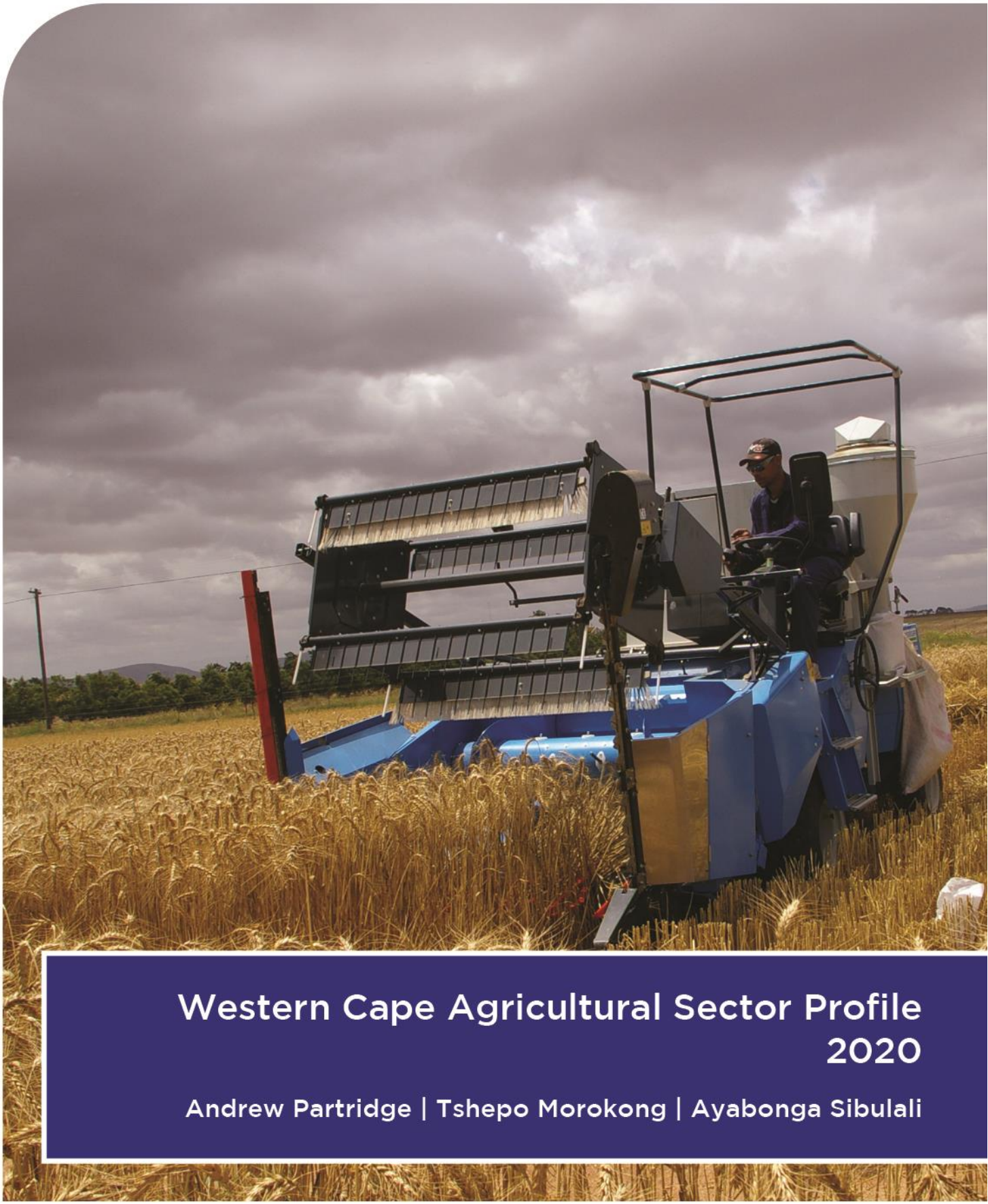
Western Cape Government

Agriculture



Western Cape Agricultural Sector Profile 2020

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Western Cape Agricultural Sector Profile: 2020

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EXECUTIVE SUMMARY

This report provides an annual update of the Western Cape Agricultural Sector. The trends shaping the sector are analysed in the context of the current economic and policy climate. Whilst most of the data is updated annually, some of the data sources are updated less frequently and hence some statistics will remain as they were in the previous year's version of this report.

The Western Cape (WC) is prominent in South Africa both in terms of the number of people who reside within its boundaries (12%) and in terms of its contribution to the national economy (14%). The population of the province has consistently grown at a faster rate than the national population and there were an additional 123 thousand people added in 2019. The WC economy contracted in 2019 as reflected in a -1% real change in real Gross Value Added (GVA) from 2018. The provincial economy has a large share of tertiary sectors and in particular business services.

The continued impact of the drought was visible in 2019 with real agricultural GVA falling by 13% in 2019. The province's share in the national agricultural sector fell as a result of the contraction but remained very significant with a 15% share. There was strong performance observed in food processing where the sector grew by more than 4% in 2019. The Western Cape is more particularly dependent on horticultural production, which accounts for 47% of gross farm income for the province, compared to 18% for the rest of South Africa. Despite a declining share, The Cape Winelands remains the main agricultural area in the province, accounting for more than a third of agricultural GVA in the province. In the Cape Winelands horticultural production accounts for 60% of farm income.

In 2017 approximately 2 million hectares of agricultural land was under crop production in the province, with a significant share of the land used for wheat production (17%), followed by wine grapes, canola, barley, rooibos tea, apples, table grapes, pears and oranges. The impact of the drought was also evident in private land sales where there was an annual decline in the average real price of land (-6%), the total number of sales (-15%) and in the total hectares of land sold (-16%) for 2019.

Agricultural exports from the WC had been growing strongly over recent years resulting in a growing trade balance. However a decline in exports for 2019 meant the trade balance decreased whilst remaining substantial at R30 billion (exports = R34 billion, imports = R4 billion). There was slight diversification in terms of export destinations between 2018 and 2019 with a significant increase in the share of exports going to Africa (15% to 19%) and a slight decline in the share of exports going to the top three destinations, the Netherlands, United Kingdom and China (35% to 33%). Food, beverage and tobacco exports declined again in 2019 resulting in the trade balance falling to almost zero. Table grapes became the province's biggest agricultural export in 2019 after falling exports of wine and citrus. Continued positive performance was also noted for blueberry exports. There was substantial growth in the main two agricultural imports of rice and beer.

Despite the contraction in both sectors, the agricultural sector created 22 thousand jobs in 2019 and the food, beverages and tobacco sector added 12 thousand, a combined total of 34 thousand jobs added for the year. The jobs created also contributed towards South Africa's broader developmental goals with increases in the shares attributable to black employees, females, the youth and rural dwellers. Almost half of all farm employees are located in the Cape Winelands District, with the West Coast and Overberg together accounting for an additional third. There was, however, an observed declining trend in the number of households participating in subsistence agriculture activities in the WC.

Investment in Western Cape Agriculture fell in real terms in 2019 after declines in all types of investment apart from a small increase in research and exploration. Investment appears to some extent to follow production with the highest concentration in the Cape Winelands but with there are signs of convergence with disproportionately strong growth observed for the West Coast and City of Cape Town. Food, beverages and tobacco investments in the WC increased in 2019 after several consecutive years of decline. This was driven mainly by strong investments in information and communication and is increasingly concentrated in the City of Cape Town.

As the population has increased in the WC, so has the number of households. However there has also been an increase in the share of the province's population reporting having insufficient food. In 2018 12% of households reported adults going hungry and 11% of households reported children going hungry. This is less than levels reported in 2015 (15% and 13%) but is higher than what was reported back in 2008 (9% and 10%). Prices in the WC increased significantly more than the rest of the country in 2019 with national inflation recorded at 4.1% and WC inflation recorded at 4.8%.

The prominence of the Cape Winelands for the WC agricultural sector can be seen looking at infrastructure endowments. This district accounts for the highest number of chicken batteries, homesteads, nurseries, piggeries, tunnels, pack-houses, distilleries, fruit packers, cool chain facilities, olive cellars and wine cellars. The district also has the highest number of agri tourism activities available.

