

# The role of collective involvement

SATI Producer Information Day

20 September 2023

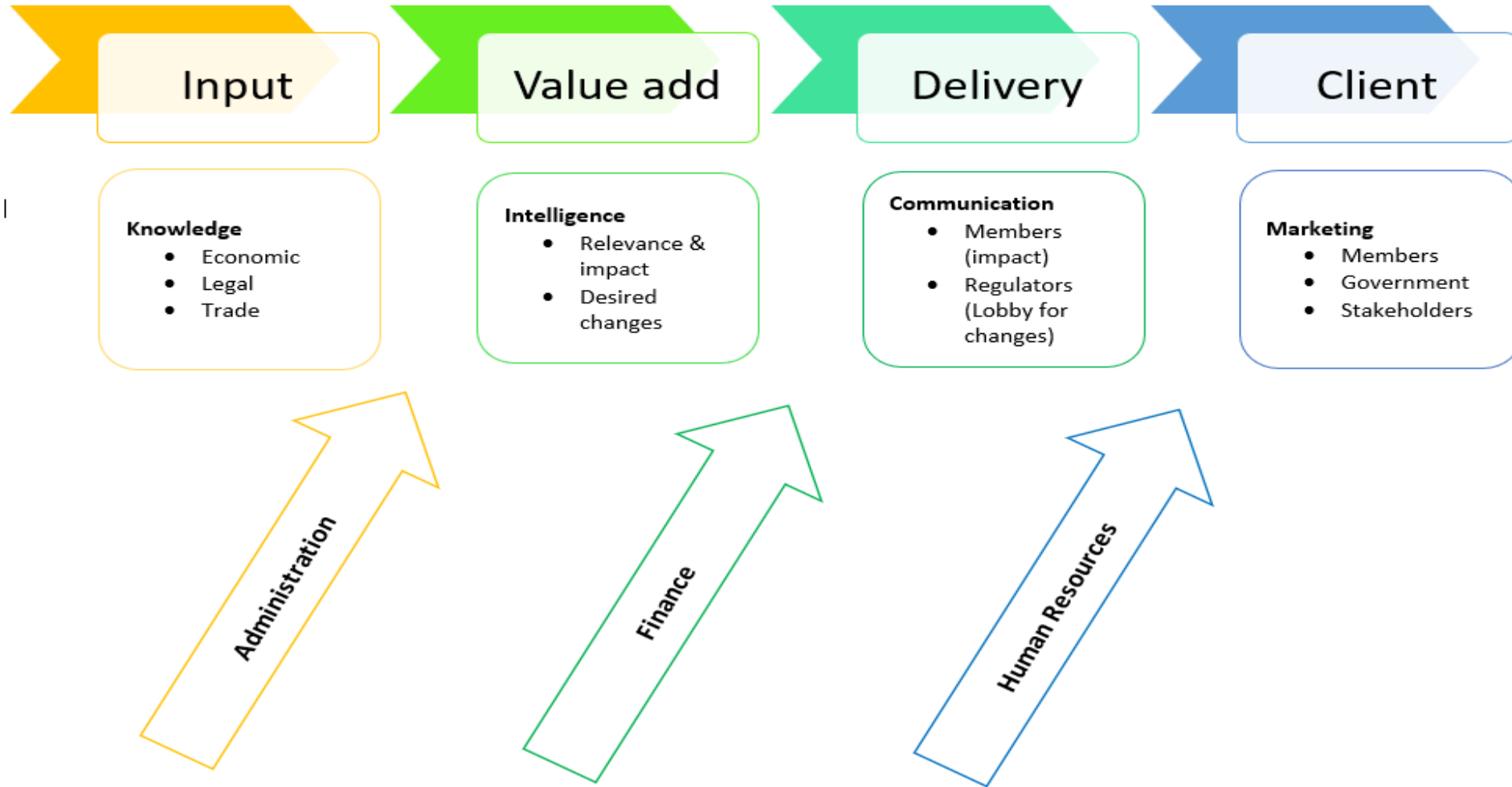
Theo Boshoff



