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OF THE REPUBLIC OF SOUTH AFRICA

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Mr C Ramaphosa
President of The Republic of South Africa
P O Box 15
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Dear President Ramaphosa

PROPOSALS TO MITIGATE THE HUNGER CRISIS

I write to urge you and your government to act boldly and immediately to mitigate the hunger crisis that is causing terrible harm to our society. And I write to propose ways this could be done.

As you know, food prices have risen sharply this year driven up by Russia's attack on Ukraine, which has sent shockwaves through global fuel, energy, fertiliser and animal feed markets, driving a global cost of food crisis.

This has dealt a harsh blow to the poorest 80% of households, for whom the prices of many staples are now 24-65% higher. Vegetable cooking oil is up 65%, white maize meal up 26%, tinned pilchards in tomato sauce up 43%, and brown bread up 24%, by way of example. In South Africa, inflation surged to 7.8% in July, the highest since May 2009, with food price inflation at a high of 8,6% in June.

Low-income household budgets were already under severe strain from your government's irrational lockdown policies, bad management of the economy, slow pace of reform, failure to provide a reliable supply of electricity, and service delivery failures, all of which have caused unnecessary job losses and unnaturally high unemployment.

The result is a hunger crisis that is harming our society in many terrible ways, and that is unlikely to let up until your government starts to act like one that genuinely cares about the people of this country.

It should keep your entire cabinet up at night to know that millions of people are suffering relentlessly the pain and indignity and deprivations of hunger. According to a new survey, 81% of households are skipping at least one daily meal while 41% say they can't feed their families anymore.

You will know that this brings massive increased risks for society. Childhood stunting and wasting was already affecting 27% of children under age 5 even before the hunger crisis hit. Millions of hungry school children are battling to concentrate and learn. They face the risk of impaired teenage brain development and reduced life prospects.

Increased malnutrition is leading to reduced productivity in the workplace, obesity (from shifting to a cheaper, high-carbohydrate diet), and diet-related diseases, all of which will cost the fiscus and the health system dearly. Worse still is the increased risk and incidence of death from starvation.

And you must consider the increased risk of social instability and food riots causing infrastructure damage, business closures, disinvestment, job losses, tax revenue, interrupted service delivery, lest you forget how your party's factional infighting so easily sparked destruction on a mammoth scale in KZN in July last year. Ours is a nation on the edge. A nation crying out for a caring and compassionate government.

Mr President, you and your cabinet need to step up to the plate and start putting your country first. Having largely caused the underlying problems in the first place, it is now incumbent on your government to show compassion in the face of this humanitarian disaster.

I acknowledge that South Africa is effectively broke and that your government has very little room for fiscal manoeuvre. However, I put it to you that the cost of ignoring this crisis will be very much higher than the cost of addressing it.

I beg you to intervene urgently to bring immediate relief, while also radically stepping up the pace of reform, to open the economy for growth and jobs, and the fight against corruption. People need to get back onto their feet by getting into jobs or starting viable businesses, so that households they can be self-sufficient and resilient against future food and other price shocks.

The DA has consulted several economists, analysts and industry associations to assess a broad range of possible interventions. We've settled on five feasible, implementable proposals, any and all of which would bring a degree of relief.

The upcoming Medium Term Budget Policy Statement (MTBPS) in October gives your government the opportunity to implement some of these solutions and thereby avoid much social harm.

1. Cut fuel taxes and levies to lower the cost of transport.

Your government should lower the fuel price by supporting the DA's Private Members Bill to deregulate the fuel price and by putting through fuel tax cuts in the MTBPS.

Lowering the cost of transport would enable people to put more money towards their food budget. In addition, it would decrease the cost of food because the high cost of transporting food is pushing up food prices at the till.

Depending on how deep the cuts to the fuel taxes and levies, this proposal would cost the fiscus up to R86 billion. As the DA has already stated, the cost can and must be covered by cutting corruption and wasteful expenditure, reallocating funds such as the extortionate VIP Protection budget, and opening the economy for growth.

2. Reallocate the R50 million food aid for Cuba to feed hungry people at home.

This intervention would not cost the fiscus anything. The MTBPS provides Finance Minister Enoch Godongwana the ideal opportunity to re-allocate this money.

It is frankly incomprehensible that your government would take R50 million belonging to the people of South Africa and use it to provide food aid for Cuba when people here at home are starving.

This is especially egregious since it is unlikely the money will be spent on food aid there. Far more likely it will go to the ANC's mates in the Cuban government who will pay kickbacks in one form or another to the ANC elite.

3. Review the list of zero-rated food items.

Your government should urgently review the list of zero-rated food items with a view to expand it to include more items commonly purchased by the poorest 50% of households, such as bone-in chicken and certain other chicken categories, those beef categories commonly purchased by low-income households, tinned beans, wheat flour, margarine, peanut butter, baby food, tea, coffee, soup powder. Again, the upcoming MTBPS presents an opportunity to put through these changes.

Dropping the 15% VAT on some of these items would help households to stretch their food budgets a lot further and would enable people to purchase more nutritious food. We especially call on government to zero-rate bone-in chicken and other chicken categories commonly purchased by low-income households.

Zero-rating bone-in chicken would cost approximately R3 billion, but experts have suggested the intervention would pay for itself through improved health, work and learning outcomes. Bone-in chicken is a high-quality source of protein and by far the most popular one for low-income households, making up 14% of low-income household food budgets. Poor South

Africans need an affordable source of protein to prevent them shifting to a less nutritious high-carb diet as their budget is squeezed. It is also versatile and quick to cook, saving on energy costs.

4. Review import tariffs on some food items

Your government should consider cutting some import tariffs sooner than the MTBPS, to bring a degree of immediate relief. Food economists have suggested they be cut on pasta and those chicken categories most commonly eaten by the very lowest-income households such as chicken carcasses, which they use to make broth. Dropping tariffs on pasta and certain chicken categories will have a negligible impact on the fiscus but a large impact on the very poorest households.

5. Provide private title to all land reform beneficiaries on state land and landholders in communal areas.

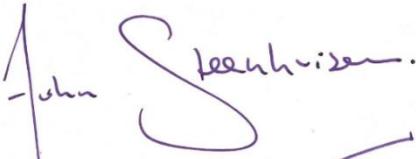
Increasing private land ownership will increase food production and improve food security while bringing down the cost of food. Essentially, your government should 1) transfer full title ownership from the state to all land reform beneficiaries and 2) survey and register all land rights on trust/communal land, and transfer title to all those who want it (explicitly including women). These have the potential for massive social benefit, growing tax revenues by making more land productive.

This is a longer-term solution that will take longer to implement, but your government should turn its attention to it right away.

I urge you and Finance Minister Godongwana to really take these proposals to heart. You have at least six weeks to consider and plan for the first four of them ahead of the upcoming Medium Term Budget Policy Statement in October, which presents a timely opportunity for implementation. We would be happy to share more detailed analysis with you for each intervention.

Each of these proposals is implementable. They will bring relief to millions of hungry, vulnerable South Africans. I hope you will give each due consideration. Thank you.

Yours sincerely,

A handwritten signature in purple ink that reads "John Steenhuisen". The signature is written in a cursive style with a large, prominent 'S'.

John Steenhuisen MP
Leader of the Official Opposition
Parliament of RSA