

Food & Water Security in South Africa WEEKLY MONITOR

4 November – 10 November 2017

Prepared by Augustus Consulting

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1.0 Key Weekly Trends, Themes and Issues

- **South Africa's agricultural sector loses 109 000 jobs, of which about 84% were in the Western Cape amid reports of low agribusiness confidence levels in the country**
- **ANC President Cyril Ramaphosa says he will return the land to its rightful owners as the unresolved land issue takes centre stage in South African politics**
- **Black South African families struggle to put food on the table as the economic crisis deepens**
- **Standard Bank, in partnership with the Transvaal Wattle Growers Co-operative Limited (TWK) and the Land Bank, creates a R1.8 billion debt funding model for South Africa's agricultural sector**
- **South Africa's business and consumer confidence levels continue to fall amid growing socio-political uncertainty, slow growth and decline in the country's investment sector**
- **Rand Water faces major court battle over R53m tender as unethical business practices continue to plague South Africa's water sector**
- **Water insecurity increases for poor households in Cape Town' as the drought crisis deepens**
- **Water and Sanitation Minister Nomvula Mokonyane says that plans to boost infrastructure need to be expedited in order to avert a broader water crisis in South Africa**
- **South Africa's water deficit could be as high as 38 billion cubic metres per year – representing a shortfall of 17% annually by 2030**
- **Weekend water cuts as desalination pipeline tests begins in Cape Town amid reports that it will take at least four years to build large-scale desalination plants**

1.1 Food Security

1.1.1 South Africa's agricultural sector loses 109 000 jobs, of which about 84% were in the Western Cape amid reports of low agribusiness confidence levels in the country

On 3 November, *Fin24* reported that the combined agricultural job cuts for the past three quarters of 2017 has reached 109 000, of which about 84% were in the Western Cape, according to economist

Wandile Sihlobo, head of economic and agribusiness intelligence at the Agricultural Business Chamber (Agbiz).¹

1.1.2 ANC President Cyril Ramaphosa says the he will return the land to its rightful owners as the unresolved land issue takes centre stage in South African politics

On 4 November, *Eyewitness News* reported that Deputy President Cyril Ramaphosa has promised to return the land back to its rightful owners if elected African National Congress (ANC) president. Ramaphosa addressed a cadres' forum in Witbank in Mpumalanga on Friday.²

1.1.3 Black South African families struggle to put food on the table as the economic crisis deepens

On 5 November, *City Press* reported that South Africans are buying in bulk, scrimping on luxuries and joining savings schemes in a bid to make ends meet.³

1.1.4 Standard Bank, in partnership with the Transvaal Wattle Growers Co-operative Limited (TWK) and the Land Bank, creates a R1.8 billion debt funding model for South Africa's agricultural sector

On 6 November, *ANA* reported that Standard Bank on Monday announced the creation of a new R1.8 billion debt funding model for the South African agricultural sector.⁴

1.1.5 South Africa's business and consumer confidence levels continue to fall amid growing socio-political uncertainty, slow growth and decline in the country's investment sector

On 9 November, *Fin24* reported that declining transactional activities reflected in BankservAfrica's Economic Transaction Index (Beti) for September and October are concerning for SA's main economic drivers, according to Mike Schüssler, chief economist at Economists dotcoza.⁵

1.2 Water Security

1.2.1 Rand Water faces major court battle over R53m tender as unethical business practices continue to plague South Africa's water sector

¹ SA agriculture sheds 109 000 jobs, *Fin24*, 3 November 2017, <https://www.fin24.com/Economy/sa-agriculture-sheds-109-000-jobs-20171103>

² 'I'll return the land to rightful owners if elected ANC President', Clement Manyathela, *Eyewitness News*, 4 November 2017, <http://ewn.co.za/2017/11/04/i-ll-return-the-land-to-rightful-owners-if-elected-anc-president>

