

# The trumpet

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## Trumpeting: Youth in Agriculture



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<http://www.namc.co.za/category/research-publications/publications/>

# FOREWORD

The Trumpet is an economic research newsletter established as an alternative option for stakeholders to access research outputs of the NAMC. This is the fifth issue of the economic research newsletter compiled by the Markets and Economic Research Centre (MERC). The newsletter seeks to summarise latest research along with communicating information on recent and upcoming events of interest to our stakeholders.

We also profile some of the researchers at NAMC with a view to promoting an interactive culture between the NAMC and the readers of this newsletter. Lastly, snippets of important information and statistics on the agricultural sector locally, regionally and globally are presented. The information sharing will not only be valuable to stakeholders, it will also assist in keeping NAMC employees in the loop about the MERC division's activities. This newsletter is available through multiple channels, including email, hard copy, website and social media.

Among the topics presented in this issue of the trumpet Newsletter, Bongani Radebe underlines the importance of youth involvement in agriculture. Moses Lubinga reveals the need for domestic cassava starch production. It also features some recent NAMC research papers and books published. Snapshots of the current Trade Probe issue which looked at trade implication of disease outbreaks in the agricultural sector.

For more information on NAMC's economic research publications, go to <http://www.namc.co.za/category/research-publications/publications/>

Happy reading.

S Ngqangweni

Senior Manager: Markets and Economic  
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National Agricultural Marketing Council

## Get Yourself Agripreneur Issue 16

*Through this publication, the NAMC seeks to create a platform where farmers, particularly smallholders, share their knowledge and skills, challenges, experiences and insights with one another.*

Visit: <https://www.namc.co.za/category/research-publications/publications/agripreneur/>



# Y-AGRICULTURE! NOW IS THE TIME

By: Bongani Radebe



One particular example is the Future Farmers organisation whose work does not receive prestige. Here, we talk about young people managing commercial dairy farms with others owning their own commercial farms.

From an agricultural professional side, the NAMC has also played a critical role in graduate placement. Not only is agriculture about farming, there are other areas such as marketing, finance, trade law, economics that the NAMC promotes in agriculture.

Agriculture should expose the wonderful job opportunities it possesses. Youth are seemingly not aware of the advantages and benefits of working in agriculture. Entrepreneurship was one of the best examples to ease unemployment. A young agricultural economist once worked out the benefit of planting cabbages on a hectare;

*A hectare can produce 30 000 heads of cabbage. Your input costs (seeds, fertilizers, pesticides, labour, irrigation, land etc) can go up to R20 000. If you sell a head for R5 then you may make R150 000 minus losses and input costs. Your net profit could be in the region of R100 000. Cabbages takes 3 months to grow*

Unbeknown to many, this tweet by the young agricultural economist was inspired by the frustration of questions he received from his friends about what his job entailed. Now, visit social media pages, there is a likeness of sharing agricultural information in the manner he did.

Surely from the example made, agriculture has the potential to reduce unemployment but more information and its presentation to the youth should be interesting and attractive. Now is the time to promote the sector using available digital platforms. The playfields have been levelled, it is incumbent upon us to communicate and market the benefits and opportunities using our specialisations like the young agricultural economist mentioned.

*Further inputs by Majara Monamodi.*

According to Stats SA, the unemployment rate among young people aged 15–34 was 38, 2% in the first quarter of 2018. This meant that more than one in every three young people in the labour force did not have a job during this period. Yet, we have seen despite the drought how agriculture managed to contribute to job creation but still youth unemployment remains high?

Young people in South Africa seem to show not so much interest in agriculture. In 2018, President Cyril Ramaphosa launched the Youth Employment Service (YES). The programme seeks to create one million jobs for South Africa's youth. The National Agricultural Marketing Council has been moving in initiating such programmes, and in 2016 the organisation launched the Youth Agriculture (Y-Agriculture) initiative.

In its simplicity, Y-Agriculture is an encompassing campaign to relay positive stories about youth involved in agriculture. It is done with the hope to inspire others to get on the moving train. So far, the NAMC has partnered with numerous stakeholders to bring to attention the benefits of agriculture.



