Plenty of parallels in farm challenges with SA counterparts

Australian farmers face many similar challenges to those faced in the South African sugarcane industry. ***By Brad Pfeffer***

It's no secret that Australian farmers operate in some of the toughest conditions in the world. We have a harsh and variable climate, we have high operating costs and we aren't subsidised, leaving us at the mercy of fluctuating commodity and currency markets.

In recent years, there has unfortunately been a multitude of these challenges confronting the Australian sugarcane industry.

But we are not alone. During a recent visit to South Africa, I gained a better understanding of the similar challenges facing our counterparts (see story page 22-23).

Their industry shares many similarities with Australia. Their famers deal with familiar challenges including drought, frost, pests, diseases and weeds.

There are also differences. More than 95 percent of the cane is hand-cut, resulting in improved soil health through reduced compaction, greater ratoon length, and an ability to farm on steep terrain. Labour is considerably cheaper, which is a driving force behind the hand-cutting.

However, they have additional political and economic uncertainty, impacting all agricultural sectors.

According to the conference I attended, South African agriculture is constrained by debt and restricted by a low appetite for foreign investment due to uncertain economic and land security issues. There are currently government proposals to limit the size of land holdings to no more than 12,000 ha (a small area in SA) and also limit foreign ownership, which farm leaders said was a risk to growth and development. Net farm income is rising at a slower rate than debt is rising. The farm interest rate ranges from between 9 percent to 19 percent, while inflation is 6 percent.

Like Australia, South African farmers are not subsidised.

The South Africa cane industry has a broad range of scale – ranging from less than a hectare for small scale farmers, right up to their largest individual farmer, Charl Senekal, who has about 4000ha.

Mr Senekal said the challenges in South Africa were causing him to look to other countries to expand.

He added that his entire continent had an important role to play in feeding the world, particularly as the population is forecast to increase from 1 billion to 2 billion people on the African continent by 2050.

He hosts numerous farm tours to his properties, as many neighbouring countries do not have extension networks and services.

"I want to build an Africa that is successful and believe that the larger commercial farmer must get involved in uplifting the smaller farmers," Mr Senekal said.

Other farm leaders are also trying to lift the continent out of poverty through adoption of improved practices and more research and development.

Theo de Jager, President of the SA Confederation of Agricultural Unions, said that underinvestment in R&D was starting to take a toll on production.

He also said, though, that Africa had already proven it could rapidly adopt new technology by bypassing landline phones and going straight to smart phones, with a smart phone now in the pocket of almost every farmer.

He wants to parallel this practice change in agriculture.

"Can we do the same with modern tractors and GPS guidance, which cost more than our land? Maybe we can, if we group 500 smaller farmers together. The key is how you mobilise farmers, as together we can do more," Mr de Jager said.

While they have their own unique challenges, so does Australia. But at the end of the day, there are far more commonalities than differences.

For more information

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