Thinking about the future for dummies: the case of South African agriculture

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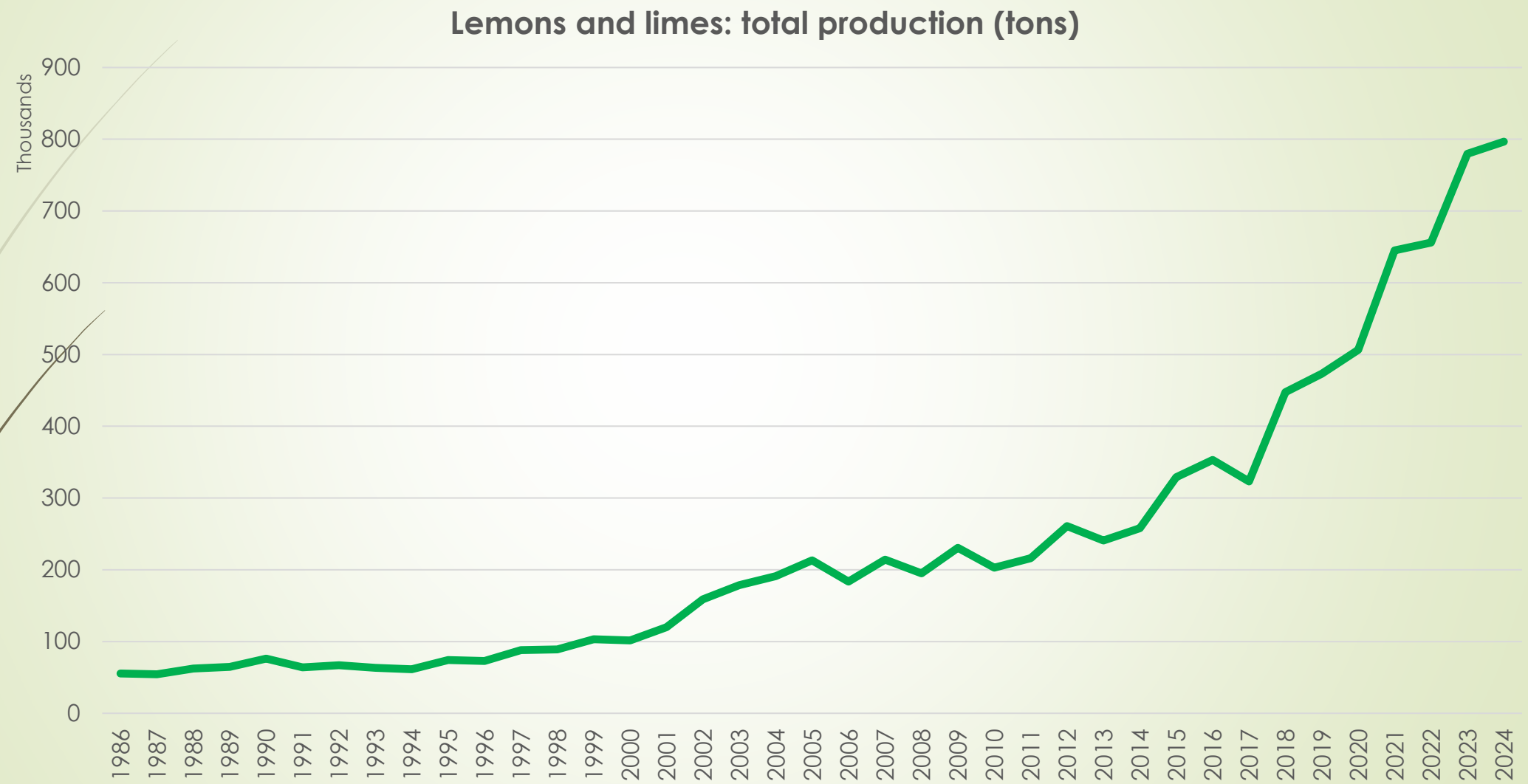
1997	Somerset West: Lord Charles	Future perspectives on the competitiveness of wheat production in the Western Cape
2000	IDC/FSSA/GTZ	Deregulation and input use trends in South African agriculture
2003	Cape Town: Holiday Inn	The political economy of food price inflation in South Africa
2015	Somerset West: Lord Charles	Food Production and the National Development Plan
2019	Stellenbosch: Spier	The obstacles to employment growth in South African agriculture
2026	Cape Town: Blaauwberg Beach Hotel	Thinking about the future for dummies: the case of South African agriculture