# The Future is in your Hands

Visit our portal for the following opportunities available:



Visit Our Portal:  
<https://www.namc.co.za/initiatives/y-agriculture/>

For more information, contact:  
Bongani Radebe  
Tel: (012) 341 1115 | Email: [info@namc.co.za](mailto:info@namc.co.za)







# FABCO requests for commercialisation of Cassava production in Limpopo Province

By: Moses Lubinga

**FABCO** Primary Cooperative Limited, one of South Africa's biggest hybrid cooperatives presented their proposal for the commercialisation of cassava project in a report of the executive board dated March 2019. The report was shared during the recently concluded annual general meeting and conference held in Tzaneen, Mopani District.

This proposal follows FABCO's having successfully worked with the Agricultural Research Council (ARC) which is implementing the cassava research project in Mopani district. Given the favourable climatic and soil conditions for cassava production in the district, coupled with FABCO members' interest in the crop, the cooperative agreed that it is important to commercialise the cassava project.

Cassava has been earmarked as an indispensable food and industrial crop of the 21st Century. Cassava can be transformed into a number of products (processed and manufactured). It is a labour-intensive crop; hence it presents an opportunity to alleviate poverty through creation of job opportunities.

According to Dr. Lubinga who presented at the conference, FABCO's proposal to commercialise cassava production has come at an opportune time. From a trade perspective, he elaborated that commercial cassava production within South Africa is bound to address the issue of over reliance on cassava starch imports, within South Africa and the Southern Africa region at large. Dr. Lubinga indicated that Southern Africa is a net importer of cassava starch - largely driven by South Africa and the negative trade balance is widening since 2001. On average, South Africa's cassava starch annual imports are worth over US\$ 6 million.

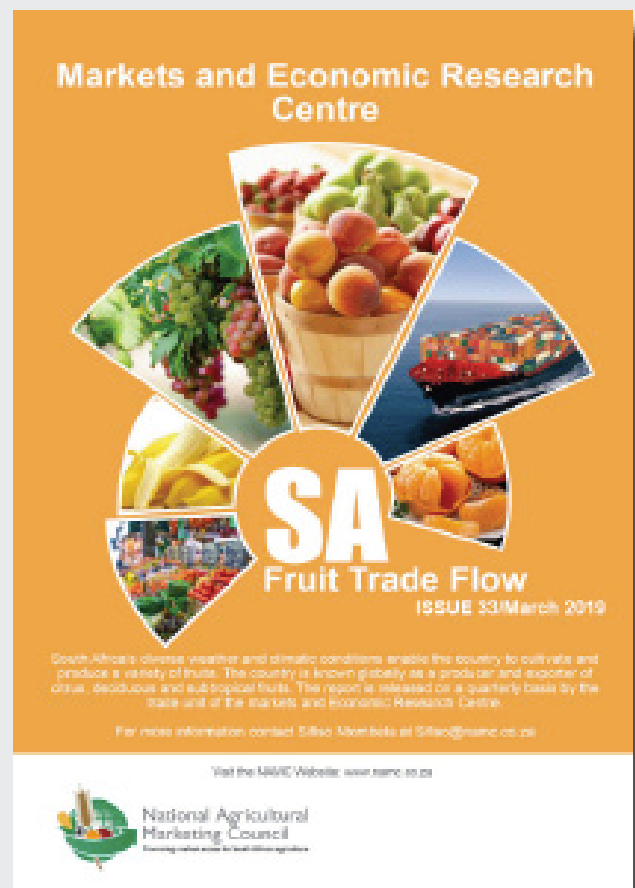
South Africa (and Southern Africa) at large need to look into means of producing their own cassava starch. Although the prospects of commercial cassava production in Limpopo province, among other provinces with sub-tropical climates are promising, economic aspects of cassava starch production also need to be evaluated.

For more information contact Dr Moses Lubinga at [HLubinga@namc.co.za](mailto:HLubinga@namc.co.za).