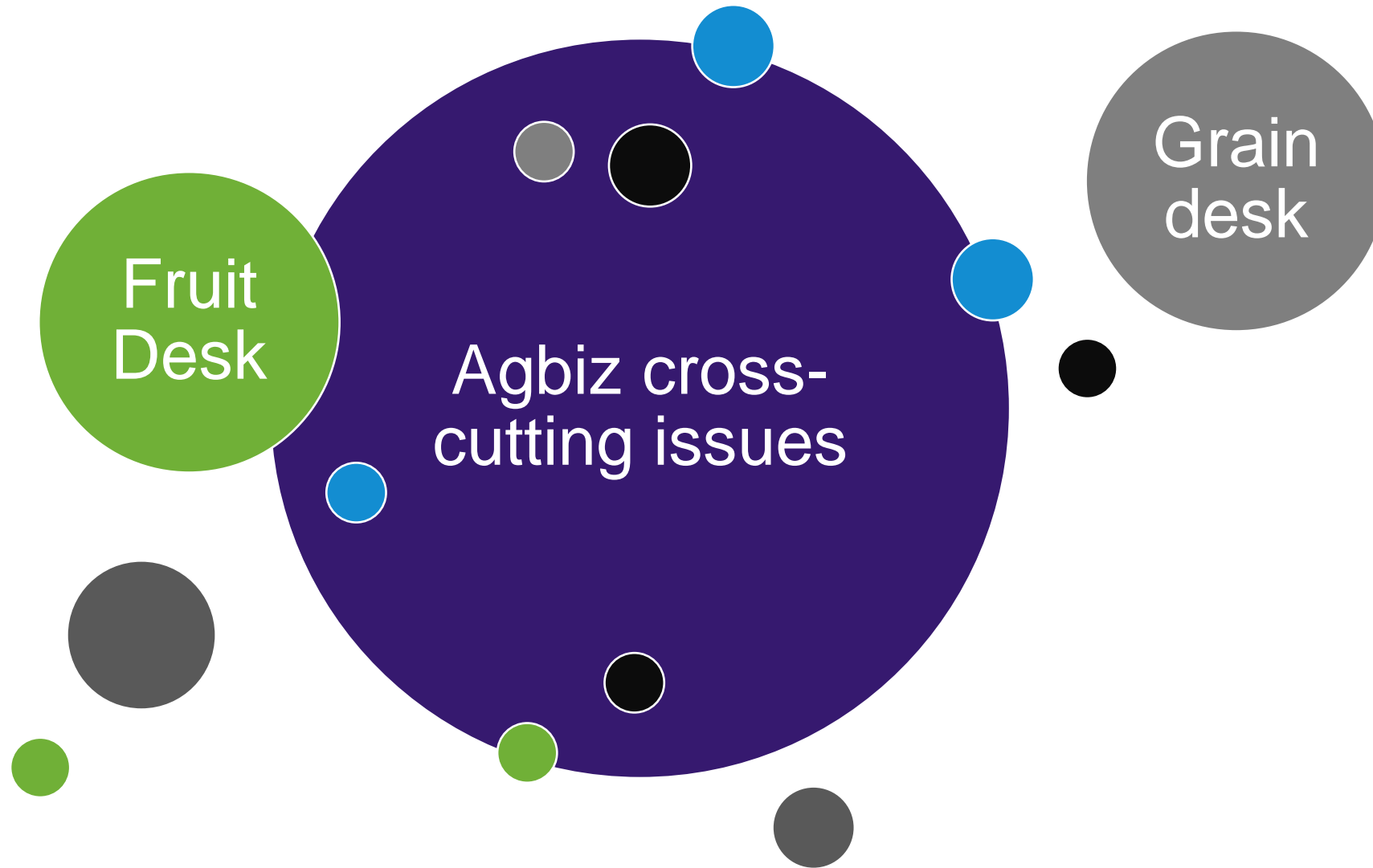
# *For today...*

- *Introduction to Agbiz;*
- *Nedlac & BUSA forums;*
- *Presidential Committees;*
- *Fruit Desk Policy;*
- *BRICS;*
- *AAMP.*

