SA Agribusiness in the VUCA world, building partnerships to sustainability

FERTASA 61st Annual Congress

John Purchase

20 May 2021

So what is VUCA?

V – Volatility

U – Uncertainty

C – Complexity

A – Ambiguity

How do we deal with this?

For today…….

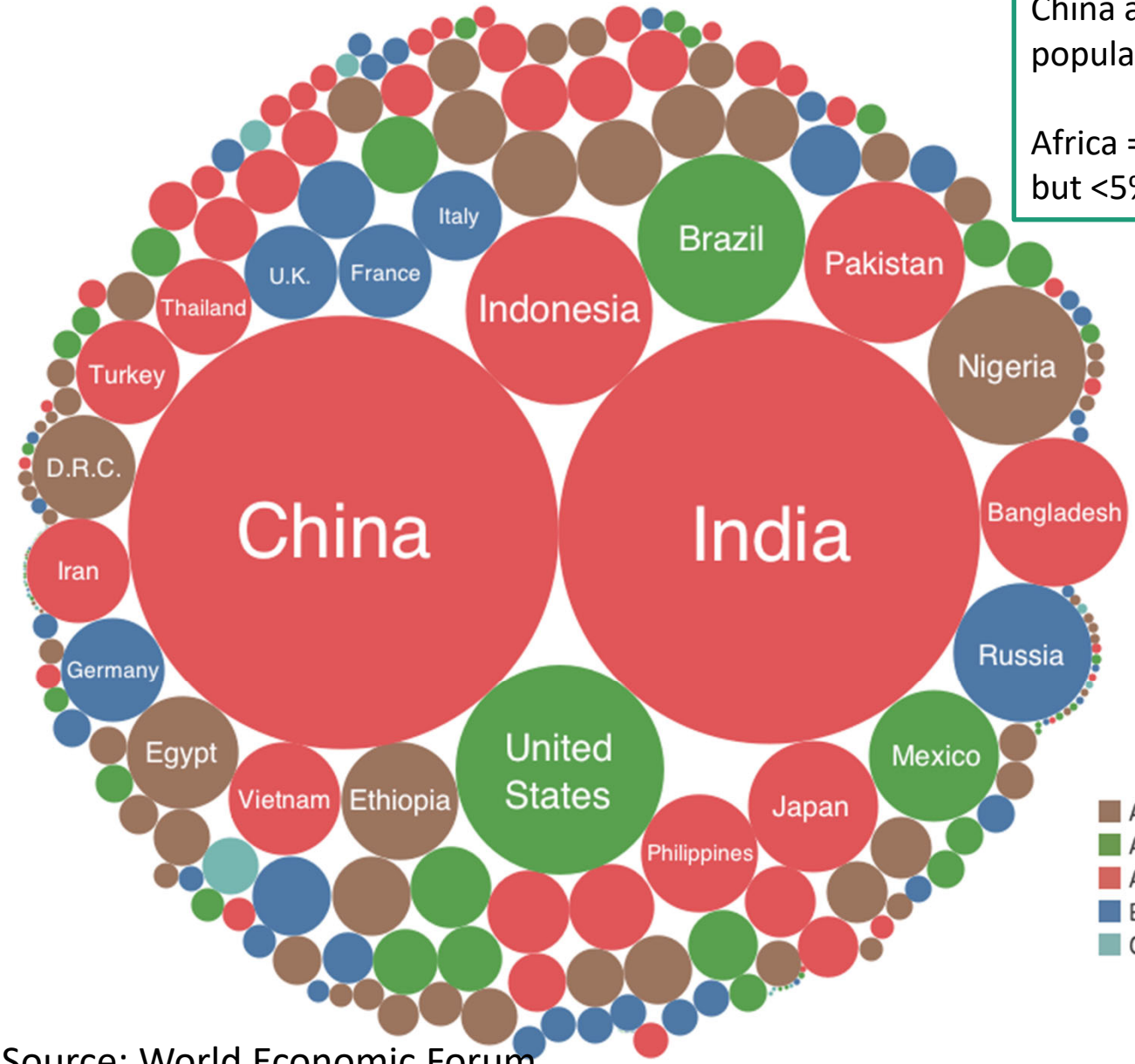
1. **Political economy context:**
   - **Major Global & African risks and challenges**
   - **Major South African risks and challenges**
2. Food Security and Competitiveness imperative
3. Confidence and growth in SA Agriculture
4. Major developments in legislative and policy environment
5. Wrap up

Major Global Risks and Challenges

- New multi-polar global power dynamic – power shift to Asia (BRICS role?)
- USA vs China Trade & Technology War – impact on global power dynamics
- Middle East tensions to continue – important to SA: oil and export destination.
- Impact of Brexit On UK and EU: outlook fairly depressed, but NB market for SA-Agriculture.
- **Global population & Africa's demographic 'dividend'. AfCFTA a game-changer?**
- Interconnectivity (4th IR) still a massive driver, despite general protectionist and localization developments across the globe. Covid-19 has hit Globalization hard.
- Mass migration due to political instability, conflict and globalisation was rampant. Stopped in tracks by Covid-19, but already returning.
- Environmental sustainability issues, e.g. climate change and extreme weather, water availability and quality, biodiversity loss, pollution/waste, fossil fuels, etc.
- Biosecurity issues: human (Covid-19), animal and plant.
- Global GDP at -4,9% for 2020, but rebounds by 5,4% in 2021 - IMF.

agbiz

Countries by Population Size

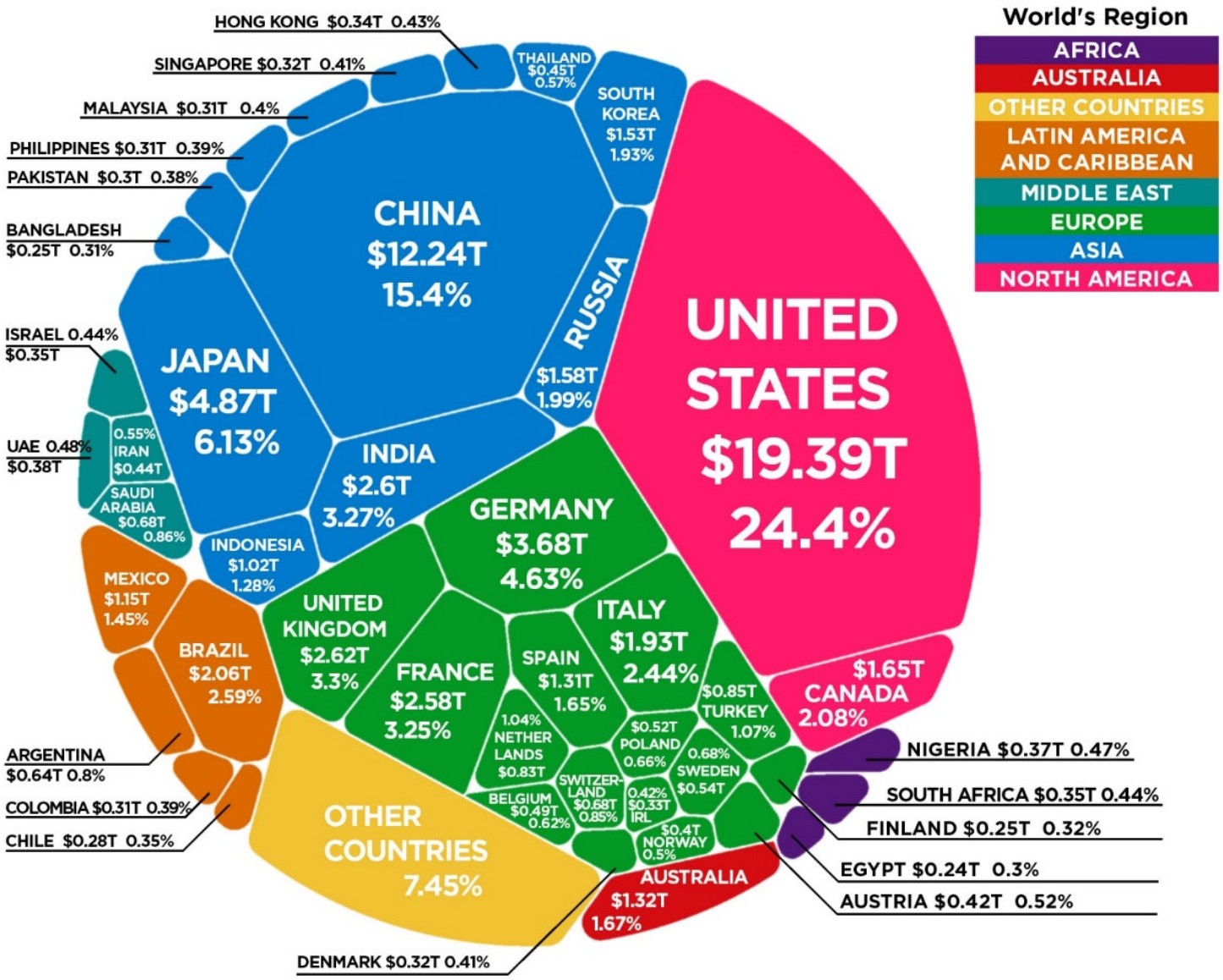


China and India = 36.2% of global population, but 18,7% of global GDP

Africa = 16.9% of global population, but <5% of global GDP

Source: World Economic Forum

agbiz



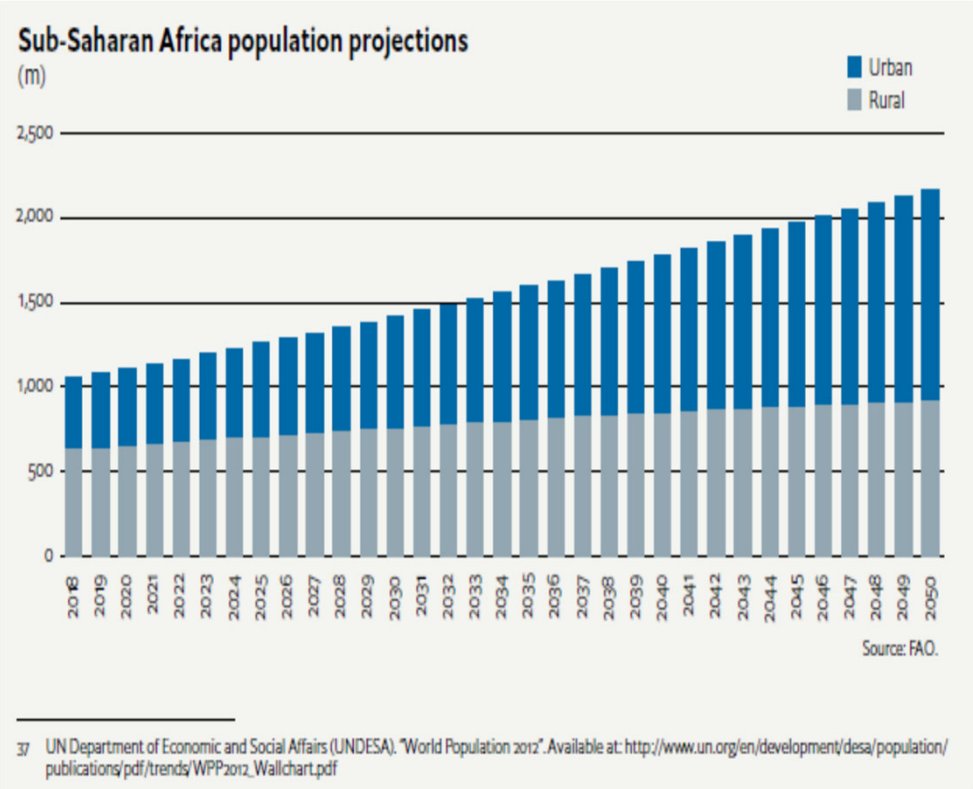
Article and Sources:
https://howmuch.net/articles/the-world-economy-2017
http://databank.worldbank.org/data/download/GDP.pdf

howmuch.net

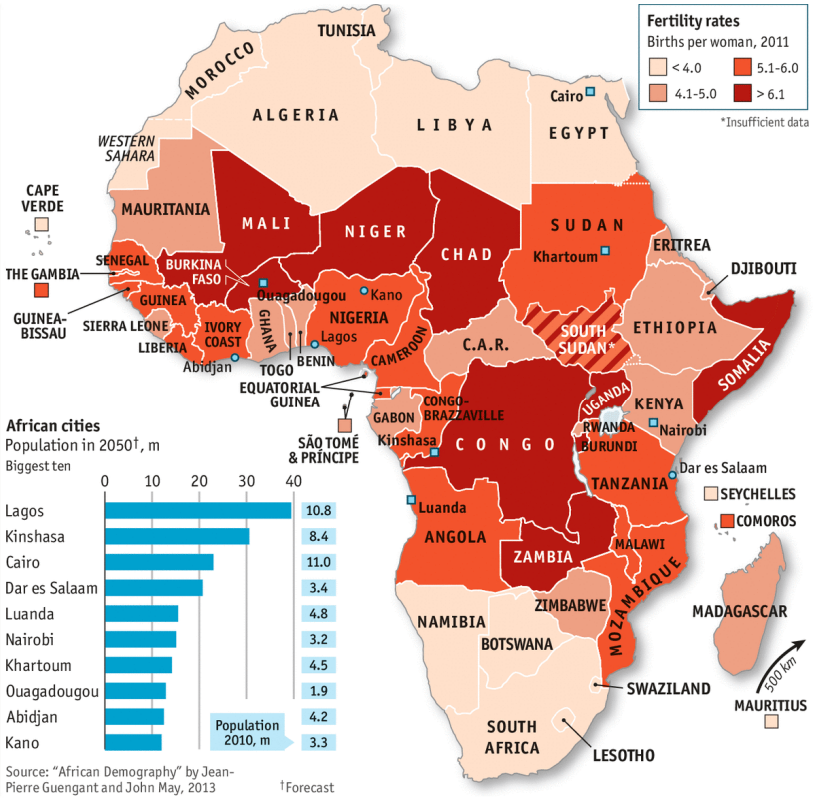
agbiz

Source: World Economic Forum

Africa Urbanisation and Demographics…..



