



AGRICULTURE – 1

Growth Sapping

As drought costs mount, govt holds back on declaring national emergency

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The worst drought in decades has cost South Africa's agriculture industry some R16-billion to date; however, despite many provinces being hard-hit by the prolonged drought conditions, Agriculture, Forestry and Fisheries Minister **Senzeni Zokwana** does not believe the crisis is deep enough to declare a national emergency.

Government will continue its drought relief measures, with some R1-billion set aside by the Industrial Development Corporation (IDC) and the Land Bank to aid the worst-hit farmers, with R528-million allocated for smallholder farmers and R130-million to support indebted commercial farmers. The Department of Water and Sanitation has reprioritised R502-million to deliver water,

protect springs and refurbish boreholes and provide further intervention support programmes, such as start-up gardens and food parcels to identified villages and towns.

While the conditions are tough, declaring the drought a national disaster will only exacerbate the already dire situation, he says, indicating that banks would likely reduce their exposure to agriculture, thus reducing the amount of aid the sector is currently receiving and putting more pressure on farmers' debt responsibilities.

The Department of Agriculture, Forestry and Fisheries is currently examining additional funding options, including potential soft loans from the IDC and the Land Bank and plans to approach

the National Treasury for further funding.

Funds have also been provided for feed and support for livestock farmers and general disaster relief measures. Rains, which typically start in October and November have been 10 to 50 days late and significantly below average, as the country remains hostage to an intense drought caused by what has been described as the strongest El Niño event in half a century.

"Already, regional food supplies are limited, staple food prices are higher than average, and acute food insecurity is more prevalent than usual, due to poor crop harvests in early 2015," Agri South Africa (SA) executive director **Omri van Zyl** outlined earlier this month at a conference. An Agri SA status report on the current drought crisis highlights the "devastating" impact of the drought, including the depletion of natural grazing, leading to the forced slaughter of livestock.

The shortage of rainfall has led to reduced plantings of summer cash crops, with estimates that the area of maize planted for the 2016/17 season could total around two-million

hectares – 25% lower than the area planted in the 2015/16 season.

The maize crop was reported at levels of 9.9-million tons in 2015 – a level well below the norm. Maize production is now projected to be down by 25% to 35%, compared with the average, with imports required to meet the needs of both South Africa and its neighbours, also suffering effects of the drought.

"If the abnormally hot and dry conditions persist, a regional food security crisis, including a substantial increase in the size of the acutely food insecure population, is considered likely in the latter half of 2016 and early 2017," said Van Zyl.

"As the drought has a direct impact on the country's food security, we will import an estimated four-million tons of maize to meet domestic needs," Zokwana says, adding that R2.8-billion has been allocated over the medium term to food security initiative Fetsa Tlala.

The agriculture sector has also recorded the largest decline in two decades as the industry posted a 14% decline during the fourth quarter of 2015 and a 8.4% drop between 2014 and 2015. ■