level of revealed trade competitiveness

Rank	Primary agriculture	Agro-processing of food	Agro-processing of non-food	Production inputs for primary agriculture	Capital inputs for primary agriculture	Capital inputs for agro-processing	Forestry
1	Oranges	Meal of maize	Wattle extract	Double salts and mixtures of calcium nitrate	Pedestrian controlled tractors	Poultry keeping machines	Chemical wood pulp
2	Plums	Preserved/prepared pears	Pickled skins of sheep/lamb	Nitrogen chemical/mineral fertiliser	Chemical sprayers	Brewery machinery	Wood in the rough
3	Grapefruit	Prepared/preserved apricots	Leather of animals	Phosphate chemical/mineral fertiliser	Rollers/stone removers	Poultry incubators/brooders	Balata gums
4	Other nuts	Grapefruit juice	Raw skins of sheep/lamb with wool on	Ammonium nitrate	Seeders/planters	Parts of cleaning/sorting machines	Kraft liner, uncoated
5	Fine animal hair (carded/combed)	Preserved/prepared peaches	Essential oils of citrus fruit	Other fertilisers	Ploughs	Machinery for sugar manufacturing	Non-coniferous hoop wood
RTA > 1	25%	19%	12%	23%	20%	14%	20%



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IMPACT OF BIG DATA ON AGRICULTURE

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With the hype of big data permeating the South African business industry, leaders are turning to the “ones and zeros” to provide insight into how their businesses can be run more efficiently.

While various definitions exist for big data, in its simplest form it refers to high volumes of information that arrives at fast speeds and can contain complex detail.

It is also important to note that data (whether big or not), is only useful to any organisation if it can produce actionable insights from it. That is where the analysis of data comes into the picture.

Given tough economic and weather conditions, the agricultural sector in South Africa could benefit more by using big data (and analytics in general). With the hefty task of providing a basic necessity for local and international use, increasing efficiency in this sector becomes paramount, given a growing global population. According to the United Nations’ Food



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and Agriculture Organisation (FAO), food production must increase by 60% to be able to feed the expected population of 9 billion by 2050.

In many developed countries, the use of big data in agriculture has been on the rise recently with new terms being introduced – such as the internet of agricultural

FIT FOR THE FUTURE

things, referring to various agriculture-related products, services and providers being connected to one another in a digital environment.

Governments are also becoming more involved in investing towards this analytically driven future, seeing the potential of big data and analytics in optimising harvest yields.

Companies that provide big data and analytics services to agribusinesses do exist globally, but they are few and far between, especially in South Africa.

These companies provide services that collect, aggregate, analyse and inform farmers on aspects such as soil conditions, planting algorithms and harvesting processes to ensure the maximum use of resources throughout the agricultural process.

From an agribusiness perspective, the operational efficiency, product strategy and investment management of agricultural businesses can be enhanced with big data.

As a small- or large-scale farmer, the operational efficiency of your equipment is key to reducing overheads and maximising the crop output produced.

For instance, it is reasonably quick to implement a

system that informs large-scale farmers of their equipment needing repair or fuel. This simple example of being more “technologically savvy” can then be turned into insight that shows the efficiency of your equipment in planting and harvesting crops.

Combining this with smart thinking on how, when and where to plant your crops, could easily help you automate much of the process to ensure that your business runs smoothly.

To get an idea of how much data can be collected – American data company Monsanto collects about seven gigabytes of data per acre of farmland. With all this information, it becomes possible to pick up trends (and even forecast them) to the extent that potential ruin of a harvest, say due to a disease, can be detected earlier. For agribusinesses with low margins, this makes a big impact on their bottom line.

Another buzzword that is fairly new in the agribusiness space is called “precision agriculture”. It refers to the use of predictive analytics in making better business decisions. In this process, real-time data is collected in a central data warehouse, which then processes it

to assist farmers in planting crops optimally or harvesting crops, for example.

Sensors are placed in fields, which supply the data to the central repository, which

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can then provide a view in time of how the planting and harvesting are progressing.

Secondly, as much as weather patterns can change on the fly, it becomes useful to forecast short-term patterns to provide insight as to planting and harvesting. Often, individual farmers have a wealth of experience that, when aggregated, can be shared with the community to maximise production as an industry.

With the help of big data, these individuals' knowledge bases can be aggregated and analysed to produce algorithms that determine the best soil conditions as well as the best time to plant crops (and even the optimal route to plough the field). While this technology has high levels of benefit, the infrastructure needed is often out of scope for small-scale farmers. The alternative is for a group of local farmers to share these costs amongst their farms, thereby increasing the accuracy of the analysis.

Lastly, when effectively using big data and analytics to optimise the agribusiness, there should be a surplus of funds available for either expansion or investment. By incorporating weather patterns, certain derivative contracts can be taken to lock in future crop prices.