37 UN Department of Economic and Social Affairs (UNDESA). "World Population 2012". Available at: http://www.un.org/en/development/desa/population/publications/pdf/trends/WPP2012_Wallchart.pdf



Africa's population to exceed 2.0 billion by 2050.
Africa's population to exceed 4.0 billion by 2100.

World population to reach 11.2 billion by 2100

Either massive opportunity, or a critical risk……!

agbiz

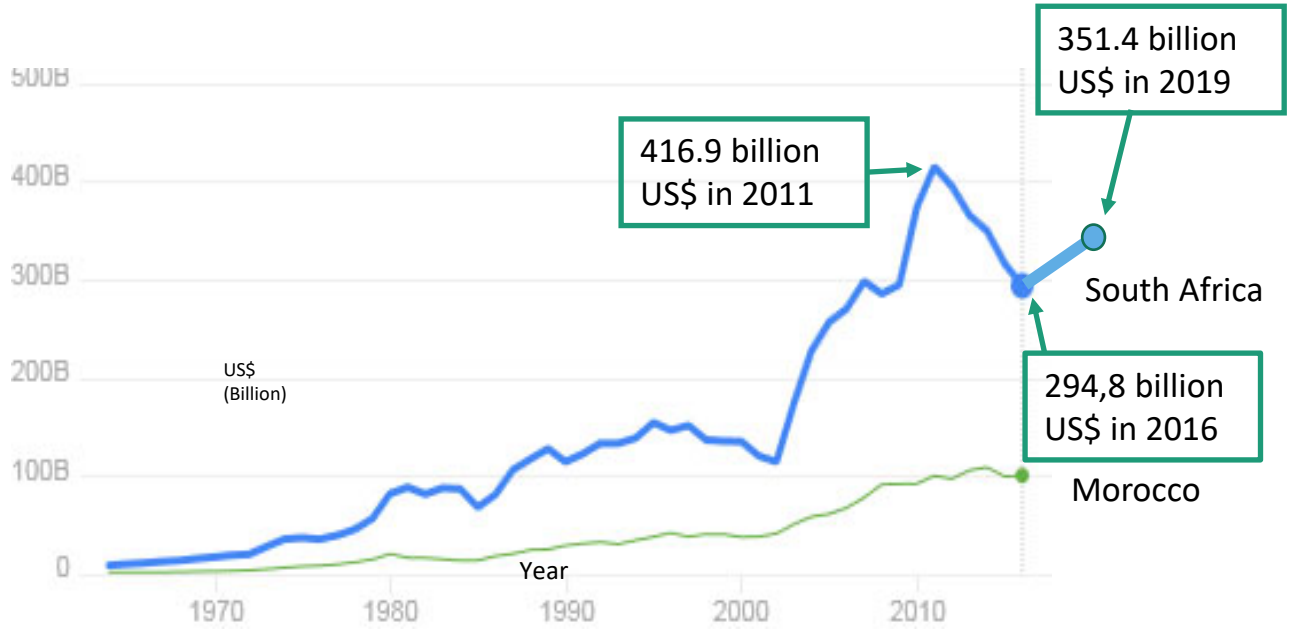
Major Global Risks and Challenges

- New **multi-polar global power** dynamic – power shift to Asia (BRICS role?)
- **USA vs China Trade & Technology War** – impact on global power dynamics
- **Middle East** tensions to continue – important to SA: oil and export destination.
- Impact of **Brexit** On UK and EU: outlook fairly depressed. Covid damage also.
- **Global population & Africa's demographic 'dividend'. AfCFTA a game-changer?**
- **Interconnectivity (4th IR)** still a massive driver, despite general protectionist and localization developments across the globe. Covid-19 has hit Globalization hard.
- **Mass migration** due to political instability, conflict and globalisation was rampant. Stopped in tracks by Covid-19, but already returning.
- **Environmental sustainability issues**, e.g. climate change and extreme weather, water availability and quality, biodiversity loss, pollution/waste, fossil fuels, etc.
- **Biosecurity issues**: human (Covid-19), animal and plant.
- **Global GDP** projected at -4,9% for 2020, but rebounds by 5,4% in 2021 - IMF.

South Africa's Political Economy: Risks & Challenges

- **ANC remains in massive turmoil** – divisions and distrust persist.
- **President Ramaphosa's SONA** in February 2021: Right direction, but can State implement? **Capability of the state has been badly eroded –** seen in DALRRD. Also other Dept's/SOE's.
- **Biggest concern: Lack of GDP growth, Competitiveness decline (WEF) and escalating debt.**
- **Massive unemployment** (>29% pre-Covid), especially amongst the Youth (>50%).
- **Inequality** – SA top of GINI Coefficient (WEF, 2018): populist calls & demands will persist.
- Service delivery and other **protests increasing**, **and more violent** (ISS).
- **Land & water reform** will be at the centre of demands. Even nationalisation pressure on banks & mines, e.g. Reserve Bank. "Expropriation without Compensation" decision.
- **Crime & Security factor**, including corruption and farm/rural safety, a huge and increasing concern. **Rule of Law** under pressure.

South Africa's GDP: 351,4 billion US$ (2019)



2011 GDP per capita (US$) = 8,066

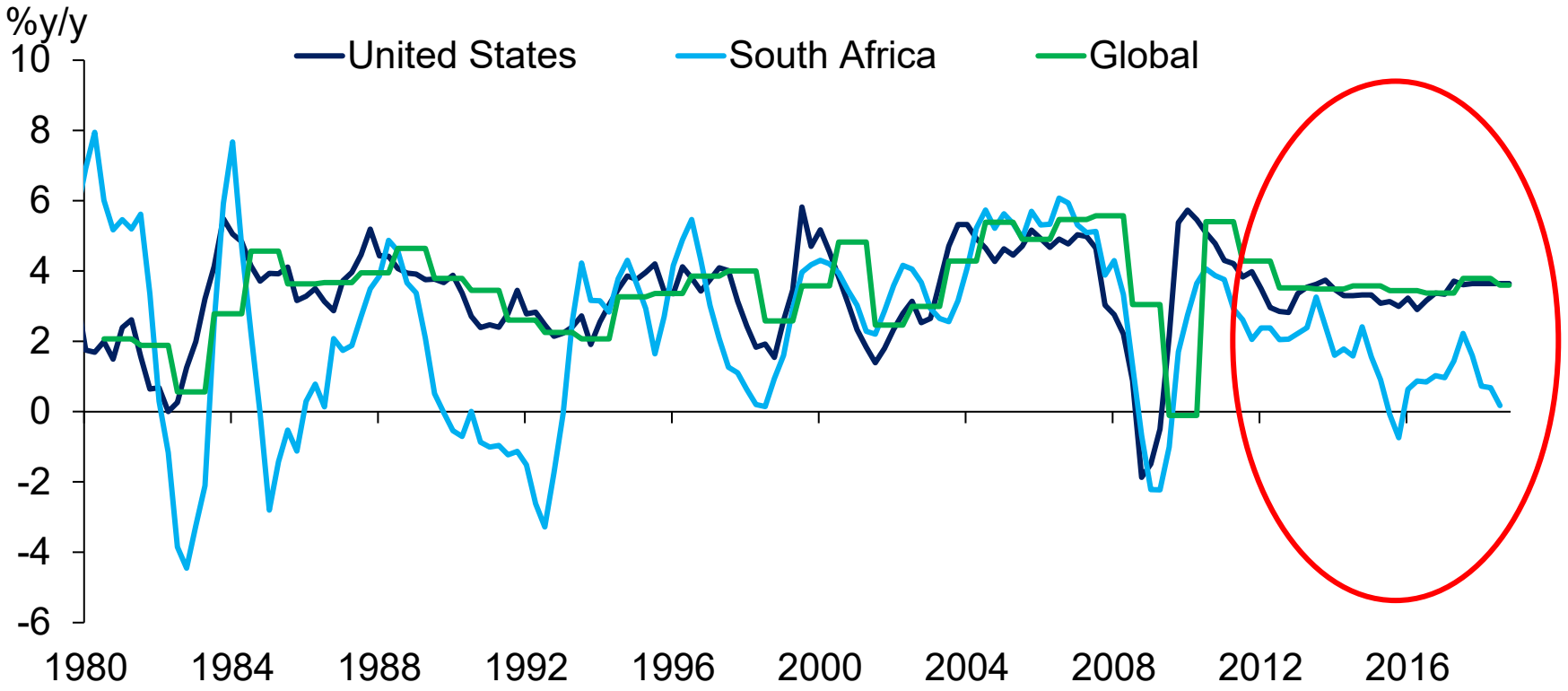
2016 GDP per capita (US$) = 5,261

2019 GDP per capita (US$) = 6,377

US$/Rand = ~R14.00/$ in 2019

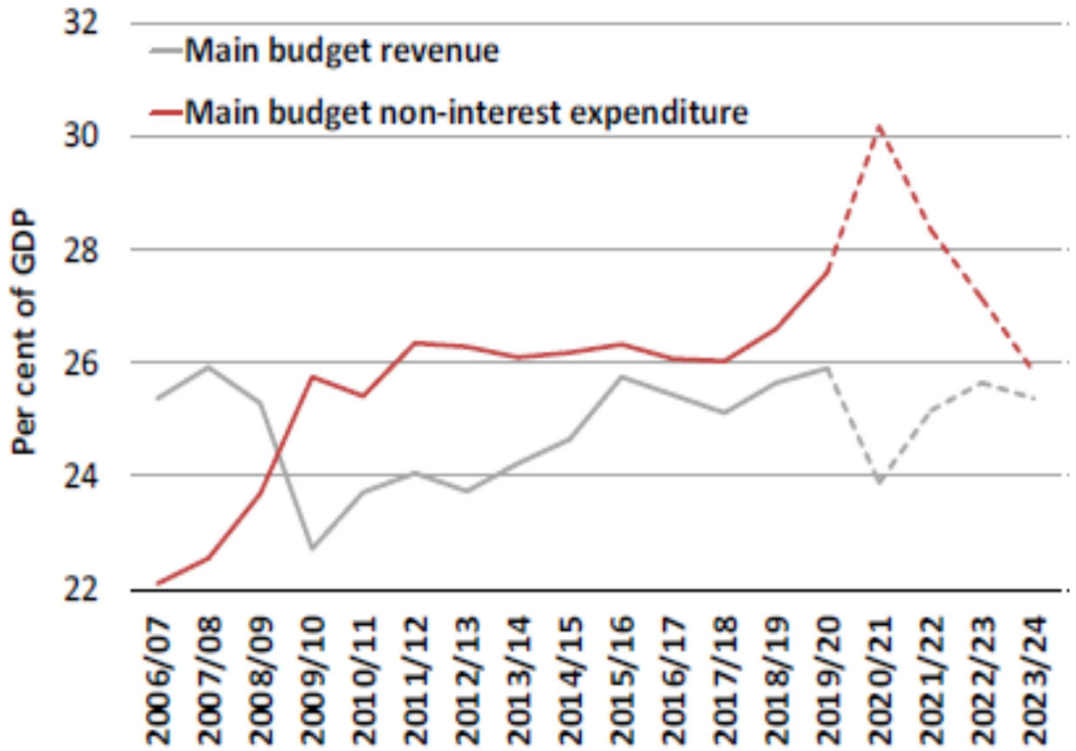
Source: WEF Competitiveness Reports

South Africa's growth has decoupled from global growth



SA Debt our biggest risk: Gap between revenue and expenditure has widened, and we now have to narrow it.