## Look Out For **Food Basket Monthly Price**

The NAMC monitors food prices at retail level and releases regular authoritative reports. The Department of Agriculture, Forestry and Fisheries (DAFF) established the Food Price Monitoring Committee (FPMC) at the NAMC to track and report food price trends in South Africa; to provide explanations of the observed trends and to then advise the department on any possible action that could be taken should national and household food security be threatened. The FPMC was established after the high food price episode of 2000/01 season. The functions of the FPMC were continued by the NAMC after the FPMC completed its work in August 2004. The NAMC issues four quarterly Food Price Monitoring Reports annually and, since 2005, also publishes an annual Food Cost Review, which documents the margins between farm and retail prices of the major food products, amongst other topics. In 2015, the NAMC began releasing a quarterly Farm-to-Retail-Price-Spread (FTRPS) publication, which seeks to provide more insight into the factors driving commodity and food price margins. This publication, the Food Basket Price Monthly Report, came as a result of discussions with industry to keep a more frequent watch on the movements of food prices.



# SA FRUIT TRADE FLOW

South Africa's different weather and climatic conditions enable the country to cultivate and produce a variety of fruits and fruit products. Globally, the country is known as an important producer and exporter of citrus, deciduous and subtropical fruits. This issue of the Fruit Trade Flow publication looks at table grapes and stone fruit (i.e. plums, nectarines, peaches and apricots), focusing on the current season's performance of these fruits, for both export and domestic markets. The current season's performance is compared with the previous season's performance. This report also assesses the global production of table grapes, giving a perspective on South Africa's production and export rankings in the world.

**Get it at**

<https://www.namc.co.za/category/research-publications/publications/fruit-trade-flows/>



# Published Books





# Monitoring Regional Integration in **SOUTHERN AFRICA**

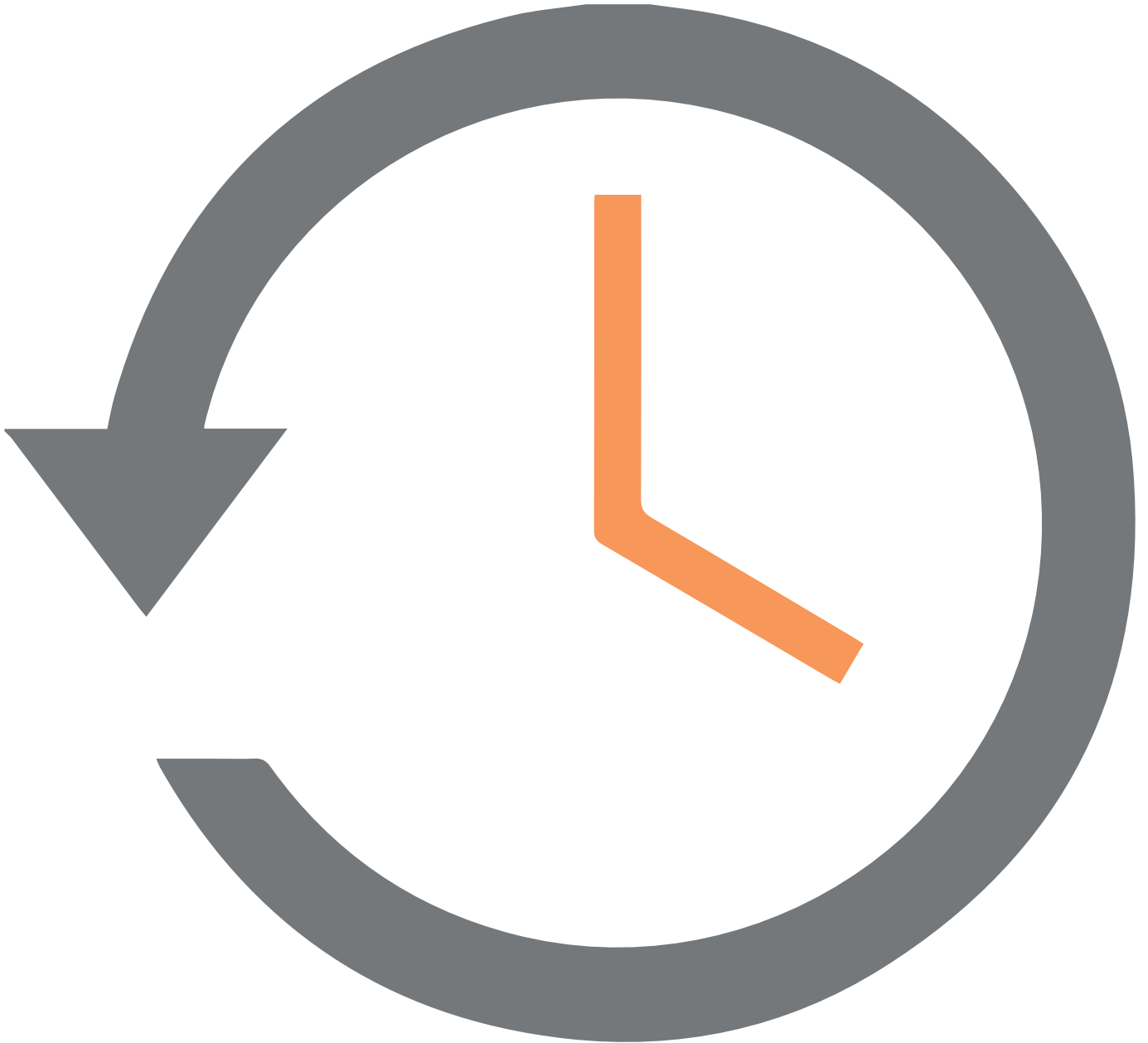
*By: Gerhard Erasmus, Moses Lubinga, Lucius Phaleng, Bonani Nyhodo, Gabila Nubong, Master Mushonga, Sylvanus Ikhide, Boitumelo Gofhamodimo, Dirk Hansohm, Mike Muller, Phineas Bbaala, Kizito Sikuka, Hanaa Ghoniem, Sameh Zaghloul and Elenor Lissel.*

