

Former ministers call on agri industry to lead in transformation, innovation

Veteran cabinet ministers Pravin Gordhan, Nhlanhla Nene and Derek Hanekom, speaking at the recently concluded Agribusiness Africa Conference, agreed that the agricultural sector can be a major driving force for new economic growth. The trio called on the industry to pave the way for transformation, diversification and innovation.



© T. Tulik – za.fotolia.com

Former minister of finance Pravin Gordhan made a strong call to business owners to adopt the CEO Initiative that saved South Africa from a ratings downgrade in the aftermath of a 2015 cabinet reshuffle that saw Gordhan replace Nene. He reminded delegates of robust policy frameworks such as the Nine Point Plan and Operation Phakisa that demonstrated exponential inclusive growth potential, if supported by the private sector.

“Government has provided farming subsidies and incentives for emerging farmers and considerable relief to farmers affected by drought, but none of these are sustainable without investment in new technology and capacity building from the private sector,” expressed Gordhan.

Outlook remains positive

Addressing guests at the Standard Bank Gala Dinner, Nico Groenewald, head of Agribusiness in South Africa said, “While South Africa’s confidence index suggests business owners are delaying decision-making and expansion plans as a result of the recent ratings downgrades, the agricultural outlook remains positive, also echoed through the topics and discussion at this conference.”

Guests at the dinner were also treated to remarks from former finance minister Nhlanhla Nene who spoke about the emotional connection to land and the need to support aspirational farmers on small plots.

The Agribusiness Africa Conference tackled topics such as drought resilience, cross-border trade, value chain development, land reform, capacity building for emerging farmers and Africa’s role in food production. Former minister Derek Hanekom who held the agricultural portfolio between 1994 and 1999 and pioneered the land reform policies under former President Nelson Mandela was well placed to reflect on the state of agriculture in the country 23 years later.

Agriculture the most promising sector

Hanekom explained that whilst agriculture currently only contributed 2.2% to national GDP, the GDP figure for all of sub-Saharan Africa was 15% and likely double that if the entire value chain was considered. “Not only does Africa have the greatest potential arable land to feed the world, but agriculture is also the most promising sector for growing the economy and rapidly absorbing unemployment.”

According to Hanekom, the transfer of large productive farms to emerging farmers who do not yet have sufficient skill to maintain commercial outputs was setting them up for failure and recommended that smaller plots be made available to incrementally build capacity.

Hanekom challenged the sector to invest more heavily in technology and innovation and said the only way to manage scarce resources, such as land and water, more efficiently was to embrace sustainable intensification of agriculture.

For more, visit: <https://www.bizcommunity.com>