Figure 1.2 Main budget revenue and expenditure*



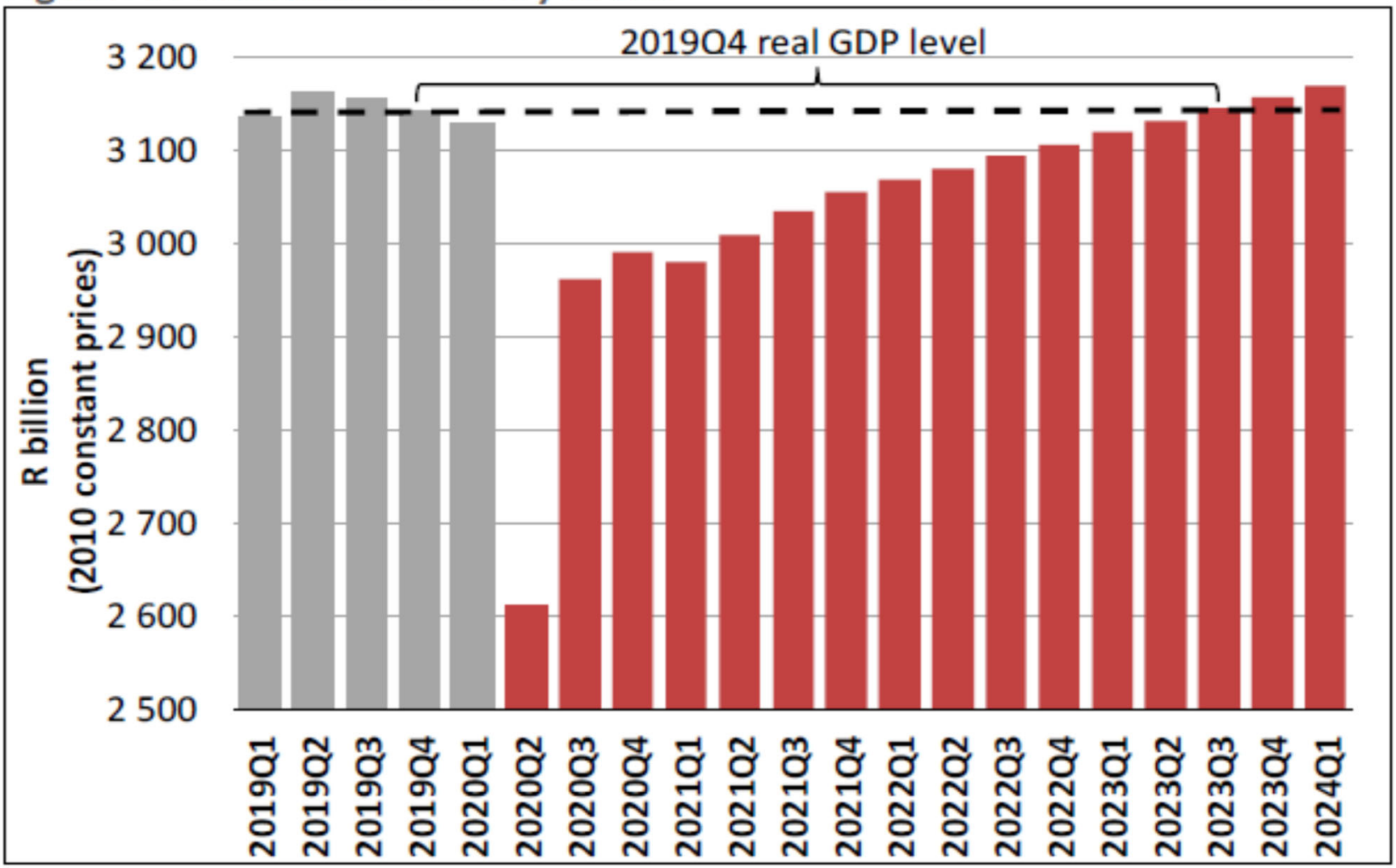
**Excludes Eskom financial support and transactions in financial assets and liabilities*

Source: National Treasury

- The COVID-19 pandemic erupted when South Africa was already in a weak fiscal position
- Fiscal deterioration then accelerated
- In 2020/21, significant tax revenue underperformance expected, and expenditure increased as government reprioritised and allocated funds to contain COVID-19.
- The main budget deficit and gross borrowing requirement will increase sharply

Protracted recovery in GDP

Figure 2.4 Protracted recovery in GDP

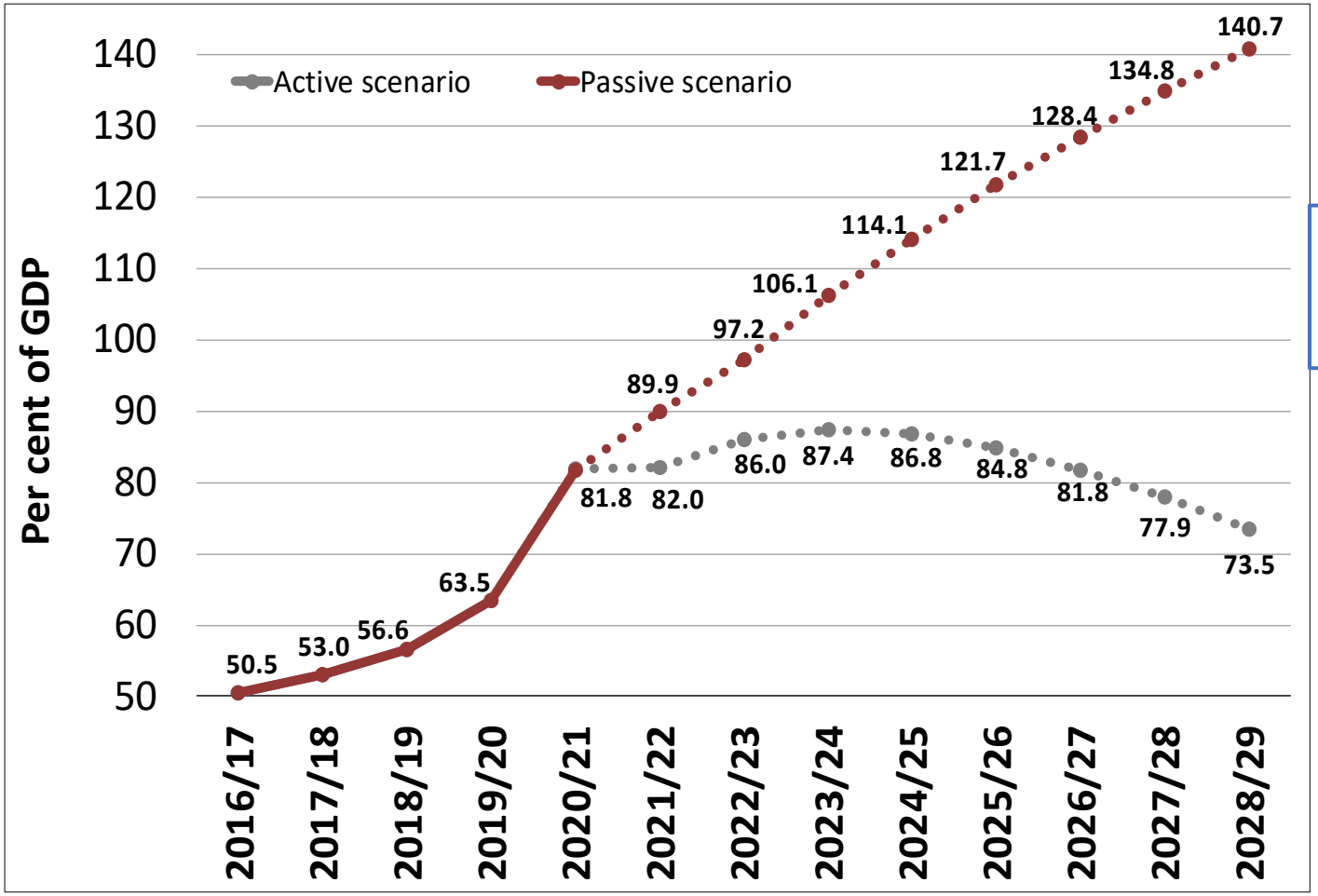


Source: National Treasury calculations

DEBT OUTLOOK SCENARIOS

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

STAY SAFE
SAVE SOUTH AFRICA



SA Debt =
>R3,0 Trillion

- In the active scenario, debt stabilises at 87.4 per cent of GDP in 2023/24

South Africa's Political Economy: Risks & Challenges

- **ANC remains in massive turmoil** – divisions and distrust persist.
- **President Ramaphosa's SONA** in February 2021: Right direction, but can State implement? **Capability of the state has been badly eroded –** seen in DALRRD. Also other Dept's/SOE's.
- **Biggest concern: Lack of GDP growth, Competitiveness decline (WEF) and escalating debt.**
- **Massive unemployment** (>29% pre-Covid), especially amongst the Youth (>50%).
- **Inequality** – SA top of GINI Coefficient (WEF, 2018): populist calls & demands will persist.
- Service delivery and other **protests increasing**, **and more violent** (ISS).
- **Land & water reform** will be at the centre of demands. Even nationalisation pressure on banks & mines, e.g. Reserve Bank. "Expropriation without Compensation" decision.
- **Crime & Security factor**, including corruption and farm/rural safety, a huge and increasing concern. **Rule of Law and our very Constitution under pressure**.

For today…….

1. Political economy context:
   - Major Global & African risks and challenges
   - Major South African risks and challenges
2. **Food Security and Competitiveness imperative**
3. Confidence and growth in SA Agriculture
4. Major developments in legislative and policy environment
5. Wrap up

