

Food & Water Security in South Africa WEEKLY MONITOR

15 July – 21 July 2017

Prepared by Augustus Consulting

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1.0 Key Weekly Trends, Themes and Issues

- **South African government may extend its Black Industrialist Programme to include black commercial farmers, a process that would be managed by the Department of Agriculture, Forestry and Fisheries in collaboration with the Department of Rural Development and the Land Bank amid reports that the R1 billion scheme expects to fund 50 black commercial farmers in each province, ultimately reaching 450 farmers**
- **Northern Cape farmers desperately seek financial relief from the South African government as the three-year drought takes its toll**
- **Brenner Mills agrees to pay R12 million to the Competition Commission for price-fixing as corruption in South Africa's food industry escalates, threatening access to food for low-income households in the country**
- **Fear of land seizures prompts a 20-year high rise in farm sales in South Africa amid reports that 20 640 farms in the country are currently up for sale**
- **South Africa's consumer inflation slows to 5.1 percent year-on-year in June, with core inflation, which excludes the prices of food, non-alcoholic beverages, petrol and energy, remaining unchanged at 4.8 percent**
- **South African women top obesity ladder in Sub-Saharan Africa: study by the University of Washington study reveals that South African women have the highest rate of 42 percent of obesity in the Sub-Saharan Africa region, with 14 percent of men and almost nine percent of the country's children also considered obese**
- **Black First Land First (BLF) leader Andile Mngxitama says his organisation was gearing up for extensive land grabs across South Africa, which will be intensified next year as the land crisis deepens**

- South Africans paying 13% more for meat than they were a year ago, as Statistics South Africa (Stats SA) reveals that inflation has eased to 5.1% in June, with food inflation remaining relatively flat
- South African Reserve Bank cuts growth forecast to 0.5% amid recessionary conditions following the GDP contraction during the first quarter
- Gauteng farmers hit by the tuta absoluta pest, which destroys tomato and potato crops, as South Africa struggles with a bird flu outbreak and an armyworm invasion, collectively posing a major threat to food security
- Umgeni Water applies to the Department of Water and Sanitation to extend the current mandatory water restrictions of 15% for another 12 months as South Africa struggles with the effects of a prolonged drought
- South Africa's Department of Water and Sanitation fails to pay overdue funds to some of its water boards, leading to these boards being taken to court by unpaid service providers, amid reports that Bloem Water and Sedibeng Water boards are owed a combined figure of more than R1bn by both the Department and various municipalities
- South Africa's Department of Water and Sanitation Minister Nomvula Mokonyane has suspends her Director-General, Gorbachev Mashitisho, for incompetence after barely six months on the job
- Gauteng faces an ongoing water crisis until at least 2025 because phase two of the Lesotho Highlands Water project did not start on time in 2015
- South Africa Parliament's Portfolio Committee on Water and Sanitation expresses alarm at the notice of suspension served on the Department of Water and Sanitation Director-General Dan Mashitisho, bringing to five the number of senior management services members suspended at the Department
- South Africa's Department of Water and Sanitation's latest statistics on dam levels across the Western Cape show a marginal weekly increase, with levels for the entire province 25.17 percent, up from the previous week's 24.08 percent, showing a 43 percent increase in dam levels from the low figure of 17.6 percent on 29 May
- South Africa's Department of Water and Sanitation Department set for a grilling from at least two parliamentary committees next month over its dire financial position and the pending suspension of its Director-General Dan Mashitisho amid reports that the Department owes contractors more than R1 billion and has overspent its budget by R18.9 billion
- City of Cape Town says that it's making progress in clamping down on high water users amid reports that since January, the City has managed to reduce the top 100 high user list each

month by 80%, but residents are still using too much water, more than a hundred million litres over the daily target of 500 million litres