Growth multiple, top 10 products

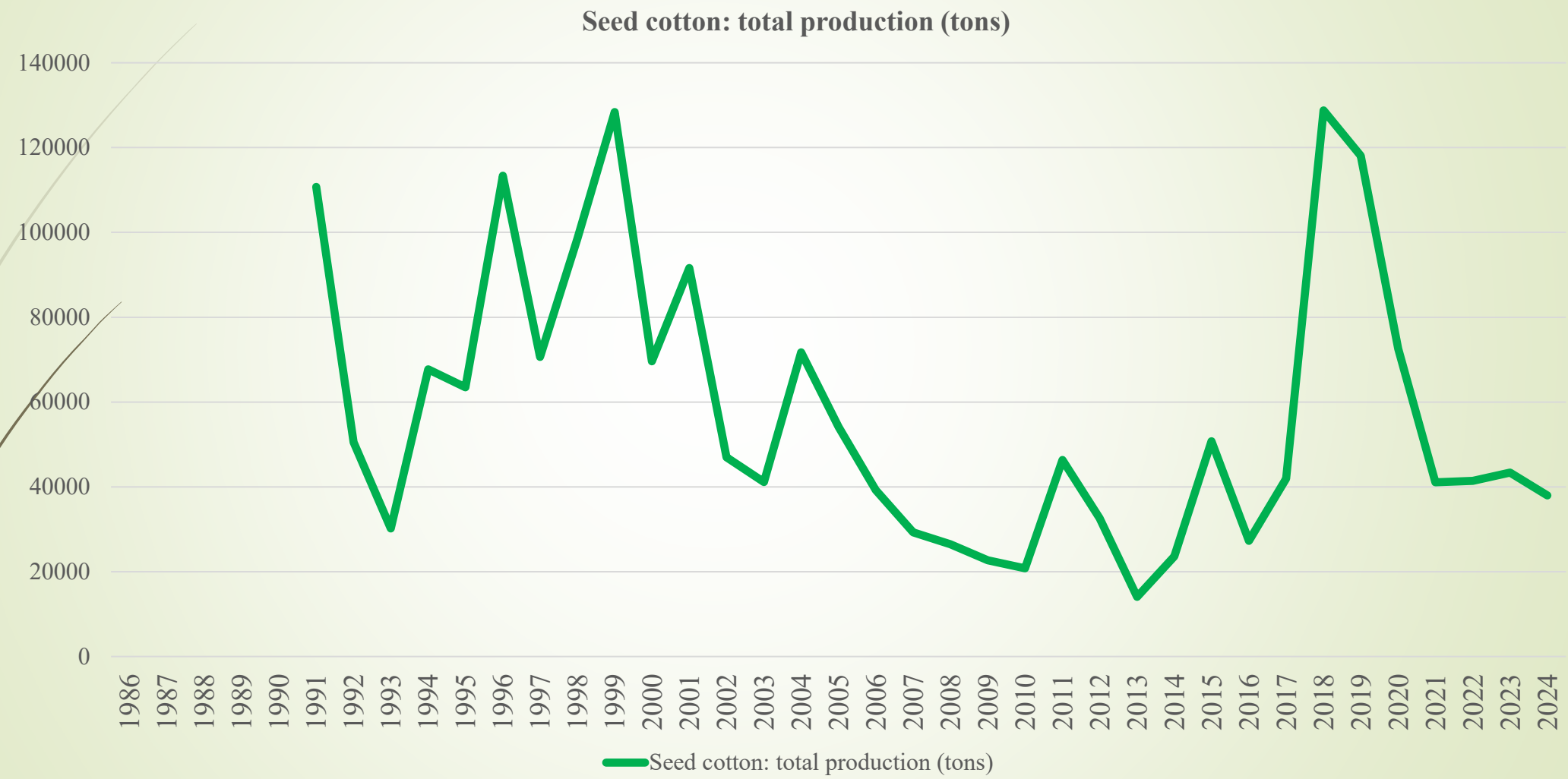
	GVP 2010 (constant 2014-2016 $'000)	GVP 2024 (constant 2014-2016 $'000)	Growth 2024/2010	Irrigation?
Other berries	1373	10763	783,90	Yes
Canola	17350	135506	781,01	No
Cherries	511	3054	597,65	Yes
Tangerines, etc	66828	345070	516,36	Yes
Lemons and limes	125058	433475	346,62	Yes
Soya beans	216475	706794	326,50	No
Mushrooms	13220	40448	305,96	No
Strawberries	8810	24592	279,14	Yes
Other nuts	56664	136305	240,55	Yes
Seed cotton	18734	43884	234,25	No

