



AGRICULTURE'S PERILOUS PATH WITH THE AFRICAN NATIONAL CONGRESS (Part 2)

The plot always thickens! While agriculture's role in South Africa's political landscape has always stayed relatively detached, nothing remains out of reach of the ANC's latent or patent striving to control all aspects of South African life. Normally, circumstances such as SA's foreign affairs inter-country relations or wars in countries not usually associated with South African trade hardly affected this country's agricultural production management. SA agriculture in the main usually survived well out of the fray of hard politics, but not anymore.

What has occurred in South Africa over the past decade under an ANC government has inexorably drawn this country's agriculture into a maelstrom of phenomena that has influenced the industry in a manner never before experienced. Farming and its contiguous activities – transport by road and rail, socialist labour laws, trade union disputes, union-backed strikes, affirmative action, land occupation and land expropriation, overseas trade risks, irrigation curtailment, cold chain disruptions and political influences on years-old export markets are now what agriculture must consider as part and parcel of its industry.

There is no fairy godmother to look after SA agriculture, no subsidies, no sympathetic government nurturing a crucial sector of the economy, no exceptional tax benefits, no special legislation to protect against endemic drought, no urgent disaster management that rushes to farmers' aid on call. On the contrary, agriculture in South Africa faces challenges that would make French farmers quail.

Who would have thought that surreptitiously loading illegal arms onto a Russian freighter in the middle of the night last December at a small port along the southern coast of South Africa would affect this country's citrus exports to the United States and Europe? Getting into bed with Russia is a shot-in-the-foot move by South Africa, but then their behaviour in all spheres is usually motivated by money. On 23 March 2023, the International Criminal Court (ICC)

issued an arrest warrant for Vladimir Putin, Russian president, for war crimes connected with his country's invasion of Ukraine. Questions are now being asked as to whether Putin has been financing the ANC, even paying office salaries. As they have managed the country's finances, so have they depleted their own. Russia's invasion of Ukraine has put Europe on edge, and the EU is a crucial export customer of South Africa's agricultural products. The EU is supplying Ukraine with weapons, while South Africa is allegedly supplying Russia with weapons! SA's trade with Europe is strong, while its trade with Russia is less than .05% of the country's overall international trade figures. So is payment for ANC salaries and perks and next year's election budget more important than South Africa's agricultural export trade?

SA's trade relations with the United States have been placed in jeopardy as market watchers predict South Africa's pro-Russia stance could lead to this country's exclusion from preferential access to US markets via the African Growth and Opportunity Act (AGOA).

The United States is South Africa's second largest trading partner with bilateral trade now at R400bn. In particular, South African citrus exports have a lucrative market in the United States to about 100 000t annually. There is already movement in the US House of Representatives for South Africa to be excluded from AGOA.

What is AGOA?

The African Growth and Opportunity Act (AGOA) was enacted in 2000 and has been the core of US economic policy and commercial engagement with Africa. AGOA provides eligible sub-Saharan African countries with duty-free access to the US market for over 1 800 products, in addition to the more than 5 000 products that are eligible for duty-free access under the Generalized System of Preferences program. (Office of the US Trade Representative, Office of the President).

To meet AGOA's rigorous eligibility requirements, countries must establish or make continual progress toward establishing a market-based economy, the rule of law, political pluralism and the right to due process. Additionally, countries must eliminate barriers to US trade and investment, enact policies to reduce poverty, and COMBAT CORRUPTION AND PROTECT HUMAN RIGHTS. The AGOA legislation is up for renewal in 2025, but can be cut at any time if the interests of the United States are placed in jeopardy by the AGOA recipient. Loading arms to Russia at midnight can hardly enhance South Africa's renewal appraisal by AGOA in 2025, nor will military exercises with the

Russian fleet. What is in particular jeopardy here is South Africa's agricultural product exports to the United States and, by extension, to the European Union.

EXPORTS TO THE EUROPEAN UNION

Apart from everything else that SA food exporters must face to successfully export – road travel plundering, rail transport delays (if there is a railway at all!), increasing input costs, no government subsidies, port delays - the SA citrus industry is facing further challenges. In mid July 2022, the European Union imposed new restrictions on SA citrus imports. The new phytosanitary requirements were meant to address False Codling Moth, a citrus pest that is native to South Africa and for which there is no tolerance in the EU.

