

(about R363 million) in the third quarter of 2020 to US\$112 million (R1,6 billion) in the second quarter of 2021, with further improvement expected in the third quarter.

Sappi CEO Steve Binnie noted that the US and South African business divisions both recorded strong improvements in profitability. "This was in contrast to Europe, where extended lockdowns and restrictions on economic activity hindered performance. [The pandemic] also severely affected global shipping and container availability, which impacted sales volumes."

Looking to the future, Binnie stated that favourable

levels since May 2012. "The key factors supporting the positive sentiment in the sector include continued tight DP supply; low viscose staple fibre inventory levels throughout the textile value chain; improved apparel retail demand in the US and Asia, which favourably impacted all textile fibre prices; higher paper pulp prices; and a continued weaker US dollar/[Chinese] renminbi exchange rate."

Binnie said graphic paper markets remained challenging, and demand was still well below the long-term pre-COVID-19 trend levels.

Demand for dissolving wood pulp is strong in the forestry sector, says Sappi CEO Steve Binnie. LINDI BOTHA

"The persistent weak demand in Europe is likely to keep the market in oversupply and diminish pricing power. The lag in sales price increase realisation, in combination with rising raw material and logistics costs, could exacerbate the margin squeeze even further in that region."

Mondi also reported favourable financial results for the first quarter of 2021, and stated that strong demand for packaging and containerboard would continue to drive favourable results.

"We're seeing strong demand across our packaging markets, supported by the structural growth drivers of e-commerce and sustainability, and are implementing price increases across all key product segments," said Kerry Cooper, Mondi group head of external communications.

Ongoing global logistical challenges, including container shortages, port congestion and availability of vessel capacity, posed an ongoing risk to export volumes from all regions, he added. – *Lindi Botha*

Agriculture Master Plan: 'the challenge is execution'

Industry role players are finalising a framework for the Agriculture and Agro-processing Master Plan to present to Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza.

Stakeholders had agreed on the main themes, namely food security, the opening of new markets, transformation, job creation, rural safety, and climate change mitigation, but negotiations on how to achieve these goals would need to take place, according to Mooketsa Ramasodi, acting director general of the Department of Agriculture, Land Reform and Rural Development.

Ramasodi did not want to commit to a completion date for the master plan, as it needed "proper consultation and planning".

Sean Walsh, CEO of Kaap Agri, said that Agbiz, the Bureau for Food and Agricultural Policy (BFAP), and relevant farmers' representatives had put a great deal of work into the master plan, but that the challenge was its execution. There was a compelling case to execute it and, if resources were channelled correctly, it could have a significant impact on direct and indirect agricultural employment in South Africa, and achieve bankable and feasible expansions in the total agricultural value chain.

"If, however, the resources are not allocated, the master plan will remain just a plan," Walsh said.

Christo van der Rheede, CEO of Agri SA, said the master plan was a two-phase process and the first phase,

which set out the broad principles, would soon be signed off on. "These aspects, such as job creation, transformation and new markets, are relatively easy for all involved to agree on," he added.

Van der Rheede added that once the first phase was signed off, the difficult work would begin, as sector-specific plans needed to be developed together with BFAP. He said that government did not have the required skills nor the budget to drive this process alone. He was therefore positive about concepts such as blended finance, which meant that the financial sector would be part of the operation. Van der Rheede said that without the right skills and knowledge, even the best plan would always be just a plan. – *Wouter Kriel*