

Drought survey reflects hardship on farms

By Marike Brits and Ursula Human

In December last year, Agri SA conducted a survey to assess the effect of the severe, extended drought on the sector, job creation and the general economy. The survey considered the financial status of farmers, mental health of the farming community, local area water maintenance status, job creation and job losses.

"The sector has shed 31 000 jobs in provinces severely affected by the drought and an estimated R7 billion has been lost due to the drought," said Christo van der Rheede, deputy executive director of Agri SA. "People are losing their jobs and farms are closing down at a time when we need to strengthen food security and create more employment."

Key findings

- 70% of respondents said they struggled financially and were in a weak financial position.
- More than 50% of respondents said they had to retrench farm workers due to the drought.
- More than 66% of respondents reported severe to critical levels of ground and surface water.

- The lack of maintenance of water infrastructure was a major concern. There was no proactive drought planning in towns that rely on boreholes for water.

The survey indicated that 62% of South Africa's municipalities were affected by the drought. This included 27 municipalities in KwaZulu-Natal, two municipalities in Limpopo, 15 in Mpumalanga, 17 in the North West, 25 in the Western Cape, 16 in the Eastern Cape and 15 in the Free State. Agri Gauteng did not specify affected municipalities but commented on delayed planting and hail damage.

Impact on the grain industry

Jannie de Villiers, CEO of Grain SA, said farmers in the eastern parts of the country had planted most of their planned crop, despite a difficult start to the season. "The problem is in the western regions where between 60 and 70% of the crop has been planted, with only around 20% planted early," said De Villiers.

"Early plantings were holding up well and average yields could be expected if it rained, but late plantings were struggling, with below average yields expected even if there was rain. Maize prices caused some concern, with a price increase of 60% for white maize and 40% for yellow maize," said De Villiers.

This increase might impact on the red meat, poultry and dairy sectors. "It is likely that the trickle-down effect will reach the consumer's plate soon enough, putting the consumer under even more pressure."

The future of grain farming in the drought-stricken western areas looks uncertain and De Villiers said he expected structural changes in the type of agribusinesses in the region. "If grain production in this region declines dramatically, it will be important that other areas of the country start producing grain to ensure food security.

"Here we refer to the communal areas of the Eastern Cape, as it has considerable potential in terms of available land and water for grain production development," De Villiers said. Regional development in the Eastern Cape was stifled due to a lack of funding and the difficulty of accessing finance without a title deed.

The impact of inflation

"Grain products, meat, poultry and dairy make up 75% of the consumer's food basket. If the grain contribution, as the base contribution to this basket, sees a price increase of 50%, the whole food basket will become more expensive and food inflation will rise," De Villiers explained.

Rapidly inflated food prices will have a disastrous effect on the entire economy. "The moment food inflation gets too

high, it starts pushing up interest rates. This leads to a drop in GDP growth, which will lead to soaring unemployment rates."

The drought has had, and continues to have, a negative impact on the country's agricultural sector. The ripple effect is at work and other sectors are equally affected, which deepens the impact. 🌱

Table 1: Drought status outlook for the first quarter of 2019 as reported by Agri SA affiliates.

Province	Current drought status	Rainfall status	Runoff status	Dams status	Groundwater status	Drought outlook
Eastern Cape	Severe	Very low	Very low	Low	Moderately low	Critical
Free State	Severe	Very low	Very low	Low	Moderately low	Critical
Gauteng	Stable	Normal	Normal	Moderately high	Moderately high	Stable
KwaZulu-Natal	Below normal	Moderately low	Low	Moderately low	Low	Conditions to worsen (if future rains are insufficient)
Limpopo	Moderate	Moderately low	Moderate	Moderately low	Moderately low	Conditions to worsen (if future rains are insufficient)
Mpumalanga	Moderate	Normal	Normal	Normal	Normal	Stable
Northern Cape	Severe	Very low	Very low	Low	Very low	Critical
North West	Severe	Very low	Very low	Moderately low	Very low	Critical
Western Cape	Below normal	Low	Very low	Low	Moderately low	Conditions to worsen (if future winter rains are insufficient)

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