Irrigation is responsible for four of the five fastest growing commodities

Output of lemons and limes



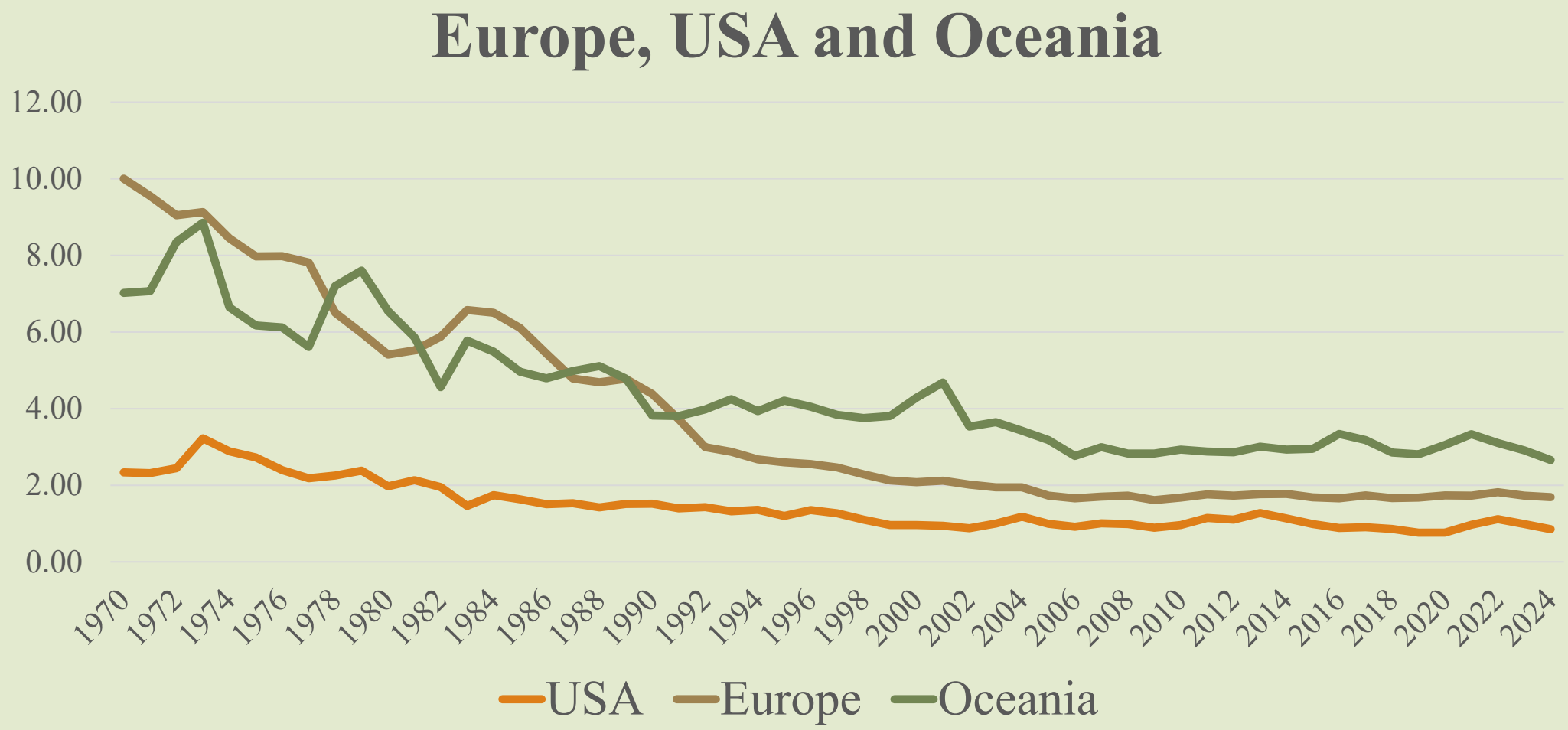
Seed cotton output



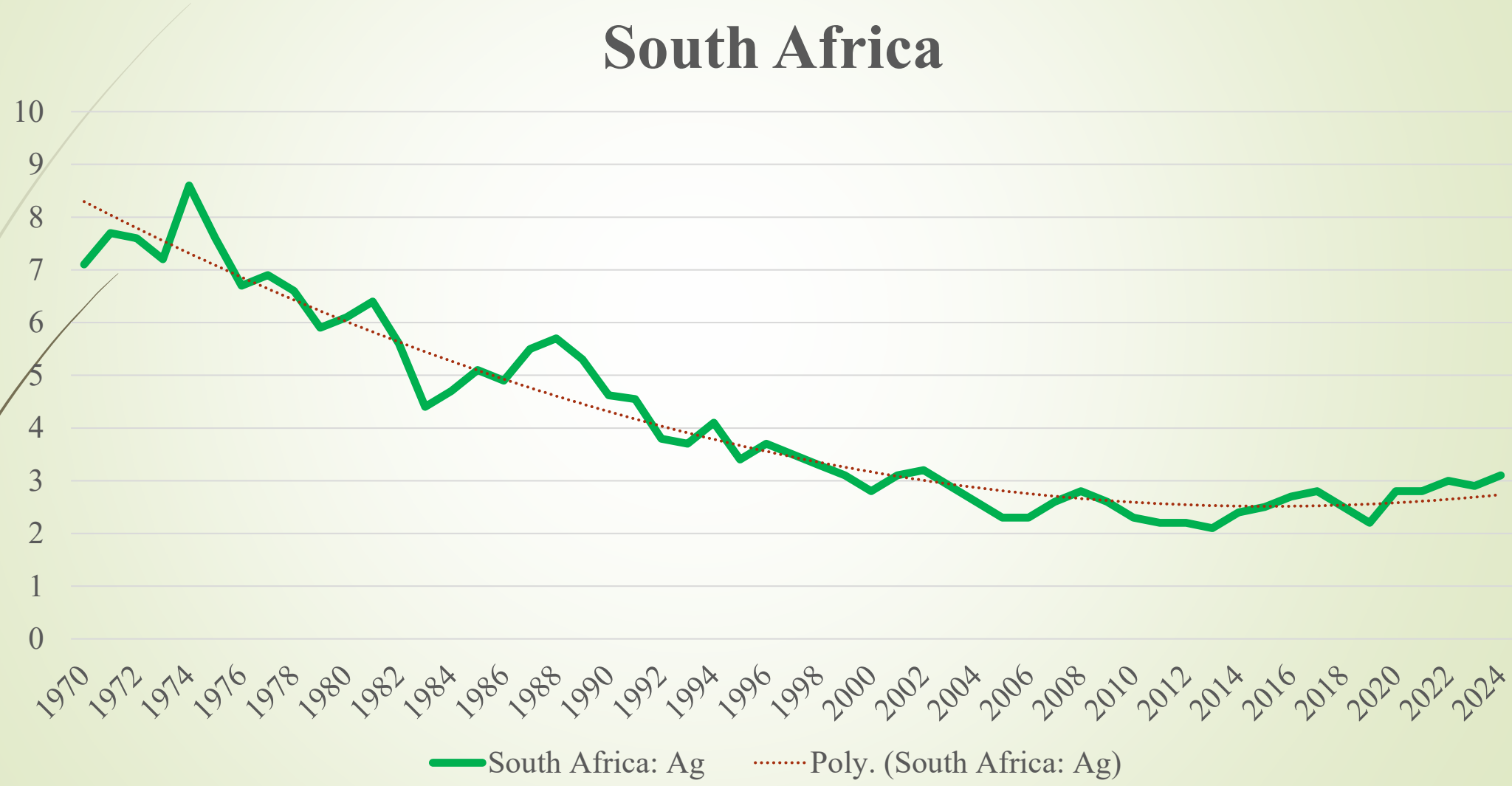
	GVP 2010 (Constant 2014-2016 $'000)	GVP 2024 (constant 2014-2016 $'000)	Difference (2024-2010) (Current 2024 ZAR billion @ R17=$1)	Share of increase in Total GVP
Poultry meat	2827482	3679498	14484272	19,81
Soya beans	216475	706794	8335423	11,40
Beef	3736373	4100183	6184770	8,46
Pork	401132	725350	5511706	7,54
Milk	1299641	1615916	5376675	7,35
Lemons, limes	125058	433475	5243089	7,17
Apples	341839	626603	4840988	6,62
Tangerines, etc	66828	345070	4730114	6,47
Potatoes	523116	656581	2268905	3,10
Canola	17350	135506	2008652	2,75
	9555294	13024976	58984594	80,66
Total GVP	19124486	23425868	73123494	100,00