The Western Cape dam water levels have significantly improved since 2018 due to good rains in 2019. The water tariffs in the province continue to be higher than what is charged on average at the national level and the majority of the provincial large and small dams have been inspected in the last five years.

This year's special chapter makes use of the Census of Commercial Agriculture for 2017 which was published in 2020, the first time since the last census back in 2007. Specifically it looks at agricultural production inputs and operating expenses and how these are spread geographically in the province.

1. OVERVIEW OF THE WESTERN CAPE

The Western Cape (WC) is one of South Africa's nine provinces, situated on the South West coast of the country (Figure 1). The province is made up of 25 municipalities grouped into 6 districts. The WC is markedly different from the rest of South Africa as far as agriculture is concerned. Its climatic regions are Mediterranean on the coast and semi-desert inland. It is a winter rainfall region with well-developed production and processing infrastructure that allows for stable production of a unique mix of agricultural produce. The diversity of production reflects the diverse landscape of the province that features high mountain regions, lush valleys, coastal regions and semi-desert areas (Vink & Tregurtha, 2005).

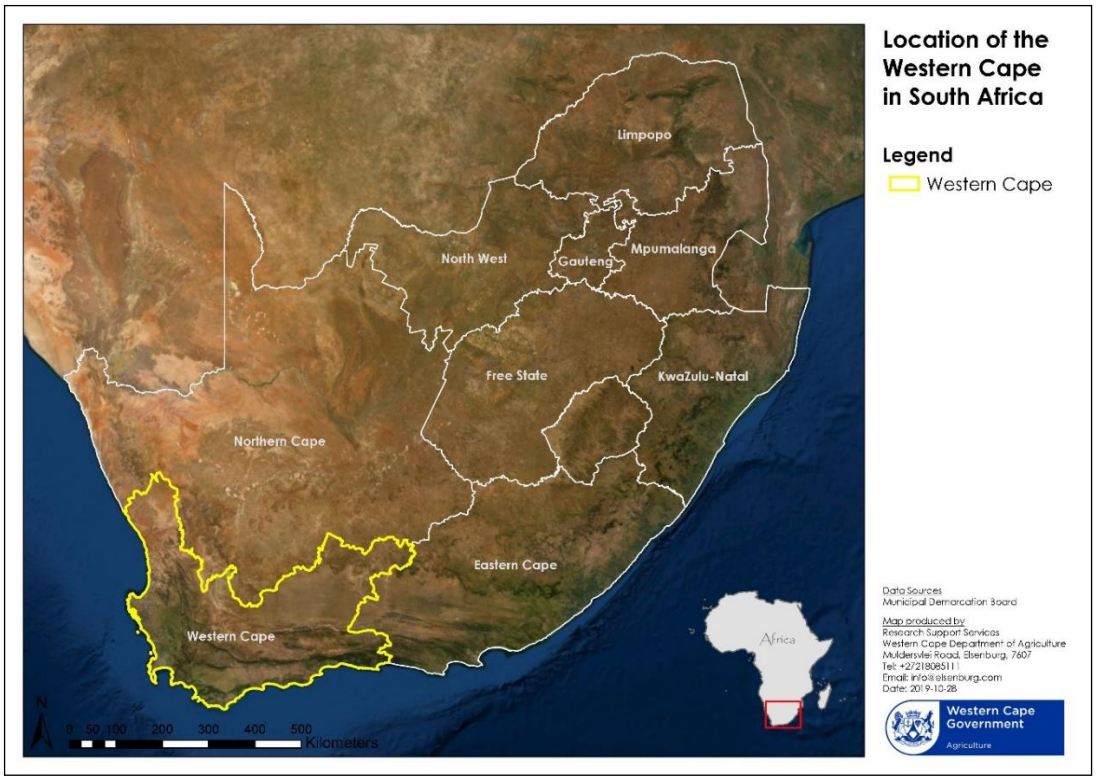


Figure 1.1: Area Map Showing the Western Cape Province of South Africa
Source: (WCDoA, 2020a)

There were an additional 123 thousand people added to the Western Cape's population between 2018 and 2019 bringing the total population to 6.84 million, almost 12% of the national population. Figure 1.2 shows the absolute population for the province as well as the relative share in the national population for each year between 2009 and 2019. The relative growth of 1.8% was higher than the national growth rate (1.4%) but lower than the province's average growth rate over the past ten years (2.1%).

The majority of the province's population reside in the Cape Town metropole area (66%) as can be seen in the regional breakdown of the Western Cape Population for 2009 and 2019 in Figure 1.3. The City of Cape Town is also the fastest-growing population, growing at 2.3% per annum over the past year, where it was responsible for 71% of the province's total population growth. Overall, the relative breakdown of the population has not changed

significantly over the past decade, with the population of the Cape Winelands growing slightly faster than the rest of the province and that of Eden slightly slower.

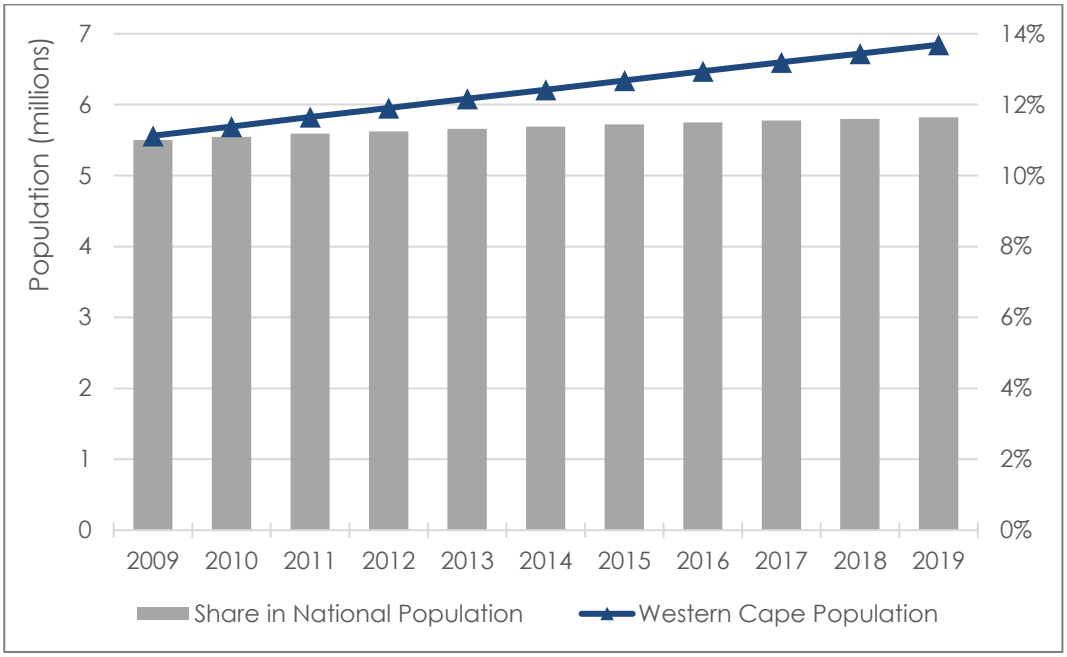


Figure 1.2: WC Absolute and Relative Population, 2009-2019
Source: (Quantec, 2020)