# What we do

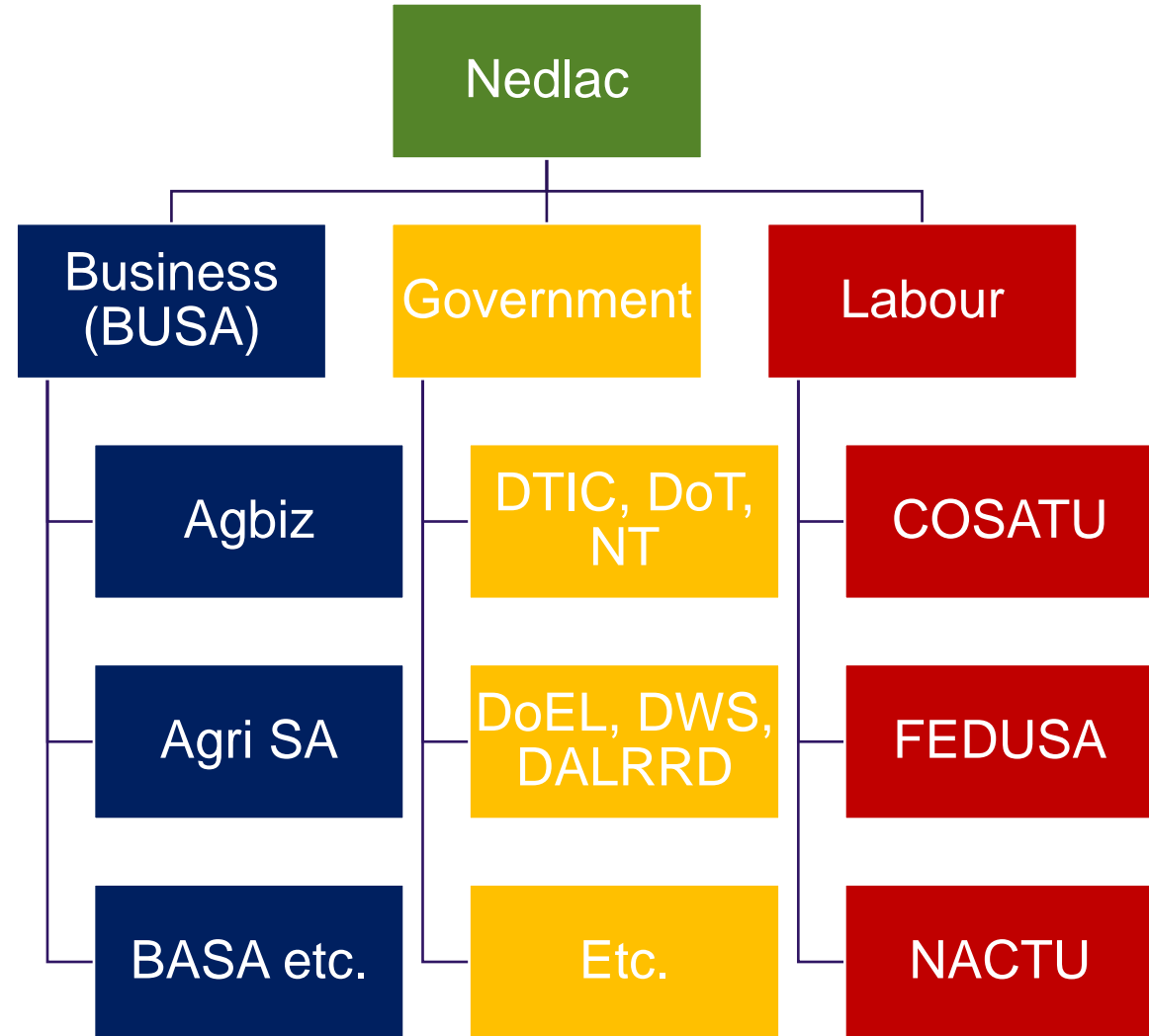


# Focus areas



# Forums

- BUSA economic policy committee;
- Nedlac Trade & Industry Chamber;
- Technical Committee on Trade (Nedlac Teselico);
- Nedlac Labour Market Chamber;
- Nedlac Development Chamber;
- BRICS Business Council
- BUSA / DWS committee;
- Presidential Economic Advisory Council (PEAC);
- Stats SA Board;
- ITAC Commissioner.