Livestock products are by far the largest contributor (Four of the five biggest contributors)

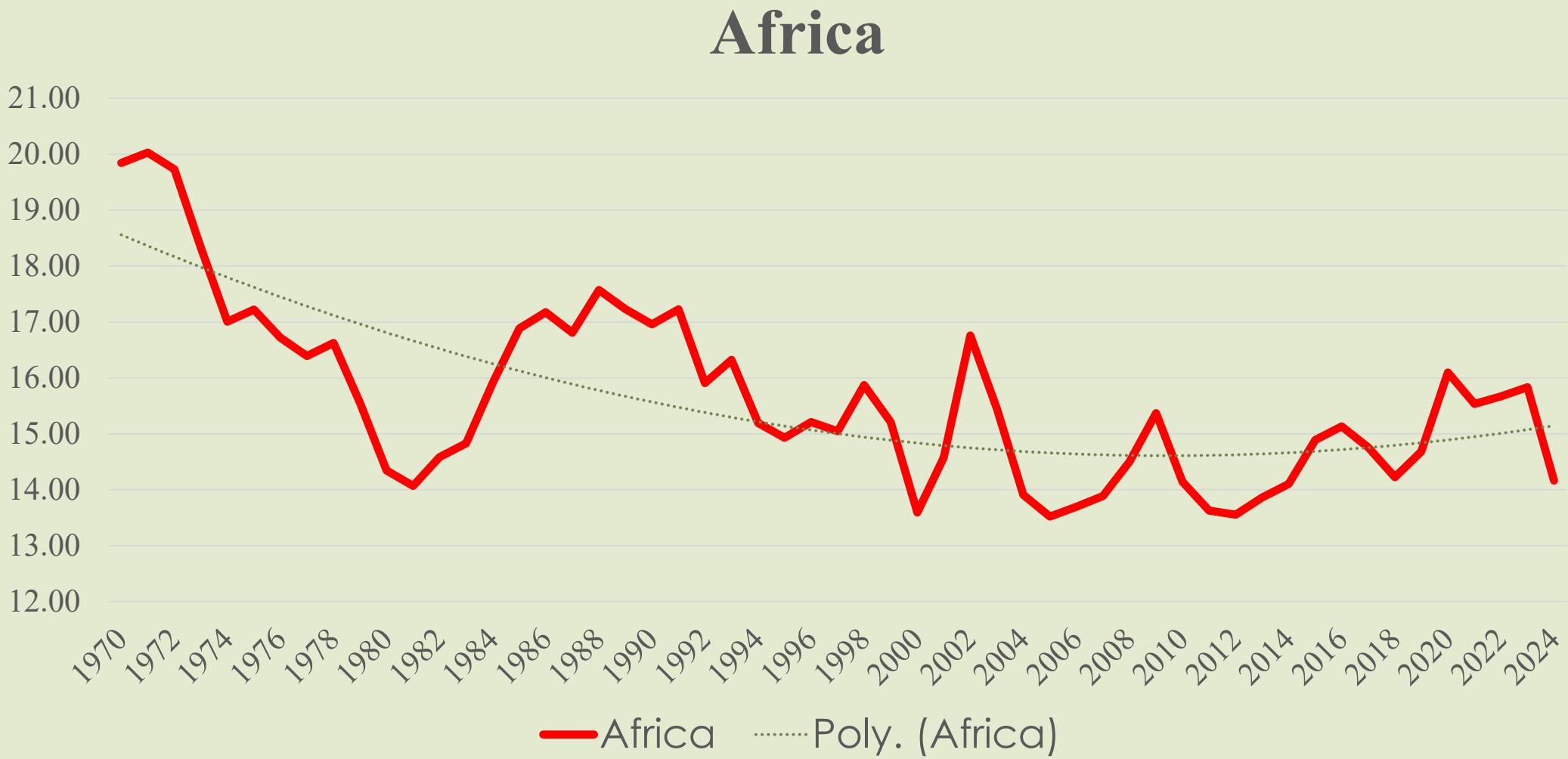
Agriculture's share of GDP (%)