1.1 Food Security

1.1.1 South African government may extend its Black Industrialist Programme to include black commercial farmers, a process that would be managed by the Department of Agriculture, Forestry and Fisheries in collaboration with the Department of Rural Development and the Land Bank amid reports that the R1 billion scheme expects to fund 50 black commercial farmers in each province, ultimately reaching 450 farmers

On 17 July, *Business Day* reported that the government may extend its black industrialist programme to include black commercial farmers, a process that would be managed by the Department of Agriculture, Forestry and Fisheries in collaboration with the Department of Rural Development and the Land Bank.¹

1.1.2 Northern Cape farmers desperately seek financial relief from the South African government as the three-year drought takes its toll

On 17 July, *SABC News* reported that Northern Cape farmers are desperately seeking financial relief from national government.²

1.1.3 Brenner Mills agrees to pay R12 million to the Competition Commission for price-fixing as corruption in South Africa's food industry escalates, threatening access to food for low-income households in the country

On 18 July, *Competition Commission of South Africa* reported that the Commission has concluded a consent agreement with Brenner Mills (Pty (Brenner Mills) in a price-fixing case which has seen large milling companies collectively paying up to R600m in fines.³

1.1.4 Fear of land seizures prompts a 20-year high rise in farm sales in South Africa amid reports that 20 640 farms in the country are currently up for sale

On 19 July, *The Citizen* reported that the biggest mass exodus of farmers in 20 years has also been blamed on high input costs, low returns and currency woes.⁴

¹ Industry scheme may fund black farmers, Linda Ensor, *Business Day*, 17 July 2017, <https://www.businesslive.co.za/bd/economy/2017-07-17-industry-scheme-may-fund-black-farmers/>

² Northern Cape farmers seek financial relief from national government, Reginald Witbooi, *SABC News*, 17 July 2017, <http://www.sabc.co.za/news/a/d230828041e783368e7ddedbdeb0a1f7/Northern-Cape-farmers-seek-financial-relief-from-national-government-20171707>

³ Brenner Mills agrees to pay R12 million for cartel conduct, Competition South Africa Media Release, 18 July 2017, <http://www.compcom.co.za/wp-content/uploads/2017/01/BRENNER-MILLS-AGREES-TO-PAY-R12-MILLION-FOR-CARTEL-CONDUCT-004.pdf>

⁴ Fear of land seizures prompts major rise in farm sales, Simnikiwe Hlatshaneni, *The Citizen*, 19 July 2017, <http://citizen.co.za/news/1577667/fears-of-land-seizures-prompt-rise-in-sale-of-farms-more-than-anytime-in-20-years/>

1.1.5 South Africa's consumer inflation slows to 5.1 percent year-on-year in June, with core inflation, which excludes the prices of food, non-alcoholic beverages, petrol and energy, remaining unchanged at 4.8 percent

On 19 July, *eNCA* reported that consumer inflation slowed to 5.1 percent year-on-year in June, falling from 5.4 percent in May.⁵

1.1.6 University of Washington study reveals that South African women have the highest rate of 42 percent of obesity in the Sub-Saharan Africa region, with 14 percent of men and almost nine percent of the country's children also considered obese

On 19 July, *eNCA* reported that a study by the University of Washington has revealed that South African Women have the highest rate (42 percent) of obesity in the Sub-Saharan Africa region.⁶

1.1.7 Black First Land First (BLF) leader Andile Mngxitama says his organisation was gearing up for extensive land grabs across South Africa, which will be intensified next year as the land crisis deepens

On 19 July, *African News Agency* reported that Black First Land First (BLF) leader Andile Mngxitama on Wednesday said his organisation was gearing up for extensive land grabs across South Africa, which will be intensified next year.⁷

1.1.8 South Africans paying 13% more for meat than they were a year ago, as Statistics South Africa (Stats SA) reveals that inflation has eased to 5.1% in June, with food inflation remaining relatively flat

On 19 July, *Fin24* reported that South African consumers are paying 13% more for meat than they were a year ago, said an analyst.⁸