³ Black tax hitting pockets hard, Msindisi Fengu, *City Press*, 5 November 2017, <https://www.news24.com/SouthAfrica/News/black-tax-hitting-pockets-hard-20171105-2>

⁴ Standard Bank creates R1.8bln debt funding model for SA agricultural sector, *ANA Reporter*, 6 November 2017, <https://www.iol.co.za/business-report/companies/standard-bank-creates-r18bln-debt-funding-model-for-sa-agricultural-sector-11878911>

⁵ Consumer, business confidence in SA economy still falling – index, *Fin24*, 9 November 2017, <https://www.fin24.com/Economy/consumer-business-confidence-in-sa-economy-still-falling-index-20171108>

On 4 November, *Saturday Star* reported that did Rand Water illegally deny a black-owned company a R53 million tender through unfair, non-procedural conduct?⁶

1.2.2 Water insecurity increases for poor households in Cape Town' as the drought crisis deepens

On 6 November, *Ground Up* reported that for residents of Cape Town's informal settlements, tighter water restrictions won't make any difference, reports Ground Up.⁷

1.2.3 Water and Sanitation Minister Nomvula Mokonyane says that plans to boost infrastructure need to be expedited in order to avert a broader water crisis in South Africa

On 7 November, *Eyewitness News* reported that Water and Sanitation Minister Nomvula Mokonyane says that plans to boost infrastructure need to be expedited to avert a broader water crisis.⁸

1.2.4 South Africa's water deficit could be as high as 38 billion cubic metres per year – representing a shortfall of 17% annually by 2030

On 8 November, *Fin24* reported that by 2030, South Africa's water deficit could be as high as 38 billion cubic metres per year – representing a shortfall of 17% annually, Trevor Balzer from the Department of Water and Sanitation told Parliament on Wednesday.⁹

1.2.5 Weekend water cuts as desalination pipeline tests begins in Cape Town amid reports that it will take at least four years to build large-scale desalination plants

On 10 November, *Traveller24* reported that the Mother City's preparation for an emergency water programme will begin on Friday, 10 November as the City of Cape Town will shut down water supply to a number of areas.¹⁰

⁶ Rand Water faces major court battle over R53m tender, Shain Germaner, *Saturday Star*, 4 November 2017, <https://www.iol.co.za/news/south-africa/gauteng/rand-water-faces-major-court-battle-over-r53m-tender-11855441>

⁷ Cape Town's water woes nothing new for Khayelitsha, Dunoon residents, Laura Bratton, *Ground Up*, 6 November 2017, <https://www.news24.com/SouthAfrica/News/cape-towns-water-woes-nothing-new-for-khayelitsha-dunoon-residents-20171106>

⁸ Mokonyane: Water infrastructure intervention for future of SA, Masego Rahlaga, *Eyewitness News*, 7 November 2017, <http://ewn.co.za/2017/11/07/mokonyane-water-infrastructure-intervention-for-future-of-sa>

⁹ SA could face water shortfall of 17% a year by 2030, Liesl Peyper, *Fin24*, 8 November 2017, <https://www.fin24.com/Economy/sa-could-face-water-shortfall-of-17-a-year-by-2030-20171108>

¹⁰ Cape Water Crisis: Weekend water cuts as desalination pipeline tests begin, Kavitha Pillay, *Traveller24*, 10 November 2017, <http://www.traveller24.com/Explore/Green/cape-water-crisis-weekend-water-cuts-as-desalination-pipeline-tests-begin-20171110>

2.0 Weekly Infographics: Climate change is threatening food production



Figure 1. Climate change is threatening food production (Source: FAO Climate)

3.0 Overall Assessment

- ❖ Poor households' food and water insecurity is increasing amid slow growth, rising unemployment, low business and consumer confidence levels, the impact of climate change and increasing political uncertainty in the country
- ❖ Therefore, South Africa is urged to place the food-water nexus at the core of its strategic food and water security policies.