Blame ANC for big farmers' success

By Denene Erasmus October 4, 2019 10:27 am

There were two highlights at the Transvaal Agricultural Union of South Africa's (TAU SA) recent annual congress in Pretoria.





The first was the delicious game dry wors sold by TAU SA's youth organisation, and the second was the insightful presentation by agricultural economist Dr Philip Theunissen on whether or not it was possible at all, in today's turbulent economic climate, for farmers to achieve optimal profit from their farming activities.

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TAU SA's members are commercial farmers, and it is openly and vehemently anti-ANC. In his opening address, TAU SA president Louis Meintjes said many South Africans had the perception that President Cyril Ramaphosa would be a knight in shining armour who would rescue South Africa from the political and economic swamp it had fallen into.

However, he said, in reality, Ramaphosa was part of the problem because he is as caught up in ANC ideology as the leaders who came before him.

The ANC was hell-bent, he said, on promoting and implementing the socialist-inspired National Democratic Revolution, and the fulfilment of party ideology therefore took precedence over saving the economy.

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"We have to inform South African voters, especially those who voted for the ANC, and make them understand that the ANC and its alliance partners are stealing the future of South Africans," said Meintjes.

In an ironic twist, Theunissen's presentation showed how the ANC's tough love approach to the commercial farming sector had stimulated a massive increase in its productivity.

For most of the 20th century, South Africa's agricultural productivity lagged behind the world average, and it was only after deregulation in the mid-1990s, following the dawn of democracy, that things started changing.

South African farmers were forced to come to grips with the demands of the free market system, and, faced with profit margins being squeezed very hard and very rapidly, they adapted quickly.

They cut down on the quantity of inputs used, and focused on improving the quantity and quality of outputs.

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By around 2006, the productivity of the local farming sector was on par with the rest of the world, and as the success of some of the country's export industries, such as citrus, table grapes, wine, apples and pears has shown, South Africa's farmers are now amongst the most competitive in the world.

According to Theunissen, farmers increased productivity by investing in mechanisation and increased fertiliser use while simultaneously cutting down on labour.

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The ANC government can receive no credit for the success of commercial farmers in South Africa over the past two decades. Farmers alone are responsible for any growth and improvement in the sector because, after being thrown in at the deep end, they continue to farm better.

The only good thing government did was to have as little involvement as possible. If there had been a similar move away from state regulation in the energy sector, we would most probably have seen comparable productivity improvements at Eskom.