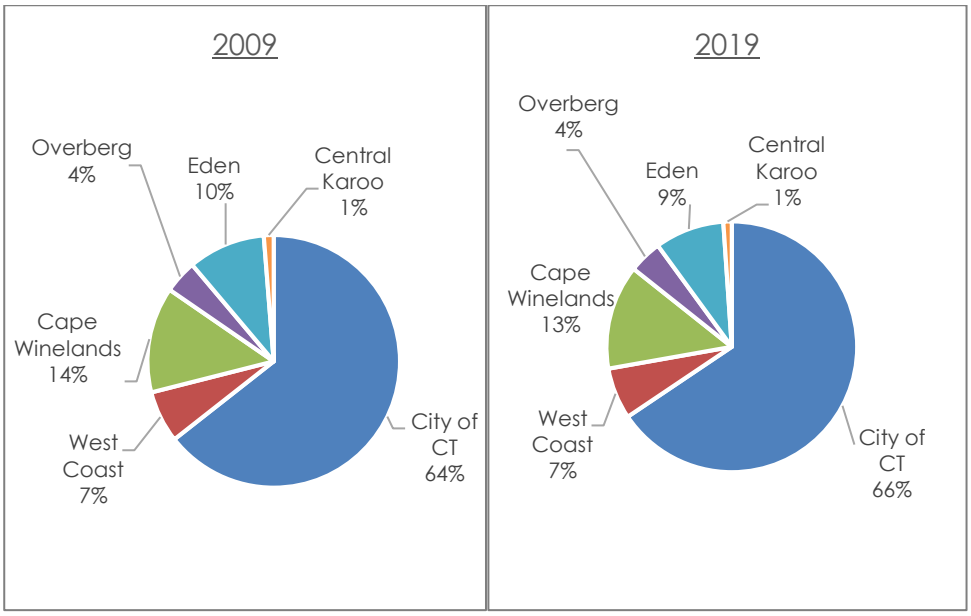


Figure 1.3: WC Population by District, 2009 vs 2019
Source: (Quantec, 2020)

Figure 1.4 breaks down the WC population in 2019 by age and gender. The province has slightly more females than males, with the female share of the population standing at 51%. In terms of age groups, a large portion of the population fall between the ages of 25 and 34, these two cohorts together accounting for almost one fifth (19%) of the total population.

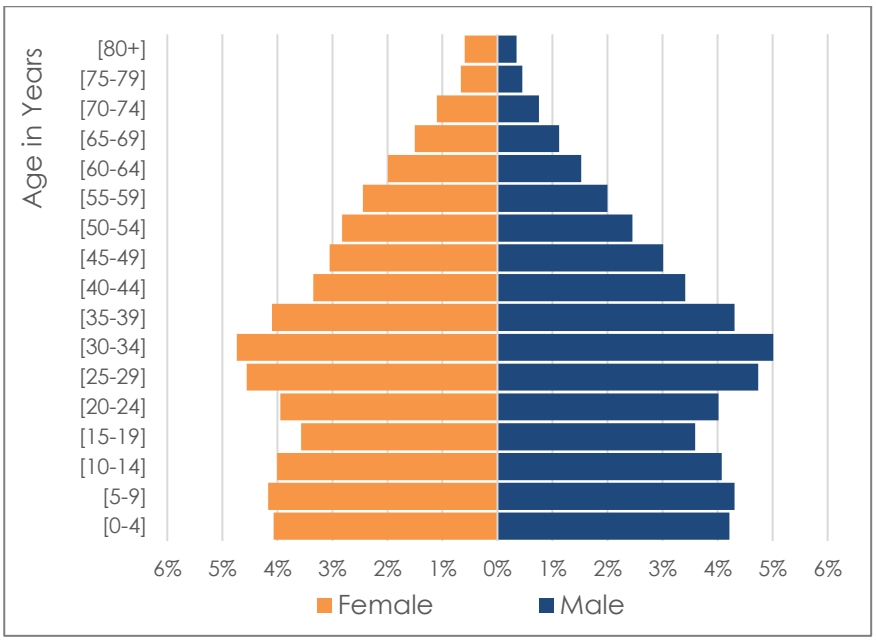


Figure 1.4: WC Population by Age & Gender, 2019

Source: (Quantec, 2020)

The Western Cape economy had been growing steadily since 2010, with 2019 breaking a run of eight prior years with a positive real growth rate in gross value added (GVA) in the provincial economy. Between 2010 and 2018 real annual growth averaged 1.6%, but between 2018 and 2019 the change was -1.0% to reach a total of R590 billion. The Western Cape's GVA is plotted for each year in 2019 prices in Figure 1.5, along with the province's share in total national GVA. The Western Cape economy has over the past decade grown more or less in line with national economic growth, resulting in a relatively flat trend in the province's share in the national economy. However, it does appear as though, particularly in the past few years, the Western Cape's economy has been growing slower than the national average resulting in a very slight downward trend in the national GVA share.

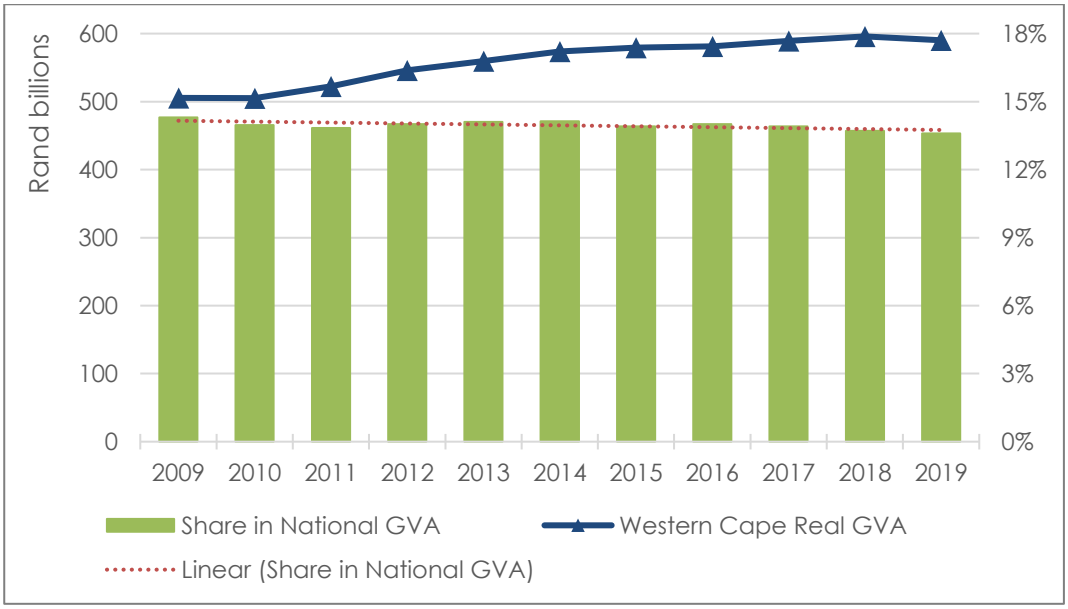


Figure 1.5: WC Real Gross Value Added (2019 prices), 2009-2019

Source: (Quantec, 2020)

The largest sector in terms of the contribution to Western Cape GDP is held by the business services sector which includes financial, insurance and real estate services. There was a very slight increase in this share over the past year, from 25.2% to 25.3%. In general there were slight increases in the tertiary sectors where economic activity in the province is largely concentrated, and declines in the shares of primary and secondary sectors. The exception here is the food, beverage and tobacco sector where the economic share increased from 5.2% to 5.5%.

