

AGRICULTURAL DEVELOPMENT IN AFRICA.
CHALLENGES AND OPPORTUNITIES FOR
COMMERCIAL AGRICULTURE.

Thank you for the opportunity to address the meeting today.

I assure you it is a privilege for a farmer to talk to such a high-powered audience.

Agri SA drew up a draft framework for a policy on the establishment of South African commercial farmers in Africa in 2009.

It was done because offers to South African commercial farmers were made by 23 countries.

Against the backdrop of the increasing scarcity of natural resources, such as land and water, and political pressure that land reform and transformation have placed on the resources, the offers from elsewhere in Africa serve as opportunity to broaden the production area of the South African commercial farmer.

This also offers an opportunity for producers to diversify, spread risks and create economies of scale without incurring vast capital expenses.

Before involvement in any agricultural project can be considered, a government-to-government agreement must be signed. (Bilateral agreement) The draft framework is available.

Farming in Africa will have many challenges. To mention a few:

1. Malaria present in most countries
2. Poor hospitalisation
3. Poor communication
4. Language problems
5. Poor roads

6. Border post delays
7. No official support for tractors and machinery (Spares)
8. Poor schooling

ADVANTAGES:

A.

1. Free land
2. 25 year tax holiday
3. Free water
4. Cheap labour
5. Access to European markets at a preferential rates
6. Duty free imports of agricultural inputs
7. Cheap Electricity

Mr. Chairman, I will talk shortly on food production and problems associated with food production in Africa.

Current agricultural opportunities Africa available to Agri SA:

1. 40 000ha of 80 year old olive trees in Libya.
The value of this project is huge. ±R10 billion in value.
Free water
Free electricity
Interest free loans
2. Dairy farmers worth R2 billion enough for 10 000 cows.
Government sole customer
3. Chicken farms with a capacity of 300 000 chickens per day
4. 60 000 ha of irrigated land for pastures, maize and wheat.

B.	Congo	70 000ha.	200 Farmers
C.	Mozambique	70 000ha.	801 Farmers
D.	Ghana	600 000ha.	300 Farmers
E.	Zambia	50 000ha.	40 Farmers
F.	Southern Sudan	100 000ha.	

SOME FAST STATS ON AFRICA:

1. According to AFCAS, African Food and Agriculture Statistical Systems. 46% of unused agricultural land in the world, is in Africa.
2. Only a few countries have trained agricultural extension officers. (Estimate 5%)
3. Only 47% of African countries have an official forum for dialogs with consumers. Farmers do not always know what the consumer needs.

The latest report from the British government science office deals with a subject that will have profound implications for every human on the planet: the ability of mankind to feed itself over the next century.

The existing efficiency of global agriculture is depressing. But the reports forecast is that the situation will get bleaker still.

John Beddington, chief scientific advisor urged yesterday (26 Jan. 2011) we have 20 years to deliver something in the order of 40% more food.

Genetic modification of crops will most likely need to be part of the world's response now.

We currently have a population of 1 billion people in Africa.

The expected population growth over the next 10 years will be 20%, resulting in 1.187 billion people living in Africa by 2020. (World 7 billion)

Malnutrition of children under 5 in Africa will increase by 30% to reach 40 million by 2020. (9 years)

Sub Saharan Africa will remain "hot spots" of child malnutrition and food insecurity. 37% of people are undernourished today.

It is not an insurmountable task to address these problems in Africa if we as Africans begin to co-operate.

Another factor, we must try to prevent in Africa, is that first world countries are leasing large portions of land in Africa to produce food for their countries.

The list is as follows:

1. ANGOLA: 25 000 ha rice production sold to UK investor.
2. D.R.C.: 2.8 million hectares for a bio-fuel palm production. Chinese investors.
3. ETHIOPIA: 13 000 ha to German investors for bio fuel.
4. KENYA: 20 000 ha to Middle East investors for fruit and vegetable production.
5. MOZAMBIQUE: 100 000 ha to Swedish group for bio fuels.
6. SUDAN: 700 000 ha for wheat production. South Korean investor.
7. TANZANIA: 50 000 ha for bio fuel production. UK Investors.

If we were serious about feeding our African population, it would be wise if our leaders warn their African colleges to stop this practice, as food produced on the agricultural land will be lost to Africa. The produce will go directly to Europe and Asia.

It is generally expected that large food and water shortages will occur worldwide after 2020. Food might be available but at unaffordable prices.