The Economist INTELLIGENCE UNIT

Global Food Security Index 2020: User guide

SUPPORTED BY CORTEVA™ agriscience

Food Security Imperative: South Africa

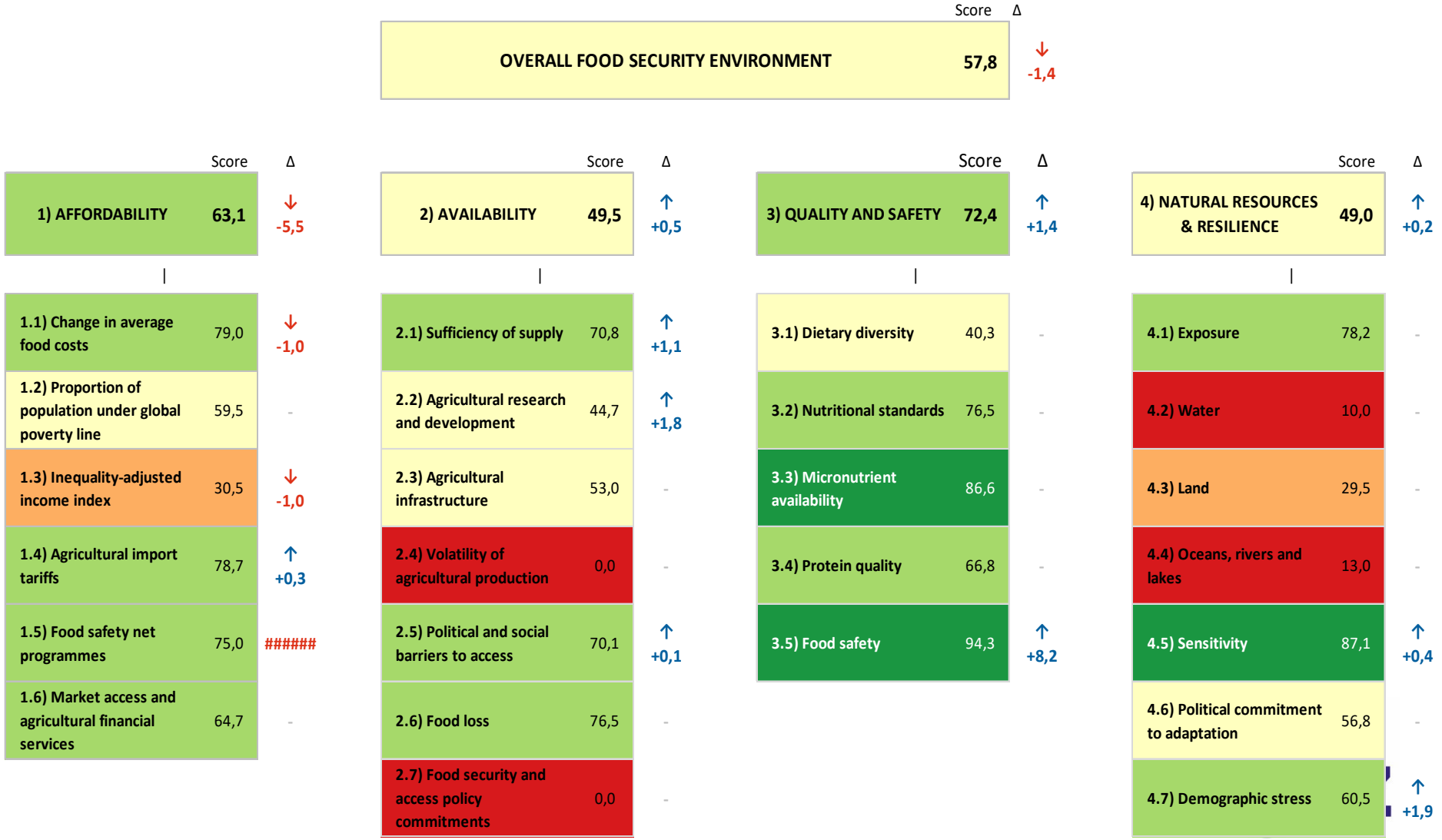
South Africa

The diagram below shows country performance in 2020 (latest available data)

Scores are normalized 0-100, where 100=most favorable food security environment

Δ = change in score, 2020 compared with 2019

↑ = Score improved ↓= Score deteriorated - = no change in score



Competitiveness Imperative

WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

Insight Report

The Global Competitiveness Report 2019

Klaus Schwab, World Economic Forum

Selected contextual indicators

Population millions	57.7	GDP (PPP) % world GDP	0.58
GDP per capita US$	6,377.3	5-year average FDI inward flow % GDP	1.0
10-year average annual GDP growth %	1.6		

Social and environmental performance

Environmental footprint gha/capita	3.4	Global Gender Gap Index 0-1 (gender parity)	0.8
Renewable energy consumption share %	17.2	Income Gini 0 (perfect equality) -100 (perfect inequality)	63.0
Unemployment rate %	27.0		

The Global Competitiveness Index 4.0 2019 Rankings

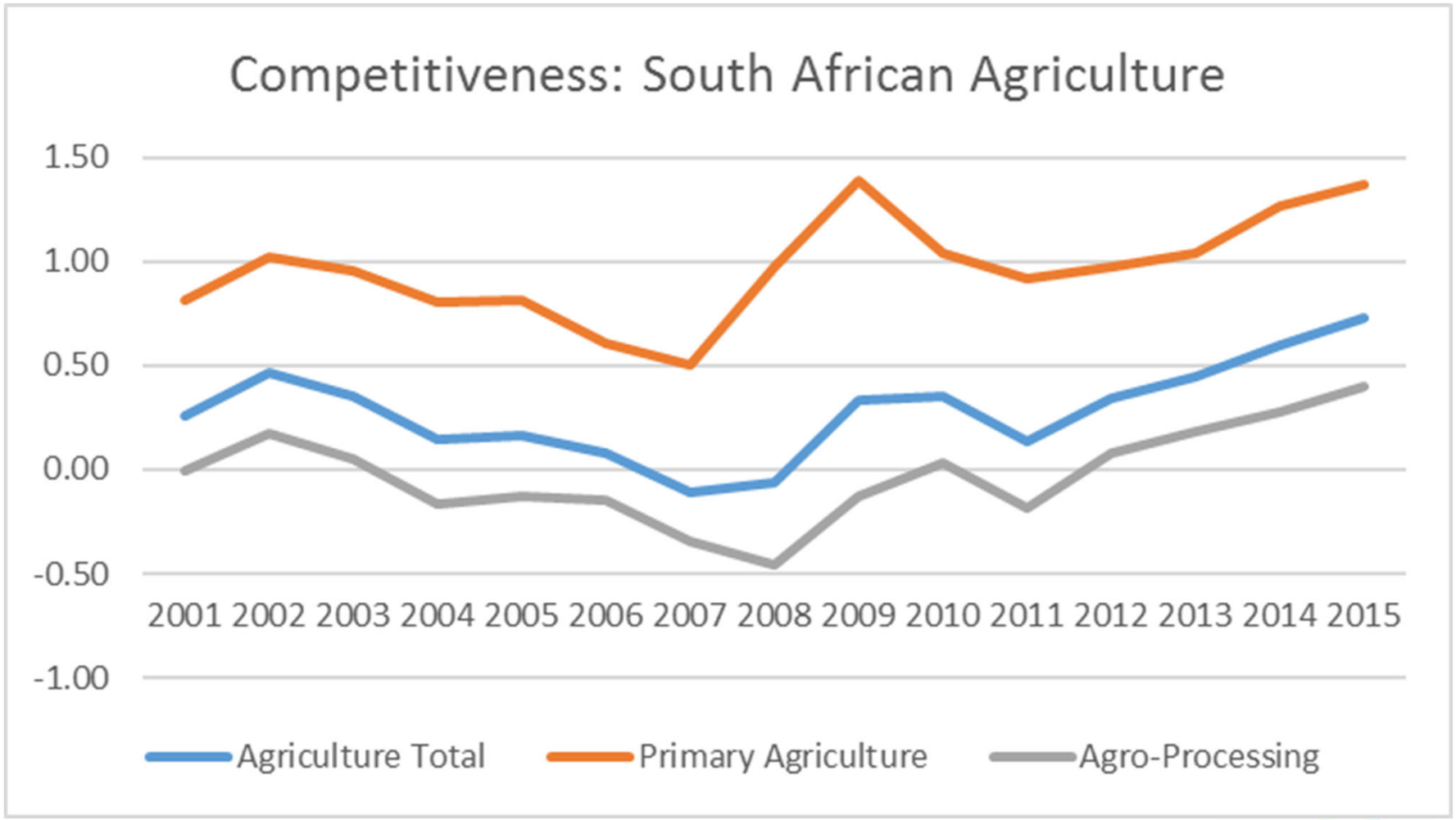
Covering 141 economies, the Global Competitiveness Index 4.0 measures national competitiveness—defined as the set of institutions, policies and factors that determine the level of productivity.

Rank	Economy	Score[1]	Diff. from 2018[2] Rank	Diff. from 2018[2] Score
1	Singapore	84.8	+1	+1.3
2	United States	83.7	−1	−2.0
3	Hong Kong SAR	83.1	+4	+0.9
4	Netherlands	82.4	+2	—
5	Switzerland	82.3	−1	−0.3
6	Japan	82.3	−1	−0.2
7	Germany	81.8	−4	−1.0
8	Sweden	81.2	+1	−0.4
9	United Kingdom	81.2	−1	−0.8
10	Denmark	81.2	—	+0.6
11	Finland	80.2	—	—
12	Taiwan, China	80.2	+1	+1.0
13	Korea, Rep.	79.6	+2	+0.8
14	Canada	79.6	−2	−0.3
15	France	78.8	+2	+0.8
16	Australia	78.7	−2	−0.1
17	Norway	78.1	−1	−0.1
18	Luxembourg	77.0	+1	+0.4
19	New Zealand	76.7	−1	−0.8
20	Israel	76.7	—	+0.1
21	Austria	76.6	+1	+0.3
22	Belgium	76.4	−1	−0.2
23	Spain	75.3	+3	+1.1
24	Ireland	75.1	−1	−0.6
25	United Arab Emirates	75.0	+2	+1.6
26	Iceland	74.7	−2	+0.2
27	Malaysia	74.6	−2	+0.2
28	China	73.9	—	+1.3
29	Qatar	72.9	+1	+1.9
30	Italy	71.5	+1	+0.8
31	Estonia	70.9	+1	+0.2
32	Czech Republic	70.9	−3	−0.3
33	Chile	70.5	—	+0.3
34	Portugal	70.4	—	+0.2
35	Slovenia	70.2	—	+0.6
36	Saudi Arabia	70.0	+3	+2.5
37	Poland	68.9	—	+0.7
38	Malta	68.5	−2	−0.2
39	Lithuania	68.4	+1	+1.2
40	Thailand	68.1	−2	+0.6
41	Latvia	67.0	+1	+0.7
42	Slovak Republic	66.8	−1	−0.1
43	Russian Federation	66.7	—	+1.1
44	Cyprus	66.4	—	+0.8
45	Bahrain	65.4	+5	+1.7
46	Kuwait	65.1	+8	+3.0
47	Hungary	65.1	+1	+0.8
48	Mexico	64.9	−2	+0.3
49	Bulgaria	64.9	+2	+1.3
50	Indonesia	64.6	−5	−0.3
51	Romania	64.4	+1	+0.9
52	Mauritius	64.3	−3	+0.5
53	Oman	63.6	−6	−0.8
54	Uruguay	63.5	−1	+0.8
55	Kazakhstan	62.9	+4	+1.1
56	Brunei Darussalam	62.8	+6	+1.3
57	Colombia	62.7	+3	+1.1
58	Azerbaijan	62.7	+11	+2
59	Greece	62.6	−2	
60	South Africa	62.4	+2	
61	Turkey	62.1	—	
62	Costa Rica	62.0	−7	
63	Croatia	61.9	+5	+1.8
64	Philippines	61.9	−8	−0.3
65	Peru	61.7	−2	+0.4
66	Panama	61.6	−2	+0.6
67	Viet Nam	61.5	+10	+3.5
68	India	61.4	−10	−0.7
69	Armenia	61.3	+1	+1.4
70	Jordan	60.9	+3	+1.6
71	Brazil	60.9	+1	+1.4
72	Serbia	60.9	−7	—
73	Montenegro	60.8	−2	+1.2
74	Georgia	60.6	−8	−0.3
75	Morocco	60.0	—	+1.5
76	Seychelles	59.6	−2	+1.1
77	Barbados	58.9	n/a	n/a
78	Dominican Republic	58.3	+4	+0.9
79	Trinidad and Tobago	58.3	−1	+0.4
80	Jamaica	58.3	−1	+0.4
81	Albania	57.6	−5	−0.5
82	North Macedonia	57.3	+2	+0.7
83	Argentina	57.2	−2	−0.3
84	Sri Lanka	57.1	+1	+1.1
85	Ukraine	57.0	−2	—
86	Moldova	56.7	+2	+1.2
87	Tunisia	56.4	—	+0.8
88	Lebanon	56.3	−8	−1.4
89	Algeria	56.3	+3	+2.5
90	Ecuador	55.7	−4	−0.1
91	Botswana	55.5	−1	+1.0
92	Bosnia and Herzegovina	54.7	−1	+0.6
93	Egypt	54.5	+1	+1.0
94	Namibia	54.5	+6	+1.8
95	Kenya	54.1	−2	+0.5
96	Kyrgyz Republic	54.0	+1	+1.0
97	Paraguay	53.6	−2	+0.3
98	Guatemala	53.5	−2	+0.2
99	Iran, Islamic Rep.	53.0	−10	−1.9
100	Rwanda	52.8	+8	+1.9
101	Honduras	52.7	—	+0.2
102	Mongolia	52.6	−3	−0.1
103	El Salvador	52.6	−5	−0.2
104	Tajikistan	52.4	−2	+0.2
105	Bangladesh	52.1	−2	—
		52.1	+4	+1.9
		51.8	−2	+0.4
		51.6	+1	+0.8
		51.5	−5	—
110	Pakistan	51.4	−3	+0.3
111	Ghana	51.2	−5	−0.1
112	Cape Verde	50.8	−1	+0.6
113	Lao PDR	50.1	−1	+0.8
114	Senegal	49.7	−1	+0.7
115	Uganda	48.9	+2	+2.1
116	Nigeria	48.3	−1	+0.8
117	Tanzania	48.2	−1	+1.0
118	Côte d'Ivoire	48.1	−4	+0.6
119	Gabon	47.5	n/a	n/a
120	Zambia	46.5	−2	+0.5
121	Eswatini	46.4	−1	+1.1
122	Guinea	46.1	+4	+2.9
123	Cameroon	46.0	−2	+0.9
124	Gambia, The	45.9	−5	+0.5
125	Benin	45.8	−2	+1.4
126	Ethiopia	44.4	−4	−0.1
127	Zimbabwe	44.2	+1	+1.6
128	Malawi	43.7	+1	+1.3
129	Mali	43.6	−4	—
130	Burkina Faso	43.4	−6	−0.5
131	Lesotho	42.9	−1	+0.6
132	Madagascar	42.9	n/a	n/a
133	Venezuela	41.8	−6	−1.3
134	Mauritania	40.9	−3	+0.1
135	Burundi	40.3	+1	+2.7
136	Angola	38.1	+1	+1.1
137	Mozambique	38.1	−4	−1.7
138	Haiti	36.3	—	−0.1
139	Congo, Dem. Rep.	36.1	−4	−2.1
140	Yemen	36.5	−1	−0.9
141	Chad	36.1	−1	−0.4

