LAUNCH THE NAMC FOOD COST REVIEW 2014

BY THE

MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES,

HONOURABLE SENZENI ZOKWANA (MP)

16 NOVEMBER 2015
Programme Director; Mr Tshililo Rambulana CEO of the NAMC
Acting Director-General, Mr KCM Mannya
Mr Andre Young – Acting Chairperson: National Agricultural Marketing Council (NAMC)
Dr John Purchase – Chief Executive Officer: Agribusiness (Agbiz)
Mr Albert Swart – Executive Manager for Agriculture - Transnet
Mr Nico Hawkins – General Manager: South African Grain Information Service (SAGIS)
Mr Ishmael Tshiame – General Manager: Grain Farmer Development Association (GFADA)
Civil society;
Business;
Officials from all spheres of Government;
Members of the Media
Ladies and gentlemen

Molweni; goeie more; good morning

Impact of drought

The 2015/16 rainfall season in Southern Africa is supposed to take place from October 2015 to May 2016. The El Niño phenomenon, which brings drought conditions across the region, will have major effects on agriculture with the South African maize belt especially expected to be greatly affected by these drought conditions. Poor rainfall is likely to result in late planning, poor crop conditions and high/increasing cereal
prices, all of which could heighten food insecurity and lead to acute malnutrition in some areas.

The worst affected provinces are currently the Free State, Limpopo, Mpumalanga, North West and KwaZulu-Natal provinces. The Provincial Departments of Agriculture provided drought relief assistance to the aggregate amount of R14.7 million to small-scale and subsistence farmers. This allocation is being used to cater for many affected farmers’ emergency needs such as, but not limited to, providing animal feed, providing water sources and intensifying awareness campaigns.

Declared drought disaster stricken provinces will submit their disaster funding requests to the National Treasury through the National Disaster Management Centre (NDMC). To date, DAFF approached the Industrial Development Corporation (IDC) and the Land Bank for possible assistance and the institutions indicated that they have plans in place that can be used to assist affected farmers. The plans include providing soft loans, among other things.

To ensure drought impact mitigation, my Department continues to monitor conditions in the provinces and will issue updated early warning
information/advisories to the sector, which includes strategies farmers should consider in planning their activities when dry conditions are forecasted. Strategies advised are using grey water – especially in food gardens, harvesting water during rainy days, irrigating in the late afternoon/early evening to reduce evaporation, using drip irrigation instead of sprinklers as it saves water and reducing livestock to protect limited grazing land and providing additional feeds.

DAFF continues to coordinate and facilitate the process between the National Disaster Management Centre (NDMC) and the Provincial Departments regarding both declarations and funding requests. The NDMC within the Department of Cooperative Governance (DCoG) is coordinating these national response efforts, particularly funding requests to National Treasury. All sectors are affected by the dry conditions and as such concerted and integrated efforts are required to ensure that the effect of the drought is mitigated.

**World Food Day**

On 16 October 2015 we celebrated World Food Day at Mbongweni village in Bizana in the Eastern Cape. The celebration takes place annually around the world in honour of the founding of the Food and
Agriculture Organisation of the United Nations (FAO) in 1945. The Department of Agriculture, Forestry and Fisheries (DAFF) has declared the month of October as Food Security Month in bid to heighten the awareness on issues pertaining to food security in the country. This happens in an era where an estimated 795 million people around the world are said to be food insecure.

Right to food

In South Africa, the right to food, among other basic rights, is enshrined in the Constitution. The same Constitution also affords Government the mandate to make provisions, either legislatively or otherwise, to ensure that this right is realised. Although almost 14 million South Africans are estimated to be struggling to put food on the table, great strides have been made to ensure that this number is progressively reduced. The General Household Survey 2014 report by Statistics South Africa found that household access to food has improved since 2002. According to this report, between 2002 and 2014, the percentage of households that experienced hunger decreased from 29.3% to 13.1% while the percentage of individuals who experienced hunger decreased from 23.8% to 11.4%. It is generally accepted that the decrease in the number of people and households that are vulnerable to food insecurity
could be attributed largely to government’s social safety net system that targets the poor.

**Food prices and role of NAMC**

Food prices are an important contributing factor in the realisation of a food secure country. For food to be accessible, especially to the poor, it must be affordable. The National Agricultural Marketing Council (NAMC) established a food price monitoring system following the Food Pricing Monitoring Committee Report of 2003, which recommended that the NAMC in collaboration with DAFF should implement a reliable and consistent price monitoring network throughout the country. Since 2004, the NAMC has been releasing a quarterly publication on trends in the retail price of food. In addition to the Quarterly Food Price Monitor, the NAMC has been releasing an Annual Food Cost Review which disseminates information on food costs and trends in retail prices and farm-retail price spreads. The current Food Cost Review 2014 publication by the NAMC provides valuable information that will contribute towards a better understanding of the market forces at play in the pricing of food in South Africa, and eventually ensuring that better programmes are developed and implemented in bid to shield the poor in the event of high food prices.
Conclusions

At the policy level DAFF will continue to work within the intergovernmental system to implement the National Policy on Food and Nutrition Security. Cabinet has recently directed that an integrated and comprehensive Food and Nutrition Security Plan for South Africa should be developed. A task team led by the Office of the Deputy President, and consisting of the Departments of Planning, Monitoring and Evaluation (DPME), Agriculture, Forestry and Fisheries (DAFF), Rural Development and Land Reform (DRDRL), Health (DOH), and Social Development (DSD), is currently executing these directives. This is all part of government’s effort to align the work of various Departments in ensuring a food secure South Africa.

Finally, I am delighted to now officially launch the Food Cost Review 2014 publication.