

# Food & Water Security in South Africa WEEKLY MONITOR

**8 July – 14 July 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 Weekly Trends, Themes and Issues**

- **Professor Ben Cousins of the University of Western Cape says that there is widespread agreement that land reform in South Africa has failed, but that the extent is convoluted by the lack of unreliable data**
- **South Africa's manufacturing production declines 0.3% in May according to the data released by Statistics South Africa (Stats SA)**
- **North-West University (NWU) School of Business and Governance's Policy Uncertainty Index (PUI) shows that policy uncertainty in South Africa increased in the second quarter of 2017 with the advent of the recession, Moody's credit rating downgrade, the release of the new mining charter and the public protector's report on the role of the Reserve Bank**
- **FNB and Bureau of Economic Research (BER)'s Consumer Confidence Index (CCI) below zero 12 quarters in a row amid slow economic growth in South Africa**
- **South Africa's Agriculture, Forestry and Fisheries Minister Senzeni Zokwana places Director-General Mike Mlengana on suspension with immediate effect pending internal investigations**
- **Department of Agriculture, Forestry and Fisheries urges farmers to increase bio-security measures as bird flu spreads across South Africa**
- **BankservAfrica Economic Transactions Index (BETI) show that the South African economy remains stagnant, with the economic outlook dim**
- **South African Chamber of Commerce and Industry (SACCI) says trade conditions stayed in negative territory in June with the Trade Activity Index (TAI) still below 50 at 48 due to the prevailing depressed economic conditions, currency volatility, official red tape, instances of corruption, political uncertainty, lack of fixed investment and unpredictable economic policy**
- **City of Cape Town urges residents to continue saving water as the drought crisis deepens**

- **University of Cape Town develops a freezing technique aimed at purifying mine wastewater and could also aid desalination**
- **South Africa's Department of Water and Sanitation urges Limpopo residents to comply with water restrictions implemented by local municipalities, despite the province's stable water levels**
- **City of Cape Town says it will use the more than R4 billion it has raised through its inaugural green bond on projects aimed at mitigating the effects of climate change amid a deepening drought crisis**
- **Water scarcity to puts South Africa under dire strain with the advent of the winter months and a forecast of low rainfall**
- **South Africa is looking for new ways to combat acid mine drainage, according to a policy position articulated in the Government Gazette by Water and Sanitation Minister Nomvula Mokonyane**

## **1.1 Food Security**

**1.1.1 Professor Ben Cousins of the University of Western Cape says that there is widespread agreement that land reform in South Africa has failed, but that the extent is convoluted by the lack of unreliable data**

On 8 July, *The Citizen* reported that there is widespread agreement that land reform in South Africa has failed, but that the extent is convoluted by the lack of unreliable data.<sup>1</sup>

**1.1.2 South Africa's manufacturing production declines 0.3% in May according to the data released by Statistics South Africa (Stats SA)**

On 11 July, *Fin24* reported that manufacturing production underperformed, declining 0.3% for the month of May, despite an expected growth of 0.5%, said an analyst.<sup>2</sup>

**1.1.3 North-West University (NWU) School of Business and Governance's Policy Uncertainty Index (PUI) shows that policy uncertainty in South Africa increased in the second quarter of 2017 with the advent of the recession, Moody's credit rating downgrade, the release of the new mining charter and the public protector's report on the role of the Reserve Bank**

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<sup>1</sup> Ben Cousins, Constance Mogale and Temba Nolutshungu, *The Citizen*, 8 July 2017, <http://citizen.co.za/business/1564101/land-reform-property-rights-sa/>

<sup>2</sup> Manufacturing production drops in May, Lameez Omarjee, *Fin24*, 11 July 2017, <http://www.fin24.com/Economy/manufacturing-production-drops-in-may-20170711>

On 11 July, *Business Day* reported that policy uncertainty increased in the second quarter of 2017 with the advent of the recession, Moody's credit rating downgrade, the release of the new mining charter and the public protector's report on the role of the Reserve Bank.<sup>3</sup>