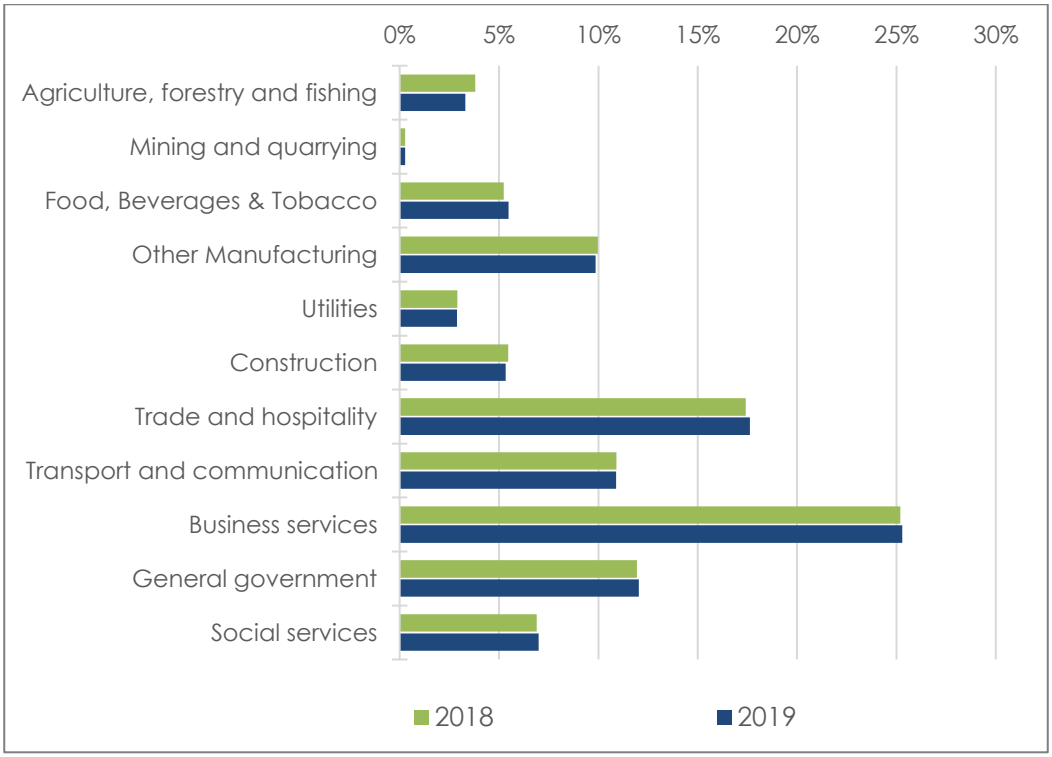


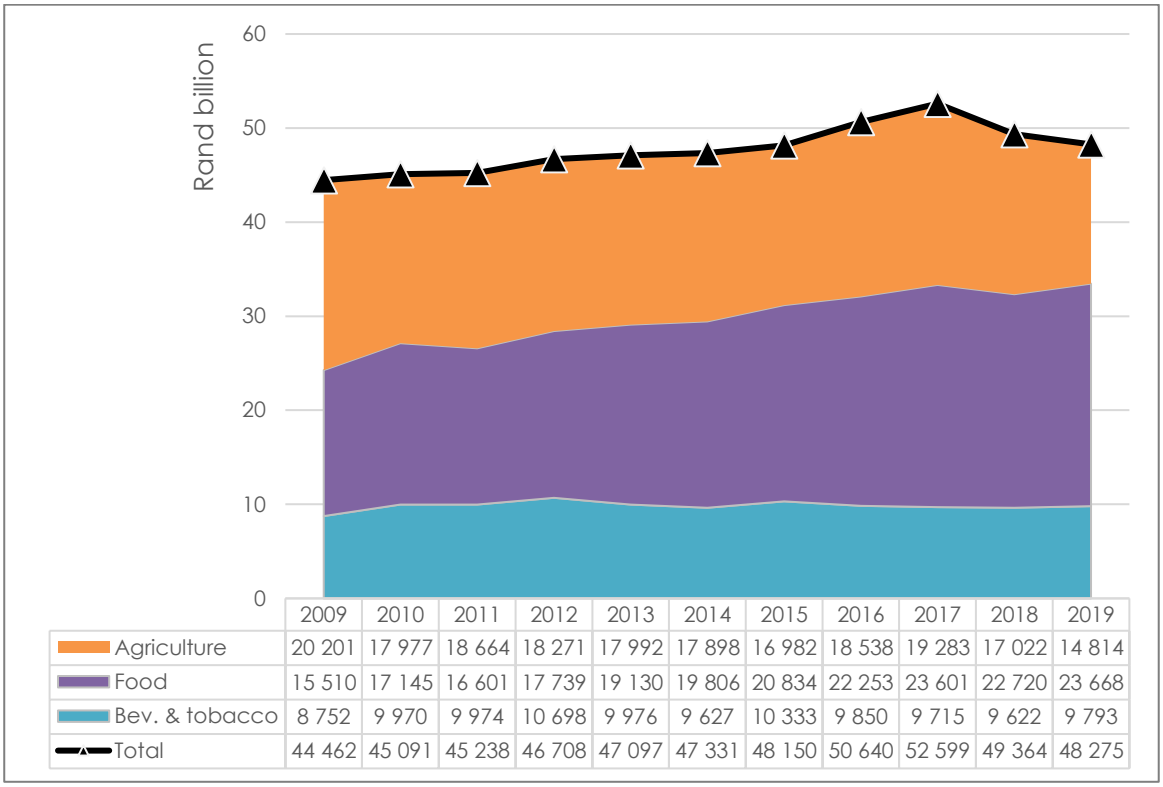
Figure 1.6: Sectoral Contributions to WC GVA, 2018 vs 2019
Source: (Quantec, 2020)

<u>Summary Points</u>

- The Western Cape population continued to grow faster than the national average, adding an additional 123 thousand people in 2019.
- Provincial GVA fell by 1% in real terms for the year signifying an economic contraction.
- The business services sector continues to constitute the largest share of the Western Cape economy.

2. AGRICULTURAL PRODUCTION

The agricultural sector experienced another difficult year in 2019 with Gross Value Added (GVA) in the sector dropping by 13% to below R15 billion. This follows poor performance the year before as a result of the ongoing and prolonged impacts of the recent drought on the sector (Partridge, et al., 2019). There was, however, real growth in both the food and the beverages and tobacco sectors, but as can be seen in the combined graph in Figure 2.1, this was not enough to prevent an overall real decline across the three sectors combined. In 2019 the combined GVA stood at R48.3 billion, 2.2% lower than in 2018 when expressed in real 2019 prices.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Agriculture	20 201	17 977	18 664	18 271	17 992	17 898	16 982	18 538	19 283	17 022	14 814
Food	15 510	17 145	16 601	17 739	19 130	19 806	20 834	22 253	23 601	22 720	23 668
Bev. & tobacco	8 752	9 970	9 974	10 698	9 976	9 627	10 333	9 850	9 715	9 622	9 793
Total	44 462	45 091	45 238	46 708	47 097	47 331	48 150	50 640	52 599	49 364	48 275

Figure 2.1: Real GVA in Agriculture and Agri Processing (2019 prices), 2009-2019
Source: (Quantec, 2020)

The decline in the Western Cape's agricultural GVA over the past ten years has also led to a decline in the province's share of national agricultural GVA represented graphically in Figure 2.2. Although the Western Cape was disproportionately affected by the later impacts of the drought towards the end of the decade, the decline in 2019 in the province was on par with the change at the national level meaning the provincial share in agricultural GVA remained relatively constant at 17.8%.

Another interesting observation is made with regards to the province's share in national GVA in the food, beverage and tobacco (FBT) sector. Despite the positive growth in the Western Cape's GVA for the sector, this has been at a slower rate than growth at the national level which has resulted in a gradual decline in the province's national share. In 2019 this share fell just below the 20% mark for the first time.

