

FROM THE DESK OF THE CEO (6/15)

Justin Chadwick (27 February 2015)

QUOTE OF THE WEEK *"The one who follows the crowd will go no further than the crowd. The one who walks alone is likely to find himself in places no one has been before"* Albert Einstein

THE BUDGET

As most people unpack the budget announcement I found myself bumped up to business class on a very full flight from Joburg to Durban; and there bumped into Minister Nene once again (this time I recognized him and he recognized me from our flight together last year). It's interesting who you bump into in business class; General Cele (Deputy Minister Agriculture, Forestry and Fisheries) was also up front. We caught up on the way from the plane to the baggage carousel and he mentioned that he had just returned from Iran; two weeks ago CGA briefed DAFF officials of the importance of Iran for our exports and the challenges and opportunities that the Iranian market presents. Deputy Minister Cele said that the issues had been discussed, and that some of the challenges would soon be resolved.

But back to the Budget.... Some of the figures are quite frightening; in 2003/4 the budget expenditure was R328.7 billion – in twelve years this has now ballooned to R1.35 trillion. The budget deficit has risen over the same period from R29.3 billion to R162.2 billion projected for 2015/16. As a learned CGA Board member said to me many years ago the only two institutions that can budget for a deficit are the government and the church!! Formulating the budget is always a delicate balancing act; to set something that appeases the poor (no increase in VAT for example) but also ensures growth. Most pundits agree that Minister Nene's budget is balanced – with most parties equally aggrieved.

For agriculture specifically the commitment to the development sector is welcomed with funding for the recapitalisation program and other initiatives aimed at skilling newcomers to the agricultural sector. Access of emerging farmers to finance will be expanded, in collaboration with the Land Bank. It was also refreshing to hear that the National Development Plan (NDP) is central to government planning; a commitment that was missing in the State President's State of the Nation Address.

I am sure that few South Africans will argue with the nine strategic priorities outlined in the budget speech

*** Resolving the energy challenge** (Amen I hear many of you say as you read this by candlelight during one of Eskom's daily load shedding interludes) *** Revitalising agriculture** (number two on the list – will agriculture get the attention it deserves?) *** Adding value to our mineral wealth** *** Enhancement of the Industrial Policy Action Plan** *** Encouragement of private investment** (disallowing foreign investment in agriculture seems to fly in the face of this objective and number two above) *** Reducing workplace conflict** (please let us have less labor strife this year; although the public sector unions and government are so far apart in terms of salary increases that conflict is likely) *** Unlocking the potential of small enterprise** (with South Africa ranking low in terms of ease of doing business this needs urgent attention) *** Infrastructural development** *** Support for the implementation of the NDP.**

Of concern to most is the sluggish growth forecast for the forthcoming year – unfortunately "at just 2% the economy will continue to splutter along in a low employment trap".

News that the diesel rebate is under review is also of concern to farmers – it seems that some have used the rebate for purposes other than agriculture, and these few now put all farmers at risk of losing this benefit.

CITRUS SUMMIT – A WEEK AWAY

On 11 March almost 250 delegates will gather in Phalaborwa to attend the best ever Citrus Summit. It is not too late to register; we have a few chairs still to fill and would love to have as many growers as possible attend this Summit to discuss their Association and their Associations activities. Once again thanks to the Platinum Sponsor – **STANDARD BANK**, the Gold Sponsor **FPT GROUP**, and bronze sponsors **GRANOR PASSI** and **PPECB**.

Fanie Meyer (0828559949 or meyerf@mweb.co.za) has said he can add any budding golfers to his present field – this is a once in a lifetime opportunity to play on South Africa's premier golf course. CRI staff have an excellent field trip planned – come and see how progressive the growers in the north are.

THERE IS WATER IN THE DUSI

Congratulations to CGA Director from KZN Midlands – Mike Woodburn, for completing last weekend's Dusi Canoe Marathon (I am reliably informed that he was pushed the whole way by his partner Clemengold's Ally Loughor-Clarke). Also to CGA Information Manager John Edmonds (a past winner) who completed his 38th Dusi

TWITTER – GOT TO 100

Thanks to those who got me to over 100 followers on Twitter (I now have 103). But the Protea's have set the bar higher – I now want to reach A B De Villiers 150 (what a knock by the best batsman in the world).