#### **1.1.4 FNB and Bureau of Economic Research (BER)'s Consumer Confidence Index (CCI) below zero 12 quarters in a row amid slow economic growth in South Africa**

On 12 July, *Fin24* reported that consumer confidence is still low and will continue on this trend for the remainder of the year, said an analyst.<sup>4</sup>

#### **1.1.5 South Africa's Agriculture, Forestry and Fisheries Minister Senzeni Zokwana places Director-General Mike Mlengana on suspension with immediate effect pending internal investigations**

On 12 July, *Eyewitness News* reported that the Agriculture, Forestry and Fisheries Department has placed its Director-General Mike Mlengana on suspension with immediate effect pending internal investigations.<sup>5</sup>

#### **1.1.6 Department of Agriculture, Forestry and Fisheries urges farmers to increase bio-security measures as bird flu spreads across South Africa**

On 13 July, *Eyewitness News* reported that the Agriculture Department is pleading with farmers across the country to increase bio-security measures after confirmation that bird flu has reached a Germiston Farm.<sup>6</sup>

#### **1.1.7 BankservAfrica Economic Transactions Index (BETI) show that the South African economy remains stagnant, with the economic outlook dim**

On 13 July, *Fin24* reported that current economic activity in South Africa is down on last year's numbers in real terms, according to the latest BankservAfrica Economic Transactions Index (BETI) released on Thursday.<sup>7</sup>

#### **1.1.8 South African Chamber of Commerce and Industry (SACCI) says trade conditions stayed in negative territory in June with the Trade Activity Index (TAI) still below 50 at 48 due to the prevailing**

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<sup>3</sup> Index affirms that political uncertainty is rising, Sunita Menon, *Business Day*, 11 July 2017, <https://www.businesslive.co.za/bd/economy/2017-07-11-index-affirms-that-political-uncertainty-is-rising/>

<sup>4</sup> Consumer confidence below zero 12 quarters in a row, Lameez Omarjee, *Fin24*, 12 July 2017, <http://www.fin24.com/Economy/consumer-confidence-below-zero-12-quarters-in-a-row-20170712>

<sup>5</sup> Agriculture Minister Zokwana suspends DG Mlengana, Katleho Sekhoto, *Eyewitness News*, 12 July 2017, <http://ewn.co.za/2017/07/12/agriculture-minister-zokwana-suspends-dg-mlengana>

<sup>6</sup> Farmers urged to increase bio-security measures as bird flu spreads, Katleho Sekhoto, *Eyewitness News*, 13 July 2017, <http://ewn.co.za/2017/07/13/farmers-urged-to-increase-bio-security-measures-as-bird-flu-spreads>

<sup>7</sup> Volatile SA economy actually running on one spot – report, *Fin24*, 13 July 2017, <http://www.fin24.com/Economy/volatile-sa-economy-actually-running-on-one-spot-report-20170713>

**depressed economic conditions, currency volatility, official red tape, instances of corruption, political uncertainty, lack of fixed investment and unpredictable economic policy**

On 13 July, *Fin24* reported that South African trade conditions stayed in negative territory in June with the Trade Activity Index (TAI) still below 50 at 48, the South African Chamber of Commerce and Industry (SACCI) said on Thursday.<sup>8</sup>

## **1.2 Water Security**

### **1.2.1 City of Cape Town urges residents to continue saving water as the drought crisis deepens**

On 8 July, *News24* reported that despite cooler weather and some rain, the Mother City is still in the midst of a drought crisis and residents must keep saving water, the City of Cape Town said in a statement on Saturday.<sup>9</sup>

### **1.2.2 University of Cape Town develops a freezing technique aimed at purifying mine wastewater and could also aid desalination**

On 11 July, *Times Live* reported that seventeen years of work aimed at purifying mine wastewater could start paying off close to home for the University of Cape Town.<sup>10</sup>