This edition reviews the developments since the book was published in 2001 in order to provide a comprehensive idea of the manifold transformation process that the Southern African region has been through in the past 15 years. The information is packaged in a range on social, economic and political aspects that the Monitoring Regional Integration in Southern Africa dealt with since inception. Topics tackled by the book include Regional integration and disintegrated agricultural trade, Regional economic communities and the African Union in the pursuit of industrialization, the Grand Inga dam hydropower project (how to make it work?), necessary reforms for the SADC trade regime to facilitate accelerated industrialization of the region, dynamic of regional integration in Southern Africa, how the system failure of energy cooperation in SADC has undermined regional integration, contribution of regional integration in the SADC to electoral conflict management, policy making in SADC, impact of road network on the regional trade in Africa and lastly the book looks at the choice of forum and law clauses in FTAs whether it can prevail over WTO law.

For a full copy of the book go to:

<https://www.tralac.org/publications/article/13449-agriculture-and-the-african-continental-free-trade-area.html>

# Working papers



Available on the **Agecon Search international**  
**online platform:** <http://ageconsearch.umn.edu>



## Trade implication of diseases outbreak in the **AGRICULTURAL SECTOR**

By:  
**Sifiso Ntombela**  
**Moses Lubinga**  
**Ndiadivha Tempia**  
**Lucius Phaleng**  
**Fezeka Matebeni and**  
**Onele Tshitiza**

**T**he DAFF-NAMC trade probe issue 76 featured four working papers on the trade implications of diseases outbreak in the agricultural sector. (i) Foot and Mouth Disease (FMD) – neighbouring countries have placed bans on imports of cloven-hoofed animals from South Africa. Given the imposed imports bans, South Africa is bound to lose significant market share in favour of Namibia as it already supplies the biggest portion of live animals in the region. (ii) Avian Influenza – the monthly imports increased from an average of 38 000 tons in 2015 to 43 607 tons in 2018, which is equivalent to a 15% growth in imports. (iii) Listeriosis – the outbreak of listeriosis resulted in some African countries restricting processed meat imports from South Africa. The general impact of the listeriosis outbreak and other factors can be determined looking at the monthly trade trends. The export value of processed meat decreased by R3 853 between March 2017 and December 2018. (iv) Lastly, fall armyworm invasion – this invasion mainly affects the maize industry. The trade performance of maize was driven by the outbreak and other factors such as drought. Monthly exports decreased by R188 133 between January 2017 and December 2018.