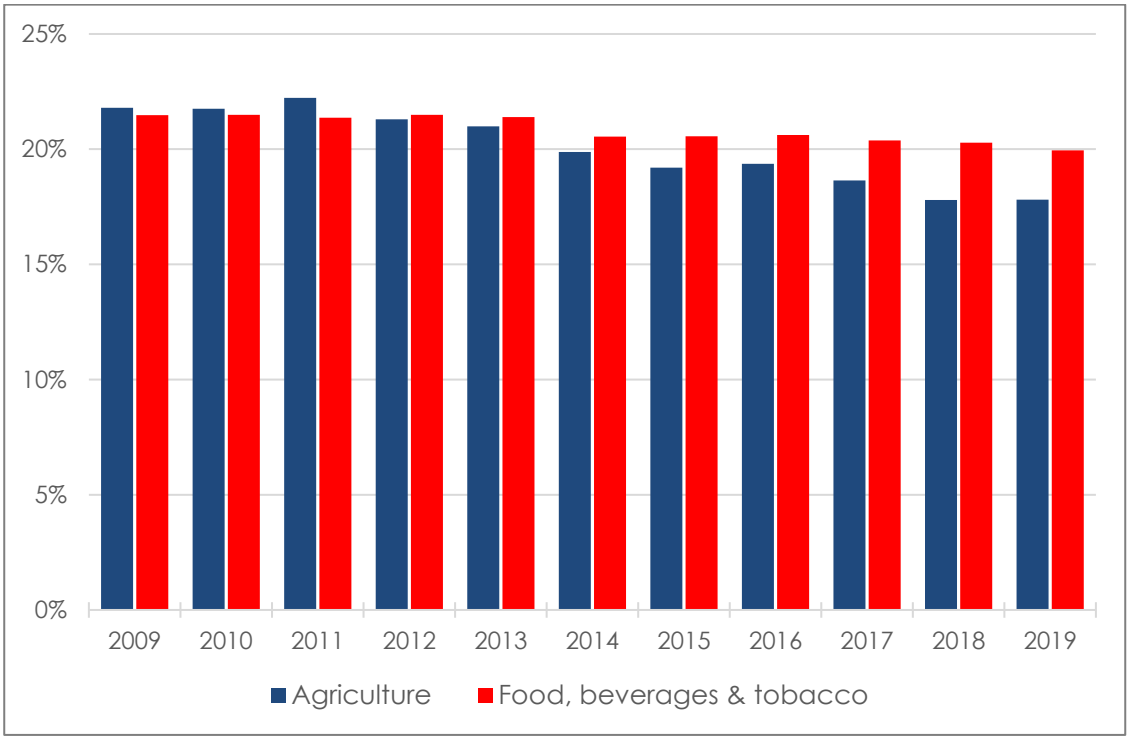


Figure 2.2: WC Share in Real National Agricultural and FBT GVA, 2009-2019
Source: (Quantec, 2020)

The geographic distribution of agricultural and FBT GVA within the Western Cape Province in Table 2.3 has not changed significantly over the past year. The City of Cape Town's high share has been attributed to the significant amount of agriculture taking place in peri-urban areas around the city (Partridge, et al., 2019). Over the past year this share even increased slightly from 17.7% to 17.9%. There was a slight shift in food processing GVA from the Cape Winelands (13.1% in 2018, 12.8% in 2019) to the West Coast (16.4% in 2018, 16.7% in 219). There was also quite a significant shift in the concentration of beverage and tobacco production from the Cape Winelands, where the share in activity fell from 16.6% to 15.5%, to the City of Cape Town, where the share rose from 64.2% to 65.0%.

The Western Cape is more dependent on horticultural production than the rest of South Africa. This is evident from Figure 2.4 which breaks down the gross farm income of the Western Cape and the rest of South Africa into income received from horticultural activities, animal-based activities, field crop production and "other activities". For the rest of South Africa outside of the Western Cape, animal-based agriculture accounts for more than half (56%) of farm income. A further quarter (25%) of income is related to field crop production and horticultural activities make up most of the remainder (18%). In contrast, whilst still significant animal-based activities make up only 37% of gross farm income in the Western Cape. Instead, the main income source is horticultural activities which make up almost half of all income (47%). Field crops make a slightly less significant component of income in the Western Cape, compared what is observed at the national level.

Table 2.3: Geography of WC Agricultural GVA, 2019

	Agriculture	Food	Beverages & Tobacco
City of Cape Town	***17.9%***	***58.6%***	***65.0%***
City of CT	17.9%	58.6%	65.0%
West Coast	***24.7%***	***16.7%***	***12.0%***
Matzikama	5.9%	1.1%	1.3%
Cederberg	3.7%	2.4%	0.6%
Bergrivier	6.3%	3.4%	0.7%
Saldanha Bay	1.6%	3.8%	5.6%
Swartland	7.2%	5.9%	3.9%
Cape Winelands	***33.5%***	***12.8%***	***15.5%***
Witzenberg	7.5%	2.5%	1.4%
Drakenstein	8.1%	3.6%	6.1%
Stellenbosch	4.8%	2.6%	4.5%
Breede Valley	7.8%	2.3%	1.8%
Langeberg	5.2%	1.9%	1.7%
Overberg	***10.5%***	***3.9%***	***2.5%***
Theewaterskloof	6.8%	1.6%	1.1%
Overstrand	1.1%	1.3%	0.9%
Cape Agulhas	1.0%	0.5%	0.3%
Swellendam	1.6%	0.4%	0.3%
Eden	***10.6%***	***7.8%***	***4.8%***
Kannaland	1.2%	0.4%	0.2%
Hessequa	2.0%	0.6%	0.3%
Mossel Bay	1.0%	1.3%	0.6%
George	3.3%	3.4%	2.4%
Oudtshoorn	1.9%	1.3%	0.8%
Bitou	0.6%	0.3%	0.1%
Knysna	0.6%	0.6%	0.4%
Central Karoo	***2.8%***	***0.2%***	***0.1%***
Laingsburg	0.6%	0.0%	0.0%
Prince Albert	0.6%	0.0%	0.0%
Beaufort West	1.5%	0.1%	0.1%

Source: (Quantec, 2020)

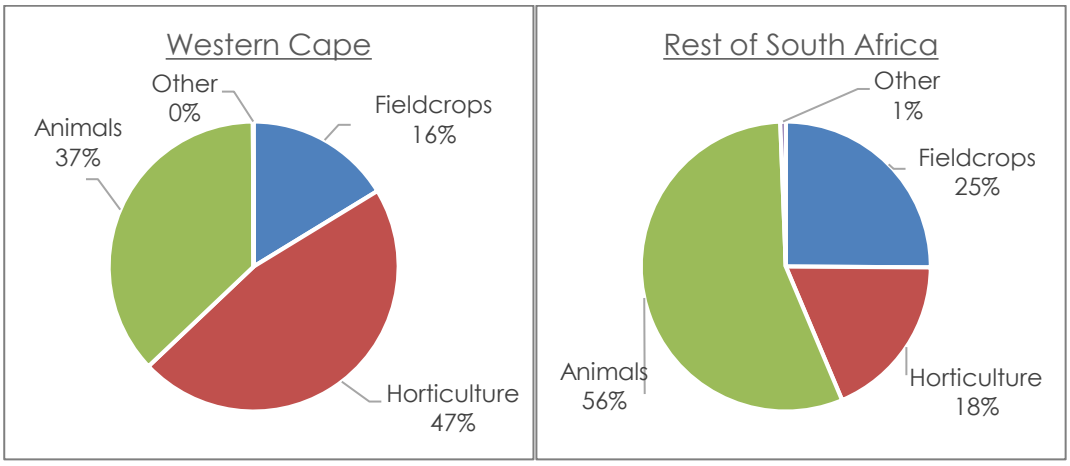
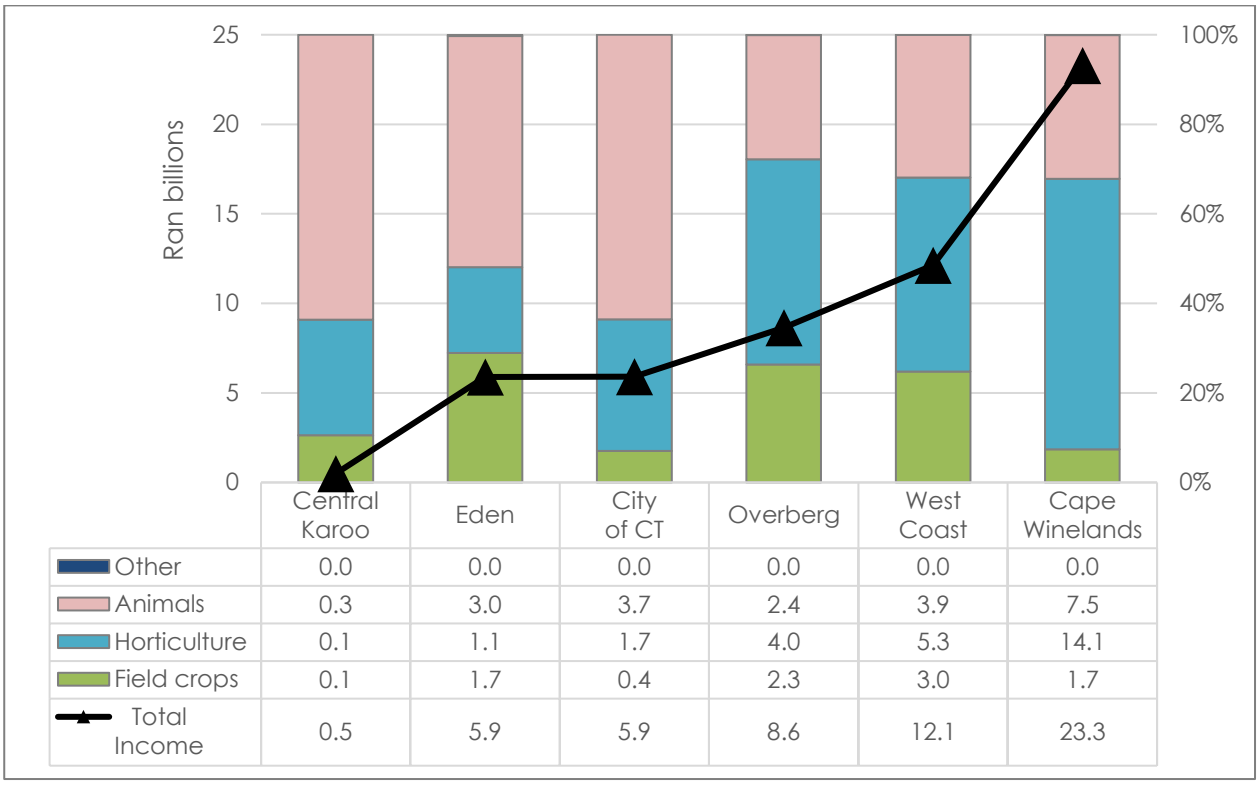


