

# Mixed responses from agri industry following Sona

By [Ursula Human](#)

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For the agricultural industry, there were mixed responses to the State of the Nation Address (Sona). Organised agriculture responded with both positive and negative remarks following the [speech](#) on 11 February. Many organisations lauded President Cyril Ramaphosa for highlighting the importance of agriculture in driving economic growth and job creation.



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Other positive aspects included the promotion of local agri products, plans to improve infrastructure, as well as energy generation. At the same time, these organisations raised their concern about the risk of changes to the land reform bill for food security and foreign investment.

## Export growth during pandemic

In a press release, Christo van der Rheede, director of Agri SA said: "The president presented arguably his most important Sona, owing to the unprecedented global Covid-19 pandemic. According to Agri SA, the president outlined a four-point focussed plan that includes defeating Covid-19, accelerating economic recovery, implementing economic reforms to create sustainable jobs and drive inclusive growth, as well as fighting corruption."

In his speech, President Ramaphosa highlighted the fact that amid the economic damage caused by Covid-19, South Africa's agricultural sector has performed remarkably well. In 2020, the country became the world's second-largest exporter of citrus, with strong export growth in wine, maize, nuts, deciduous fruit, and sugar cane. The president's message also centred on the agricultural and agro-processing master plan's potential to drive further expansion and development in the sector.

In a press release, Agbiz said the "broader agriculture and agro-processing master plan is nearing completion and we expect its launch within the first quarter." They also said that "trade is another important aspect highlighted, focussing on the African Continental Free Trade Area (AfCFTA), which came into operation on 1 January 2020. The AfCFTA offers an opportunity to expand agricultural exports beyond the SADC region, where South Africa's agricultural exports are currently concentrated."

## Infrastructure and energy

Agri SA welcomed the announcement of infrastructure development that will include investment in network industries such as energy, water, transport, and telecommunications. Agri SA said this will benefit the farming community as well as industries in the value chain. According to Agri SA, the fourth priority intervention of the economic recovery plan is to rapidly expand energy generation capacity.



### Farmers no longer require approval for self-generation facilities of above 1MW

10 Nov 2020



In his Sona speech, President Ramaphosa said the National Energy Regulator of South Africa (Nersa) will continue to register small-scale distributed generation for own use of under one megawatt (MW), for which no licence is required. Nersa will also ensure that all applications by commercial and industrial users to produce electricity for own use above 1MW, are processed within the prescribed 120 days.

Agri SA said: "The agricultural sector remains ready to plug in and we continue to call upon the relevant stakeholders to partner with farmers to resolve the long-standing energy crisis."

## Job creation versus minimum wage

The South African Canegrowers Association (SA Canegrowers) welcomes the call by President Ramaphosa to buy local sugar.



### Buy local 'Home Sweet Home' campaign launched in Gauteng

8 Jan 2021



South African consumers have received the Home Sweet Home campaign well. Preliminary findings show that sales of local sugar have increased by 12% year-on-year.

In a press release, SA Canegrowers said: "We are hopeful that the president's call will embed these early signs of shifted behaviour by committed South Africans." They also said their "third priority intervention is an employment stimulus to create jobs and support livelihoods, and "the private sector will create the largest numbers of jobs in several industries as the economy recovers."

On the other hand, organised agriculture is also concerned about the knock-on effects that the newly announced national [minimum wage](#) will have on the agricultural sector's ability to create more jobs and to remain profitable.

## Expropriation without compensation

According to Free State Agriculture (FSA), the 2021 Sona was a "disappointment for the agricultural sector". This was stated in a press release claiming that a "hard-headed approach toward undermining property rights through [the new expropriation bill](#)" will not create an environment for economic growth.

Agbiz also said they were "disappointed that the government did not commit to releasing more state land to potential beneficiaries." According to Agbiz, the "state has over two million hectares of land supply that could be utilised for true commercialisation of black farmers, especially if it is accompanied by a transfer of land rights to potential beneficiaries opposed to a non-tradable lease, as is the case with the recent 700,000ha currently being released to beneficiaries."

Agri SA noted that the president will establish a Land and Agrarian Reform Agency to fast-track land reform during the next financial year. The organisation said, "clarity is needed on the function of such an agency" as they have promoted the idea of a special purpose vehicle to take land reform forward in the long term.

## ABOUT THE AUTHOR

Ursula Human is author at AgriOrbit.

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