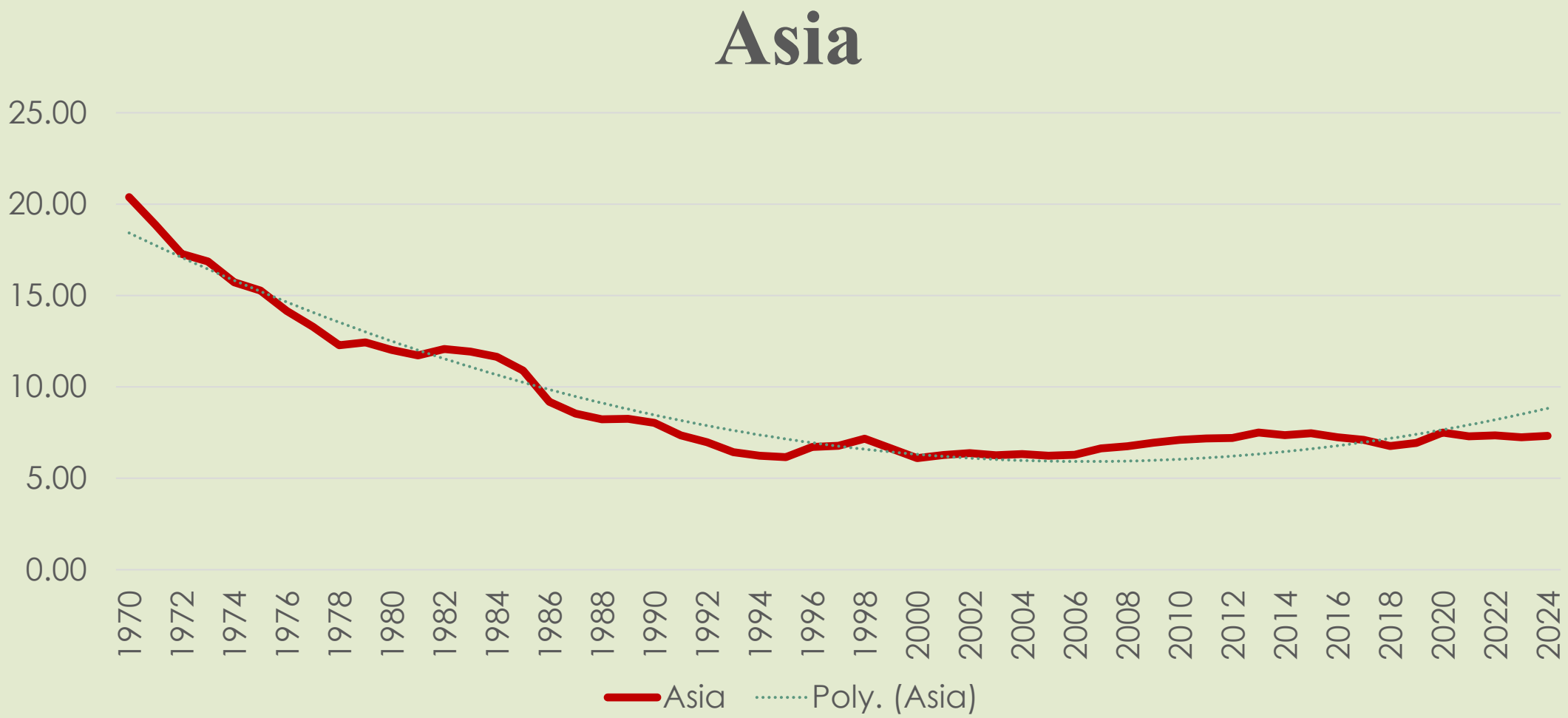
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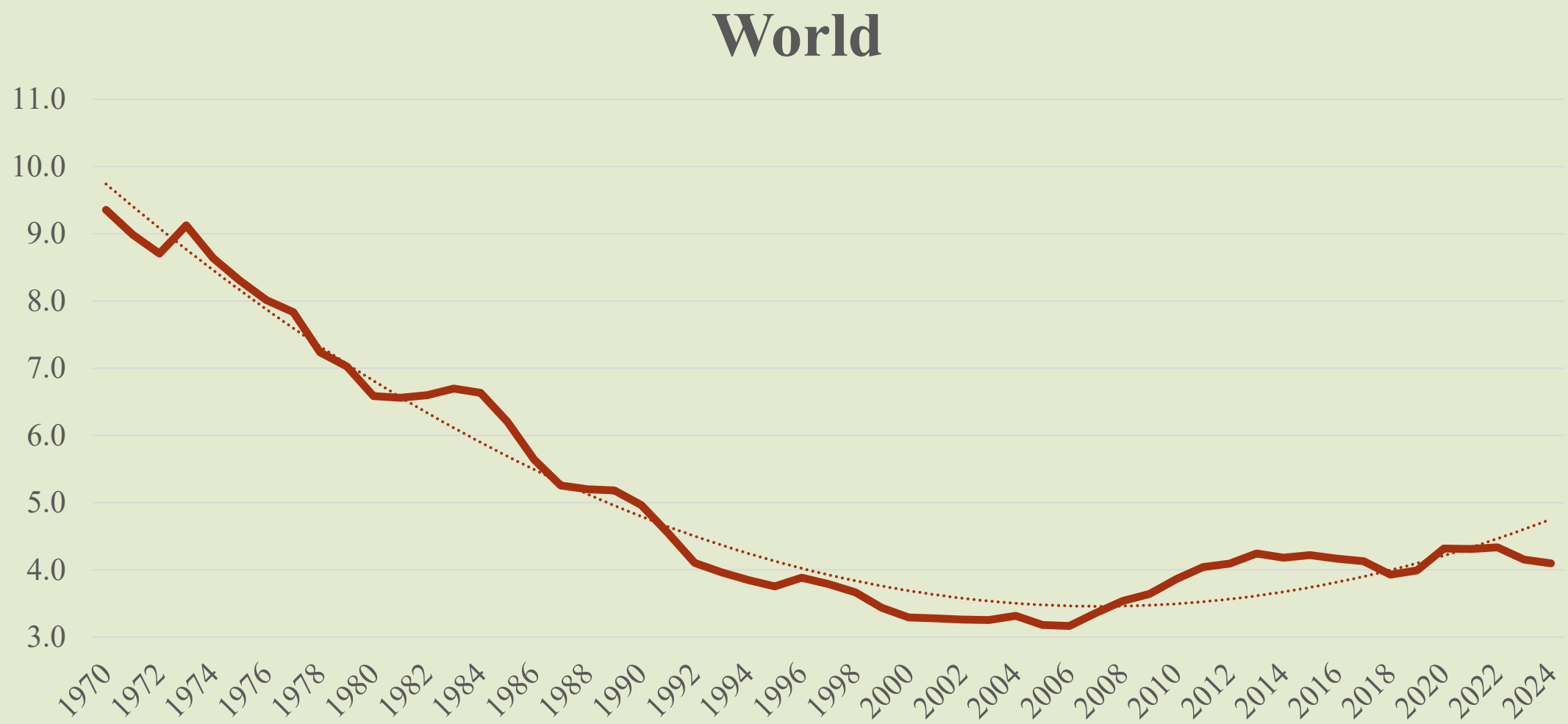
