

# **Top five trends for Agriculture 2016**



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Agriculture is an industry under strain with a severe drought crippling production, the depreciation of the Rand, investor uncertainty and more. There are trends that have been exerting influence on the industry for years and new trends emerge as markets move and change fast. With a difficult year ahead there are certain trends that will, more than others, influence the day to day of every farmer and agribusiness and how they put food on our plates.



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## Sustainable farming practices

In a world that already carries the weight of more than <u>seven billion people and counting</u>, burning through natural resources at an unprecedented rate (think more New Year sparkler than candle), the ability of the agriculture industry to provide food for people will be put to the test, which is why sustainability is of unequalled importance.

Agriculture land spans most of the country's natural environment and is the biggest water user. Therefore, the industry will have to, at every check and point, consider how it's using natural resources and implement new technologies and science to optimise agriculture production while affecting the environment as little as possible. In addition, there will be an increased focus on renewable energy to sustain farms and agri-processing. This includes using available land for wind and solar power generation as well as converting bio-waste into energy.

To quote Mary Shelman, director of the Agribusiness Programme at Harvard Business School, "sustainability is a journey, not a checklist."

# The farm of the future - technology and the talent to wield it

Technology has started to permeate almost everything and in every industry, and agriculture is no different. From crop monitor technology and mobile apps to aid farmers in "when", "where" or "what" to plant to drought-resistant crops and precision agriculture. Incredible advances have been made in technology for agriculture, affording farmers greater control over production, the ability to increase yields, operate more sustainably, and more flexibility as the weather changes.

Big data and analytics will also play a greater role in farm and industry management, from the smallest grain to the entire agriculture supply chain.
As the role of technology and science in agriculture grow, so will the need for the necessary talent to utilise it. South Africa is currently suffering a skills shortage in agriculture. More attention will be focused on recruiting and motivating younger generations to fill the agriculture ranks.
Food security
As mentioned above, the global population is growing, which is leading to an increase in demand. An increased demand coupled with diminishing resources and land is presenting agriculture with a significant challenge. This issue is further compounded in South Africa by the severe drought conditions it is facing, negatively affecting production and leading to increased food prices.
In particular, the maize sector has suffered crop failure, increasing food insecurity as the main staple food for South Africans becomes pricier. We'll see the industry increasingly taking on <u>adaptation and coping strategies</u> to ensure the continuity of the food production. The industry will increasingly rely on new technologies and scientific progression to step up to the plate, including drought and pest resistant crops which allows farmers to increase yields by increasing crop resilience. In addition, the industry will increasingly focus on climate-smart technology to mitigate risks due to extreme

Consumers are becoming more and more concerned with where their food comes from and how it is produced. Farms, agribusiness and retailer transparency is going to become a commodity in its own right as consumers demand more

weather.

Transparency and consumer engagement

information on the produce they consume. It is the retailer's responsibility to provide their customers with this information. This trend will further be influenced by online engagement between companies and consumers, opening up channels for communication and criticism.

### **Heavily regulated**

The back and forth between South Africa and the US regarding the <u>AGOA issue</u> and the uncertainty it has created for both the industry players and investors will influence the economic growth and potential of the agriculture industry. Whether or not the issues can be resolved in full, and a modicum of stability can be restored, remains to be seen.

In addition, the land reform issue and its implications for the private sector, farmers and emerging farmers will add to instability and uncertainty for the industry. There is a need for an effective policy to be created to deal with this issue.

#### ABOUT CARI VAN WYK

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