



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Minister Statement

22 January 2016

UPDATE ON DROUGHT INTERVENTIONS

Today we met with MECs responsible for Agriculture to take stock of the current drought, to discuss the ongoing drought relief support we are providing to affected farmers and livestock owners, engage on plans and solutions we can employ from now on.

From the meeting we now have a clear picture of the negative impact of drought on crop production, livestock, agro processing, and agriculture infrastructure and food security in all affected provinces.

Planned sectorial achievements on priority areas like outcomes 4, 7 and 10 will not be accomplished as planned because food and feed grain prices will surge debt levels and job losses.

Government departments, municipalities and entities are working together to provide livestock feed, deliver rainwater tanks, cart water to farmers and livestock owners to help their livestock during the time of scarcity of grazing grass and water for hydration.

MECs from affected provinces and the Rural Development and Land Reform Minister, Gugile Nkwinti will provide specific detail on the quantities delivered to farmers and livestock owners to support them.

Food security will be heavily affected by drought because we will not harvest the yield we expected owing to the current drought. In some places no planting was done while some will have very low yields.

With regards to financial support, the Industrial Development Corporation (IDC) has made available soft loans as emergency funding towards working capital, infrastructure and a small portion for carry over debt for the commercial sector.

The IDC will consider financial assistance to its existing clients that apply for drought relief support while for non-IDC clients, lending will not be made available directly to the end-beneficiary but rather through National Credit Act compliant intermediaries like Land Bank and AgriBusiness. R 32 million has already been approved.

The loan agreement will thus be entered into between IDC and the relevant intermediary. These intermediaries will have to apply to IDC on a case by case basis and a due diligence will be applicable.

In relation to the directive we gave to provinces to use 20% (R226 million in total) of the Letsema grant, which was not going to be used because of drought. Provinces that have applied and received approval are KZN, Free State, North West, Limpopo, Gauteng, Mpumalanga and Northern Cape. Eastern Cape applied this week and the Western Cape has not yet reprioritised. We are happy that that money is used to provide relief to the farmers.

Our priority is on developing and implementing climate change adaptation plan and programmes for the sector (Crop suitability and bio-gas projects). We will give more support to Climate Smart Agriculture in terms of conservation agriculture.

Increased investment on land rehabilitation programmes for improved productivity of land and water storage capacity, investment in storage and transport infrastructure in the Eastern Cape and introduction of market linked agri-insurance for disasters, are some of the major investment we are doing as government working with the farmers.

Of critical importance to us is that we must invest on feed production and set up fodder banks in all areas affected by drought to counter the ballooning livestock feed prices. Areas that are not experiencing drought and irrigation schemes will be prioritised in this investment.

As government we will continue to beef up collaboration by strengthening coordination arrangements between government and with industry to monitor drought.

We will establish and maintain National Information management system and ensure information flow from provinces. It is important that we strengthen strategies and actions for recovery and long term risk reduction.

We note that the weather patterns are slowly changing with sporadic rainfall in some of the affected provinces, which gives us relief.

I thank you