In some North African countries a box of 7kg. tomatoes sell for R400.00, imported from Italy & France. Prime beef-cuts sell for R250.00 per kg and lamb for R350.00 per kg. Imported from Europe.

My question today:

If we know about severe food shortages in the near future, staying with us for at least 20 years, Why are you making it difficult for us to continue farming in South Africa?

Commercial farmers in South Africa must count amongst the best in the world. We feed nearly 50million people a day, and still earn our country R46.3 billion in forex per year.

At this stage South Africa is the only African country that is ready and prepared for the difficult times ahead.

African leaders are aware of the challenging times ahead of us, and therefore try to lure us away to their countries to feed their people.

Now, why are South African farmers looking at Africa for a better future?

1. We know that regional integration a single currency and custom union in Africa will soon be a reality.
2. Our neighbouring states are sitting with millions of hectares of unutilised land. They have bigger and cheaper water recourses and they are almost begging South African commercial farmers to take up the opportunity to farm in their country.
3. They know very well that one South African commercial farmer feed 1600 people, while the African farmers are only feeding 26 people.
4. Until the Zuma Government came to power, the South African commercial farmer was regarded as an enemy of the state. Thanks to our President, Minister and Deputy Minister and the leadership of Agri SA, the relationship between Agri SA and our Government is currently at a high.
5. Farmers are threatened on a daily base by expropriation, squatting land claims, murders, theft, high input costs, land taxes and labour laws. I do not even want to continue.

6. We as commercial farmers get nervous when we hear those noises. It is just a natural reaction that we will start looking for other pastures (not greener).
7. Because of all these factors against us, profitability in agriculture is almost zero. I estimate that 75% of South African farmers are having financial difficulties presently. If we do not expand our farming activities and stagnate, we have no financial future at all. Our profit margins are so low that if you receive a 1000ha. farm today for free, you fence it up (R500 000), you stock it with cattle (R2.25million), build a house (R500000) build shed and infrastructure, roads and dams (R200 000), total dept of R4 million, you are bankrupt immediately. That is what happening to most new entrants into agriculture.
8. If we do not take up opportunities offered to us in Africa, Chinese, Indians and rich European countries will take it up. Africa will be the long-term loser.
9. The South African farmer is also keen on helping other neighbouring countries to produce affordable food.
10. We do not plan to leave the Republic of South Africa, but we plan to extend and diversify the area on which we farm to stay in business.
11. To Agri SA: Our relationship with the Government is very important. We as commercial farmers want to contribute to the well being of our country and continent.
12. We want to be part of the food solutions for Africa. We want to help not only South Africa to be self sufficient in food production, but also our neighbouring states, and if necessary, the rest of Africa.
13. We do not have much time left for talk shows. I can see red lights flashing for food security in Africa.
14. I have no doubt that we as the leading agricultural country in Africa, must take the lead in securing food production for our African people.
15. The lack of affordable food resulted in two leading and stable countries in North Africa changing their

governments (Tunisia & Egypt) over the last month. There are more to come, (Jordan Syria). Mozambique had riots last year, and several people were killed, and buildings torched.

16. A Senior Agri SA staff member asked me, to tell you about my experiences in the few countries I have visited with Agri SA. In Libya we were treated like diplomats. When the government Officials learnt that I was SA top farmer in 2002, and Chairman of South Africa's large farmers, they almost treated me like a "small god" They said to me that I have scored the "agricultural goals" already, they want me to come and help them rebuilding agriculture in their country. When they learnt about Dr. Theo and André, I think they got the same respect. I still correspond with some people in Libya today.
17. In Mozambique, it is very much the same. Ministers, Deputy Ministers and very senior Government staff, make us feel welcome in their country. It is a very pleasant experience to visit African countries.
18. My "wish list" for the future of agriculture in South Africa & Africa:
 - a. Accept the hand of friendship from Agri SA.
 - b. Accept us as normal, hardworking, knowledgeable and law abiding citizens of South Africa.
 - c. Remove the draconic labour laws, the expropriation threats, the so-called "Green Paper" on rural development from the law books. Tens of thousands of jobs will be lost through mechanisation.
 - d. The importance of agriculture in the future of our country, and our continent, will become as important as education is today. The new Land Tenure Security Bill.
 - e. Begin to think globally with Agri SA. Let us plan together to create a continent with enough food, quality water and a disease free environment for all our people.

- f. Involve Agri SA in all nation-building projects. We want to be there. We want to make a difference.
- g. The world must learn to work together, or finally it will not work at all.

(DWIGHT D. EISENHOWER)