Figure 2.4: Breakdown of Gross Farm Income, Western Cape vs Rest of South Africa, 2017

Source: (Stats SA, 2020)

There are significant differences in the breakdown of farm income sources across the Western Cape's different districts as shown in Figure 2.5. Animal-based agriculture makes up more than 60% of farm income in the Central Karoo and the City of Cape Town, and more than 50% in Eden. These are also the three districts with the lowest total farm income together accounting for only 22% of total farm income in the Western Cape. The Cape Winelands alone accounts for 41% of total provincial farm income, over R23 billion, and also has the highest share of income attributable to horticultural activities where it accounts for more than 60%. The other two districts, Overberg and the West Coast, also have horticulture as the main farm activity accounting for 46% and 43% respectively, and together account for a further 37% of provincial gross farm income.



	Central Karoo	Eden	City of CT	Overberg	West Coast	Cape Winelands
Other	0.0	0.0	0.0	0.0	0.0	0.0
Animals	0.3	3.0	3.7	2.4	3.9	7.5
Horticulture	0.1	1.1	1.7	4.0	5.3	14.1
Field crops	0.1	1.7	0.4	2.3	3.0	1.7
Total Income	0.5	5.9	5.9	8.6	12.1	23.3

Figure 2.5: Breakdown of Gross Farm Income by District, 2017
Source: (Stats SA, 2020)

Summary Points

- The Western Cape Agricultural Sector contracted by 13% in 2019.
- Positive real growth observed in the province's food, beverages and tobacco sector
- Continued relative decline in the importance of the Western Cape in the national agricultural sector, but still a major contribution.
- The Western Cape is more dependent on horticultural production than the rest of South Africa.
- The Cape Winelands is a predominantly horticultural area, accounting for 60% of farm income in the district. It is also the main agricultural area in the province, accounting for 33.5% of provincial agricultural GVA.

3. AGRICULTURAL LAND

In 2017, there were approximately 2 million hectares of land recorded as being under crop production in the WC. Of this, 338 588 hectares (17%) was being used for wheat. The remaining areas were farmed with the following top 10 crops in the province as shown graphically in Figure 3.1: wine grapes (91 221 ha), canola (90 523 ha), barely (86 670 ha), rooibos tea (58 996 ha), apples (21 512 ha), table grapes (13 095 ha), pears (10 711 ha), oranges (7 704 ha) and lupines (72 99 ha) respectively.

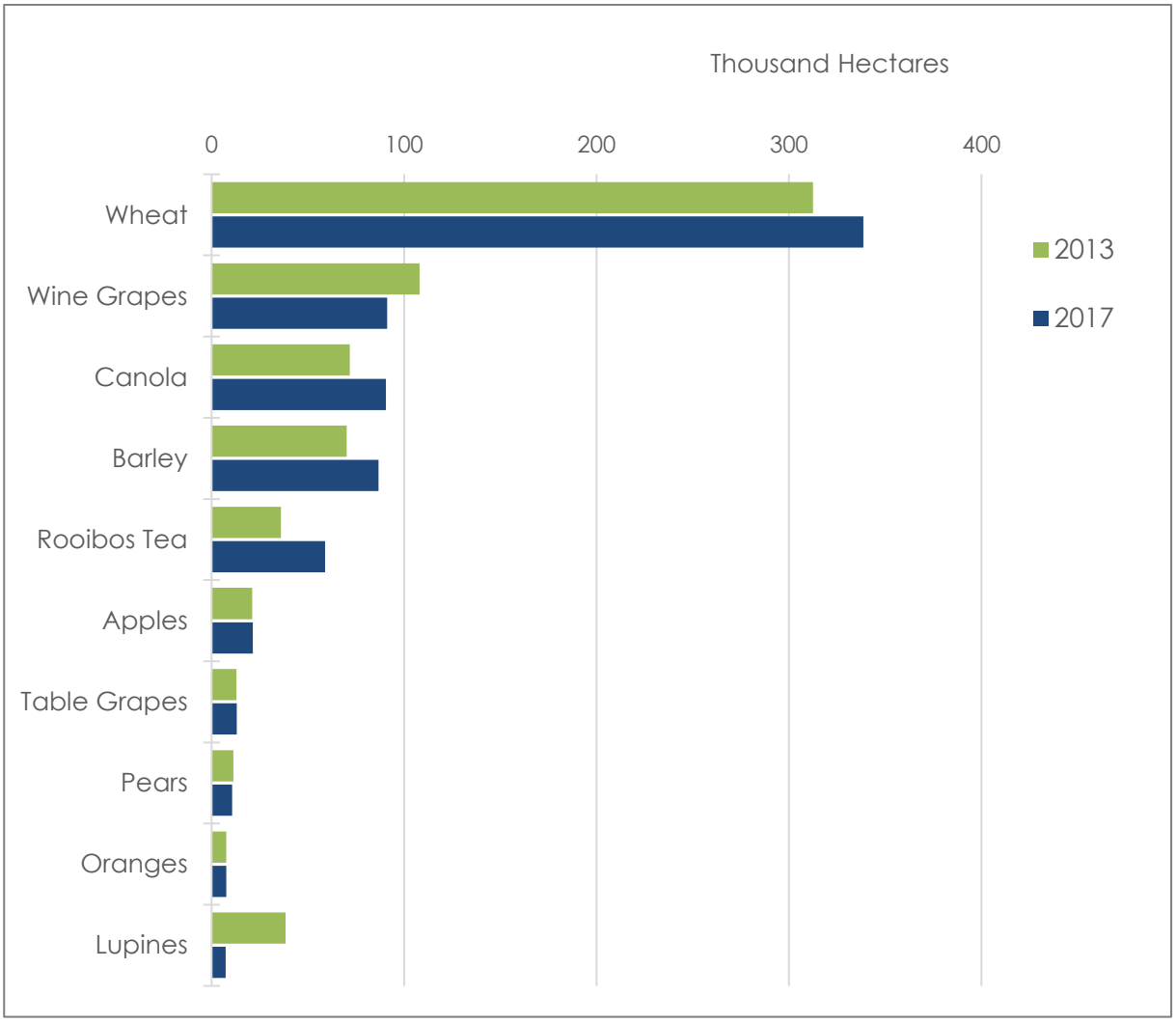


Figure 3.1: Top 10 WC Crops by Area Planted, 2013 vs 2017
Source: (WCDoA, 2018)

Table 3.2 shows the breakdown of areas under broad crop groups in the Western Cape. Most of the province's grain crops, oilseeds and lupines are grown in the West Coast (35%) and the Overberg (30%). The West Coast also has the largest recorded area used to grow vegetables (36%), and almost the entire area used for producing tobacco, teas and hops (99%), mainly due to this being the major rooibos growing region. More than half of the province's orchards are located in the Cape Winelands district (57%). Table 2 below illustrates broad crop categories grown in each WC municipality for the 2017-2018 growing season.

