



Farming a demanding business

'It's riskiest enterprise by far'

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THE demanding nature of agriculture, requiring both business acumen and technical knowledge, are some of the reasons land redistribution project farms were unproductive or under-producing, says the University of Zululand's agribusiness programme co-ordinator, George Wilsenach.

Agriculture was seldom seen from the business point of view, he said yesterday.

"We think that everybody can become a farmer. But if you do not run agriculture as a business today, you're not going to make it. It is by far the riskiest enterprise in this country."

In other business ventures it was determined if people could manage a business, had a business background or knew about financial management, yet in agriculture those principles were not applied, he said.

Wilsenach said agribusiness was highly risky and demanded a certain skills set.

People with both business management and technical skills were not readily avail-

able where land was being redistributed, leading to those lands being unproductive or under-producing, he said.

Earlier this month, President Cyril Ramaphosa appointed an inter-ministerial committee (IMC) on land reform chaired by Deputy President David Mabuza to implement measures to accelerate the redistribution of land; the extension of security of tenure; the provision of agricultural support, and the redress of spatial inequality in a more comprehensive land redistribution and agricultural development programme.

Agriculture MEC Themba Mthembu said last month they had instituted an assessment to determine specifically how many land restitution and community trust-held projects were less productive than before redistribution to the rightful owners.

Wilsenach said farmers had no control over the price of their products. "If a crop is not sold at a certain time, the farmer will get nothing for it. In any other business, things that are not perishable can still be sold later. Agriculture has

a biological clock that cannot be stopped. A crop or livestock takes a certain period to mature or be ready. You have to have sound business principles and technical skills to make it a success."

Wilsenach said farmers should be able to "wear different hats" by being very good businessmen, and also needed to know the technical aspects about farming.

Nationally and internationally, trends show most farming enterprises becoming bigger by making use of economies of scale. Fewer people were being employed due to greater mechanisation and technology.

Absa agricultural economist Wessel Lemmer said it was not easy to farm currently, considering that South Africa's rainfall averaged 465mm compared to a global average of 990mm.

"You cannot give someone a farm and capital and think they're going to survive on their own. New farmers would need to gain expertise, which takes generations to pass on," he said. In the next 30 years, farmers would need the latest technology to produce more.