The trade probe issue 76 is accessible at:

<https://www.namc.co.za/wp-content/uploads/2019/03/DAFF-NAMC-TRADE-PROBE-ISSUE-NO-76-FEBRUARY-2019.pdf>.

For more information go to:

<https://www.youtube.com/watch?v=D5JgBu1RELO&feature=youtu.be>

# Estimating trade elasticities for South Africa's agricultural commodities to update policy modelling in the sector



By Sifiso Ntombela, Mmatlou Kalaba and Heinrich Bohlmann

In economic modelling, elasticities play an important role in measuring the response of relative demand between goods to relative price changes. Trade elasticities such as the Armington and export demand elasticity enable researchers to translate trade policy analysis into key policy recommendations for law-makers. Whilst elasticities are critical for the functioning of economic models, their availability in South African agriculture is limited due to data constraints and low interest from researchers to estimate them. As a result, researchers rely on judgmental values.

The last elasticity estimates were conducted in 2006 and only focused on grain and meat, thus omitting the horticulture and processed food. This, subsequently, weakens the functionality and predictive power of economic models, leading to incorrect policy recommendations. This study addresses this limitation by estimating the elasticities for agricultural commodities (field crops, livestock, horticulture and processed food) using updated data.

The results revealed that agricultural commodity demand at an industry level is less sensitive to changes in international prices. Moreover, elasticity values estimated at an industry level tend to be inelastic than values at commodity level, indicating the higher sensitivity of individual products to price changes. The results also revealed that the country's exporters are price-takers in the international market, thus being sensitive to international price changes.

These results will assist researchers to apply updated and disaggregated elasticity values in economic models thus advancing policy analysis in the South African agricultural sector. A clear and significant difference in values obtained for different agricultural commodities confirms the notion that agricultural industries are not homogenous and will be affected differently by policy changes. This indicates the importance of conducting detailed policy analysis at industry level in order to provide dependable policy recommendations.

The study recommends that considerable support be given to agricultural industries to ensure they are competitive in the international markets.

This paper was published in the *Agrekon*, Volume 57, 2018 - Issue 3-4. For full article go to: <https://www.tandfonline.com/doi/full/10.1080/03031853.2018.1518724>

# NAMC fosters a conducive working environment

## Meet Onele Tshitiza



“  
...my field of study chose me and not I who chose it  
”

Onele Tshitiza is a young professional Trade Economist under Markets and Economic Research Centre. Onele completed her secondary education at Zingisa Comprehensive High School in Mthatha. The stream of subjects were allocated according to availability of space and this included among others, agricultural sciences and economics, none of which she was interested in. However, she became one of the best students in most subjects throughout high school, including agricultural sciences.

The interest in agriculture started when she participated in excursions to various farms, colleges and the Nelson Mandela Metropolitan University, exploring different fields in agriculture. After high school, Onele enrolled for a Biological Sciences course at the University of Pretoria. During the second year of this field of study she changed her mind and opted for agricultural economics since she had been exposed to both agriculture and economics in high school.

Onele did not want to end up on a farm at the time, but wanted an office job with extensive travelling, hence she chose this field of study. Onele holds a BSc. Agricultural Economics: Agribusiness Management obtained from the University of Pretoria in 2014. She is now studying towards a Master's degree in Agricultural Economics with the same University and she feels that this field of study chose her.

Her role as a Trade Researcher includes contribution to quarterly articles towards the Trade Probe and SA Fruit Trade Flow publications, which analyse the trade performance of agricultural products locally and internationally. She also assists with trade research, policy briefs, working papers, provide information to stakeholders and liaise with internal and external stakeholders on issues relating to agricultural trade.