Expansion of the business into either more crops or larger-scale farming of existing crops would produce more data, which in turn helps to make those algorithms of forecasting more accurate.

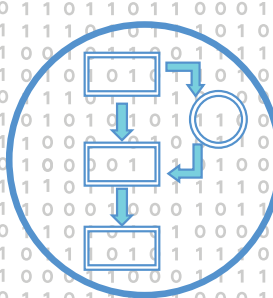
The debate around ownership still exists with big data in general and still has no definitive conclusion.

Farmers internationally are not all willing to share data. This is primarily driven by caution on the benefits of big data as well as security over the data itself.

The solution for the second is a bit easier than the first – sensitive data can either be encrypted or simply not provided by the farmer. Furthermore, this data does not have to be shared globally as opposed to a small group of farmers with similar, non-competing interests.

Given the advantages of using big data in agribusiness, it is no surprise that the number of farmers that use this new tool is increasing globally.

While challenges remain in terms of security and usage of big data, at the very least, agribusinesses can turn to analytics and the data they currently have to optimise crop output. ■



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THE NEW CYBER SOUNDS OF AGRICULTURE

Derick van der Walt, Greenpepper Communication,
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The sounds at dusk on farms these days are not only the clanking of a milk bucket while workers and animals return home in single file in the setting sun.

These days the buzzing of drones and strange sounds from very sophisticated technical devices are often heard on many South African farms. Technology is also changing the world of people doing business beyond the farm gate.

Yes, says Carel Theron, marketing communications manager of John Deere South Africa, without doubt local farmers have embraced modern technology. "And they push us for more. Some farmers even contact John Deere in America nowadays for technology not yet available in South Africa. South Africa's commercial

farmers know that new technology saves them money and lessens the cost of inputs such as fuel and even the labour bill," says Theron.

Niël Joubert, a deciduous fruit farmer from Montagu in the Western Cape, says new technology enables him to manage his farm much more efficiently. "I can log in on my smart phone or tablet anywhere in the world to access what is going on on my farm. Technology such as continuous logging probes enables us, for example, to see exactly how much water a plant uses on a hot day. Google Keep is an app that also facilitates management. This app ensures that our management team knows exactly what is expected of them every hour of the day. Before they go to bed they can access what the plans are for the next day and communicate with one another in this regard."

Furthermore, farmers and the new communication media are no longer strange bedfellows either. Jan Bezuidenhout, who has been pioneering internet communication for *Landbouweekblad* over the past decade, says that reader participation via the publication's website and social media such as Twitter and Facebook has grown at an astounding rate. "In the beginning, farmers battled old-fashioned technology such as dial-up modems that made their participation on the internet and with e-media extremely difficult. Nowadays, with technology such as satellites, they fully embrace the new way of communication," Bezuidenhout says. He added that *Landbou.com* had 150 000 unique browsers in February this year and 550 000 pages on the publication's website were read.

According to Bezuidenhout, about 50% of readers access *Landbou.com* via their smart phones, 10% via tablets and the rest via desktop computers. "Facebook in particular is very popular. Farmers participate and even provide valuable advice to other farmers," he says.

Daniël Malherbe, co-founder and director of Lumico, a company that manages social media for various agricultural clients such as Agri SA, Grain SA, KLB and BKB, points out that there has been a major shift from younger participants to people between the ages of 40 and 60 with regard to Facebook. "Young people tend to quickly 'like' a page, but they then move on and browse the internet further. Older people, however, tend to engage with the page. They comment and they will often access an internet link provided with a message."

According to Malherbe, Facebook's popularity continues to increase, especially among older users. Young people prefer social platforms such as Instagram. Twitter and LinkedIn are popular among 30- to 50-year-old professionals. Malherbe says visual stimulation in the form of short videos (specifically made for online use) accompanying a message on social media is highly popular among all users and is therefore an important way to persuade people to engage with your message.

The interactivity provided by the new media is also an important way to involve users. People like to express their opinions, Malherbe says.

But things are changing in the remainder of the value chain as well. André Odendaal, executive head of grain at VKB, says the human factor and possible errors have now been eliminated from grain sampling, thanks to new technology.

"The taking of a representative grain sample when grain is delivered at silos is possibly the most important process in grain management. It is impossible to classify an entire batch if effective sampling has not taken place to ensure that it represents the entire load on the truck. Up to now, sampling was done manually or semi-automatically and, at peak times, sample takers are often tired and errors may creep in. VKB, in conjunction with the company Agri Enviro Solutions, installed automatic sample-taking systems at Villiers, Frankfort, Warden and Daniëlsrus recently.

"We believe that the automatic sampling process generally ensures an improved, more transparent and fair sampling process," Odendaal says.

