

Food & Water Security in South Africa WEEKLY MONITOR

24 June – 30 June 2017

Prepared by Augustus Consulting

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1.0 Key Weekly Trends, Themes and Issues

- **South African silos are ready for the record maize harvest as the Crop Estimates Committee announces that the maize crop output was expected to be 101% more than in 2016, with the expected commercial maize crop set at 15.631-million tonnes**
- **South Africa's economy causes it to decline significantly on the 2017 Fragile States Index and the country is no longer regarded as stable**
- **South Africa's economic uncertainties are adding pressure on consumers, who are feeling more financially stressed, according to the MMI Unisa Consumer Financial Vulnerability Index**
- **South Africa bans sale of live chickens as the bird flu crisis deepens**
- **Bird flu outbreak poses new threat to South Africa's ailing poultry industry**
- **Zimbabwe and Namibia bans South Africa's poultry imports as the bird flu crisis takes its toll**
- **South Africa's unemployment numbers swell in first three months of 2017 as 58,000 jobs are shed between the last quarter of 2016 and the first quarter of this year, with the biggest job losses in trade, business and community services as well as manufacturing**
- **The South African government pays out R19.9 billion on acquisition of land for restitution purposes since 1994 as the contentious land issue remains unresolved**
- **Fitch joins the World Bank in revising South Africa's economic growth for this year to 0.7percent from its previous forecast of 1percent, as the country's economic outlook remains deem**
- **South Africa's poultry industry could be left counting costs that run into billions of rand as no insurance cover exists to cater for the outbreak of a natural disaster such as bird flu**

- South Africa's Auditor-General Kimi Makwetu expresses concern about poor water management in Western Cape amid a deepening drought crisis in the province
- SACP and ANC expresses concern over the perpetual water crisis in Qwaqwa in the Free State Province, as access to water becomes a daily struggle as water tankers have been used as a stop-gap measure
- Western Cape dam levels recover slightly as the water crisis in the province deepens
- Various communities in Mpumalanga Province are sitting on a health time bomb as unlicensed water merchants are exploiting their lack of clean water by charging them up to R800 for a tank of un-purified water drawn from the Nkomazi River amid reports that an estimated desperate 40 000 households do not have clean running water, despite taps having been installed in their yards years ago
- City of Cape Town warns of further, intensified water restrictions as dam storage levels effectively stand at a lowly of 14.5%
- South Africa's Department of Water and Sanitation announces that General Manager for Operations at Umgeni Water, Msizi Cele, has been appointed as acting chief executive following the recent suspension of Msizi Gamede, who faces corruption allegations
- Water and Sanitation Minister Nomvula Mokonyane has fired the entire Overberg Water Board following financial irregularities as poor governance and unethical leadership continue to plague the water sector in South Africa
- South Africa's Treasury paints a bleak picture of the Department of Water and Sanitation's finances amid reports that that there is a misalignment between how the Department plans its budget and how it spends it
- South Africa's Treasury announces that the Department of Water and Sanitation has unpaid bills of more than R1 billion amid reports that the Department overspent its budget by R110m
- DA and ANC blame each other for Western Cape drought as the water crisis deepens

1.1 Food Security

1.1.1 South African silos are ready for the record maize harvest as the Crop Estimates Committee announces that the maize crop output was expected to be 101% more than in 2016, with the expected commercial maize crop set at 15.631-million tonnes

On 23 June, *Business Day* reported that as farmers in SA get down to harvesting a record maize crop, operators of grain storage facilities say there is enough space to accommodate the bumper haul.¹

1.1.2 South Africa's economy causes it to decline significantly on the 2017 Fragile States Index and the country is no longer regarded as stable

On 25 June, *Fin24* reported that South Africa's economy has caused it to decline significantly on the 2017 Fragile States Index and the country is no longer regarded as stable.²

1.1.3 South Africa's economic uncertainties are adding pressure on consumers, who are feeling more financially stressed, according to the MMI Unisa Consumer Financial Vulnerability Index

On 26 June, *Fin24* reported that economic uncertainties are adding pressure on consumers, who are feeling more financially stressed, an index revealed.³

1.1.4 South Africa bans sale of live chickens as the bird flu crisis deepens

On 26 June, *SABC News* reported that the sale of all live chickens has been banned across South Africa."⁴

1.1.5 Bird flu outbreak poses new threat to South Africa's ailing poultry industry

On 27 June, *Fin24* reported that South Africa's already fragile poultry industry faces a trade ban after this month's bird flu outbreak in Mpumalanga.⁵