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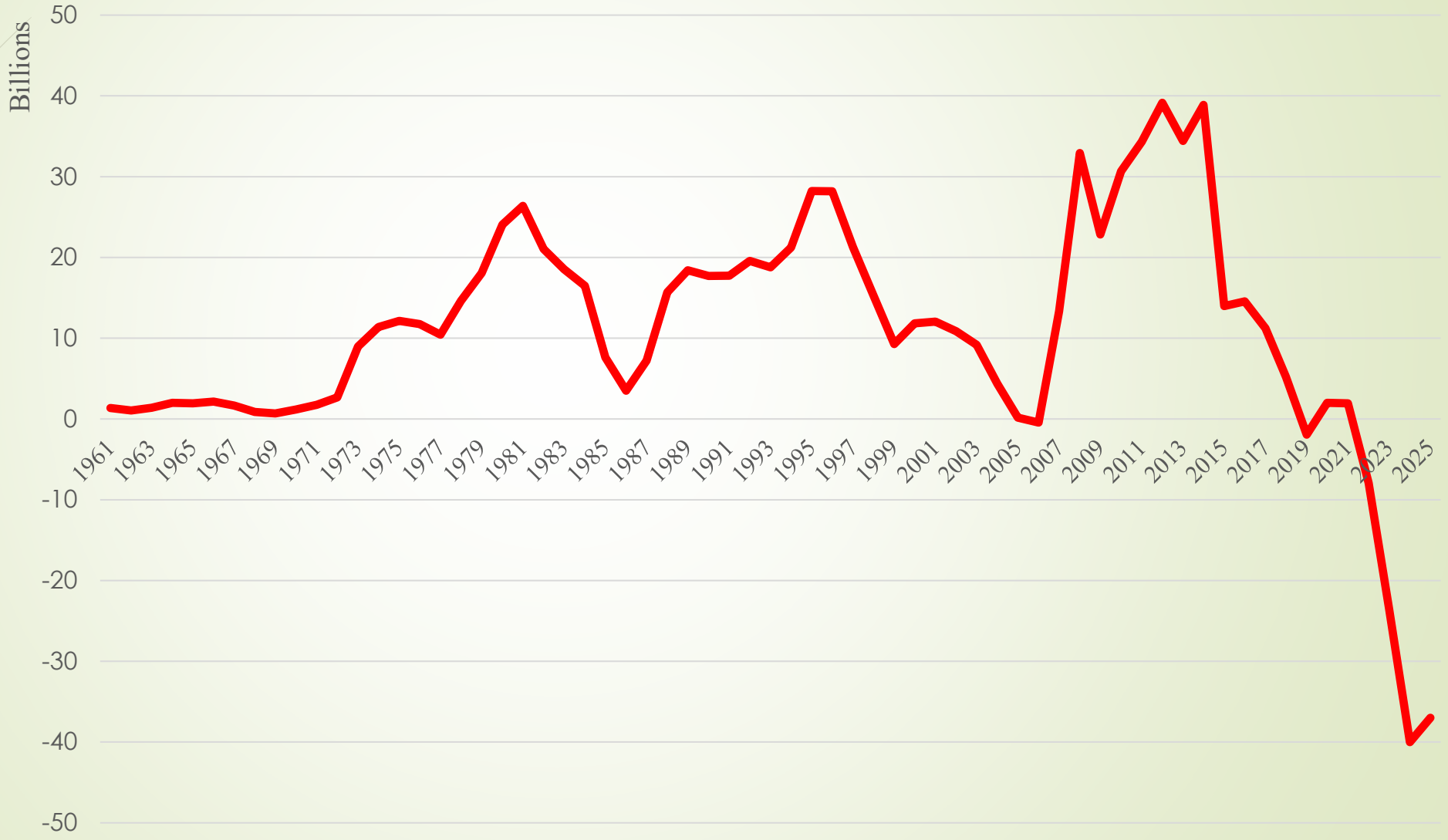
Agriculture's share of GDP (%)



