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Three major challenges that confronted South Africa's agriculture this past week

- Through the past 30 years of exceptional progress, South Africa's agriculture has confronted numerous challenges with varying impacts across subsectors. This past week presented three challenges whose impact will become clearer in the weeks ahead.
- Firstly, in the northern regions of South Africa, particularly in Limpopo, the potato crop has suffered losses because of frost after an unusually cold spell in the region. The most affected crops are the ones planted from May onwards. The scale and impact of the damage at the national level are yet to be clear. However, rough estimates and anecdotes from various industry players suggest that we are unlikely to experience a national crisis regarding supplies. Still, the farmers in the affected regions will suffer financial losses.
- Secondly, the various regions of the Western Cape were affected by heavy storms. There are reports of infrastructure damage. Whether agricultural activities in the province experienced damage and what the degree of such damage could be remains unclear. We suspect the impact will mainly be on public infrastructure rather than agricultural activities. For this region, this is a busy citrus harvesting period, and the bad weather conditions have delayed activities in some fields. Moreover, the winter crop season (i.e., wheat, canola, barley and oats) is at its early stages, which would have also spared the fields from major damage, given there was no heavy erosion.
- Thirdly, in the Eastern Cape, the rains in the southern regions also slowed the citrus harvest. At this early stage, we have not heard of any damage to the harvest. The field and agricultural logistics activity should gain momentum during the week as weather conditions improve. But not all things are well in the province. Foot and mouth disease remains a challenge in the dairy industry. The dairy industry and government regulators are currently engaged in possible pathways to address this challenge in the province.
- Even more concerning is that animal disease tends to have a much broader impact, even in industries not particularly affected by the disease. For example, in 2022, when South Africa suffered a foot and mouth disease in various provinces, key trading partners such as China temporarily banned wool imports from South Africa. This happened while foot and mouth disease did not affect the sheep industry. China lifted the ban months later after having engaged with the senior government engagements of South Africa.
- Since foot and mouth disease is now mainly concentrated in the Eastern Cape, unlike in 2022, and even closer to the sheep industry, trading partners may have some concerns. Therefore, South African authorities should proactively communicate with trading partners and assure them of the safety and

handling methods of other livestock products. Such an approach would help rather than South Africa communicating at a time when the trading partners may be presenting challenges to the South African exporting businesses.

- These challenges, which all hit the sector in just one week, will not be the last to affect South African agriculture. Moreover, these challenges will likely have a lasting negative impact on the areas affected. Therefore, the effective collaboration between the government and organized agriculture will become even more critical in planning the resilience strategies for the South African agricultural sector. The response and structuring of engagements should not always be at the national level but at the provincial and local levels. As such, the ground engagements could help the agricultural sector build better and impactful partnerships. The regulators, particularly in the cases of animal disease, will have to continuously work at speed in assessing the possibilities of vaccination. Still, such measures should be explored with input from organized agriculture.
- Overall, it will be a few weeks before we have a better view of the impact of these recent events on agricultural performance or food prices. Still, the preliminary views and anecdotal insights suggest there shouldn't be a panic, as impacts are regionalized. That said, the financial impact on affected businesses by all the events will likely be notable.