These new regulations were a major blow to South Africa's citrus industry as they will severely disrupt exports. SA is the world's second largest citrus exporter after Spain. The EU accounted for 41% of Southern African citrus exports by value in 2021. Locally in that same year citrus accounted for 25% of South Africa's total agricultural exports, up from 19% in 2011.

These restrictions are considered by SA experts as unfair and punitive. The EU gave SA less than a month to adapt to these new regulations. The problems involved are far too numerous for this publication. Suffice it to say that offending the EU by arming Russia which is invading a European country certainly puts the cat among the pigeons as far as this country's favourable anything is concerned, taking into consideration that the SA citrus growers are spending millions to overcome the current hurdle. Does this industry need the proximity of President Ramaphosa's new friend and benefactor Vladimir Putin right now? Hardly!

According to SA farmers, the paper work demanded by the EU is arduous and extra staff has to be brought in to handle this additional problem. Macadamia farmers, some of whom export 95% of their product to, inter alia, the USA and EU are severely affected by these strict conditions, recently made even harsher. Could it be that the EU is worried that the ANC's well known incompetence and corruption might have permeated the agricultural sector? The citrus industry has invested in research and technology to keep abreast of changes in phytosanitary standards and to support shared capabilities necessary to supply high-quality, pest-and-disease-free fruit. What will happen if this fruit export industry is penalised because of the ANC's payroll problems and its concomitant cozying-up to an ICC-declared criminal? Perhaps a delegation of SA farmers should visit EU representatives and tell them the difference between themselves and the ANC. The ANC is not South Africa!

Despite the SA government and the citrus industry's efforts to negotiate with the EU on this matter, the latter is digging in its heels. Months of high-level engagements between SA and the EU on the EU's zero tolerance approach to citrus pest problems have yielded no progress. (www.foodformzansi.co.za 12.5.23). Strangely there appears to be no scientific evidence to back the EU's claims of FCM (blackspot) on SA fruit. Justin Chadwick, CEO of the Citrus Growers Association said the industry has faced several serious headwinds over the past two years including soaring farm input and shipping costs, power outages and operational issues at ports. Then there's the ANC and its damage to the country's infrastructure, its policy back-flips and its pathetic "governance". The 2023 season will be a make or break one for many growers.

APPRECIATION

Do South Africans appreciate what SA farmers endure every day? Despite our dry country, despite our miserable government and its priorities to sell itself to the highest bidder, despite unfriendly legislation, harbours that cripple export efficiency, roads that are falling apart, load-mouthed ignorant politicians calling for them to be killed, farm murders and assaults, ludicrous new BEE laws that will kill future growth, threats of land expropriation, stock thefts, little or no police protection, load shedding that interrupts crucial irrigation, these farmers soldier on regardless. To add insult to injury, we now have obtuse government toadying to international criminals, having fleet exercises with Russia and China while showing the middle finger to this country's biggest importers of their products. But our farmers still produce magnificently. In the third quarter of 2022, South Africa recorded an agricultural trade surplus of R1,9billion, up 14% from last year's corresponding period.

It is critical to remember that SA's agricultural sector is export-oriented. Thus relations with Europe and the US should be carefully nurtured despite the antics of the ANC. Let us hope that both the US and Europe can separate the best from the worst in this country: the farmers and their skills, dedication and resilience among the best in the world, juxtaposed with the worst government SA has ever had. Farmers and their workers and the rest of the food industry should not be penalised for the actions of those who gave South Africa to a bunch of criminals.

Says Barney Mthombothi (Sunday Times 28.5.23) about the ANC's thirty years in power: "Competence wasn't part of the deal. The destruction has been on a jaw-dropping scale. The clogged ports, load shedding, the shattered rail system, the post office, towns and cities falling apart – the list of abject failures goes on and on. Stupidity has at last collided with reality. These are people (the ANC) who had been away from home for decades and had only a tenuous

grasp of the society they were inheriting and of the intricacies of its advanced economy. And having lived in penury for so long, they were also hungry. So on attaining power they proceeded not to govern, but to eat”.

Bravo to the agriculture sector which decided a long time ago not to depend on the ANC for anything. They have attained excellence based on their own skills and tenacity. Let us hope this pattern continues and that the long arm of ANC avarice and toxic absurdity will not affect our agricultural sector, a beacon of hope in the gathering darkness.