Edo Heyns, head of communication at VinPro, says local wine producers are keeping up with technological developments in the international wine industry. "Technology such as WineMS has changed the way business is conducted in the wine industry," he says.

WineMS is a winery management system that allows role players in the industry to keep their fingers on the pulse of the business by means of, for instance, their smart phones or tablets. They can keep track of activities and the movement of wine from the vineyard until it is bottled. With reporting capabilities on Google Earth and representation of more than 65% of the South African Wine industry's data, WineMS is starting to leverage this big data to provide bigger picture intelligence to the industry and its role players.

"Today one can see at an industry level exactly how many grapes are on their way, any additives in the product, price, etc. The information obtained in this way is extremely valuable as it is new and up to date," Heyns says.

AND THE FUTURE?

Michelle Zappa of Policy Horizons Canada highlights the following agricultural technologies "that will change the world" in an internet article. These are air and soil sensors, equipment telematics, livestock biometrics, crop sensors, infrastructural

health sensors, genetically designed food, in vitro meat, variable rate swath control, rapid iteration, selective breeding, agricultural robots, precision agriculture, closed ecological systems, synthetic biology and vertical farming.

And people could expect things to change beyond the farm gate as well. According to an article by Jessica Knight posted on Bizcommunity on 20 January this year, the Internet of Things (IoT) is the new buzz word that is increasingly in the spotlight of the retail sector.

According to Wikipedia, IoT constitutes a network of physical objects – devices, vehicles, buildings and other items – embedded in electronics, software, sensors and network connectivity that enable these objects to collect and exchange data. The IoT allows objects to be remotely sensed and controlled across the existing network infrastructure, creating opportunities for more direct integration of the physical world with computer-based systems, resulting in improved efficiency, accuracy and economic benefits.

“The concept has the potential to impact on the way that the retail sector sells products and the way that consumers buy these products. The majority of US retailers strongly believe that IoT will dramatically change the way companies do business over the next

three years,” says Knight. There are, however, real challenges involved such as privacy and security.

“The new rule for the future seems to be that whatever can be connected will be connected. The business scenario regarding IoT in respect of retailers lies in connecting with their customers in new and relevant ways as well as driving the efficiencies in their supply chains,” says Knight. ■

**“
ACCORDING TO WIKIPEDIA,
IOT CONSTITUTES A NETWORK
OF PHYSICAL OBJECTS –
DEVICES, VEHICLES, BUILDINGS
AND OTHER ITEMS – EMBEDDED
IN ELECTRONICS, SOFTWARE,
SENSORS AND NETWORK
CONNECTIVITY THAT ENABLE
THESE OBJECTS TO COLLECT
AND EXCHANGE DATA.”**





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AGBIZ MEMBERSHIP

The turnover/exposure of members exceeds R320 billion per annum, which makes them major role players not just in agriculture and agribusiness, but in the economy of South Africa as a whole.

Key constituents of Agbiz include the major banks, short-term and crop insurance companies, agribusinesses and cooperatives. They provide a range of services and products to farmers and various other businesses and associations in the grain, horticulture, viticulture and animal product value chains of the agro-food industry in South Africa. As the business landscape continues to grow, change and transform, it brings opportunities for more agribusiness enterprises to join as Agbiz members.

MEMBERSHIP BENEFITS INCLUDE THE FOLLOWING:

- Agbiz is the only organisation that serves the over-arching and common business interests of agribusinesses in South Africa
- The core focus of Agbiz is to create a competitive and macro-economically sound environment within which its members can operate successfully and prosper, and which ultimately benefits the country by ensuring food security, job creation and economic growth
- Agbiz is closely involved in the legislative and policy environment on many fronts
- Agbiz facilitates considerable networking opportunities so that South African agribusinesses can play an active and creative role within the local and international organised business environment
- Agbiz is an affiliate of Business Unity South Africa (BUSA) and associated with various international organisations such as the Business and Industry Advisory Committee to the OECD (BIAC) and the International Food and Agribusiness Management Association (IFAMA)
- Agbiz has an efficient administrative structure and a dynamic personnel complement

MEMBERSHIP CLASSES

Corporate membership

- Automatic representation on the Agbiz Council
- Maximum voting rights at the biennial Agbiz Congress
- A fixed corporate membership fee is annually approved by the Agbiz Council

Basic membership

- Access to Agbiz Council meetings through the election of five basic members to council at the biennial Agbiz Congress
- Voting rights are determined according to a pro rata contribution to corporate membership fees

- The membership fee for basic members is determined according to their turnover, with a fixed minimum fee

Dedicated desk members

- The Agbiz constitution allows for the establishment of dedicated industry desks within Agbiz in the event of an industry-specific need and according to merit
- Only corporate and basic members qualify for designated desk membership
- The membership fee is determined according to the dedicated desk agreement ■

THROUGH AGBIZ, MEMBERS CAN ACTIVELY AND CREATIVELY PARTICIPATE IN A NETWORK THAT IS WIDELY RECOGNISED AS IMPORTANT, POLITICALLY NEUTRAL AND INFLUENTIAL IN THE AGRIBUSINESS SECTOR OF SOUTH AFRICA.