1.1.6 Zimbabwe and Namibia bans South Africa's poultry imports as the bird flu crisis takes its toll

On 27 June, *Fin24* reported that Namibia and Zimbabwe have banned poultry imports from South Africa after an outbreak of bird flu.⁶

1.1.7 South Africa's unemployment numbers swell in first three months of 2017 as 58,000 jobs are shed between the last quarter of 2016 and the first quarter of this year, with the biggest job losses in trade, business and community services as well as manufacturing

¹ Silos ready for record maize harvest, Reitumetse Pitso, *Business Day*, 23 June 2017, <https://www.businesslive.co.za/bd/national/2017-06-23-silos-ready-for-record-maize-harvest/>

² SA economy no longer stable - Fragile States Index, Liesl Peyper, *Fin24*, 25 June 2017, <http://www.fin24.com/Economy/sa-economy-no-longer-stable-fragile-states-index-20170625>

³ Economic headwinds stressing out consumers – index, Lameez Omarjee, *Fin24*, 26 June 2017, <http://www.fin24.com/Money/Debt/economic-headwinds-stressing-out-consumers-index-20170622>

⁴ SA bans sale of live chickens, *SABC News*, 26 June 2017, <http://www.sabc.co.za/news/a/24eb4f8041a65143850ca7aa5ca0e84c/SA-bans-sale-of-live-chickens-20172606>

⁵ Bird flu outbreak poses new threat to SA poultry industry, Yolandi Groenewald, *Fin24*, 27 June 2017, <http://www.fin24.com/Companies/Agribusiness/sa-poultry-industry-faces-new-threat-with-bird-flu-outbreak-20170627>

⁶ ALERT: Zimbabwe and Namibia ban SA poultry imports, Carin Smith, *Fin24*, 27 June 2017, <http://www.fin24.com/Economy/alert-zimbabwe-and-namibia-ban-sa-poultry-imports-20170627>

On 27 June, *eNCA* reported that forty-eight thousand jobs have been shed between the last quarter of 2016 and the first quarter of this year.⁷

1.1.8 The South African government pays out R19.9 billion on acquisition of land for restitution purposes since 1994 as the contentious land issue remains unresolved

On 28 June, *The New Age* reported that the South African government in its determination to overcome the legacy of inequality and injustice created by colonialism and apartheid has already paid out R19.9bn on acquisition of land for restitution purposes.⁸

1.1.9 Fitch joins the World Bank in revising South Africa's economic growth for this year to 0.7percent from its previous forecast of 1percent, as the country's economic outlook remains deem

On 29 June, *IOL Business* reported that Fitch Ratings subsidiary BMI Research yesterday joined the World Bank in revising South Africa's economic growth for this year to 0.7percent from its previous forecast of 1percent, warning that pursuing a nuclear programme would put significant strain on the sluggish economy.⁹

1.1.10 South Africa's poultry industry could be left counting costs that run into billions of rand as no insurance cover exists to cater for the outbreak of a natural disaster such as bird flu

On 30 June, *Business Day* reported that SA's poultry industry could be left counting costs that run into billions of rand as no insurance cover exists to cater for the outbreak of a natural disaster such as bird flu.¹⁰

1.2 Water Security

1.2.1 South Africa's Auditor-General Kimi Makwetu expresses concern about poor water management in Western Cape amid a deepening drought crisis in the province

On 22 June, *Eyewitness News* reported that Auditor-General Kimi Makwetu has expressed concern about the fate of water services in some Western Cape municipalities due to poor management.¹¹

⁷ Unemployment numbers swell in first three months of 2017, *eNCA*, 27 June 2017, <http://www.enca.com/africa/sport/unemployment-rate-hikes-in-south-africa>

⁸ R19.9bn paid for land justice, equality, Mthokozisi Dube, *The New Age*, 28 June 2017, <http://www.thenewage.co.za/r19-9bn-paid-for-land-justice-equality/>

⁹ Economic Outlook: Fitch cuts growth forecast to 0.7percent, Kabelo Khumalo, *IOL Business Report*, 29 June 2017, <http://www.iol.co.za/business-report/economic-outlook-fitch-cuts-growth-forecast-to-07percent-10019220>

¹⁰ Uninsured birds a calamity if flu runs rampant, Ray Ndlovu, *Business Day*, 30 June 2017, <https://www.businesslive.co.za/bd/national/2017-06-30-uninsured-birds-a-calamity-if-flu-runs-rampant/>

¹¹ AG concerned by water management in Western Cape, Xolani Koyana, *Eyewitness News*, 22 June 2017, <http://ewn.co.za/2017/06/22/ag-concerned-by-water-management-in-western-cape>