East Asia and the Pacific · Eurasia · Europe and North America · Latin America and the Caribbean · Middle East and North Africa · South Asia · Sub-Saharan Africa

2016 = 47th
2017 = 61st
2018 = 67th
2019 = 60th

South African Agricultural Sector

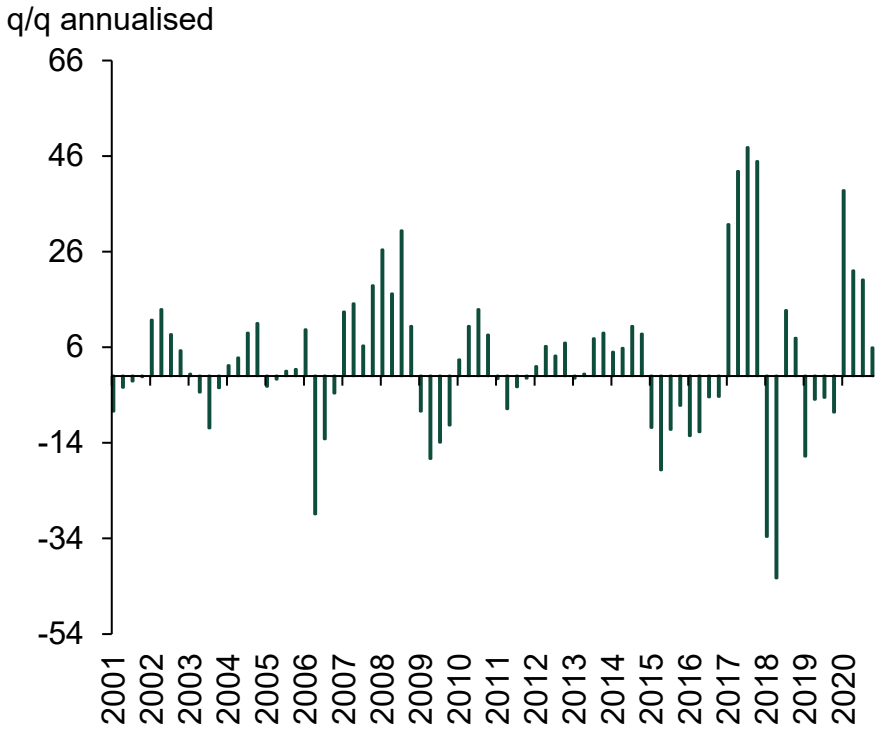


For today…….

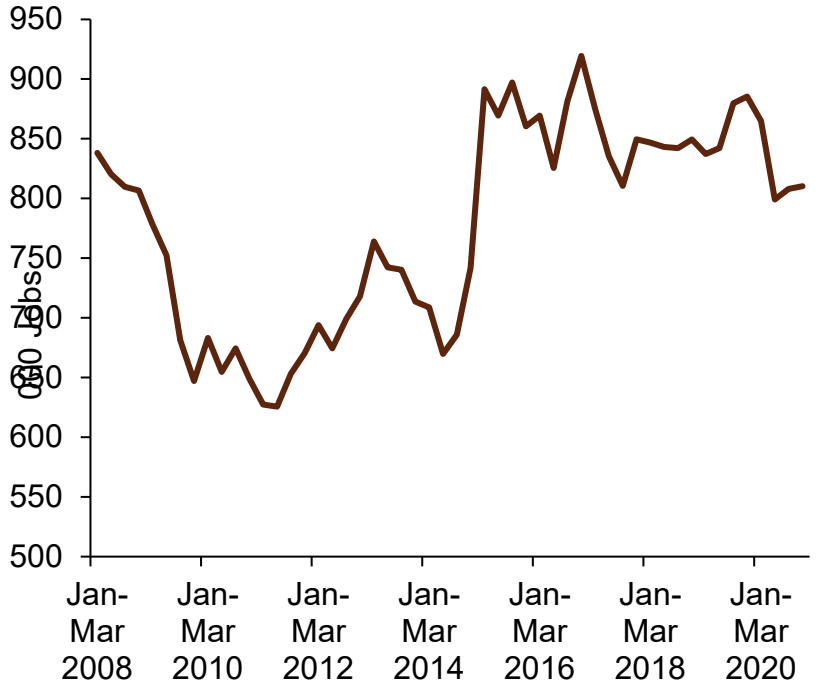
1. Political economy context:
   - Major Global & African risks and challenges
   - Major South African risks and challenges
2. Food Security and Competitiveness imperative
3. **Confidence and growth in SA Agriculture**
4. Major developments in legislative and policy environment
5. Wrap up