*Pro: Can get all parties in the room*

*Con: Can be antagonistic with opposing views*

# Fruit Desk

## Scope & Focus

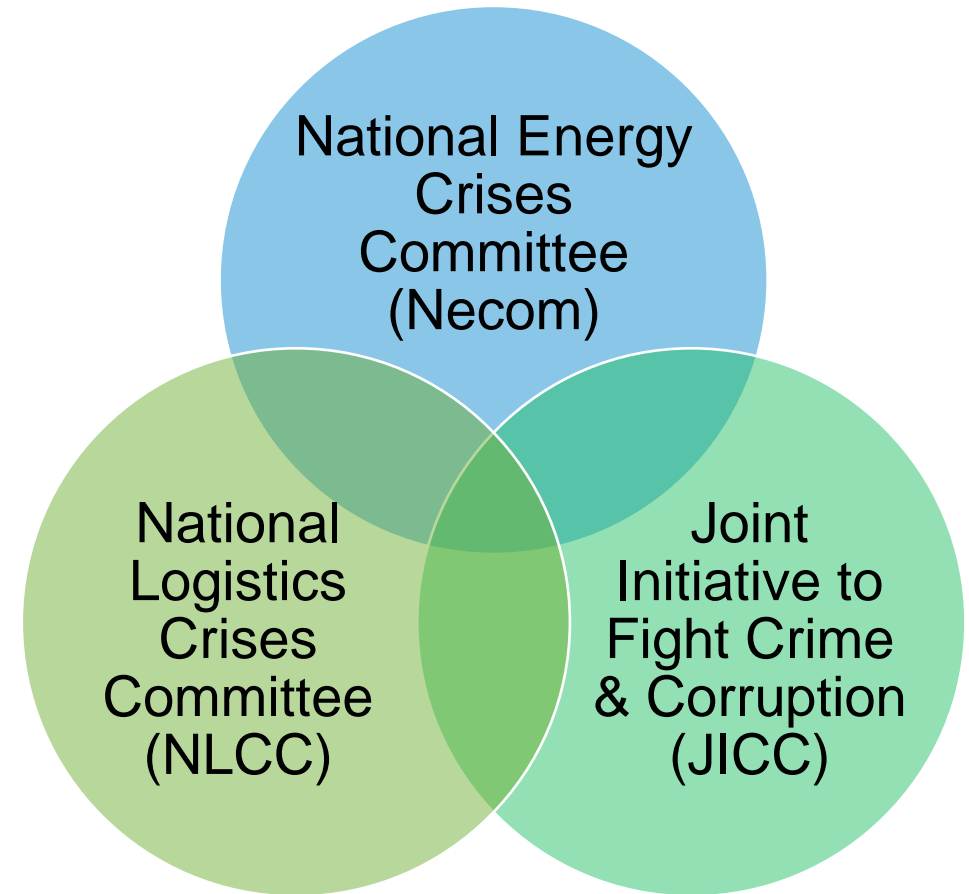
- ‘Embedded resource’ to focus on market access for the Fruit sector;
- Fruit SA / Agbiz hybrid;
- Trade specialist;
- Critical role at;
  - Nedlac Teselico;
  - Agricultural Trade Forum;
  - NLCC

