

Food & Water Security in South Africa WEEKLY MONITOR

11 March - 17 March 2017

Prepared by Augustus Consulting

Augustus Consulting monitors reports of food and water security in South Africa, including media articles, blogs, opinion pieces and other announcements. Unless otherwise indicated (such as in articles written by Augustus Consulting), the language and views contained in the search results reflect those of the originating author and/or publication and do not necessarily represent the views of Augustus Consulting. Archived media reviews are available: <http://www.augustusconsulting.co.za>

1.0 Key Daily Trends, Themes and Issues

- **Imposing increased tariffs on imported poultry products is not the only solution to protecting the South African poultry industry**
- **ANC proposes a watered-down approach to land reform, despite President Jacob Zuma's recent call for land expropriation without compensation to be prioritised**
- **South Africa's business leaders delaying business expansion and putting off investments due to increasing economic and political uncertainty in the country**
- **S&P Global reiterates concerns over South Africa's weak economic growth, political tensions and policy reform**
- **South Africa's manufacturing sector continues to underperform amid slow economic growth**
- **Police Minister Nkosinathi Nhleko says farm killings are of concern, but have to be seen within the broader context of crime in South Africa**
- **South African Chamber of Commerce and Industry index shows the country's trade conditions remain weak**
- **South Africa's retail sector remains under pressure as long as consumer confidence remains depressed**
- **South Africa's four major food manufacturers, Pioneer Foods, Premier Foods, Foodcorp and Tiger Brands, caught up in a major price fixing cartel scandal**
- **South Africa's Constitutional Court rule that the Sassa and CPS contract for social grant distribution continue for another year**
- **The South African government to help the City of Cape Town find solutions to the water crisis, with the potential of declaring further disaster areas in the Western Cape province**

- **City of Cape Town announces that a disaster planning was underway to ensure measures were in place for the possibility of an extended drought as the water crisis deepens**
- **Water restrictions officially lifted in Gauteng, however, Water and Sanitation Department urges residents not to waste water as South Africa is still experiencing drought conditions**
- **Cape Town water crisis deepens worsens as dam levels drop amid severe drought in Western Cape Province**
- **South Africa needs skills to tap into groundwater amid the deepening water crisis in Cape Town**
- **City of Johannesburg bans summer watering in an effort to promote a culture of water conservation despite the recent rains that filled have up Gauteng dams**
- **South Africa's Water and Sanitation Minister Nomvula Mokonyane calls for the introduction of rain harvesting system for government buildings**
- **Johannesburg residents urged to continue saving water despite lifting of restrictions as South Africa remained water scarce and the city was a net importer of water**
- **Supplying more water and containing demand is not enough to protect Cape Town's constrained supply as the water crisis deepens**
- **With just 100 days of water left, Cape Town risks running dry amid reports that after two years of the least rainfall on record, the average level of the six main dams that supply the city of 3.7 million people has dropped below 30%, one of the lowest levels on record**

1.1 Food Security

1.1.1 Imposing increased tariffs on imported poultry products is not the only solution to protecting the South African poultry industry

On 11 March, *ANA* reported that imposing increased tariffs on imported poultry products is not the only solution to protecting the South African poultry industry, an economist said on Friday.¹

1.1.2 ANC proposes a watered-down approach to land reform, despite President Jacob Zuma's recent call for land expropriation without compensation to be prioritised

On 13 March, *Times Live* reported that the ANC has proposed a watered-down approach to land reform, despite President Jacob Zuma's recent call for land expropriation without compensation to be prioritised.²

¹ Tariffs won't save poultry industry, ANA, 11 March 2017, <http://www.iol.co.za/business-report/economy/tariffs-wont-save-poultry-industry-8142490>

1.1.3 South Africa's business leaders delaying business expansion and putting off investments due to increasing economic and political uncertainty in the country

On 13 March, *TMG Digital* reported that Grant Thornton's International Business Report shows that SA's executives are delaying business expansion and putting off investments due to 'turbulence'.³

1.1.4 S&P Global reiterates concerns over South Africa's weak economic growth, political tensions and policy reform

On 14 March, *Eyewitness News* reported that Standard & Poor's Global (S&P) ratings has reiterated its concerns about weak economic growth, political tensions and policy reform in South Africa.⁴

1.1.5 South Africa's manufacturing sector continues to underperform amid slow economic growth

On 14 March, *Fin24* reported that manufacturing production was up 0.8% in January 2017, but this is still below levels of productions recorded before the global financial market crisis, according to Statistics South Africa which released data on manufacturing production on Tuesday.⁵