On aggregate, SA farm economy was on firm footing in 2020 and through to 2021

SA agriculture gross value-added



SA agricultural jobs

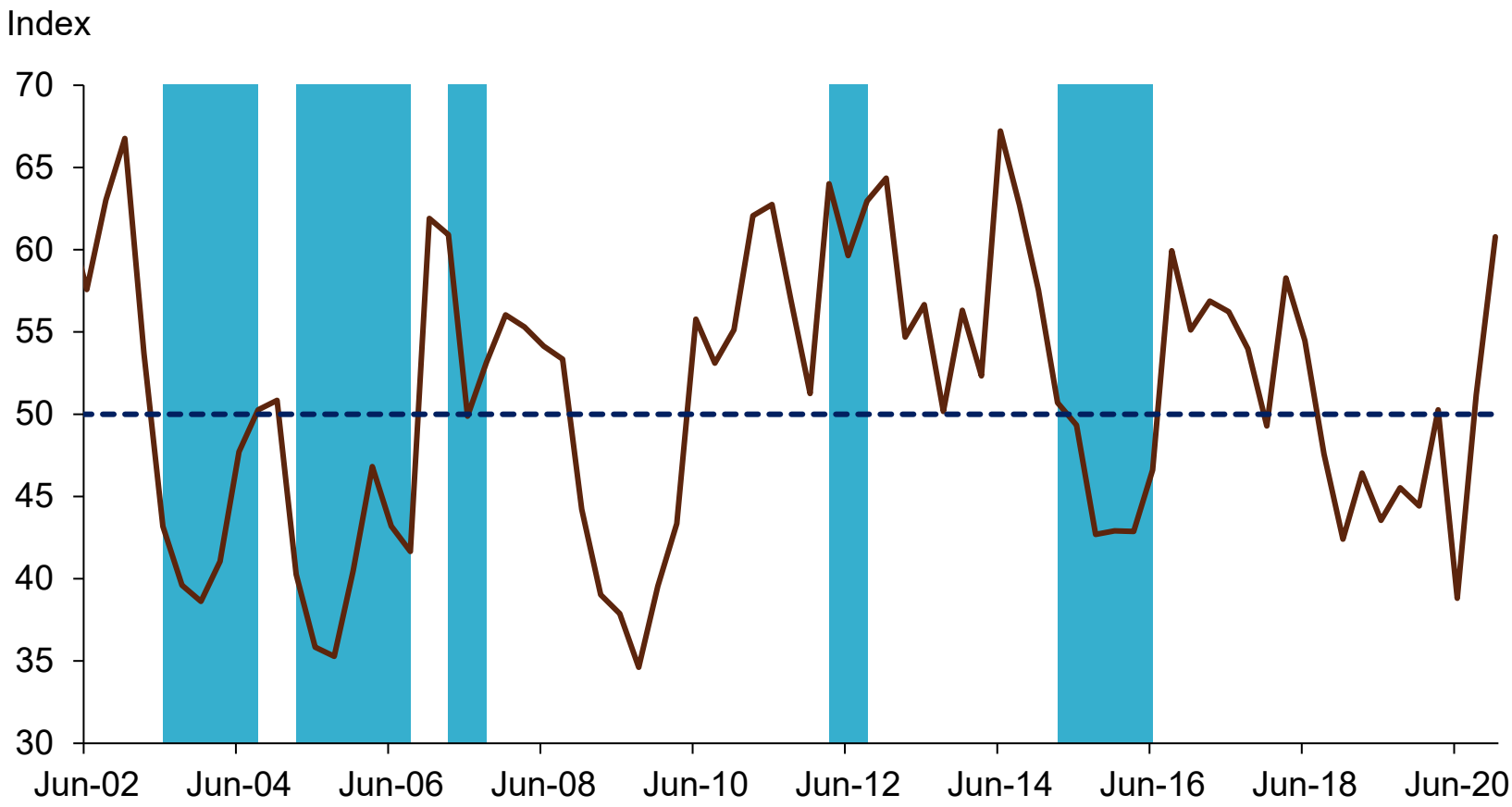


Primary agriculture GDP growth in 2020: 13%

Expected primary agriculture GDP growth in 2021: ~4%

Source: StatsSA

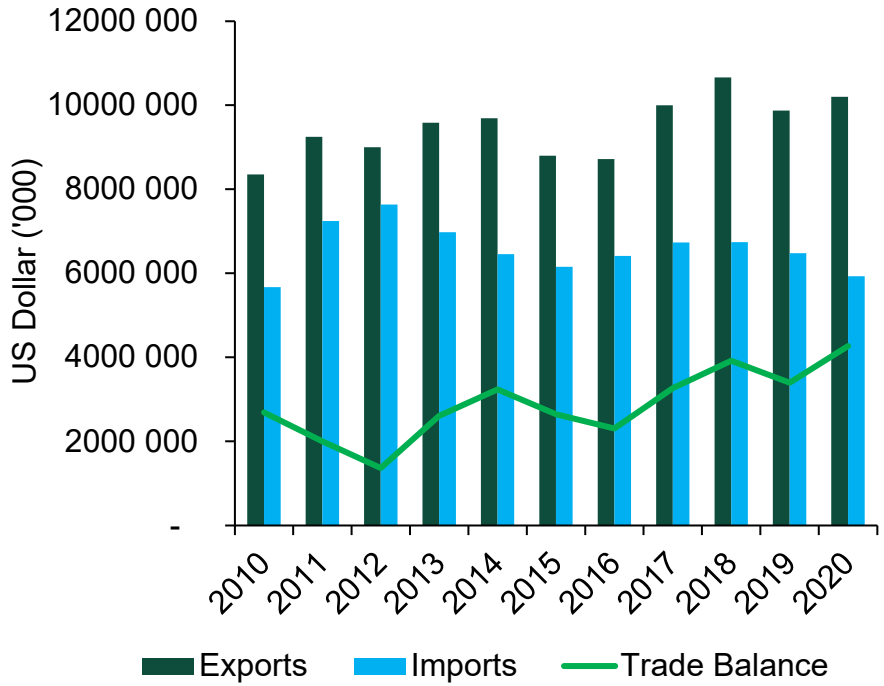
Optimism in SA's agribusiness sector



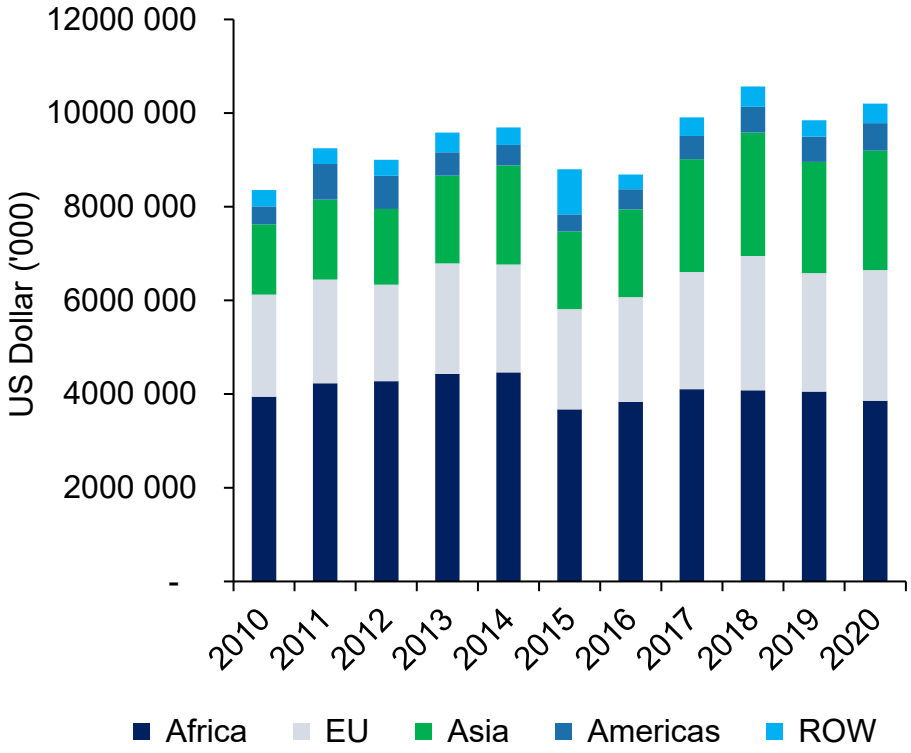
Source: Agbiz Research

SA's agricultural exports on solid footing in 2020, and will continue in 2021

SA agriculture trade



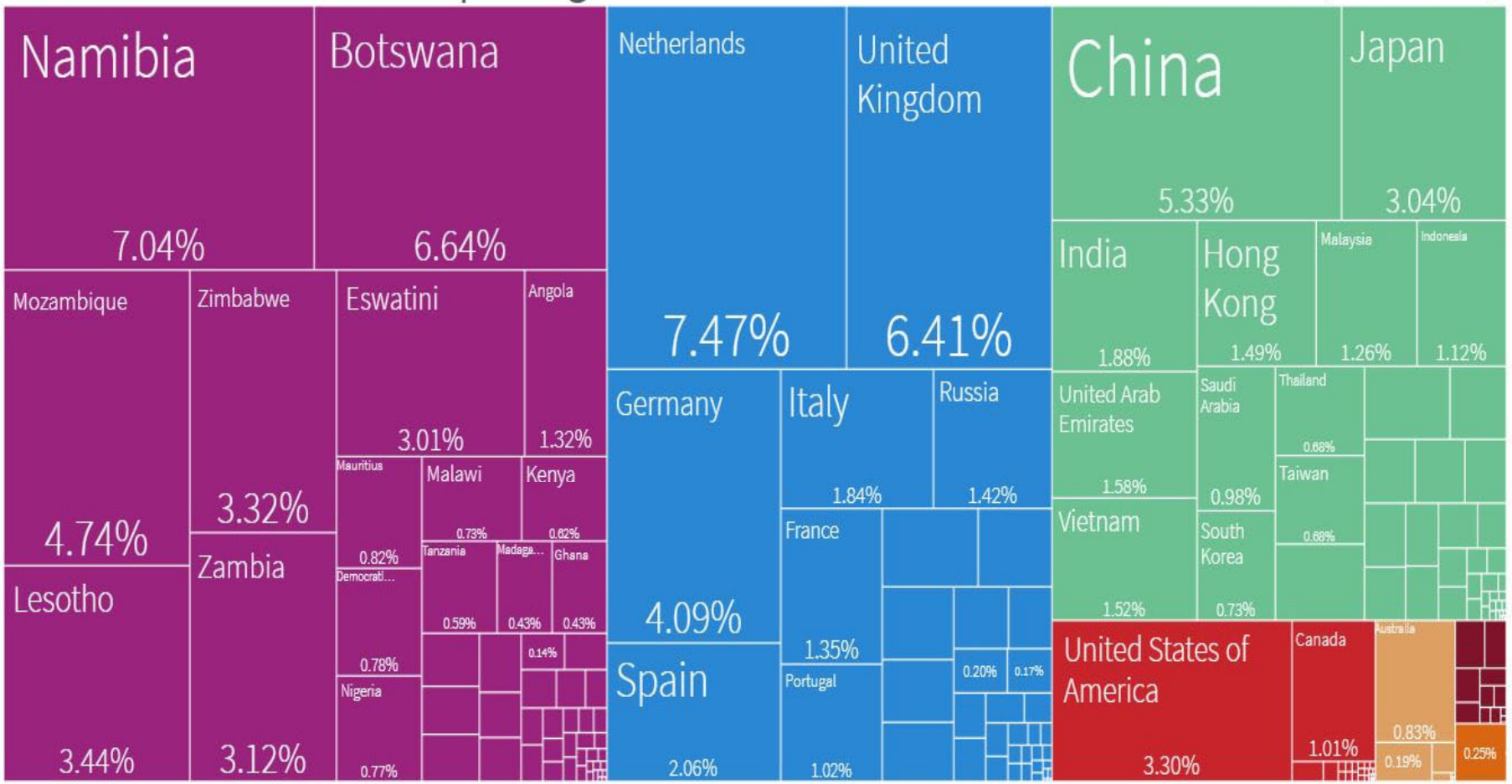
SA agriculture exports, by region



Source: Trade Map and Agbiz Research

Where did South Africa export Agriculture to in 2018?

Shown: $12.5B | Total: $12.5B



SA farm economy on a growth path

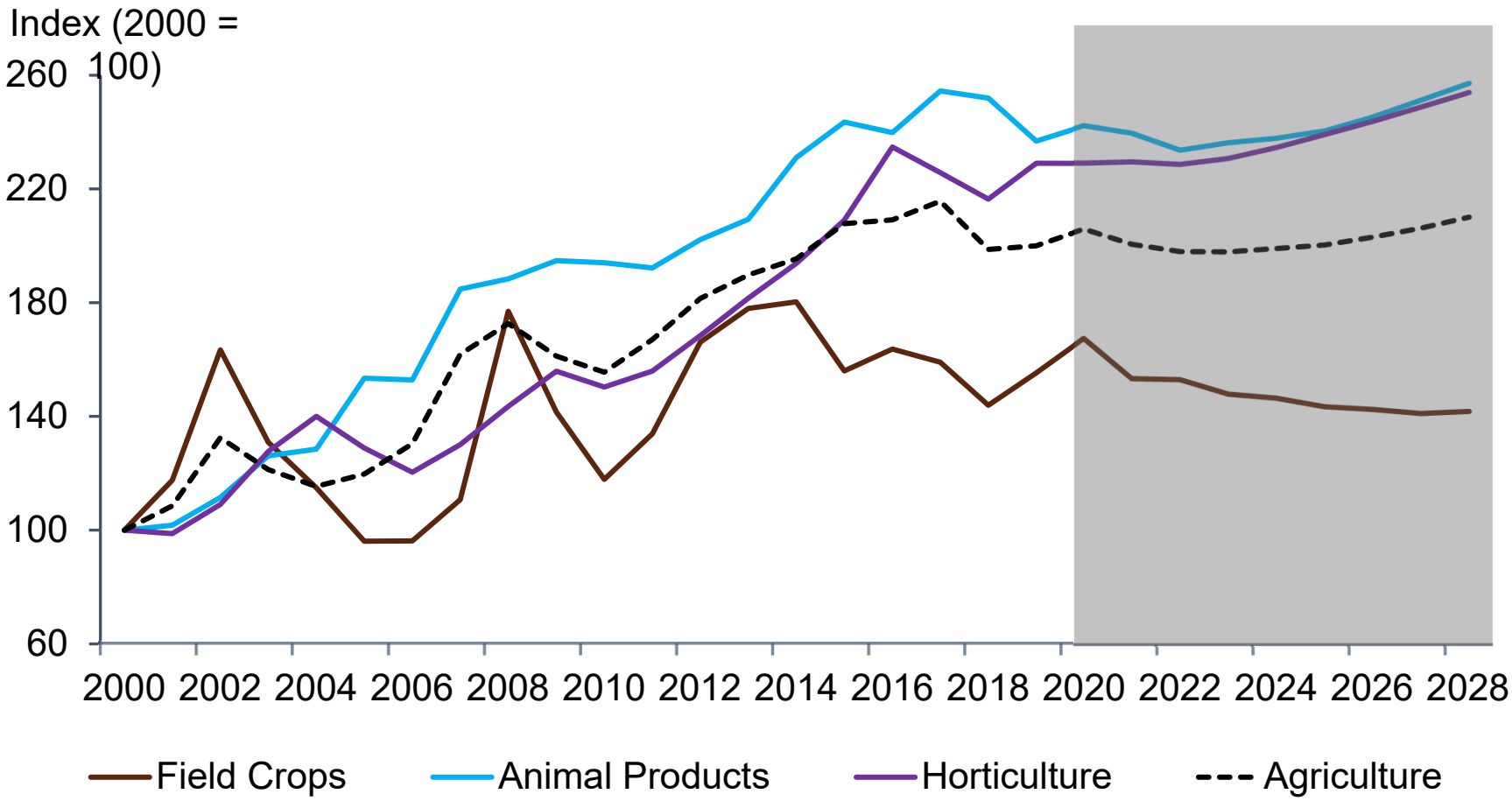
Growth in gross value since 2010

Agriculture	44%
Horticulture	70%
Animal products	43%
Field crop	22%
Agro-processing	13%