1.2.2 SACP and ANC expresses concern over the perpetual water crisis in Qwaqwa in the Free State Province, as access to water becomes a daily struggle as water tankers have been used as a stop-gap measure

On 24 June, *SABC News* reported that alliance partners in the Free State have expressed concern over the perpetual water crisis in Qwaqwa, Free State.¹²

1.2.3 Western Cape dam levels recover slightly as the water crisis in the province deepens

On 26 June, *ANA* reported that dam levels in the Western Cape have seen a slight increase, Western Cape environmental affairs and development planning MEC Anton Bredell said on Monday.¹³

1.2.4 Various communities in Mpumalanga Province are sitting on a health time bomb as unlicensed water merchants are exploiting their lack of clean water by charging them up to R800 for a tank of un-purified water drawn from the Nkomazi River amid reports that an estimated desperate 40 000 households do not have clean running water, despite taps having been installed in their yards years ago

On 26 June, *The New Age* reported that various communities in Mpumalanga are sitting on a health time bomb as unlicensed water merchants are exploiting their lack of clean water by charging them up to R800 for a tank of un-purified water drawn from the Nkomazi River.¹⁴

1.2.5 City of Cape Town warns of further, intensified water restrictions as dam storage levels effectively stand at a lowly of 14.5%

On 26 June, *News24* reported that the City of Cape Town is preparing for the imminent implementation of intensified water restrictions, water and waste services mayoral committee member Xanthea Limberg said on Monday.¹⁵

1.2.6 South Africa's Department of Water and Sanitation announces that General Manager for Operations at Umgeni Water, Msizi Cele, has been appointed as acting chief executive following the recent suspension of Msizi Gamede, who faces corruption allegations

On 27 June, *News24* reported that General Manager for Operations at Umgeni Water, Msizi Cele, has been appointed as acting chief executive following the recent suspension of Msizi Gamede, who faces corruption allegations, the Water and Sanitation department said on Tuesday.¹⁶

¹² SACP, ANC unite to address water crisis in Qwaqwa, Teboho Letshaba, *SABC News*, 24 June 2017, <http://www.sabc.co.za/news/a/bbfa710041a17d8d91d7b3aa5ca0e84c/SACP-&-ANC-unite-to-address-water-crisis-in-Qwa-Qwa-20172406>

¹³ Western Cape dam levels recover, but only slightly, *ANA*, 26 June 2017, <http://citizen.co.za/news/news-national/1552337/wc-dam-levels-recover-slightly/>

¹⁴ Water touts' roaring trade, Mthokozisi Dube, *The New Age*, 26 June 2017, <http://www.thenewage.co.za/water-touts-roaring-trade/>

¹⁵ City of Cape Town warns of further, intensified water restrictions, Jenna Etheridge, *News24*, 26 June 2017, <http://www.news24.com/SouthAfrica/News/city-of-cape-town-warns-of-further-intensified-water-restrictions-20170626>

1.2.7 Water and Sanitation Minister Nomvula Mokonyane has fired the entire Overberg Water Board following financial irregularities as poor governance and unethical leadership continue to plague the water sector in South Africa

On 28 June, *Eyewitness News* reported that Water and Sanitation Minister Nomvula Mokonyane has fired the entire Overberg Water Board following financial irregularities.¹⁷

1.2.8 South Africa's Treasury paints a bleak picture of the Department of Water and Sanitation's finances amid reports that there is a misalignment between how the Department plans its budget and how it spends it

On 28 June, *News24* reported that there is a misalignment between how the Department of Water and Sanitation plans its budget and how it spends it, MPs have heard.¹⁸

1.2.9 South Africa's Treasury announces that the Department of Water and Sanitation has unpaid bills of more than R1 billion amid reports that the Department overspent its budget by R110m

On 28 June, *Eyewitness News* reported that National Treasury has painted a bleak picture of the state of the Department of Water and Sanitation's finances.¹⁹

1.2.10 DA and ANC blame each other for Western Cape drought as the water crisis deepens

On 29 June, *News24* reported that Democratic Alliance and African National Congress MPs took turns in blaming each other over the causes of the Western Cape drought.²⁰

¹⁶ Acting Umgeni Water chief executive appointed, Mxolisi Mngadi, *News24*, 27 June 2017, <http://www.news24.com/SouthAfrica/News/acting-umgeni-water-chief-executive-appointed-20170627>

¹⁷ Mokonyane fires Overberg Water Board following irregularities, Xolani Koyana, *Eyewitness News*, 28 June 2017, <http://ewn.co.za/2017/06/28/mokonyane-fires-entire-overberg-water-board-following-irregularities>