She is currently working with the trade team on a feasibility study for rice in partnership with other state-owned entities, namely the Agricultural Research Council and Land Bank. Moreover, she contributes in the analysis of merits of imposition of trade remedies to protect South African producers on request by the International Trade Administration Commission (ITAC).

According to Onele, the NAMC fosters a conducive working environment. The management within the NAMC is very supportive and empowering as they entrust one with significant work, value individuals' inputs and provide exposure to high profile individuals within the sector. Onele's proudest moment at the NAMC so far is being able to see a publication go online every quarter with her name on it.

Onele is part of the NAMC internship programme which has developed her understanding of the agricultural industry. She has been exposed to most industries and equipped to do economic research. She feels that this is a wonderful opportunity for young economists to gain experience within the agricultural sector. What she likes the most at the NAMC is that her contribution is recognised and she also enjoys travelling to different conferences and events.

Onele would like to advise aspiring economists not to despise the small beginnings. They should not look down on whatever opportunity that arises for them to gain experience but take it with a positive attitude. They must be willing to learn from economists who have experience in the industry, remain humble and teachable, absorb all they can "Young Economists should stay enthusiastic about work and be willing to shadow those who know more". They need to stay abreast of current affairs and should also sharpen their skills in writing.



# Media



## Exporting firms in the agricultural sector: NAMC Seminar Dr Lubinga

Click the picture or go to: <https://www.youtube.com/watch?v=S7Ywc-Chu9w&t=1s>

## Trade Probe Introductory

Click the picture or go to: <https://www.youtube.com/watch?v=D5JgBu1REL0>



# What do you **love** about South African Agriculture?

Join the conversation on social media platforms

**#LoveRSAAgric**





Mark Your Calendars

# EVENTS



**24**  
Apr

Agri SA's Commodity and Corporate Chamber Conference, 24 & 25 April 2019, Future Africa, Pretoria, South Street, UP, Experimental Farm.  
[https://www.youtube.com/watch?v=U\\_TZGteSupk](https://www.youtube.com/watch?v=U_TZGteSupk)

51st South African Society for Animal Science (SASAS) Congress, 10 - 12 June 2019, University of the Free State, Bloemfontein.  
<https://www.sasas.co.za/sasas-congress-announcements-information/>

**10**  
Jun

**09**  
Jul

53rd conference of the South African Society for Agricultural Extension (SASAE), 9 – 11 July 2019, Sol Plaatje University, North campus, chapel street, Kimberley, Northern Cape.  
<https://sasae.co.za/announcement-2019-conference/>

International Conference on Sustainable Development 2019  
Nairobi, Kenya, August 15 -16, 2019.  
<https://www.ontariointernational.org>