## Focus areas

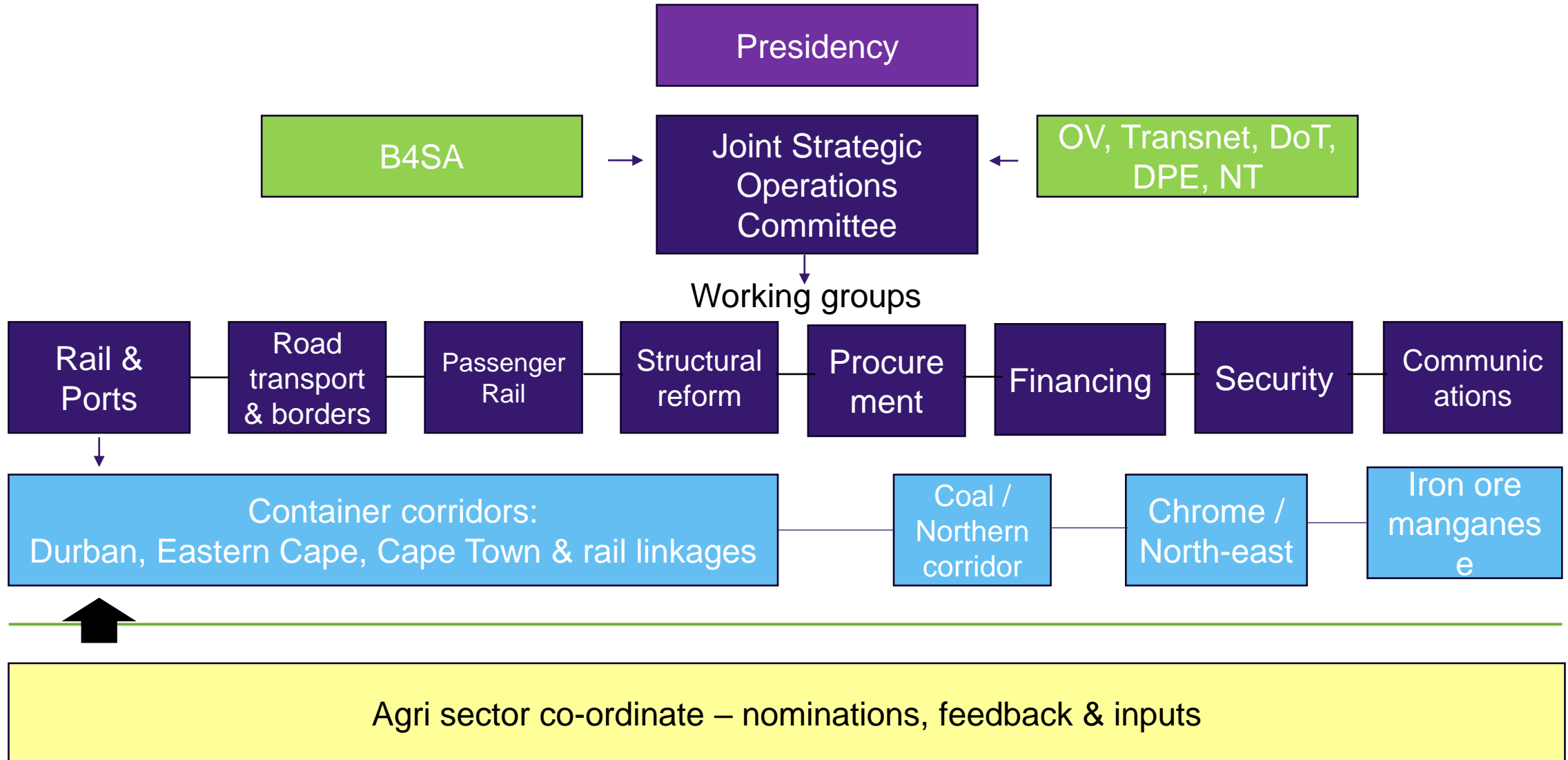
- Logistics – project lead for NLCC;
- EU Green Deal;
- SADC-EU-EPA;
- AGOA input & tracking;
- Key role in Brics discussions;
  - Concurrent SPS;
  - Agri-focussed PTAs;

# Social compacts

- 2 years ago, President Ramaphosa asked for a 'social compact';
- Roll-out has been slow because Business is standing its ground:
  - Focus on 3 things only - no social grants, NHI, price controls etc.
  - No reciprocity – Business will help but no *'quid-pro-quo'* on jobs, investment etc.
  - Bad experiences in the past – labour comes with demands, government wants money to perform their basic functions & Business must pick up the check;
  - Cannot go down that route.



# NLCC terms of reference





# NLCC & Logistics Roadmap 'take-away'

- 1. NLCC to properly kick-off once OV work is endorsed by Cabinet;*
- 2. Sector will need a co-ordinated approach;*
  - Inputs valued but this is not our process;*
- 3. Agbiz Transnet Interface work NB to 'right-size' rail network;*
- 4. What about 'right-sizing' the port operations?*
  - Industry to make the case;*
  - BFAP willing to support.*

# Electricity outlook

## Outlook

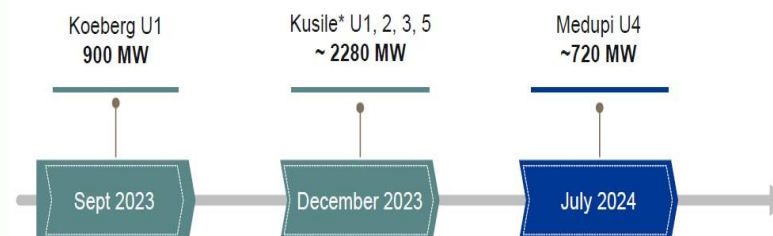
Feedback given 5 June at Nedlac:

