**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 2252**

**INTERNAL QUESTION PAPER [No 21-2023 SIXTH PARLIAMENT] DATE OF PUBLICATION: 02 JUNE 2023**

**2252. Mr N S Matiase (EFF) to ask the Minister of Agriculture, Land Reform and Rural Development:**

What (a) has she found to be the impact of rising food prices on (i) farmers, (ii) producers and (iii) emerging small-scale farmers and (b) steps of intervention has she taken to insulate poor households from hunger and chronic poverty due to the volatility of soaring prices? **NW2557E**

**THE MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT:**

The Department of Agriculture, Land Reform and Rural Development (DALRRD) as the custodian of agriculture, gears its efforts to ensure the attainment of sustainable food security in the country. Rising food prices is regarded by DALRRD as one of the major drivers for food access challenges in the country. As such, tracking the trends of food prices, deriving insights for the prevailing trends that drive food and commodity price margins is critical for the Department towards identifying actions when food security is threatened. Vigilance is ensured through assessments that are continuously conducted by the Food Price Monitoring Committee at the National Agriculture Marketing Council (NAMC). According to the NAMC’s monthly food price monitor, the nominal cost of the 28-item urban food basket increased by 10,1% in May 2023 compared to May 2022, costing R1 182,76 versus R1 073,86 in 2023. During this period, vegetables contributed the most to the observed food inflation followed by dairy and eggs. Food inflation has a particular negative impact on the poor who spend a greater proportion of their income on food, even when they consume the cheapest options.

(a),(i),(ii),(ii) The South African producers / farmers at various scales of production have generally been affected by the high agricultural production inputs costs. These include the price trends for domestic fertilizers that were experienced building up to the summer crops production season in 2022. Fertilizer prices increased drastically and fluctuated throughout the summer crops production season due to the global markets price volatility in response to lower global supply. Energy insecurity further exacerbates the situation of high inputs costs. This eventually translates to lower profit margins from farm gate prices for the producers, especially for those that are at the small scale, yet it also translates to higher prices paid by consumers from retailers. However, on the positive note for consumers, including small scale producers as consumers of other food items that they do not produce; the RSA food inflation is anticipated to reduce in the coming months due to the new good local grain stocks being harvested.

1. **Interventions to insulate poor households from hunger and chronic poverty:** DALRRD remains committed to supporting agricultural producers with several programmes that are implemented as a deliberate effort to cushion households against hunger and food insecurity in the country. The overall objective of these programmes is to expand domestic food production through strengthening subsistence (vulnerable and household producers), smallholder and medium commercial producers to ensure basic food availability and livelihoods resilience at household level as well as to retain self-employment in agriculture sector.

In addition to the annual support that is provided by DALRRD through the Comprehensive Producer Support Programme (CASP) and Ilima Letsema, DALRRD is currently supporting subsistence producers through the Presidential Employment Stimulus (PES). The support is rendered through provision of agricultural production inputs or vouchers for commodities such as fruits & vegetables, grains, poultry, small and large stock. The support targets the women, youth, child-headed households, people living with disabilities and Military Veterans. The provision of inputs to this category of producers has cushioned several producers against the high inputs prices and has strengthened the household’s livelihoods and resilience against shocks and hazards.