**15**  
Aug

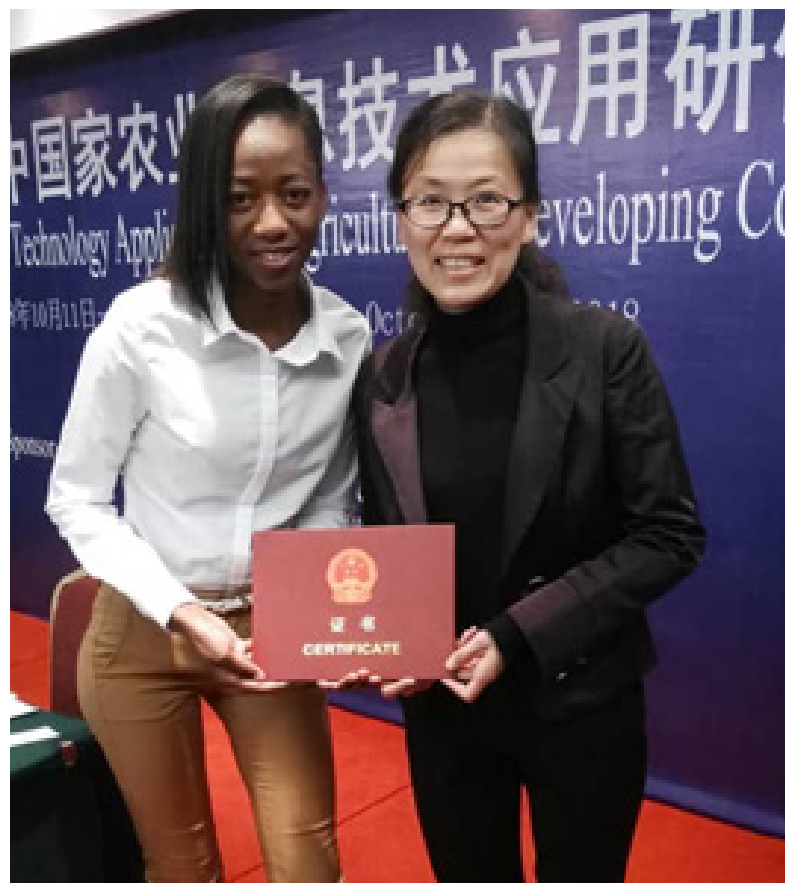
**23**  
Sep

6th African Conferences of Agricultural Economists, 23 – 26 September 2019, Sheraton Hotel, Abuja, Nigeria.  
<http://aaae-africa.org/>

57th annual conference of the Agricultural Economics Association of South Africa (AEASA), 8 – 10 October 2019, Bloemfontein, Free State.  
<https://www.aeasa.org.za/page/Conf2019SaveDate>

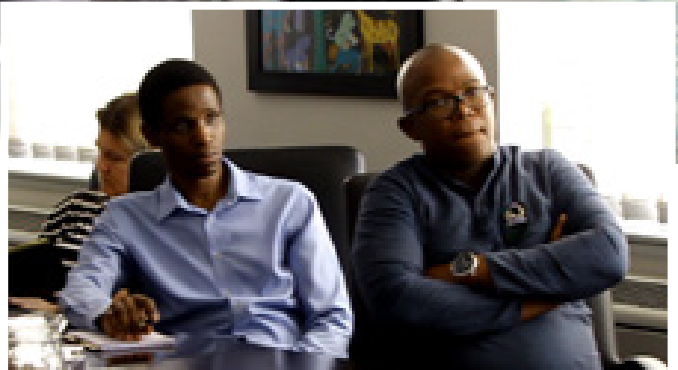
**08**  
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# PAST EVENTS





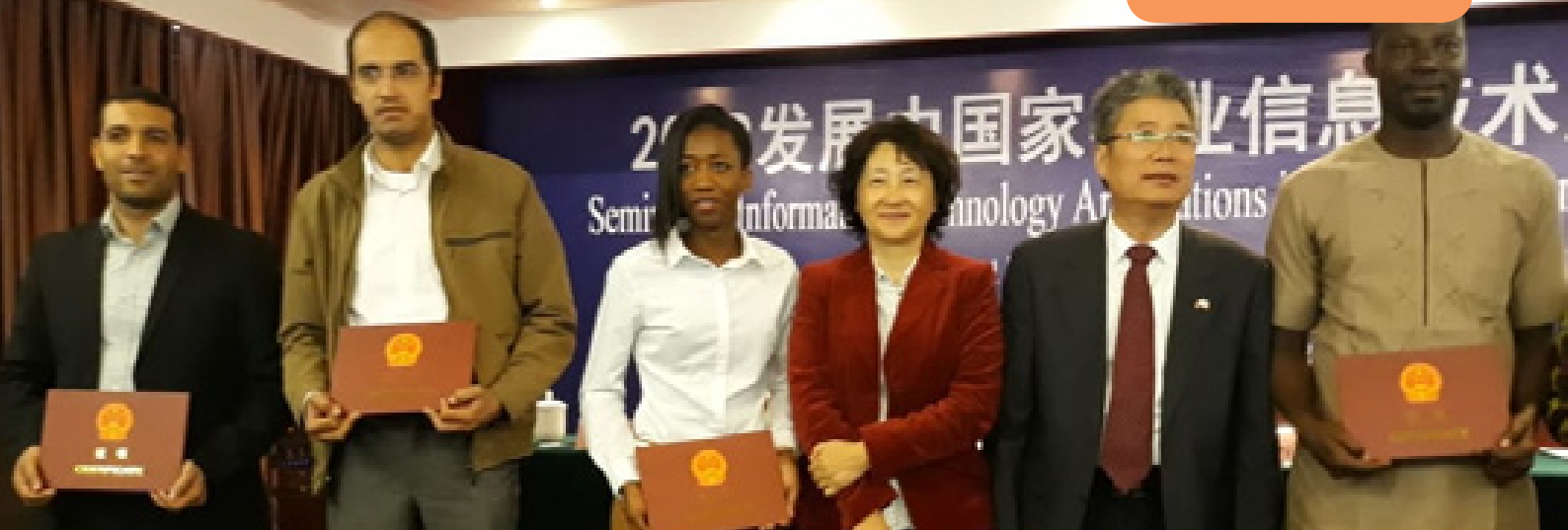
# Exporting firms in the AGRICULTURAL SECTOR