- Supply at 52% compared to 65% target;
- Supply/Demand forecasted at 26 512 / 33 000 (6500 MW deficit);
- Koeberg, Kusile 1-3 & Medupi 4 removed 3000MW from capacity;
- Decreased demand due to demand-side management & 4500MW installed capacity of private solar;
- Kusile NB! – 3 units (1800MW) due to be online by December.

1 We will return four Kusile units and Koeberg unit 1 before the end of 2023



Units on long term outage - return dates



### Key insights

- Due to the delays being experienced in replacing the steam generators at Koeberg U1, the commercial operation date is forecast to be September 2023
- Kusile U1, U2 and U3 will be operational by the end of December 2023 with the temporary stack but environmental exemption is required to operate at full capacity
- Kusile U5 will be synchronised to the grid by November 2023 and will provide 720MW
- Medupi U4 will be operational in July 2024 with the second-hand stator and the new stator will be operational in October 2025

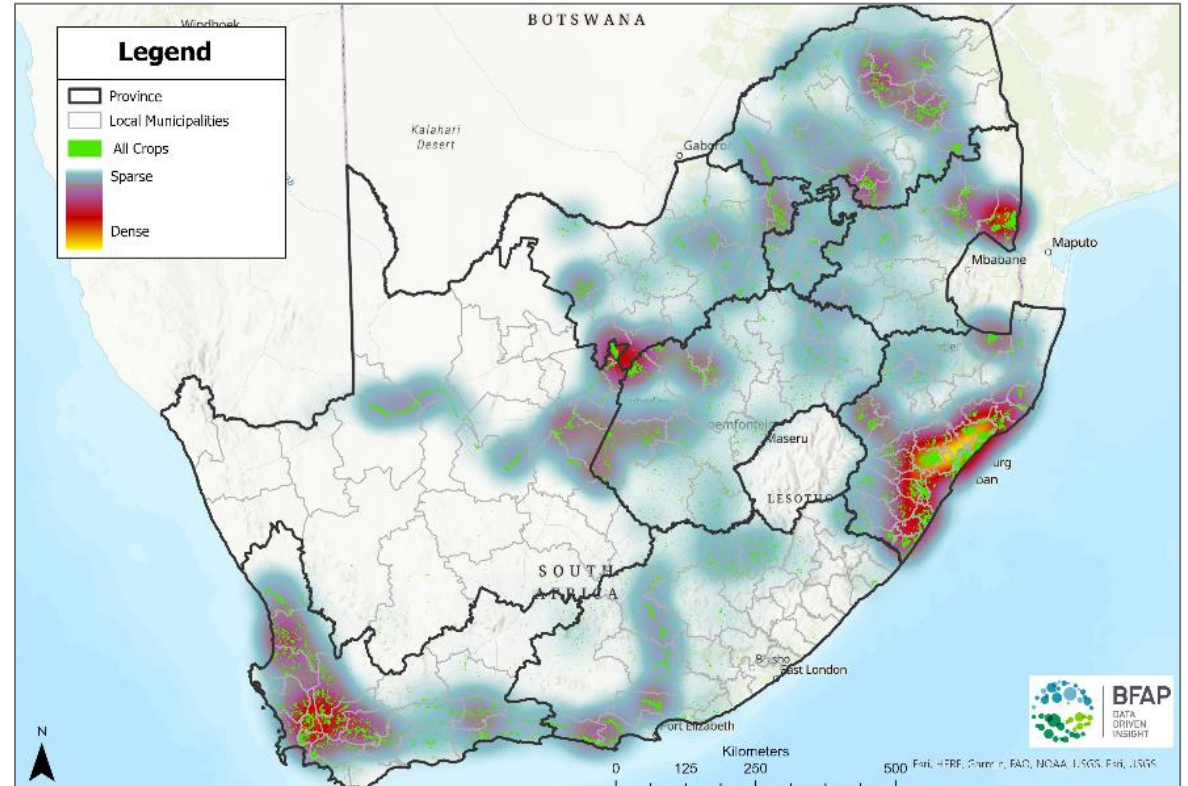
# NECOM – demand side management

## Successes

- Clarity on load-curtailment pilots (80% of consumption on infrastructure)
- Extended Diesel rebate;
- Agro-energy fund (R2,5B);
  - large-scale producer 30/70 capped at R1.5 million;
  - medium scale producer 50/50 capped at R1 million;
  - Smallholder producer 70/30 capped at R500 000.