Growth in volume of production since 2010

Agriculture	19%
Horticulture	23%
Animal products	21%
Field crop	12%

SA farm economy on a growth path

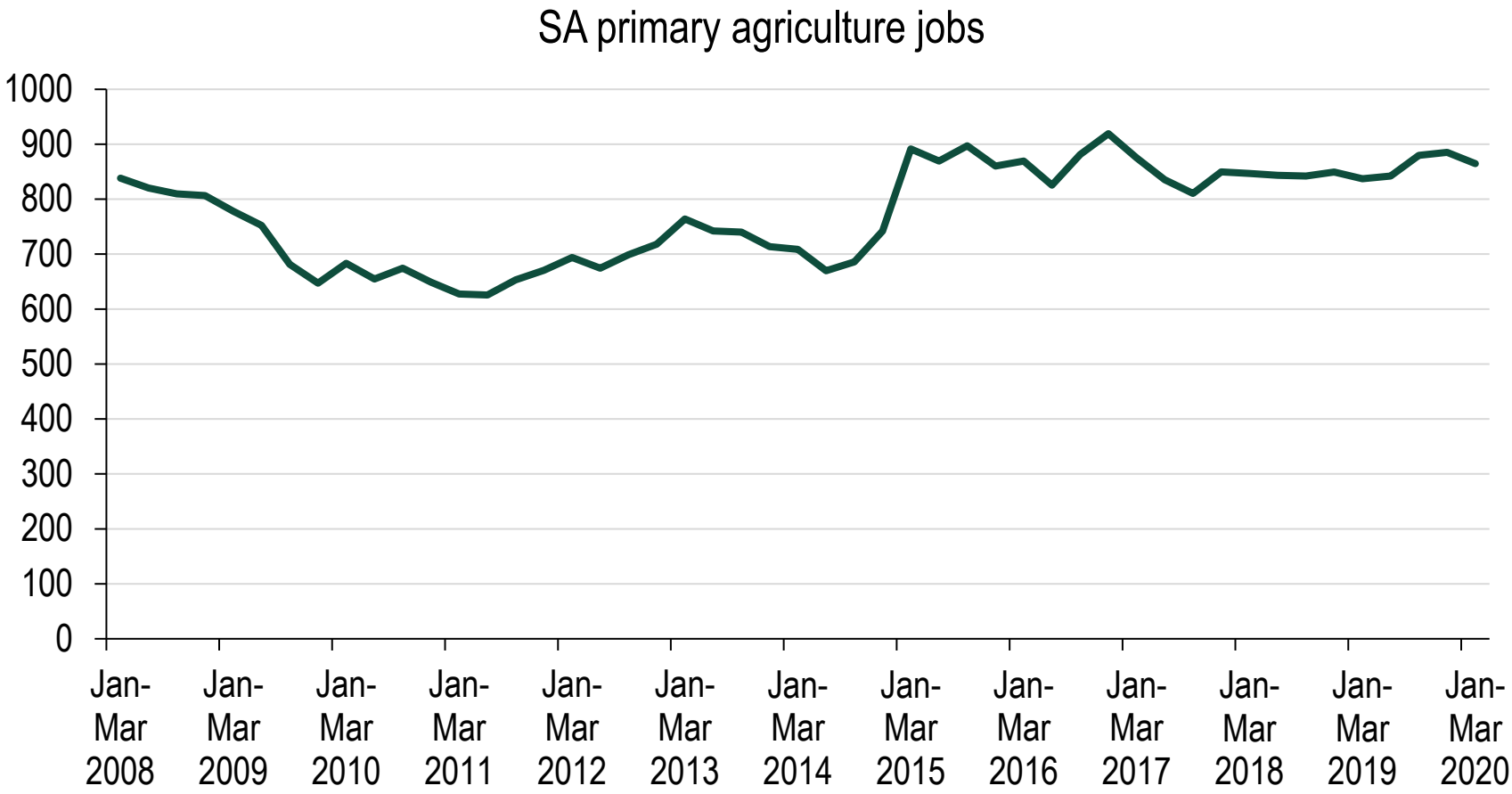


Source: BFAP, 2020

Performance across selected agricultural industries

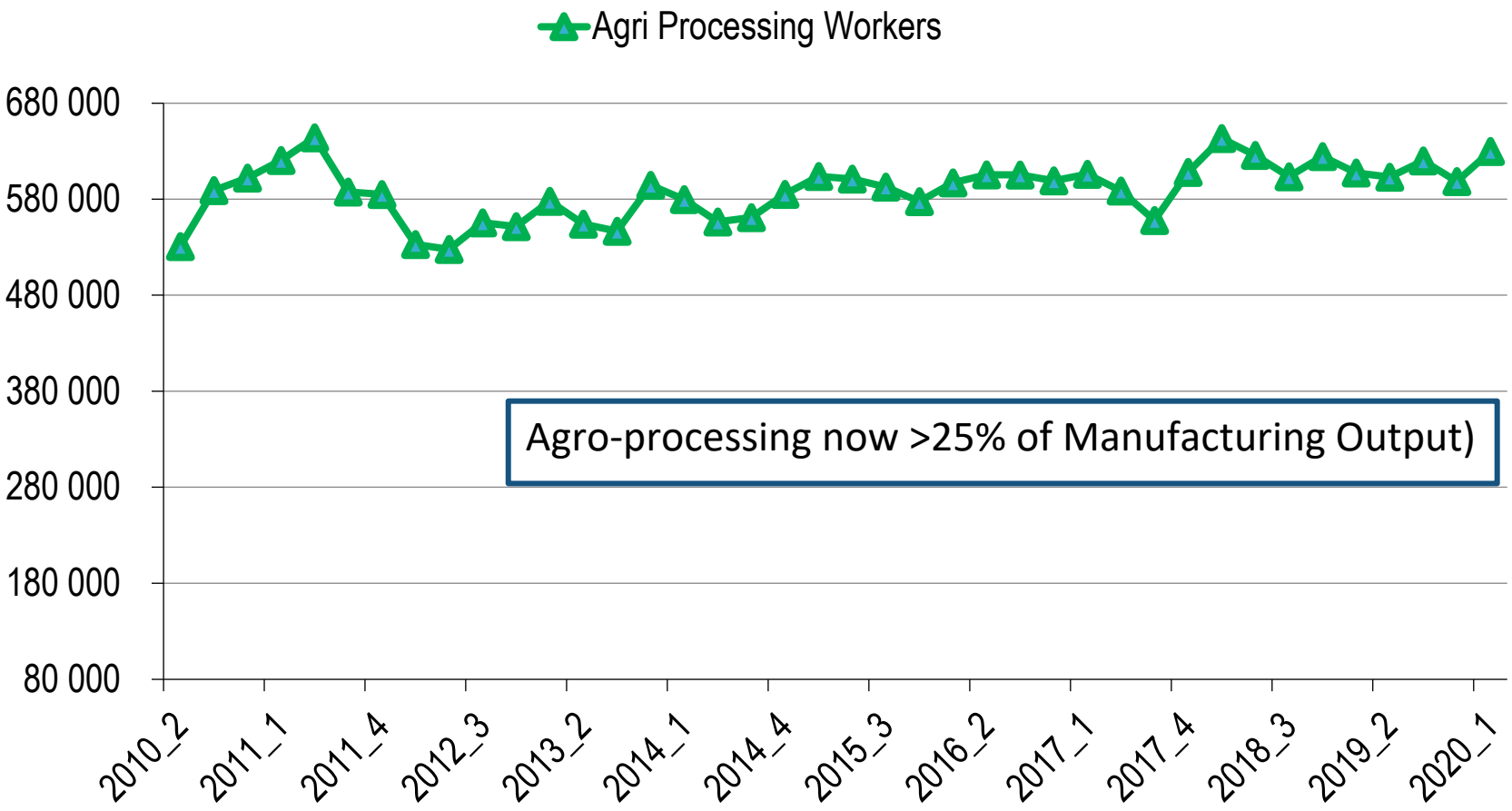
Commodity		NDP target 2030	Actual expansion 2012-2018
Citrus	ha	15 000	23 448
Macadamias	ha	12 000	14 600
Apples	ha	2 500	2 256
Table grapes	ha	4 700	3 773
Avocadoes	ha	9 000	3 700
Soyabean	ha	370 000	312 000
Poultry	tons	660 000	270 000
Dairy	tons	520 000	655 000
Pork	tons	25 000	53 000

SA primary agriculture jobs



Source: Stats SA, Agbiz Reserach

SA agro-processing jobs



Source: Stats SA, Western Cape Department of Agriculture

For today…….

1. Political economy context:
   - Major Global & African risks and challenges
   - Major South African risks and challenges
2. Food Security and Competitiveness imperative
3. Confidence and growth in SA Agriculture
4. **Major developments in legislative and policy environment**
5. Wrap up

SA's broad agriculture recovery policy narrative

1. Transformation and redistribution
2. Addressing inefficiencies
3. Growth and expansion

Transformation and redistribution

1 (0-6 months – from Oct 2020)

Enhance land redistribution

Intervention

Government has started releasing the land – 700 000 ha

Incentivise existing landowners to donate land for land reform

(Additional 2 million hectares to be released from this year)

Impact:

- Reduce inequality in access to land and avoid unutilized agricultural land

Funding available?

Not needed – just acknowledgement and BEE certificate

Yes, blended finance by DALRRD

Who should act?

DALRRD

2 (6-12 months)

Inclusivity for small-scale farmers

Intervention

Government procurement programmes from small-scale farmers in remote areas to serve hospitals, school feeding programmes, government canteens, prisons, etc., through aggregation models. Blended finance.

Impact:

- Improved market access for small-scale farmers
- Improved and consistent cash flow to small-scale farmers
- Improved access to funding instruments through off-takes by the State

Funding available?

Yes

Who should act?

DALRRD, NAMC, Commodity Groups, banking sector and Agribusinesses

Source: Presidential Economic Advisory Council and Agbiz Research

Addressing inefficiencies

1 (6-12 months from Oct 2020)

Improve government capacity

Intervention

- Improve efficiency of government systems and capacity to facilitate regulation, monitoring and reducing red tape.
- Intensify agricultural research and introduce new smart agriculture technologies

Impact:

- Reduce costs and delays leading to better performance of the sector and more investment and better returns
- Build domestic competitiveness and new farm innovations

Funding available?

Yes

Who should act?

DALRRD, DWS, Provinces, Municipalities, Environment, DSI, ARC

2 (12 months and beyond)

Upgrade infrastructure

Intervention

- Improve export infrastructure : rail, rural roads, ports
- Activate the planned investments in dams, irrigation infrastructure to unlock more land for irrigated agriculture

Impact:

- Better rail, road and port infrastructure will improve market access and increase farm profitability and reduce transaction costs and losses
- Facilitate more intensify small scale farmers on high potential land for high value commodities

Funding available?

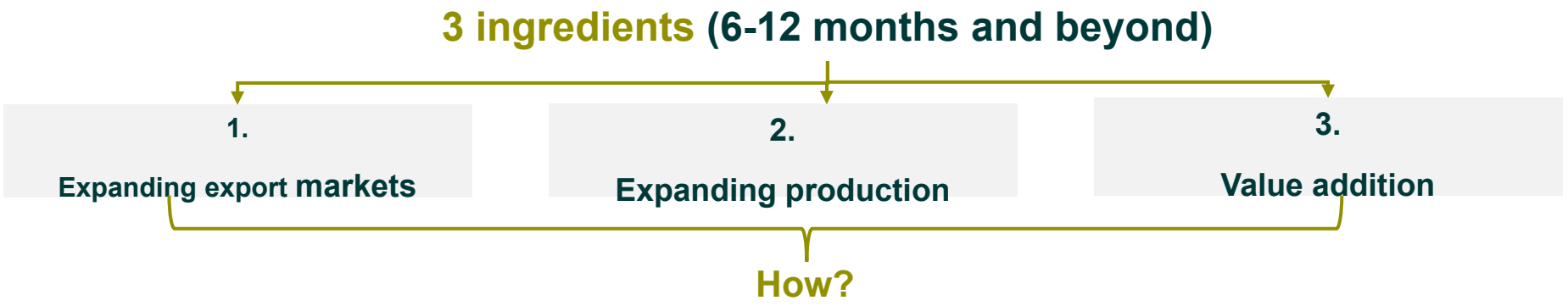
More work needed

Who should act?

DALRRD, TRANSNET, DOT, COGTA, and DWS

Source: Presidential Economic Advisory Council and Agbiz Research

Growth and expansion



Funding

- Introduce Land Development Fund (Blended Finance) to support land reform and access to finance for small-scale farmers as part of revised CASP

Attract private sector investment

- Use existing government funding to de-risk and catalyze private sector participation (prioritizing labour-intensive and high-value crops)
- Use technology to structure aggregation models to reduce small-holder transaction costs for processing

Reprioritizing DALRRD spending and reallocate state land

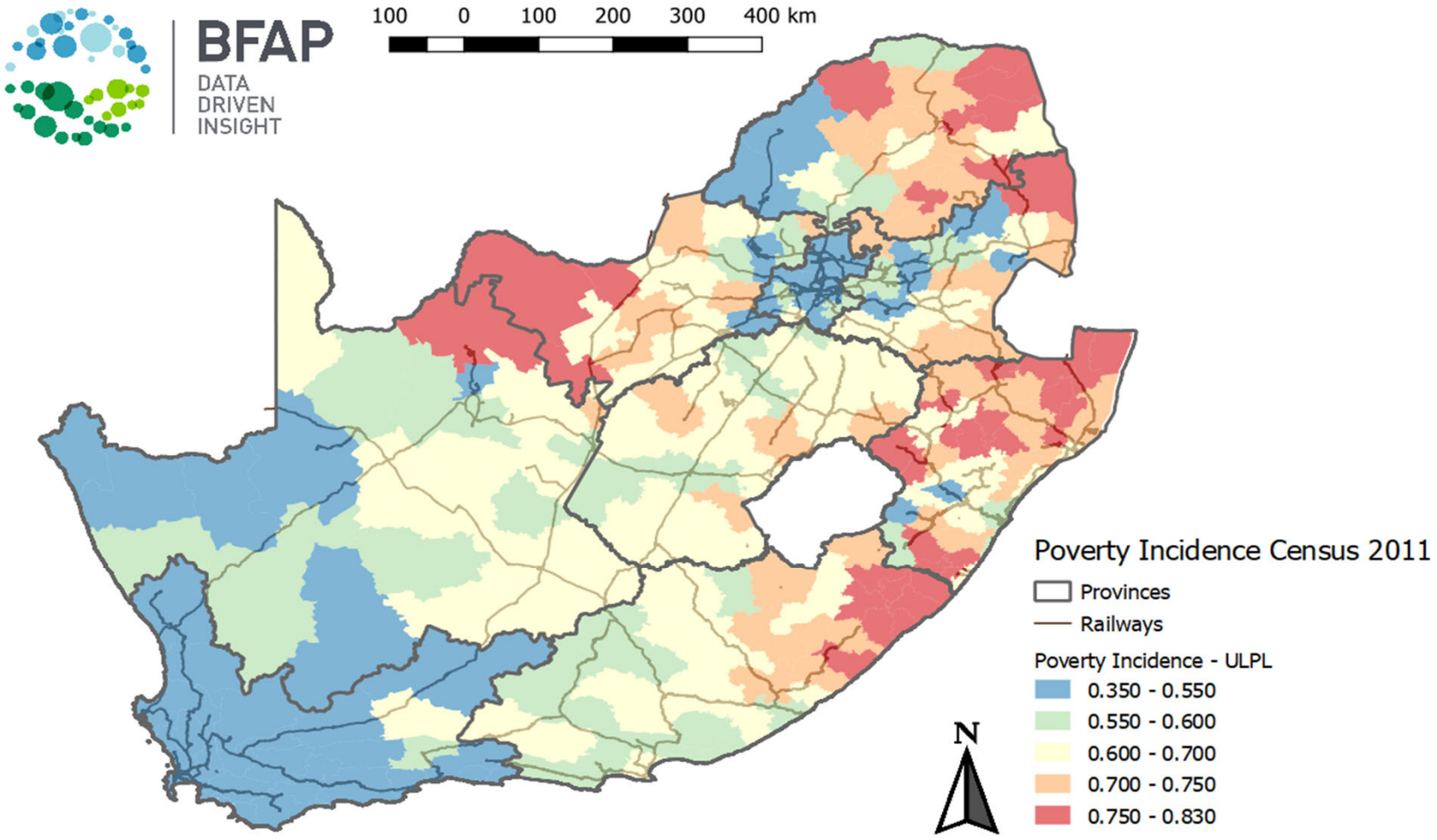
- Redesign and reconfigure the agricultural support programme (CASP) to small-scale farmers.

