

Ramaphosa's compacting approach is crucial for farming too

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President Cyril Ramaphosa made an important intervention in his 2022 state of the nation address — the establishment of an office for easing red tape across the different levels of government, in addition to continued efforts to reduce inefficiencies across SA's network industries.

For the agricultural and agribusiness sectors, which operate primarily in rural towns, the non-delivery of services is a big challenge and leads to greater business costs. Examples are Clover's announcement in 2021 that it was leaving Lichtenburg because of unsatisfactory service delivery by the municipality. Astral is another agribusiness that has experienced poor service delivery in Mpumalanga.

We hear about similar challenges from agribusiness in the Eastern Cape, such as the wool industry. Operational costs have increased notably, partly because of unmaintained roads and lack of basic services, which have forced some businesses to perform functions that should be done by the municipalities.

These are just a few examples. Such challenges are binding constraints on expansion and divert energy and capital to basic services crucial for business survival, capital that agribusiness could have spent creating employment. Such constraints are among the biggest for agribusinesses, agriculture and other sectors, and require urgent attention.

There are agriculture-specific constraints the department of agriculture, land reform & rural development has started working on collaboratively with the private sector. For example, for years the failure to modernise the Fertilisers, Farm Feeds, Seeds & Remedies Act of 1947 has been highlighted as a large threat to the registration and importation of various agriculture inputs. These are essential products for improving productivity and the global competitiveness of the SA agricultural sector.

Fortunately, input providers are working collaboratively with the government to deal with the act's various challenges. This process should ideally continue in the spirit of a public-private partnership to leverage all the sector's expertise, efficiently complete the process and allow for the registration of all needed agrochemicals and other inputs.

Similarly, Onderstepoort Biological Products' inability to produce the required vaccines for the SA livestock industry presents risks for the large commercial livestock producers and developing farmers who aim to build their herds and commercialise. The solution requires the department of agriculture, land reform & rural development to engage with organised agriculture, communicate its turnaround strategy of this vital entity, and leverage the private sector expertise.

The tone of Ramaphosa's social compacting approach to rebuilding the economy should find expression within the agricultural sector as well. This should be the approach to even the current challenges, such as the locust invasion in the Northern Cape and Eastern Cape. Organised agriculture and provincial and national governments should respond together, in a co-ordinated manner.

The sabotage of infrastructure is another big problem for the economy, including the agricultural sector. Theft of railway materials disrupts trains and the movement of goods and export activity, as well as the supply of energy. With an increase in security, working with organisations such as Transnet is critical as an intervention.

Such efforts would add positive momentum to potential public-private partnerships in ports infrastructure, which is vital for the export-orientated agricultural sector. The security challenge also poses the general need for increased police presence in rural SA to curb attacks on farms and stock theft.

Other more subsector-focused binding constraints on the agricultural economy are covered in the Agriculture & Agroprocessing Master Plan, which will be published within the first half of 2022. Still, the points mentioned above are overarching and need increased focus from the presidency, line departments and the department of agriculture, land reform & rural development.

These need not be government activities alone, but collaborative with the private sector, with a shared vision and business case for private entities.

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