By: Moses Lubinga

**E**xporting firms in the agricultural sector: Evidence from the South African Revenue Service and National Treasury Firm level Panel Data, presented by Moses H Lubinga, 07 February 2019. The work was co-authored by Lucius Phaleng, Onele Tshitiza, and Simphiwe Ngqangweni. This study emanated from recommendations on a study by Lubinga et al. (2017), entitled “Is there justification for levy expenditure on export promotion in the agricultural sector in South Africa?”. One of these recommendations was the need for industry specific interventions to stimulate higher returns to export promotions. Thus, the team embarked on phase two of export promotion study, based on industry firm level data.

The aim of was to the effectiveness of export promotion in enhancing trade performance and job creation in South Africa’s agricultural sector. This seminar was then hosted to share preliminary results of this study, which indicated a drastic drop in the number of exporting firms between 2014 and 2015, a sharp increase in exports in 2015 as compared to 2014. It is deduced that this may largely be due to market diversification than product diversification. Moreover, firms participating in export promotion generate more jobs and revenues, particularly the large scale and micro firms. Small scale firms were found to participate least in export promotions, which led to low export revenues, employment opportunities, diversification in products and markets.

For more information go to <https://www.youtube.com/watch?v=S7Ywc-Chu9w> or contact Dr Lubinga at [hlubinga@namc.co.za](mailto:hlubinga@namc.co.za)



## Information technology applications in agriculture for **DEVELOPING COUNTRIES**

By: Thulisile Mokoena

**A**gricultural information technology has a great significance in increasing quantity and improving quality of agricultural production, and speeding up the agricultural development. Nanjing Agricultural University has established exchange relationships and developed programmes with other countries. In partnership with the ministry of commerce, Ministry of Education, Ministry of Agriculture and other national Ministries and Commissions, a seminar on Information Technology Application in Agriculture for Developing Countries was initiated in 2004. The objective of this seminar is to explore measures to enhance agricultural information technology cooperation between developing countries.

The 2018 seminar was hosted by Nanjing Agricultural University (Republic of China) from 11th – 31st October 2018. There were 28 participants from 11 participating countries coming from Africa (Ethiopia, Morocco, Uganda, Nigeria, Botswana and South Africa), South America (Suriname, Venezuela and Panama), North America (Jamaica) and Asia (Indonesia).

The seminar explored measures to enhance agricultural information technology cooperation between developing countries. Lessons learnt included the use of agricultural information technology as a basis for the improvement and transformation of traditional agriculture into modern agriculture. This may be critical in attracting more youth in agriculture. Again it may contribute to the increase in agricultural productivity. South Africa should adoption appropriate intelligent agriculture in promoting agricultural development and also invest more in the agricultural sector to improve food security, address the current economic challenges of unemployment, poverty and inequality.

The article has been featured on agripreneur issue 15 which is available on the NAMC website <https://www.namc.co.za/>

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