## Challenges

- Narrow scope of diesel rebate;
- Inclusion of smaller enterprises ( $\leq 0.5\text{MW}$ ) in demand-side management;
- Load curtailment on municipal feeds.



# Agricultural and Agro-processing Master Plan (AAMP)

## Process

- Secondments complete;
- VCRT ToRs;
- Oversight Committee – DG + nominations from the CEO forum;
- Outstanding matters;
  - Costing;
  - Transformation levy;
  - Bargaining Council;
- New stakeholders' inputs.



15 August 2023

Dear AAMP Stakeholder

### Agriculture and Agro-processing Master Plan Implementation Road Map and Monitoring Framework

#### 1. Contextual background

The Agriculture and Agro-Processing Master Plan (AAMP) was signed on 12 May 2022 by the sector social partners. The AAMP is a co-created plan designed to position the sector as one that is competitive, transformed and growing, with a potential to create sustainable jobs and ensure food security in South Africa. The AAMP is effectively an operational framework that seeks to fast-track the implementation of the National Development Plan (NDP) goals, which were also affirmed in the Economic Reconstruction and Recovery Plan (ERRP). The AAMP contains commodity specific, and sector wide interventions designed to grow the sector in an inclusive manner. Some of these interventions are short-term focused while others are medium to long term focused.

#### 2. AAMP Implementation Approach

The value chain players together with government agreed that the AAMP interventions must be implemented in a private-public approach, capitalising on skills, resources, and knowledge available at industries and state, as well as labour and civil society. The implementation of the AAMP interventions is coordinated through the following two delivery models:

##### 2.1. Commodity Value Chain Round Tables (VCRTs)

Its objective is to address commodity specific and cross-cutting interventions geared towards expanding production and exports, enhancing competitiveness, addressing policy issue and state inefficiency, and creating sustainable and decent jobs across the commodity value chain. The guidelines for establishing the VCRTS can be

# AAMP areas of progress

## Blended Finance

- Agbiz, AGDA & BASA met with DALRRD;
- Status
- IDC – R1 Billion fund;
  - Landbank – R1.950 3 year commitment;
  - R200 for grant portion earmarked for each of the 4 big commercial banks;
    - discussions vary between banks but movement finally underway.
  - Other projects (CGA / Jobs Fund)

## Act 36 of 1947

- SAIF recognised by Registrar as single interface with private sector;
- Gap analysis complete – developing operational plan;
- Workstreams running well, examples;
  - AFMA working on an electronic, query response system;
  - PFI seconded administrative support staff;
  - Croplife testing electronic submission system & providing access to Agri-intel database;
  - SAAHA working on system to pre-screen dossiers.
- Electronic submission system priority;
- DALRRD applied for additional manpower.



# BRICS

## BRICS Business Council Agribusiness working group:

- Clear statement of intent – need trade benefits, not merely political bloc;
- Position paper presented to politicians:
  - Knowledge sharing on agri-technology;
  - Fertilizer availability;
  - Agri finance & developmental finance;
  - Climate smart agri; and
  - Increased intra-BRICS agricultural trade;
- Full FTA likely unattainable; but
  - India interested in agri-sector focussed PTA;
  - Concurrent SPS consideration;
  - Trade missions.

## Expanded BRICS

- Argentina, Egypt, Ethiopia, Iran, Saudi Arabia & the UAE to join from 1 January 2024;
- Political positioning – no longer ‘anti-west’ or ‘best of the rest’.
- SA will now need to balance its role in Africa, the G20 & an expanded BRICS carefully but it poses opportunities to diversify our interest;
- Huge opportunity for exports & PTSs with Saudi, Iran & the UAE; but
- Need domestic changes to improve competitiveness!
- SA Business needs to clarify its ambition for an expanded BRICS;

# Thank you!

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