

Food & Water Security in South Africa WEEKLY MONITOR

18 November – 24 November 2017

Prepared by Augustus Consulting

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1.0 Key Weekly Trends, Themes and Issues

- **EFF leader, Julius Malema, reiterates the need for land reform in South Africa as the agrarian debate intensifies**
- **Fuel hike looms in December amid reports that it will deepen consumer indebtedness and increase poor household food insecurity levels**
- **South African food and beverage manufacturer Pioneer Foods' profit plunges as drought takes its toll**
- **Overberg Asset Management's report indicate that that despite global favourable conditions, and South Africa's institutional strength, political uncertainty will make for a challenging outlook**
- **South Africa's consumer price inflation eased to 4.8% for October, down from 5.1% reported for September 2017 amid reports that on average, prices increased by 0.3% between September 2017 and October 2017**
- **South African government urges citizens to use water more wisely as the levels in the country's dams remain critical amid reports that there is more evaporation than rainfall**
- **Cape Town taps will be turned off if the dam levels go below 13.5% amid reports that the Western Cape's average dam level is at just over 36%**
- **Treated wastewater emerges a possible solution to Cape Town's deepening water crisis**
- **30 municipalities face water cuts for unpaid debts amid reports that the Department of Water and Sanitation has a total outstanding water debt of R10.7-billion, with 73% of this outstanding for longer than 60 days**
- **City of Cape Town Mayor Patricia de Lille says a special levy for water is on the cards for Cape Town because the municipality needs additional funding for its water augmentation scheme**

1.1 Food Security

1.1.1 EFF leader, Julius Malema, reiterates the need for land reform in South Africa as the agrarian debate intensifies

On 18 November, *News24* reported that when the EFF calls for the redistribution of land, they are not doing it out of vengeance, they calling for democratic processes to redistribute land, the party's leader Julius Malema told a law gathering on Saturday.¹

1.1.2 Fuel hike looms in December amid reports that it will deepen consumer indebtedness and increase poor household food insecurity levels

On 20 November, *IOL Business* reported that the proposed fuel hike in December is expected to hit indebted consumers the hardest.²

1.1.3 South African food and beverage manufacturer Pioneer Foods' profit plunges as drought takes its toll

On 21 November, *Business Day* reported that Pioneer Foods sees a recovery in the 2018 financial year after disappointing results in the year to September.³

1.1.4 Overberg Asset Management's report indicate that that despite global favourable conditions, and South Africa's institutional strength, political uncertainty will make for a challenging outlook

On 21 November, *Fin24* reported that the International Monetary Fund mission, consisting of over 100 academics at universities around the world, have warned that despite global favourable conditions, and SA's institutional strength, political uncertainty will make for a challenging outlook.⁴

1.1.5 South Africa's consumer price inflation eased to 4.8% for October, down from 5.1% reported for September 2017 amid reports that on average, prices increased by 0.3% between September 2017 and October 2017

On 22 November, *Fin24* reported that consumer price inflation eased to 4.8% for October, data from Statistics SA revealed.⁵

¹ EFF's calls for land redistribution, not vengeance – Malema, Jan Gerber, News24, 18 November 2017, <https://www.news24.com/SouthAfrica/News/effs-calls-for-land-redistribution-not-vengeance-malema-20171118>

² December fuel hike will leave consumers indebted and hungry – Economist, Zeenat Vallie, IOL Business, 20 November 2017, <https://www.iol.co.za/business-report/economy/december-fuel-hike-will-leave-consumers-indebted-and-hungry-economist-12079802>

³ Pioneer Foods' full-year profit plunges on lagging effects of drought, Michelle Gumede, Business Day, 21 November 2017, <https://www.businesslive.co.za/bd/companies/retail-and-consumer/2017-11-21-pioneer-foods-profit-halved/>

⁴ SA's political uncertainty tainting economy, analysts warn, Fin24, 21 November 2017, <https://www.fin24.com/Economy/sas-political-uncertainty-tainting-economy-analysts-warn-20171121>

1.2 Water Security

1.2.1 South African government urges citizens to use water more wisely as the levels in the country's dams remain critical amid reports that there is more evaporation than rainfall

On 16 November, *South African Government News* reported that cabinet has cautioned communities to use water more wisely as the levels in South Africa's dams remain critical.⁶

1.2.2 Cape Town taps will be turned off if the dam levels go below 13.5% amid reports that the Western Cape's average dam level is at just over 36%

On 17 November, *Eyewitness News* reported that the Western Cape's average dam level is at just over 36%.⁷

1.2.3 Treated wastewater emerges a possible solution to Cape Town's deepening water crisis

On 21 November, *Eyewitness News* reported that if the thought of consuming treated wastewater freaks you out, you may have done so already without actually realising it.⁸

1.2.4 30 municipalities face water cuts for unpaid debts amid reports that the Department of Water and Sanitation has a total outstanding water debt of R10.7-billion, with 73% of this outstanding for longer than 60 days

On 22 November, *Sowetan Live* reported that government has threatened as a "last resort" to cut the supply of water to at least 30 municipalities which have water debts running into billions of rand.⁹

1.2.5 City of Cape Town Mayor Patricia de Lille says a special levy for water is on the cards for Cape Town because the municipality needs additional funding for its water augmentation scheme

On 23 November, *Times Live* reported that City of Cape Town mayor Patricia de Lille has confirmed that her municipality is considering a levy or a surcharge for water.¹⁰

⁵ Inflation eases to 4.8%, Lameez Omarjee, Fin24, 22 November 2017, <https://www.fin24.com/Economy/inflation-for-october-eases-to-48-20171122>

⁶ Use water wisely, South African Government News, 16 November 2017, <http://www.sanews.gov.za/south-africa/use-water-wisely>

⁷ If CT dam levels go below 13.5% taps will be turned off, Shamiela Fisher, Eyewitness News, 17 November 2017, <http://ewn.co.za/2017/11/17/if-ct-dam-levels-go-below-13-5-taps-will-be-turned-off>

⁸ Treated wastewater answer to CT water crisis?, Giovanna Gerbi, Eyewitness News, 21 November 2017, <http://ewn.co.za/2017/11/20/treated-wastewater-answer-to-ct-water-crisis>

⁹ 30 municipalities face water cuts for unpaid debts, Staff Reporter, Sowetan Live, 22 November 2017, <https://www.sowetanlive.co.za/news/south-africa/2017-11-22-30-municipalities-face-water-cuts-for-unpaid-debts/>

¹⁰ Special levy for water on the cards for Cape Town, Aphiwe DeKlerk, Times Live, 23 November 2017, <https://www.timeslive.co.za/news/south-africa/2017-11-23-special-levy-for-water-on-the-cards-for-cape-town/>

2.0 Weekly Infographics: In Africa, opportunities of the future are in food & agriculture



Figure 1. In Africa, opportunities of the future are in food & agriculture (Source: World Bank)

3.0 Overall Assessment

- ❖ The unresolved land crisis in South Africa is increasingly becoming a major threat to food security in South Africa
- ❖ Climate change is increasing the levels of food and water insecurity in South Africa
- ❖ The water levy policy needs to be formulated and implemented at a national level in response to the national impact of the drought crisis in South Africa
- ❖ The Department of Water and Sanitation is urged to urgently draft a national treated wastewater policy document that will guide the use of this vital water resource across the country
- ❖ Poor households' food insecurity is increasing due to the low growth, fuel hikes and the socio-political uncertainty in South Africa