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Agri Expo	www.agriexpo.co.za
Agri Mega Group	www.agrimega.co.za
Agrifusion	www.agrifusion.co.za
Agrinet	www.agrinet.co.za
Alltech	www.alltech.com
AVCASA	www.avcasa.co.za
Barloworld Handling	www.barloworldhandling.co.za
Certisure Brokers	www.certisure.co.za
Durban Fresh Produce Market	www.durban.gov.za
East London Industrial Development Zone (ELIDZ)	www.elidz.co.za
Farmwise Grains	www.farmwise.co.za
Fresh Produce Exporters' Forum (FPEF)	www.fpef.co.za
Fraserburg Koöperasie	+27 (0)23 741 1936
Institute of Market Agents of SA (IMASA)	+27 (0)73 637 6105
Kimech Agri Tractors and Machinery CC	www.agrifriend.co.za
KLK Landbou	www.klk.co.za
KOUP Produsente Koöp	+27 (0)23 551 1083
Mosstrich	www.scot.co.za
NAMC	www.namc.co.za
NETAFIM	www.netafim.co.za
Overberg Agri	www.overbergagri.co.za
SA Agri Academy	www.agriacademy.co.za
San Miguel Fruits SA	www.sanmiguelglobal.com
SANSOR	www.sansor.org
Schalk Pienaar Consultants	+27 (0)76 982 5225
Sentraal-Suid Co-operative	www.ssk.co.za
Signa	www.signa.co.za
Sundays River Citrus Company (SRCC)	www.srcc.co.za
Sutherlandse Landboukoöperasie	+27 (0)23 571 1001
Talent Africa	www.talent-africa.co.za
The Co-op (Humansdorp)	www.humkoop.co.za
The Farm Life	www.thefarmlife.co.za
Toplay Egg Co-operative (Highveld Egg)	www.toplay.co.za
Tsala	www.tsalagroup.com
Two-a-day	www.tad.co.za
Villiersdorp Co-operation	www.villiersdorpko-op.co.za
Vleissentraal	www.vleissentraal.co.za
UFS – Faculty of Natural and Agricultural Science	www.ufs.ac.za
Williston Vleiskoöperasie	www.wvk.co.za

DEDICATED DESK MEMBERS

To accommodate new members previously belonging to other industry bodies, an innovative step was taken to accommodate them in ring-fenced "desks" within Agbiz, with dedicated personnel attending to their specialised needs.

Agbiz Grain was established in November 2014 as a dedicated desk under the auspices of Agbiz by the twelve largest commercial grain handling and storage companies in South Africa. Agbiz Grain supports and promotes the interests of members through representation and liaison with major role players in agriculture such as formal grain industry bodies, government, semi-government, other role players in the grain value chain and related service providers.
www.agbizgrain.co.za



**“ AGBIZ GRAIN WAS ESTABLISHED IN NOVEMBER 2014
AS A DEDICATED DESK UNDER THE AUSPICES OF AGBIZ
BY THE TWELVE LARGEST COMMERCIAL GRAIN HANDLING
AND STORAGE COMPANIES IN SOUTH AFRICA.”**

VinPro, together with SALBA, has established the WineBiz desk at Agbiz. VinPro represents 3 600 South African wine producers and cellars. VinPro has its roots in the "old" KWV, which was established in 1918 and is a critical role player in the wine industry.
www.vinpro.co.za ■





At Absa AgriBusiness, we believe in nurturing lasting relationships with our clients to put them on the journey to success.

Absa has been a partner in the agricultural environment for the past 100 years, and has used this wealth of experience to develop tailor-made, world-class business solutions for all commodities in the sector.

Absa understands agriculture and the significant role it plays in the South African economy. It currently contributes 25% of the GDP when combined with linked sectors, and provides jobs to more than 850 000 permanent workers. Absa also has experience and insight into the unique demands and risks involved in the agricultural sector. Farmers have relied on Absa for strategic planning and the empowerment of farming communities for over a century. Our tailor-made range of agricultural services and solutions provide farmers with the financial support and peace of mind to run their businesses, no matter what the size.

When you partner with Absa, you are not partnering with just any bank, you are partnering with the bank that is here for you to [prosper](#).

Please contact Absa AgriBusiness: agribusiness@absa.co.za / 011 350 6854 for further information.





the way to prosperity

Our collective knowledge,
networks and participation
drive the ongoing campaign
for a favourable agribusiness
environment.

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