

Food & Water Security in South Africa WEEKLY MONITOR

7 October – 13 October 2017

Prepared by Augustus Consulting

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1.0 Key Weekly Trends, Themes and Issues

- **South Africa's tractor sales fell 11.4% year on year in September to 552 units as agri-business confidence levels remains low**
- **IMF cuts South Africa's growth forecast for 2017 from 1% to 0.7% as heightened political uncertainty saps consumer and business confidence**
- **South African consumers struggling to keep afloat as tough economic times continue amid reports that around R13.6-billion worth of consumer accounts were not paid in time this July**
- **The price of eggs, a cheap protein source for the poor majority, is likely to go up by R3 a dozen due to the persistent scourge of the bird which is threatening food security in South Africa amid reports that the sector's GDP contribution could also shrink between 9% and 10%**
- **South Africa's fresh produce market agents charged for price fixing by the Competition Commission as corruption deepens in South Africa's food industry**
- **Johannesburg Water says it has no plans to introduce any drastic water restrictions as water security concerns deepen in South Africa**
- **Illegal borehole water use cases surge as the drought crisis deepens in the Western Cape Province**
- **Taps slow down to a trickle as water rationing starts in Cape Town as the City fails to motivate residents to reduce the high water consumption levels**
- **Cape Town's groundwater plan to augment the city's water supply by 100 million litres per day is impossible amid reports that the total yield from groundwater remains largely unknown**
- **Borehole companies in Cape Town struggle to keep up with demand for installations and well points as the Western Cape Province experiences its worst drought in 100 years**

1.1 Food Security

1.1.1 South Africa's tractor sales fell 11.4% year on year in September to 552 units as agri-business confidence levels remains low

On 6 October, Business Day reported that tractor sales fell 11.4% year on year in September to 552 units, according to the South African Agricultural Machinery Association (Saama).¹

1.1.2 IMF cuts South Africa's growth forecast for 2017 from 1% to 0.7% as heightened political uncertainty saps consumer and business confidence

On 10 October, Fin24 reported that the International Monetary Fund (IMF) has cut South Africa's growth forecast for 2017 from 1% to 0.7% due to "political uncertainty".²

1.1.3 South African consumers struggling to keep afloat as tough economic times continue amid reports that around R13.6-billion worth of consumer accounts were not paid in time this July

On 11 October, eNCA reported that South Africans are struggling to keep their head above water as tough economic times continue.³

1.1.4 The price of eggs, a cheap protein source for the poor majority, is likely to go up by R3 a dozen due to the persistent scourge of the bird which is threatening food security in South Africa amid reports that the sector's GDP contribution could also shrink between 9% and 10%

On 11 October, IOL Business reported that the price of eggs, a cheap protein source for the poor majority, is likely to go up by R3 a dozen due to the persistent scourge of avian influenza (AI) which is threatening food security.⁴

1.1.5 South Africa's fresh produce market agents charged for price fixing by the Competition Commission as corruption deepens in South Africa's food industry

On 11 October, ANA reported that the Competition Commission on Wednesday referred 14 fresh produce market agents and their association, the Institute for Market Agents of South Africa, to the

¹ September tractor sales drop more than 10% year on year, Dominic Preuss, Business Day, 6 October 2017, <https://www.businesslive.co.za/bd/economy/2017-10-06-september-tractor-sales-drop-more-than-10-year-on-year/>

² Political uncertainty growth moves IMF to cut SA's forecast, Fin24, 10 October 2017, <http://www.fin24.com/Economy/political-uncertainty-moves-imf-to-cut-sas-growth-forecast-20171010>

³ SA consumers struggling to keep afloat, eNCA, 11 October 2017, <http://www.enca.com/money/billions-of-consumer-accounts-defaulting-for-first-time>

⁴ Bird flu is likely to push egg price up by R3 a dozen, Luyolo Mkentane, IOL Business Report, 11 October 2017, <https://www.iol.co.za/business-report/bird-flu-is-likely-to-push-egg-price-up-by-r3-a-dozen-11545307>

Competition Tribunal for prosecution in relation to charges of price fixing and fixing trading conditions in contravention of the Competition Act.⁵

1.2 Water Security

1.2.1 Johannesburg Water says it has no plans to introduce any drastic water restrictions as water security concerns deepen in South Africa

On 6 October, eNCA reported that Johannesburg Water says it has no plans to introduce any drastic water restrictions.⁶

1.2.2 Illegal borehole water use cases surge as the drought crisis deepens in the Western Cape Province

On 10 October, Cape Argus reported that an environmental lawyer has expressed outrage over people who fill their swimming pools with borehole water in the midst of a severe drought.⁷

1.2.3 Taps slow down to a trickle as water rationing starts in Cape Town as the City fails to motivate residents to reduce the high water consumption levels

On 10 October, News24 reported that the City of Cape Town has rolled out Phase One of its Critical Water Shortages Disaster Plan and pre-selected suburbs can expect dry taps during peak hours.⁸

1.2.4 Cape Town's groundwater plan to augment the city's water supply by 100 million litres per day is impossible amid reports that the total yield from groundwater remains largely unknown

On 11 October, News24 reported that key partners in the extraction of groundwater to augment the City of Cape Town's water supply believe that the city's current 100 million litres per day target is impossible.⁹

⁵ SA fresh produce market agents charged for price fixing, ANA, 11 October 2017, <https://citizen.co.za/news/south-africa/1685943/sa-fresh-produce-market-agents-charged-for-price-fixing/>

⁶ No drastic water cuts on the cards for Jo'burg yet, eNCA, 6 October 2017, <http://www.enca.com/south-africa/no-drastic-water-cuts-on-the-cards-for-joburg-yet>

⁷ #WaterCrisis: Illegal borehole use slammed, Rusana Philander, Cape Argus, 10 October 2017, <https://www.iol.co.za/capeargus/news/watercrisis-illegal-borehole-use-slammed-11533634>

⁸ Taps slow down to trickle as water rationing starts in Cape Town, James de Villiers, News24, 10 October 2017, <http://www.news24.com/SouthAfrica/News/taps-slow-down-to-trickle-as-water-rationing-starts-in-cape-town-20171010>

⁹ Cape Town's groundwater plan targets 'impossible', James de Villiers, News24, 11 October 2017, <http://www.news24.com/SouthAfrica/News/cape-towns-groundwater-plan-targets-impossible-20171011>

1.2.5 Borehole companies in Cape Town struggle to keep up with demand for installations and well points as the Western Cape Province experiences its worst drought in 100 years

On 12 October, Cape Argus reported that borehole companies in Cape Town are struggling to keep up with demand for installations and well points.¹⁰

2.0 Weekly Infographics: Smallholders are critical to food security - contributing 80% of food consumed in developing world



Figure 1. Smallholders are critical to food security - contributing 80% of food consumed in developing world (Source: Syngenta)

¹⁰ #WaterCrisis: Borehole suppliers can't meet demand, Rusana Philander, Cape Argus, 12 October 2017, <https://www.iol.co.za/capeargus/news/watercrisis-borehole-suppliers-cant-meet-demand-11555455>

3.0 Overall Assessment

- ❖ **The government is urged to effectively deal with the surge in corruption in South Africa's food industry. This corruption manifests itself through, inter alia, price fixing and the deliberate altering, removal and replacement of 'best before' labels (food fraud). It is the poor households that are most affected by this corporate corruption which is compromising these households' food security levels.**

- ❖ **The Department of Water and Sanitation is urged to carry out a comprehensive audit of all groundwater resources in the country as well as improve the monitoring of groundwater use as part of a strategy aimed at improving water security in South Africa.**