

# Western Cape drought a growing concern, lack of water has far-reaching consequences

While South Africa has almost escaped the grips of the drought that crippled the agriculture sector last year, concerns are growing over the state of the Western Cape where the drought is reaching a critical state.



Paul Makube

“The Western Cape is the second biggest in terms of agriculture GDP with a share of 23% of the industry. The lack of water is a real concern as it has far-reaching consequences for not only the industry but the consumers too, as food prices may eventually be impacted,” says Paul Makube, senior agricultural economist for FNB Business.

## A serious water crisis looming

Water levels in South Africa’s dams improved marginally on the back of recent rains in some areas with gains in both the winter rainfall and non-winter rainfall areas of the Western Cape (WC). The weekly update from the Department of Water and Sanitation (DWS) showed a 0.7 percentage point (ppt) increase week on week (w/w) to 36.6% full relative to 61.3% during the same week last year.

“The main concern with these water levels is that, at the current levels, the dams are expected to hold out up to about April 2018. If the situation does not improve significantly in the medium term we will have a serious water crisis in a region that makes up a substantial portion of the agricultural sector,” adds Makube.

## Businesses, consumers will feel the impact

The impact of this on the businesses in this sector may also be quite dire. The agriculture sector is highly depended on the reliable and sustainable supply of water for irrigation of crops and sustenance of livestock.

Upstream, it is required for processing of raw agricultural produce into different consumer products. The vegetable and fruit sectors are hard hit with planting for potatoes and onions in Ceres already reduced by some 80% and 50% respectively according to industry estimates. In the case of fruits, the quality and volume will be reduced. Longer term, some trees might have to be replaced with huge cost implications for the producers. The wine industry already projects a further decline in output due to drought and recent frost damage in the Breede-kloof, Robertson and Worcester.

While the rest of the country is likely to yield more agricultural produce, the reduced output from the Western Cape is likely to slow down the rate of the decline in food prices, more so for horticultural crops and livestock.

“The current short-to-medium term forecasts indicate good rainfalls for most of the country. While the short-term rainfall outlook still does not look good for the WC. We hope that the summer rains will help alleviate the pressure in the months ahead. The growing concern remains that the limited availability of irrigation water coupled with the lower soil moisture levels will reduce agricultural output for the WC,” says Makube.

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