

Challenges for agriculture in 2018

 By [Fanie Brink](#)

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Market-oriented production and profitability, economic growth, and radical economic transformation are just some of the challenges agriculture will face in 2018.



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Market-orientated production and profitability

Market orientated production and profitability will always be the biggest challenge for the agriculture industry in order to ensure the sustainability of production and food security. Therefore, producers will still have to do everything in their power to improve the price ratio between the prices they pay for production inputs and the prices they receive for their products as far as possible.

However, many factors, such as climatic conditions and international market factors that determine the profitability of production, are to a large extent beyond the control of producers.

Applying the best and latest technological developments is essential to increase the efficiency of production, which in the long run plays a very important role in improving the profitability of production and financial survival.

Economic growth

The challenge for the agriculture industry to deliver a greater contribution to the country's economic growth will, as for all other industries in the economy, be directly dependent on the profitability of agriculture.

Economic growth is driven and created in virtually all countries in the world through the profitability of all the different industries in the economy. Therefore, it will be an extraordinary challenge for South African agricultural producers to perform within a socialist and communist political and economic system with a government that has no vision, expertise or purposefulness to provide a long-term plan for the sustainability of commercial agricultural production and food security for the country.



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However, there are already sufficient indications at this stage that the agricultural industry will not deliver the biggest increase again in the country's economic growth next year as in 2017. Weaker rainfall caused fewer summer crops to be planted at least a month later this season which will have a direct impact on the yield and total production.

Radical economic transformation

A major challenge that will severely threaten the agriculture industry in 2018 is the ANC government's "radical economic transformation" policy that will drive the economy and the country further over the edge. It must be strongly rejected by the organised agriculture.

This policy undoubtedly includes the further large-scale corruption and looting of the country's domestic and foreign assets and resources, equal distribution of wealth and private property, black empowerment and greater equality without any merits, as well as a further downgrading of the country's investment status and strategic business ventures.

In fact, it will continue the economic self-destructive process experience over the past couple of years, which will create unprecedented and extraordinary challenges to the agriculture industry.

ABOUT FANIE BRINK

Fanie Brink is an agricultural economist with a masters degree in agricultural economics and with more than 40 years experience in the agricultural industry in South Africa. He was from 1988 to 2006 a senior economist and deputy general manager: research & development at Grain South Africa and is still very much involved in the agricultural industry as an agricultural economist, adviser and mentor.

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