1.1.6 Police Minister Nkosinathi Nhleko says farm killings are of concern, but have to be seen within the broader context of crime in South Africa

On 14 March, *Eyewitness News* reported that Police Minister Nkosinathi Nhleko says farm killings are of concern, but have to be seen within the broader context of crime in South Africa.⁶

1.1.7 South African Chamber of Commerce and Industry index shows the country's trade conditions remain weak

On 15 March, *Business Day* reported that weaker trade conditions continued into February, with the seasonal adjusted Trade Activity Index (TAI) remaining at 46 according to the South African Chamber of Commerce and Industry (Sacci).⁷

² ANC rejects Zuma's radical land reform plan, Sibongakonke Shoba and Qaanitah Hunter, Times Live, 13 March 2017, <http://www.timeslive.co.za/thetimes/2017/03/13/ANC-rejects-Zumas-radical-land-reform-plan>

³ SA's business leaders generally downbeat about the future, Staff Writer, TMG Digital, 13 March 2017, <https://www.businesslive.co.za/bd/business-and-economy/2017-03-13-sas-business-leaders-generally-downbeat-about-the-future/>

⁴ S&P Global reiterates concerns over SA, Tara Penny, Eyewitness News, 14 March 2017, <http://ewn.co.za/2017/03/14/s-and-p-global-reiterates-concerns-over-sa>

⁵ Manufacturing sector continues to underperform, Lameez Omarjee, Fin24, 14 March 2017, <http://www.fin24.com/Economy/manufacturing-sector-continues-to-underperform-20170314>

⁶ Farm killings a major concern, says Nhleko, Gaye Davis, Eyewitness News, 14 March 2017, <http://ewn.co.za/2017/03/14/farm-killings-a-major-concern-says-nhleko>

⁷ Sacci index shows trade conditions remain weak, Sunita Menon, Business Day, 15 March 2017, <https://www.businesslive.co.za/bd/economy/2017-03-15-sacci-index-shows-trade-conditions-remain-weak/>

1.1.8 South Africa's retail sector remains under pressure as long as consumer confidence remains depressed

On 15 March, *Business Day* reported that Statistics SA data show that sales decreased in January, economist says growth in the sector is likely to be muted as long as consumer confidence is depressed.⁸

1.1.9 South Africa's four major food manufacturers, Pioneer Foods, Premier Foods, Foodcorp and Tiger Brands, caught up in a major price fixing cartel scandal

On 16 March, *IOL Business* reported that a small white maize milling firm has been fined R10.1 million after being bullied into participating in a price fixing cartel by Pioneer Foods, Premier Foods, Foodcorp and Tiger Brands, the four major firms operating in this market.⁹

1.1.10 South Africa's Constitutional Court rule that the Sassa and CPS contract for social grant distribution continue for another year

On 17 March, *eNCA* reported that the court ruled that the Sassa and CPS contract continue for a year.¹⁰

1.2 Water Security

1.2.1 The South African government to help the City of Cape Town find solutions to the water crisis, with the potential of declaring further disaster areas in the Western Cape province

On 12 March, *Weekend Argus* reported that the national government has agreed to come on board to help the City of Cape Town find solutions to the water crisis, with the potential of declaring further disaster areas in the Western Cape.¹¹

1.2.2 City of Cape Town announces that a disaster planning was underway to ensure measures were in place for the possibility of an extended drought as the water crisis deepens

On 13 March, *News24* reported that the City of Cape Town said on Monday disaster planning was underway to ensure measures were in place for the possibility of an extended drought.¹²

⁸ Retail sector remains under pressure, Sunita Menon, *Business Day*, 15 March 2017, <https://www.businesslive.co.za/bd/economy/2017-03-15-retail-sector-remains-under-pressure/>

⁹ Milling firm was bullied into maize price fixing, Roy Cokayne, *IOL Business Report*, 16 March 2017, <http://www.iol.co.za/business-report/companies/milling-firm-was-bullied-into-maize-price-fixing-8203142>

¹⁰ CPS contract extended, *eNCA*, 17 March 2017, <http://www.enca.com/south-africa/concourt>

¹¹ State aid for dry Western Cape on the cards, Tanya Petersen, *Weekend Argus*, 12 March 2017, <http://www.iol.co.za/news/south-africa/western-cape/state-aid-for-dry-western-cape-on-the-cards-8154460>