Table 3.2: Geography of WC Crops Planted, 2017

	Grains, Oil Seeds, Lupines	Vegetables	Orchards	Tobacco, Teas & Hops	Total
Cape Town	***16 012***	***1 588***	***6 072***	***0***	***23 672***
City of Cape Town	16 012	1 588	6 072	0	23 672
Cape Winelands	***27 252***	***4 297***	***104 075***	***13***	***135 637***
Breede Valley	105	472	24 124	0	24 702
Drakenstein	16 300	435	18 354	8	35 098
Langeberg	2 754	386	23 470	0	26 610
Stellenbosch	150	155	15 001	0	15 306
Witzenberg	7 943	2 849	23 125	5	33 921
Central Karoo	**15**	**510**	**1 058**	**0**	**1 583**
Beaufort West	15	33	187	0	235
Laingsburg	0	329	328	0	657
Prince Albert	0	148	543	0	691
Garden Route	**78 284**	**2 594**	**7 540**	**633**	**89 052**
Bitou	1	4	110	5	121
George	1 140	1 122	2 952	467	5 681
Hessequa	70 810	100	783	4	71 697
Kannaland	2	353	2 759	20	3 134
Knysna	255	67	38	0	361
Mossel Bay	6 056	282	473	6	6 817
Oudtshoorn	21	666	424	130	1 242
Overberg	***199 002***	***401***	***20 814***	***97***	***220 315***
Cape Agulhas	66 878	4	377	58	67 317
Overstrand	2 022	59	1 296	37	3 414
Swellendam	60 283	92	3 001	1	63 377
Theewaterskloof	69 819	246	16 141	1	86 207
West Coast	***211 241***	***7 207***	***41 674***	***58 925***	***319 047***
Bergrivier	72 188	2 349	5 793	15 790	96 120
Cederberg	6 152	3 424	11 345	33 972	54 892
Matzikama	47	962	10 812	8 336	20 157
Saldanha Bay	23 660	57	42	806	24 564
Swartland	109 194	416	13 682	21	123 313
Total Western Cape	**531 792**	**16 087**	**180 175**	**59 668**	**787 722**

** Note: Table excludes extensive grazing areas*

Source: (WCDoA, 2018)

There is evidence to suggest that agricultural land sales have historically been fairly price responsive. Figure 3.3 below shows the amount of land (ha) transferred through the private markets between 2009 and 2019, and the average price of the transactions (Rand per hectare, converted into real 2019 prices). Generally, the two series move reverse, with land transferred increasing when the real price has gone down and decreasing when the price goes up. It is no surprise that the past year did not follow this trend as the recent drought would be expected to lead to a decline in the productive value of agricultural land, which could potentially bring the price down without a corresponding increase in demand. In 2019 the real average price of land transferred in private land markets was R13 947 per hectare,

6.2% lower than the average price in 2018 when converted to 2019 prices. At the same time the number of hectares transferred fell to 437 thousand hectares, 16.2% lower than in 2019.

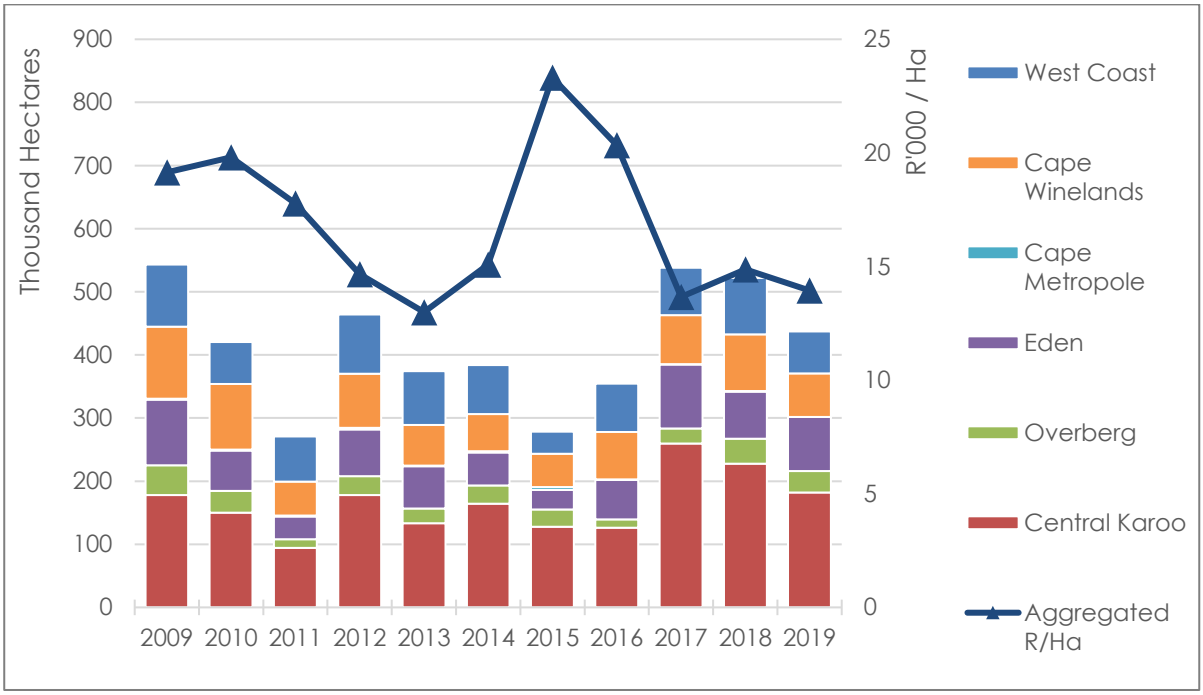


Figure 3.3: Agricultural Land Transferred and Aggregate Value (2019 prices), 2009-2019
Source: (WCDoA, 2020b)

The number of transactions also fell in 2019 where there were a total of 778 transactions, 139 less than the previous year. In line with the recent trend, the largest district share of total transactions was in the Eden District (39%), followed by the Cape Winelands (21%). There has been a divergence in the trends of the two districts over the decade observed as the Cape Winelands's share has gradually declined, along with the West Coast, with an increasing share taking place in Eden and the Overberg.

Table 3.4: Number of Agricultural Land Transactions by District, 2009-2019

	Central Karoo	Overberg	Eden	Cape Metropole	Cape Winelands	West Coast	Total
2009	100	144	361	28	277	159	1 069
2010	84	114	257	20	254	153	882
2011	41	72	138	18	158	93	520
2012	101	117	285	29	213	155	900
2013	65	88	242	13	170	143	721
2014	65	112	249	33	174	127	760
2015	47	87	203	42	142	91	612
2016	50	87	325	24	211	143	840
2017	87	97	328	5	207	147	871
2018	74	147	312	10	224	150	917
2019	69	118	301	2	161	127	778