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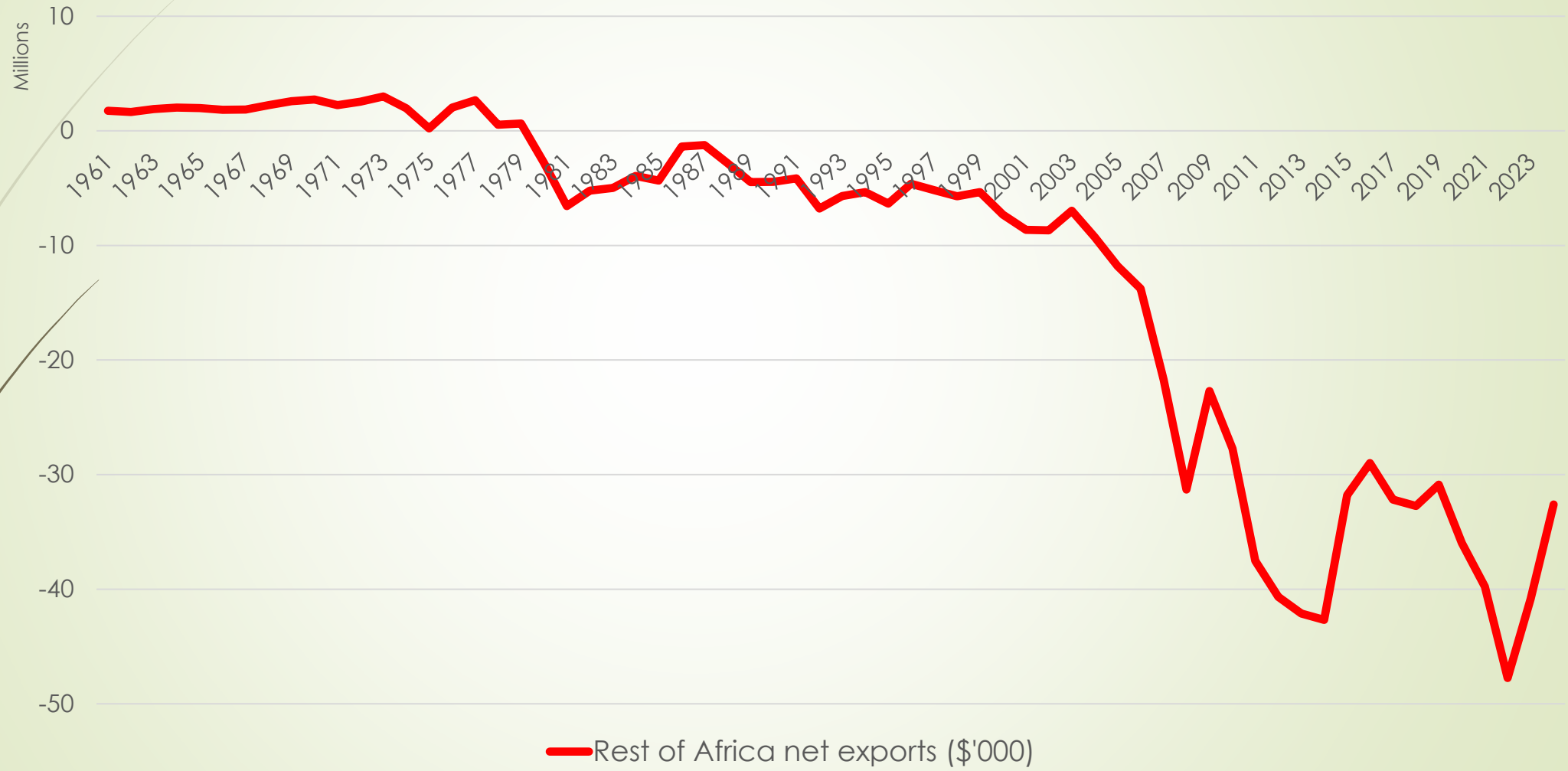
Net agricultural exports of the USA