1.1.9 South African Reserve Bank cuts growth forecast to 0.5% amid recessionary conditions following the GDP contraction during the first quarter

On 20 July, *Fin24* reported that the Reserve Bank has revised down growth from 1% to 0.5%, Governor Lesetja Kganyago announced on Thursday.⁹

⁵ CPI slows to 5.1% in June, *eNCA*, 19 July 2017, <http://www.enca.com/money/cpi-slows-to-51>

⁶ SA women top obesity ladder in Sub-Sahara: study, *eNCA*, 19 July 2017, <http://www.enca.com/life/study-reveals-sa-women-top-obesity-rate-in-sub-sahara>

⁷ We're taking back the land, says BLF as it prepares for land grabs, *African News Agency*, 19 July 2017, <http://citizen.co.za/news/1578873/were-taking-back-the-land-say-blf-as-they-prepare-for-land-grabs/>

⁸ South Africans are paying 13% more for meat – analyst, *Lameez Omarjee*, *Fin24*, 19 July 2017, <http://www.fin24.com/Economy/south-africans-are-paying-13-more-for-meat-analyst-20170719-2>

⁹ Reserve Bank cuts growth forecast to 0.5%, *Lameez Omarjee*, *Fin24*, 20 July 2017, <http://www.fin24.com/Economy/reserve-bank-cuts-growth-forecast-to-05-20170720>

1.1.10 Gauteng farmers hit by the tuta absoluta pest, which destroys tomato and potato crops, as South Africa struggles with a bird flu outbreak and an armyworm invasion, collectively posing a major threat to food security

On 21 July, *The New Age* reported that hundreds of Gauteng farmers have been hit by the tuta absoluta pest, which destroys tomato and potato crops leaving them with dark spots.¹⁰

1.2 Water Security

1.2.1 Umgeni Water applies to the Department of Water and Sanitation to extend the current mandatory water restrictions of 15% for another 12 months as South Africa struggles with the effects of a prolonged drought

On 15 July, *News24* reported that Umgeni Water has applied to the ministry of water and sanitation to extend water restrictions for another 12 months.¹¹

1.2.2 South Africa's Department of Water and Sanitation fails to pay overdue funds to some of its water boards, leading to these boards being taken to court by unpaid service providers, amid reports that Bloem Water and Sedibeng Water boards are owed a combined figure of more than R1bn by both the Department and various municipalities

On 16 July, *City Press* reported that Water and Sanitation Minister Nomvula Mokonyane's department has failed to pay overdue funds to some of its water boards, leading to these boards being taken to court by unpaid service providers.¹²

1.2.3 South Africa's Department of Water and Sanitation Minister Nomvula Mokonyane has suspends her Director-General, Gorbachev Mashitisho, for incompetence after barely six months on the job

On 16 July, *City Press* reported that Water and Sanitation Minister Nomvula Mokonyane has suspended her director-general, Gorbachev Mashitisho, after barely six months on the job.¹³

1.2.4 Gauteng faces an ongoing water crisis until at least 2025 because phase two of the Lesotho Highlands Water project did not start on time in 2015

On 17 July, *The Citizen* reported that water will be short in the province until 2025 because Highlands Water project didn't start on time.¹⁴

¹⁰ Pest devastates crops, *The New Age*, 21 July 2017, <http://www.thenewage.co.za/pest-devastates-crops/>

¹¹ Umgeni Water asks to extend restrictions for another year, Lizeka Tandwa, *News24*, 15 July 2017, <http://www.news24.com/SouthAfrica/News/umgeni-water-asks-to-extend-restrictions-for-another-year-20170715>

¹² Water boards battling to stay afloat blame department, Mpho Dube, *City Press*, 16 July 2017, <http://www.news24.com/SouthAfrica/News/water-boards-battling-to-stay-afloat-blame-department-20170715>