### **1.2.3 South Africa's Department of Water and Sanitation urges Limpopo residents to comply with water restrictions implemented by local municipalities, despite the province's stable water levels**

On 12 July, *News24* reported that Limpopo residents have been urged to comply with water restrictions implemented by local municipalities, despite the province's stable water levels, the department of water affairs said on Wednesday.<sup>11</sup>

### **1.2.4 City of Cape Town says it will use the more than R4 billion it has raised through its inaugural green bond on projects aimed at mitigating the effects of climate change amid a deepening drought crisis**

On 13 July, *Eyewitness News* reported that the City of Cape Town says it will use the more than R4 billion it has raised through its inaugural green bond on projects aimed at mitigating the effects of climate change.<sup>12</sup>

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<sup>8</sup> Recession, junk rating dampen trade conditions, *Fin24*, 13 July 2017, <http://www.fin24.com/Economy/recession-junk-rating-dampen-trade-conditions-20170713>

<sup>9</sup> Cape Town: Don't Stop Saving Water, Jan Cronje, *News24* Correspondent, 8 July 2017, <http://www.news24.com/SouthAfrica/News/cape-town-dont-stop-saving-water-20170708>

<sup>10</sup> Pure genius! UCT's mine wastewater solution could also aid desalination, Dave Chambers, *Times Live*, 11 July 2017, <https://www.timeslive.co.za/news/south-africa/2017-07-11-pure-genius-ucts-mine-wastewater-solution-could-also-aid-desalination/>

<sup>11</sup> Water restrictions must continue in Limpopo despite stable levels - Water Affairs, *News24* Correspondent, 12 July 2017, <http://www.news24.com/SouthAfrica/News/water-restrictions-must-continue-in-limpopo-despite-stable-levels-water-affairs-20170712-2>

### 1.2.5 Water scarcity to puts South Africa under dire strain with the advent of the winter months and a forecast of low rainfall

On 13 July, *SABC News* reported that with the winter months here and a forecast of low rainfall in South Africa the already water scarce country could be under dire strain.<sup>13</sup>

### 1.2.6 South Africa is looking for new ways to combat acid mine drainage, according to a policy position articulated in the Government Gazette by Water and Sanitation Minister Nomvula Mokonyane

On 14 July, *Business Day* reported that the government is looking for new ways to regulate the effects of mining activity on SA's scarce water resources, according to a policy position articulated by Water and Sanitation Minister Nomvula Mokonyane.<sup>14</sup>