¹² Emergency measures in place for water crisis – Cape Town, James de Villiers, *News24*, 13 March 2017, <http://www.news24.com/SouthAfrica/News/emergency-measures-in-place-for-water-crisis-cape-town-20170313>

1.2.3 Water restrictions officially lifted in Gauteng, however, Water and Sanitation Department urges residents not to waste water as South Africa is still experiencing drought conditions

On 14 March, *Eyewitness News* reported that the Water and Sanitation Department however says residents shouldn't waste water as the country is still experiencing drought conditions.¹³

1.2.4 Cape Town water crisis deepens worsens as dam levels drop amid severe drought in Western Cape Province

On 14 March, *SABC News* reported that the City of Cape Town says at current consumption levels, its water supply will only last for the next 105 days.¹⁴

1.2.5 South Africa needs skills to tap into groundwater amid the deepening water crisis in Cape Town

On 14 March, *Business Day* reported that in the absence of an immediate solution to Cape Town's water woes, groundwater can become a solution for the deepening crisis that began six months ago.¹⁵

1.2.6 City of Johannesburg bans summer watering in an effort to promote a culture of water conservation despite the recent rains that filled have up Gauteng dams

On 14 March, *TMG Digital* reported that despite the summer rains that filled up Gauteng dams, Nico de Jager, MMC for the Environment and Infrastructure Services Department, said on Tuesday that the city would only partially lift water restrictions in an effort to promote a culture of water conservation.¹⁶

1.2.7 South Africa's Water and Sanitation Minister Nomvula Mokonyane calls for the introduction of rain harvesting system for government buildings

On 14 March, *Eyewitness News* reported that Water and Sanitation Minister Nomvula Mokonyane says she has proposed to cabinet that the government introduce British America Tobacco (BAT)'s rain water harvesting system for government buildings.¹⁷

1.2.8 Johannesburg residents urged to continue saving water despite lifting of restrictions as South Africa remained water scarce and the city was a net importer of water

¹³ Water restrictions officially lifted in Gauteng, Mia Lindeque, *Eyewitness News*, 14 March 2017, <http://ewn.co.za/2017/03/14/water-restrictions-officially-lifted-in-gauteng>

¹⁴ Cape Town water shortage worsens as dam levels drop, *SABC News*, 14 March 2017, <http://www.sabc.co.za/news/a/3ea9e48040669082a7fdef22b496cfc2/Cape-Town-water-shortage-worsens-as-dam-levels-drop-20171403>

¹⁵ SA needs skills to tap into groundwater, Themba Khumalo, *Business Day*, 14 March 2017, <https://www.businesslive.co.za/bd/opinion/2017-03-14-sa-needs-skills-to-tap-into-groundwater/>

¹⁶ Johannesburg bans summer watering, with no clear end date, *TMG Digital*, 14 March 2017, <http://www.timeslive.co.za/local/2017/03/14/Johannesburg-bans-summer-watering,-with-no-clear-end-date>

¹⁷ Mokonyane calls for introduction of rain harvesting system, Victor Magwedze, *Eyewitness News*, 14 March 2017, <http://ewn.co.za/2017/03/14/mokonyane-calls-for-introduction-of-rain-water-harvesting-system>

On 14 March, *The Citizen* reported that the city said it would only partially lift its restrictions as SA remained water scarce and the city was a net importer of water.¹⁸

1.2.9 Supplying more water and containing demand is not enough to protect Cape Town's constrained supply as the water crisis deepens

On 16 March, *Business Day* reported that supplying more water and containing demand is not enough to protect Cape Town's constrained supply.¹⁹

1.2.10 With just 100 days of water left, Cape Town risks running dry amid reports that after two years of the least rainfall on record, the average level of the six main dams that supply the city of 3.7 million people has dropped below 30%, one of the lowest levels on record

On 17 March, *Bloomberg* reported that the crown jewel of South Africa's tourism industry, Cape Town has 100 days before it runs out of water.²⁰

¹⁸ Joburg residents urged to continue saving water despite lifting of restrictions, Eric Naki, *The Citizen*, 14 March 2017, <http://citizen.co.za/news/news-national/1457145/joburg-residents-urged-to-continue-saving-water-despite-lifting-of-restrictions/>

¹⁹ Water management means adapting to water scarcity, Kevin Winter, *Business Day*, 16 March 2017, <https://www.businesslive.co.za/bd/opinion/2017-03-16-water-management-means-adapting-to-water-scarcity/>