¹³ Nomvula axes DG after just six months, Siphon Masondo, *City Press*, 16 July 2017, <http://www.news24.com/SouthAfrica/News/nomvula-axes-dg-after-just-six-months-20170715>

1.2.5 South Africa Parliament's Portfolio Committee on Water and Sanitation expresses alarm at the notice of suspension served on the Department of Water and Sanitation Director-General Dan Mashitisho, bringing to five the number of senior management services members suspended at the Department

On 17 July, ANA reported that Parliament's Portfolio Committee on water and sanitation on Monday described as alarming the notice of suspension served on department director-general Dan Mashitisho.¹⁵

1.2.6 South Africa's Department of Water and Sanitation's latest statistics on dam levels across the Western Cape show a marginal weekly increase, with levels for the entire province 25.17 percent, up from the previous week's 24.08 percent, showing a 43 percent increase in dam levels from the low figure of 17.6 percent on 29 May

On 17 July, eNCA reported that the Department of Water and Sanitation's latest statistics on dam levels across the Western Cape show a marginal weekly increase, with levels for the entire province 25.17 percent, up from the previous week's 24.08 percent, showing a 43 percent increase in dam levels from the low figure of 17.6 percent on 29 May.¹⁶

1.2.7 South Africa's Department of Water and Sanitation Department set for a grilling from at least two parliamentary committees next month over its dire financial position and the pending suspension of its Director-General Dan Mashitisho amid reports that the Department owes contractors more than R1 billion and has overspent its budget by R18.9 billion

On 19 July, *Eyewitness News* reported that the Water and Sanitation Department can expect a grilling from at least two parliamentary committees next month over its dire financial position and the pending suspension of its Director-General Dan Mashitisho.¹⁷

1.2.8 City of Cape Town says that it's making progress in clamping down on high water users amid reports that since January, the City has managed to reduce the top 100 high user list each month by 80%, but residents are still using too much water, more than a hundred million litres over the daily target of 500 million litres

On 19 July, *Eyewitness News* reported that the City of Cape Town says it's making inroads in clamping down on high water users.¹⁸

¹⁴ Gauteng water crisis due to Mokonyane's 'paralysed' department, Amanda Watson, The Citizen, 17 July 2017, <http://citizen.co.za/news/news-national/1575224/gauteng-water-crisis-due-to-mokonyanes-paralysed-department/>

¹⁵ Suspension of water and sanitation DG alarming – MPs, ANA Reporter, 17 July 2017, <http://www.iol.co.za/news/politics/suspension-of-water-and-sanitation-dg-alarming---mps-10327440>

¹⁶ Western Cape dam levels still almost half last year's volumes, eNCA, 17 July 2017, <http://www.enca.com/south-africa/western-cape-dam-levels-still-almost-half-last-year-s-volumes>

¹⁷ Water Dept set for grilling in parly over finances, Lindsay Dentlinger, Eyewitness News, 19 July 2017, <http://ewn.co.za/2017/07/19/water-dept-set-for-grilling-in-parly-over-finances>

2.0 Weekly Infographics: Climate Change-Food Security Nexus



Figure 1. Climate Change-Food Security Nexus (Source: World Food Programme)

3.0 Overall Strategic Assessment

- ❖ **South Africa Socio-Political and Economic Outlook: The country's slow growth, rising socio-political uncertainty is threatening its socio-political and economic stability**
- ❖ **Corruption by companies in the food industry is on the rise, threatening low-income households' access to food**
- ❖ **The leadership crisis at the Directorate level in the Department of Water and Sanitation is a threat to South Africa's water security**
- ❖ **The City of Cape Town is struggling to keep water consumption low as the drought crisis deepens**

¹⁸ City of CT makes progress with high water users, Lindsay Dentlinger, Eyewitness News, 19 July 2017, <http://ewn.co.za/2017/07/18/city-of-ct-makes-progress-with-high-water-users>