## 2.0 Weekly Infographics: 2016 Global Hunger Index

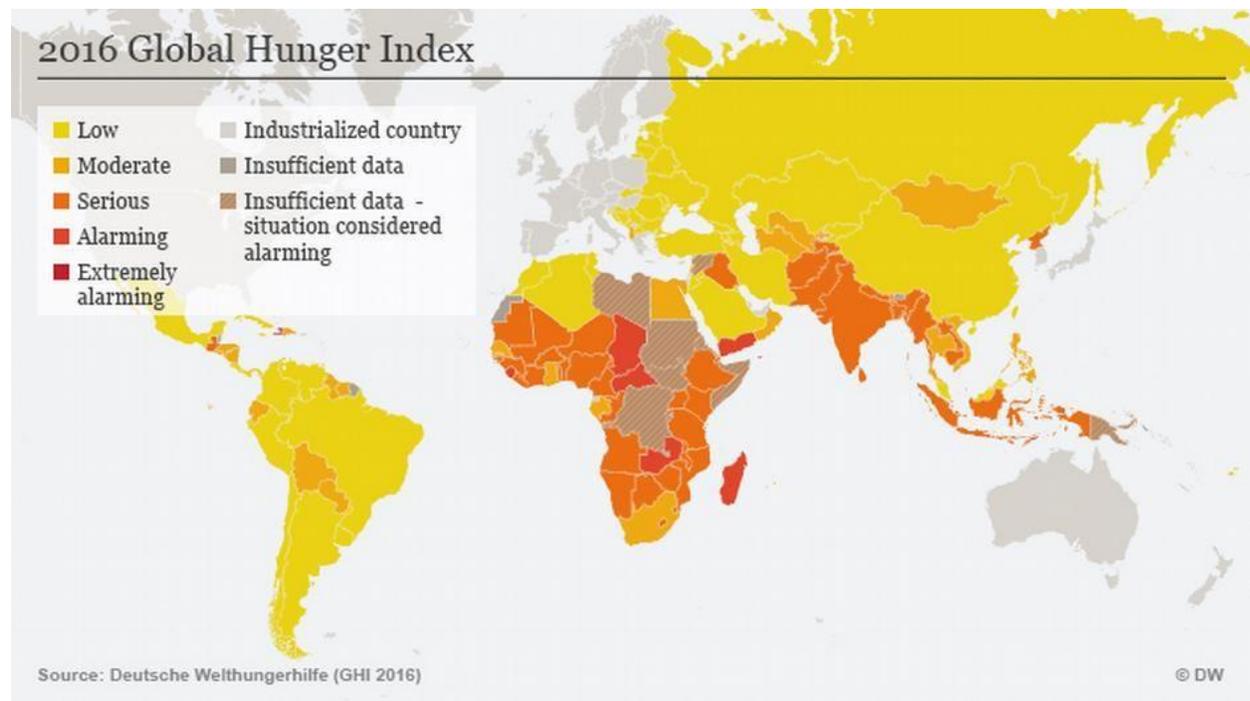


Figure 1. 2016 Global Hunger Index (Source: DW)

<sup>12</sup> City of CT to use money raised from Green Bonds for climate change projects, Lindsay Dentlinger, Eyewitness News, 13 July 2017, <http://ewn.co.za/2017/07/13/city-of-ct-to-use-money-raised-from-green-bonds-for-climate-change-projects>

<sup>13</sup> Water scarcity to put SA under dire strain, Hasina Gori, SABC News, 13 July 2017, <http://www.sabc.co.za/news/a/41ee160041dbb548913ebff424d01209/Water-scarcity-to-put-SA-under-dire-strain-20171307>

<sup>14</sup> New rules sought to combat acid mine drainage, Khulekani Magubane, Business Day, 14 July 2017, <https://www.businesslive.co.za/bd/national/science-and-environment/2017-07-14-new-rules-sought-to-combat-acid-mine-drainage/>

### 3.0 Overall Assessment

- ❖ **South Africa's socio-political and economic outlook:** All major indices indicate that the country's economic crisis is deepening amid increasing socio-political instability.
- ❖ The land reform process in South Africa is failing. Indeed, the country's land reform in general requires more applicable skills and that institutions operate effectively – something that is not currently happening.
- ❖ Therefore, the Government of South Africa is urged to change the current policy that stipulates that if a claim is over urban land, the claimant can only be compensated in cash. In fact, the government should do away with the current policy that allows land claimants to opt for compensation in cash in non-urban areas such as rural areas. In essence, there should be no compensation in cash for all land claims in South Africa. Successful land claimants should take over the land or lose that land without cash compensation. The cash compensation policy is a major threat to the spirit and letter of land reform in South Africa. Indeed, most land claimants are opting for cash compensation, transforming the country's land reform into another social grant distribution activity.
- ❖ Within the context of property rights, it is also imperative to note that most black South Africans have land outside the formal system, but do not have title deeds. This situation is further complicated by property sales that were not recorded at the deeds office and therefore the new owners do not have title deeds.
- ❖ Government is also urged to seriously consider land expert, Professor Ben Cousins' suggestion that, based on an estimation that the bulk of food is produced by 20% of commercial farms, then the remaining 80% should be redistributed to small black farmers. Indeed, Prof. Cousins argues that this would not put food security at risk. He also emphasizes that small productive farmers must be supported, and that the informal sector must be supported with secure informal land rights.