²⁰ With just 100 days of water left, Cape Town risks running dry, Mike Cohen, Paul Vecchiatto and Scarlet Fu, *Bloomberg*, 17 March 2017, <http://www.fin24.com/Economy/with-just-100-days-of-water-left-cape-town-risks-running-dry-20170317>

2.0 Daily Infographics: Climate change means more demand for the Earth's limited supply of fresh water

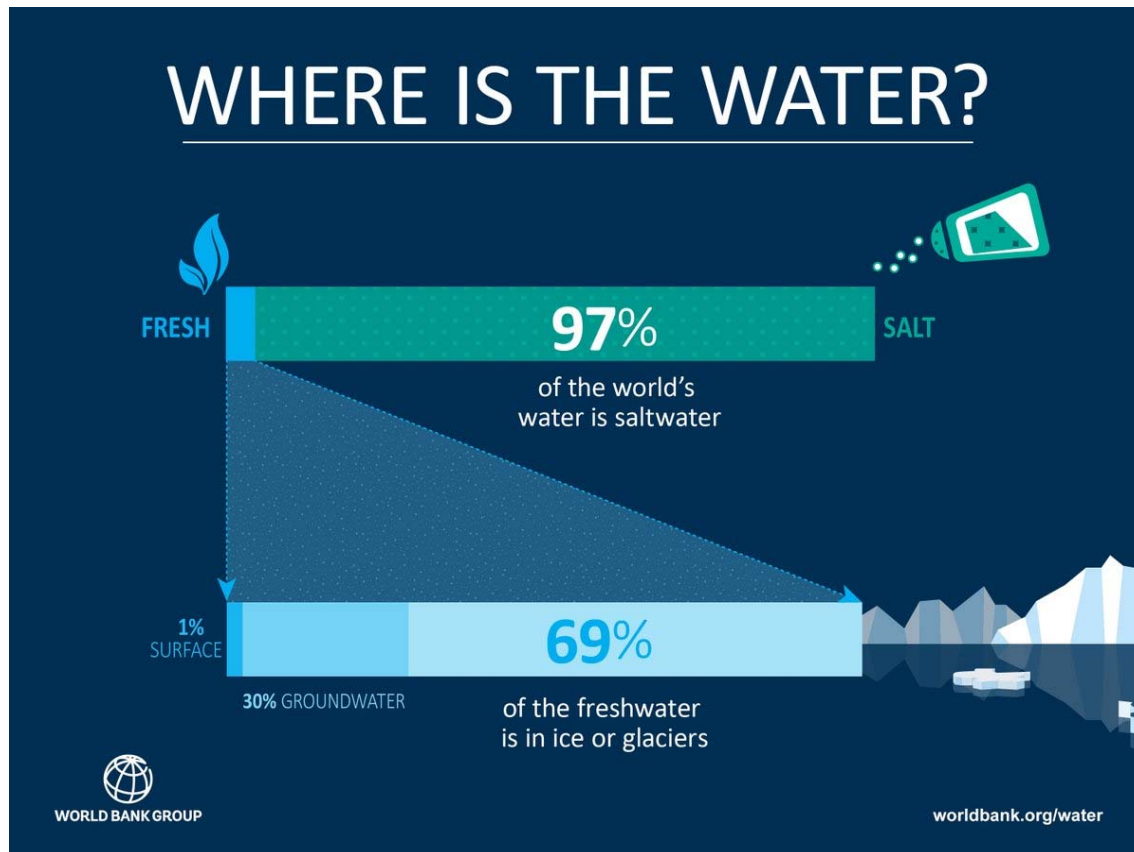


Figure 1. Climate change means more demand for the Earth's limited supply of fresh water (Source: World Bank Group)

3.0 Overall Assessment

- ❖ Slow growth and increasing political uncertainty becoming a major threat to food security in South Africa
- ❖ The land debate in South Africa rages on without any clear strategic direction on the country's land reform process
- ❖ The drought in Western Cape Province worsens as the water crisis in Cape Town deepens with no clear policy solution from the key stakeholders
- ❖ The price fixing cartel scandal involving South Africa's four major food manufacturers, namely, Pioneer Foods, Premier Foods, Foodcorp and Tiger Brands threatens the food security of low-income households in South Africa. Therefore, the government of South Africa is urged to address the oligopolistic character of the food manufacturing sector.