Increase export readiness and access

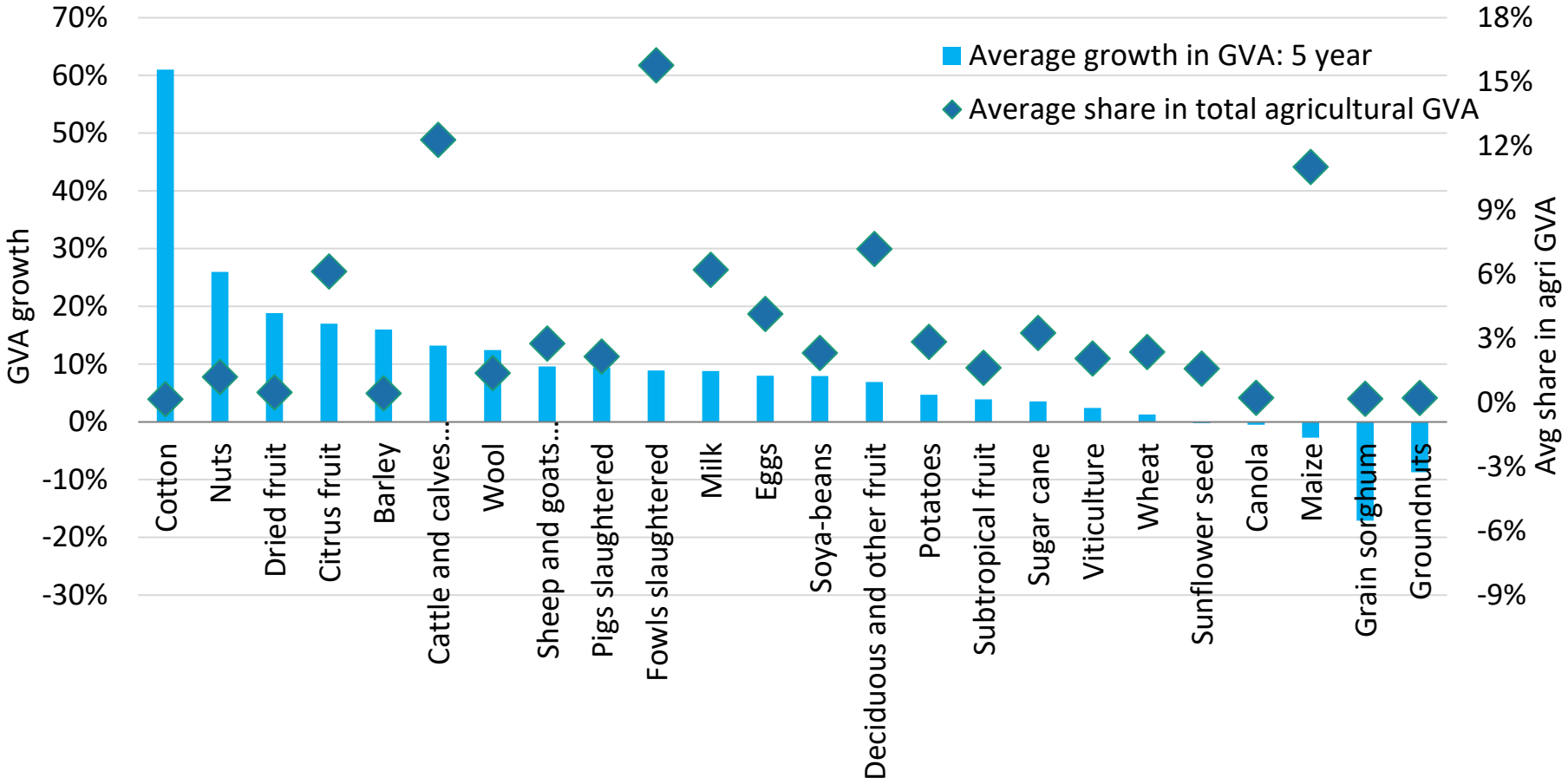
- Reconfigure and strengthen animal health, meat hygiene, and state veterinary service at national and provincial level
- Identification of strategic markets in the African continent, Europe, and Asia. But also ensure that export systems (licenses, food quality standards) are in place

Agriculture is part of the economic recovery strategy

The focus should be KZN, EC, LP and parts of MP, which are also regions with higher poverty levels and availability of land



Top agricultural subsectors to choose from during the expansion and recovery phase



Source: BFAP and DALRRD

Engagement with Government

1. Bilateral (Agbiz, BUSA, CEO Forum, etc.)
2. NEDLAC:
   - NEDLAC Act
   - Jobs Summit developments
   - Trade & Industry Chamber
   - Development, Labour Market & PFMP Chambers
3. Public-Private Growth Initiative (PPGI)
4. **Masterplan process**

Government has embarked on a Masterplan initiative which is essentially a partnership model between government, business and labour in a Nedlac approach of social dialogue to establish an environment conducive for investment and inclusive economic growth in the sector.

To quote President Ramaphosa at the Investment Summit of 6 November 2019:

- ***We are on a path of removing impediments and constraints to inclusive growth.*** *We have embarked on a path that is illuminated by* ***policy consistency and regulatory certainty, fiscal responsibility, and decisive interventions to stimulate economic activity****.*
- *Central to our efforts to ignite growth and create jobs* ***is an ambitious execution oriented industrial strategy founded on partnerships between government, labour and industry****. It prioritises growth in important sectors such as automotive, clothing and textiles, gas, chemicals and plastics, tourism, renewable energy, oceans economy,* ***agriculture and agro-processing****, mining and beneficiation, the digital economy and the high-tech industries.*
- ***Master plans for each of these sectors will ensure that infrastructure, skills, incentives and other resources are directed towards where they have the greatest impact.*** *Today we will witness the signing of master plans for the poultry and the clothing, textile and footwear industries.*

Pres Ramaphosa reiterated the position of Masterplans at BUSA's Business Economic Indaba 2020 on 14 January 2020, as well as in SONA, February 2020.

Latest developments on Agriculture and Agro-processing Master Plan (AAMP) process

The Agriculture and Agro-Processing Master Plan (AAMP) is a compact aimed at providing practical actions and reforms designed to address growth and developmental challenges in agriculture, food and beverage sectors. The AAMP process comprises two documents (i) This document, which is the Agriculture and Agro-processing Master Framework Agreement; and (ii) the Agriculture and Agro-processing Master Action Plan. **This framework agreement document informs the drafting and finalization of the Action Plan of the AAMP.** The AAMP Action Plan contains a set of practical interventions and commitments from social partners as well as the institutional arrangements to monitor and evaluate progress on the implementation of AAMP actions and reforms.

1. **Over-arching AAMP Framework:**
   - Signed off by core drafting team for mandating purposes by constituencies
   - Content:

     (i) Introduction and Context

     (ii) Agriculture and Agro-processing situation analysis

     (iii) Agriculture and Agro-processing value chain analysis (Deep dives of VC's)

     (iv) Conclusion - Moving towards an AAMP Action Plan

agriculture, land reform
& rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Department of Agriculture, Land Reform and Rural Development

Agriculture and Agro-processing Master Framework Agreement

Context and Approach for An Inclusive Growth and Sustainable Jobs

Draft version 06, April 2021

Prepared by:

National Agricultural Marketing Council (NAMC)

Bureau for Food and Agricultural Policy (BFAP)

Centre for Competition, Regulation and Economic Development (CCRED)

agbiz

Latest developments on Agriculture and Agro-processing Master Plan (AAMP) process

2. AAMP Action Plan

- Core drafting team made no input into the document – draft zero document from research group.
- Minister Didiza pushed for its distribution, despite objections from constituencies.
- Input from constituencies required – meeting for 3 May organized with core commercial group.
- Negotiation on targets and commitments to follow now.

AAMP Action Plan: Negotiation structure

Executive Oversight Committee

Chair: Minister Didiza

Members: Industry captains (commercial and emerging), labour and civil society leaders, government leaders (national, provincial and local)

ADMINISTRATIVE SUPPORT NAMC

Reference Group 1: Cross-cutting

Chair: DALRRD & DTIC

Members: National & local government, commercial and emerging business, labour and civil society leaders, government

Following cross-cutting principles need to be negotiated in a single forum:

1. Land
   - Align to ongoing land reform processes
2. Water
   - Water rights, Infrastructure & maintenance etc.
3. Labour
   - Minimum wages, growing jobs, decent working conditions, training and skills upliftment etc.
4. Producer support
   - Extension, training through PPP's
   - State veterinarian services etc.
5. Infrastructure
   - Electricity, Roads, Ports, Markets
6. Biosecurity
   - National animal health, Plant health & protection
7. Finance
   - Blended finance, Value chain financing etc..

Reference Group 2: Value chain clusters

Chair: Industry

Members: Commercial and emerging business, labour, government

Value chain reforms & Interventions to be negotiated in 4 clusters:

1. **VC Cluster 1: Field crops**
   - Chair: t.b.d.
   - Members: t.b.d.
   - Coverage: grains & oilseeds, cotton, sugar and other field crops
2. **VC Cluster 2: Horticulture**
   - Chair: t.b.d.
   - Members: t.b.d.
   - Coverage: Fruits, nuts, vegetable, floriculture and other
3. **VC Cluster 3: Animals & animal products**
   - Chair: t.b.d.
   - Members: t.b.d.
   - Coverage: beef, goat, sheep, wool, poultry, pork, dairy, ostrich and other
4. **VC Cluster 4: Agro-processing**
   - Chair: DTIC
   - Members: t.b.d.
   - Coverage: Food, beverage, inputs

RESEARCH SUPPORT NAMC, BFAP, CCRED

For today…….

1. Political economy context:
   - Major Global & African risks and challenges
   - Major South African risks and challenges
2. Food Security and Competitiveness imperative
3. Confidence and growth in SA Agriculture
4. Major developments in legislative and policy environment
5. Wrap up

Wrap up.....

- Relatively healthy and robust agri-food industry, but faces various challenges and risks.
- **Challenges:** Investment environment, Agro-logistics, water availability and quality, environmental sustainability, R&D, crime and security, labour relations & legislation, land reform, climate change, droughts, trade agreements, sustainable transformation, etc.
- **Opportunities:** Growing population, consumer spending trends, new markets (especially to Africa and Asia), new technologies & improved productivity, etc.
- Major contributor to Food Security, growth and employment in RSA – **major South African asset.**
- **But we live in uncertain times – many risks and variables, some controllable, others not or less so.**
- **However, risk creates opportunity and reward, and concentrate on those risks and opportunities you understand and can manage!**

Thank you

Questions or comments?