

Agriculture limbo after budget speech

Johannes Möller, president of Agri SA, said "It will be extremely shortsighted not to acknowledge the extreme economic pressures the country and also fiscal authorities currently have to grapple with" in response to the national budget delivered by the Minister of Finance, Pravin Gordhan.



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"We heard the minister on the need for fiscal consolidation in relation to keeping the budget deficit intact, the efforts having been taken to identify new sources of revenue and the numerous demands the fiscus are facing, but we did expect more and firmer commitments from the minister with respect to dealing with the impact of the current drought."

Möller said that the emphasis was clearly on small-scale farming projects, Agri-parks and developing limited underdeveloped agricultural potential, which organised agriculture will undoubtedly support, but there seems to be some level of ignorance as to what commercial agriculture requires after the current drought to remain the basis for food security in the country.

"I don't think we need to stand accused of not being on top of the economic realities of the country. We have demonstrated this presence of mind when we approached government on drought relief measures in recent times. Our request for state guarantees aimed at a certain portion of debt that may arise out of the current drought was clearly done with the cash flow position of government in mind."

Möller said that he took note of the minister's reference to a plan to protect people against the effect of the drought, concessionary loans to be provided by the Land Bank aimed at the drought and further government support that might be considered in the Adjustment Appropriation later in the year.

"Ironically the sector now requiring support is called upon to, through excise taxes and sugar levies, make a substantial contribution to the fiscus," Möller said.

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