Net agricultural exports of China



Net agricultural exports of the rest of Africa



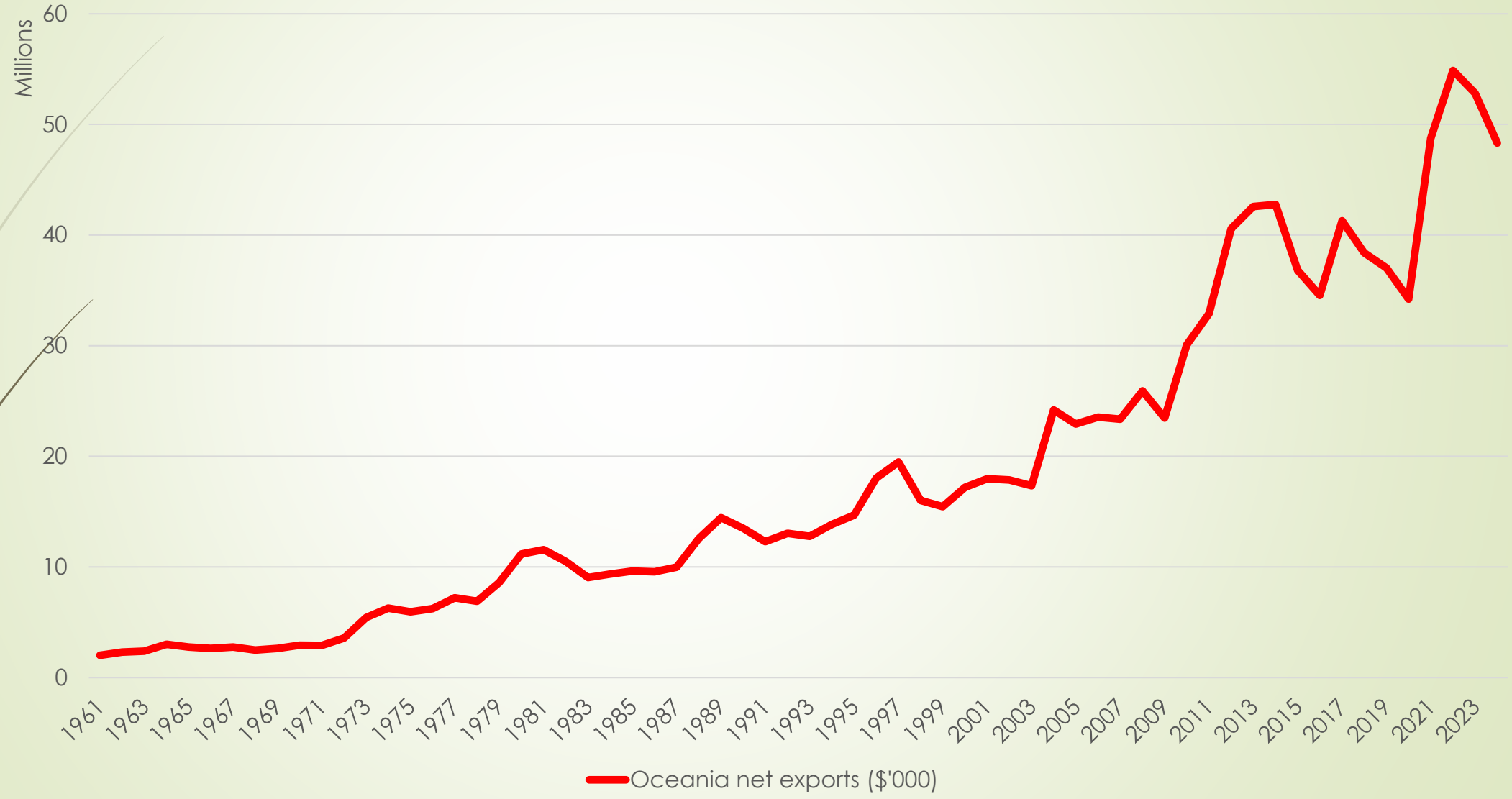
Net agricultural exports of Brazil



Net agricultural exports of the rest of South America



Net agricultural exports of Oceania



Net agricultural exports of South Africa



Who cancels the China, USA deficit?

Country or region	Net exports negative ($bn)	Country or region	Net exports positive ($bn)	Share of deficit (%)
USA	37	Brazil	127	35,1
China	148	Rest of S America	58	16,0
Rest of Asia	150	Europe	20	5,5
Rest of Africa	27	South Africa	6	1,7
		Oceania	48	13,0
	362		259	72,0

South Africa's net agricultural exports

- South Africa is a net exporter of most of the agricultural commodities produced in the country (using the FAO commodity classification, 384 commodities are exported and 374 imported)
- Of these, we are net exporters of 218 (57%) commodities, and net importers of 156 (43%)
- Exportable surpluses have been growing rapidly on the back of major investments by farmers in technology, infrastructure and cultivation practices
- Delivering goods at export parity is roughly 30% cheaper for local consumers than relying on imports, contributing meaningfully to household and national food security

How was this done?

Actors	Actions
Farmers	Megafarmers
Organised agriculture	AgriSA, Provincial Unions, commodity organisations
Provincial Departments of Agriculture	Trade not a concurrent policy so limited
National Department of Agriculture	See next!

	CA>1	Both CA	RSA>Country	RSA<Country
South Africa	22	-	-	-
Brazil	12	5	2	3
Russia	6	1	0	1
India	10	2	2	0
China	21	8	7[1]	1

[1]Note that for China all seven are horticultural commodities

E.g. for Brazil: they have a CA in 12 commodities (as opposed to the 22 for South Africa). Of these 12, South Africa and Brazil jointly have a CA in 5 commodities. Of these five, South Africa's CA is bigger than Brazil's in 2 commodities, and smaller in three. **Clearly there are trade opportunities between South Africa and BRIC. Why are these not being exploited?**

Trade policy in isolation

Trade policy and foreign policy

- Foreign and trade policy are (should be) deeply intertwined, with trade policy (as one of the available economic instruments) often functioning as a critical instrument of a country's overall foreign policy and diplomatic efforts
- Trade rules, tariffs, and agreements, etc. can be used to influence, reward, or punish others based on your strategic objectives
- What are we doing about SACU breaches of the Agreement?
- Who reacts first when trade problems arise (e.g. the Trump tariffs, the citrus black spot issue, Foot and mouth disease outbreaks)? Is it the state or the industries?

What are the main long-term future influences on South African agriculture?

Google AI	Microsoft Copilot	ChatGPT
Climate change, resource scarcity	Climate change	Climate change and extreme weather; water scarcity
Digital adoption, modernization	Technology	Technology and “smart” farming
Transformation, inclusive land reform	Land reform	Land reform and rural transformation
Trade diversification, biosecurity	Trade access	Global trade and food markets
-	Infrastructure	Energy costs, infrastructure reliability
		Population growth, food security

Two problems: First is veracity

Google AI	Microsoft Copilot	ChatGPT
Nine references, **none** from peer-reviewed sources	Five references, **none** from peer-reviewed sources.	Six references, three from second-rate journals, and three from distinctly third-rate if not predatory journals

Two problems: Second is what's missing?

1. At the rate we are going, we will still have a dualistic agriculture in 20- or 30-years time
2. The civil service remains incompetent
3. Corruption remains endemic to the system, especially with the land reform programme
4. Violent crime is endemic at all levels of South African society, but especially at farm level
5. The crazy Russian and American politicians are joined by more crazy politicians in other countries
6. What do we say about our African neighbours? Optimism or pessimism?

A prediction

- Given this background, what can we predict about the long-term future for South African agriculture?
  - As a water-scarce country, animal production remains a primary source of growth
  - But growth will depend even more on irrigation than it has over the past 10-15 years
  - Irrigation agriculture is skills and management intensive. It is also dependent on water, energy and suitable land Nonetheless, the scarcest factor is energy
  - Energy is required to bring the water to the land, and to distribute it once it gets there

What do we need?

1. A stable and predictable policy environment;
2. Investment in universal and comprehensive farmer support, including biosecurity and irrigation;
3. Supporting and encouraging investment throughout agricultural value chains;
4. Addressing administered costs of energy in terms of price, quality and quantity of service;

What do we need?

5. Supporting research and development of new technologies;
6. Building market access in foreign markets (providing strategic information, negotiating trade deals, supporting exporters to comply with rules and regulations, supporting dispute resolution mechanisms, etc.)
7. What are the chances?

Thank you!