¹⁸ Treasury paints bleak picture of water dept's finances, Paul Herman, *News24*, 28 June 2017, <http://www.news24.com/SouthAfrica/News/treasury-paints-bleak-picture-of-water-depts-finances-20170628>

¹⁹ Treasury: Water Dept has unpaid bills of more than R1BN, Gaye Davis, *Eyewitness News*, 28 June 2017, <http://ewn.co.za/2017/06/28/treasury-paints-bleak-picture-of-dws-finances>

²⁰ DA, ANC duke it out over who's to blame for Western Cape drought, Paul Herman, *News24*, 29 June 2017, <http://www.news24.com/SouthAfrica/News/da-anc-duke-it-out-over-whos-to-blame-for-western-cape-drought-20170629>

2.0 Weekly Infographics: Current Status of Land Restitution Programme in South Africa

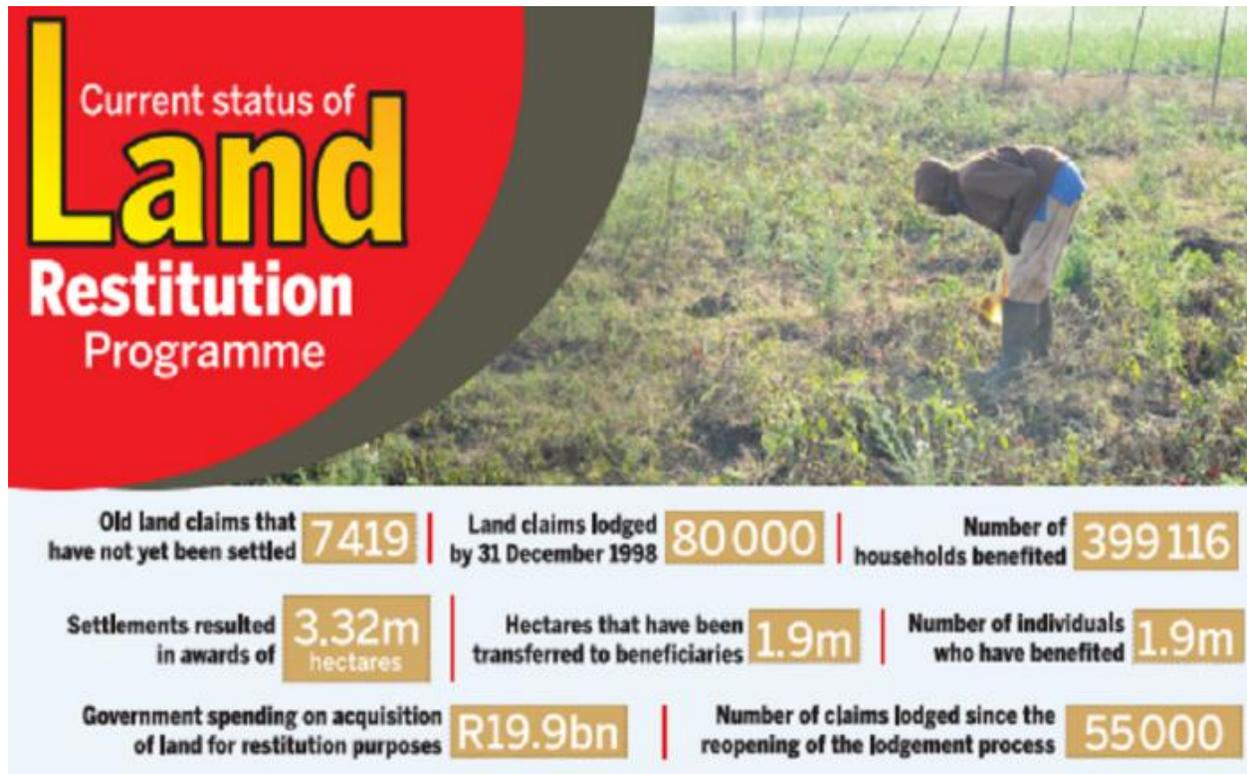


Figure 1. Current Status of Land Restitution Programme in South Africa (Source: The New Age)

3.0 Overall Assessment

- ❖ **Socio-Political and Economic Outlook:** Rising unemployment, increasing socio-political uncertainty and slow economic growth continue to haunt South Africa
- ❖ The South African government is urged to take advantage of the record maize harvest and establish a Strategic Grain Reserve. This will also help the country to adequately prepare for the future droughts
- ❖ Unethical leadership and poor governance are becoming a serious problem in South Africa's water sector.
- ❖ The land reform process in South Africa is failing. Therefore, a policy framework paradigm shift is necessary to effectively deal with the deepening land crisis in the country