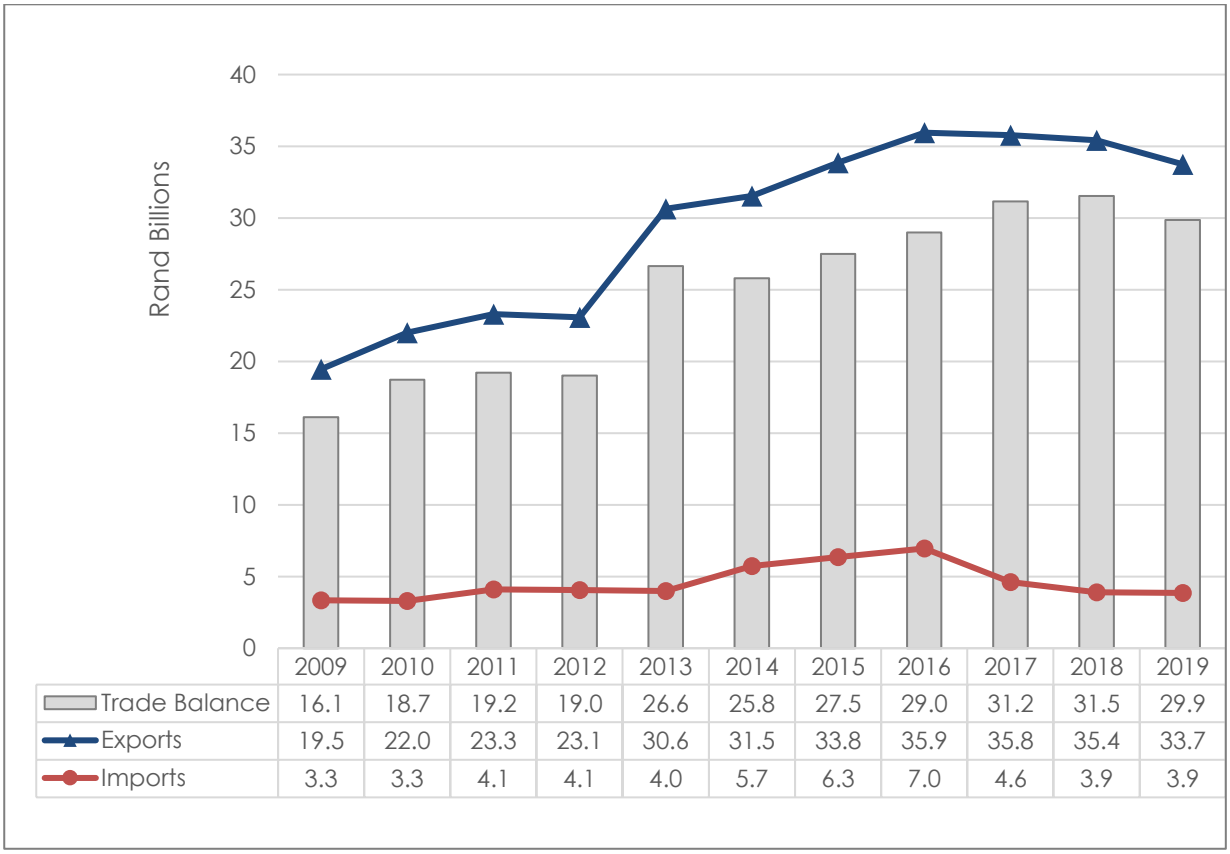
Source: (WCDoA, 2020b)

Summary points

- In 2017 approximately 2 million hectares of agricultural land was under crop production in the province, with a significant share of the land used for wheat production (17%), followed by wine grapes, canola, barley, rooibos tea, apples, table grapes, pears and oranges.
- In terms of regions in the province, most of the grain crops, oilseeds and lupines are grown in the West Coast (35%) and the Overberg (30%).
- The West Coast also has the largest recorded area used to grow vegetables (36%), and almost the entire area used to produce tobacco, teas and hops combined (99%).
- More than half of the province's orchards are located in the Cape Winelands district (57%).
- There was a decline in the both the average price of land and in the number of land transactions on the private market in the Western Cape for 2019.

4. AGRICULTURAL TRADE

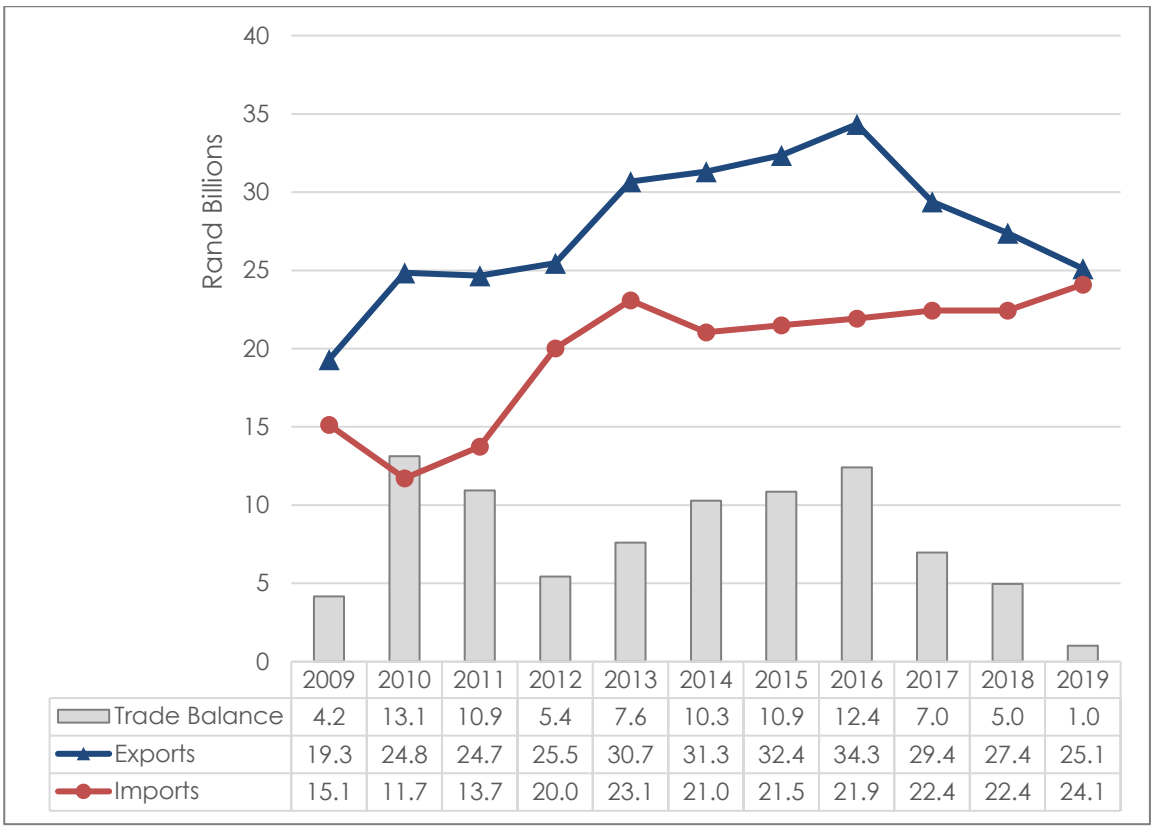
Over most part of the past ten years, despite a real decline in the economic output of the Western Cape (WC) agricultural sector, agricultural exports have grown strongly. At the same time, agricultural imports have remained relatively stable, which has resulted in a widening trade balance for the sector as seen in Figure 4.1 below. The last few years have seen a buck against this trend with exports and the trade balance narrowing slightly in real terms. Despite the drop, WC agricultural exports still totalled R33.7 billion in 2019, higher than any year prior to 2015 and far higher than imports of R3.9 billion.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trade Balance	16.1	18.7	19.2	19.0	26.6	25.8	27.5	29.0	31.2	31.5	29.9
Exports	19.5	22.0	23.3	23.1	30.6	31.5	33.8	35.9	35.8	35.4	33.7
Imports	3.3	3.3	4.1	4.1	4.0	5.7	6.3	7.0	4.6	3.9	3.9

Figure 4.1: WC Agricultural Trade, 2009-2019 (2019 prices)
Source: (Quantec, 2020)

Despite the good economic performance of the food, beverages and tobacco (FBT) sector over the past ten years, there have not been the same gains in global trade observed for primary agriculture. As shown in Figure 4.2, exports of FBT products grew strongly between 2009 and 2016, but imports of these products also grew resulting in a modest and relatively flat trade balance. Since 2016 there has been a continual decline in the value of exports, which have eroded the positive trade balance that was there. In 2019 exports from the sector totalled R25.1 billion and imports totalled 24.1 billion.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trade Balance	4.2	13.1	10.9	5.4	7.6	10.3	10.9	12.4	7.0	5.0	1.0
Exports	19.3	24.8	24.7	25.5	30.7	31.3	32.4	34.3	29.4	27.4	25.1
Imports	15.1	11.7	13.7	20.0	23.1	21.0	21.5	21.9	22.4	22.4	24.1

Figure 4.2: WC Food, Beverages & Tobacco (FBT) Trade, 2009-2019 (2019 prices)
Source: (Quantec, 2020)

The WC's share in national agricultural exports did not change much from 2018 to 2019, where it stood at 49%. This is slightly lower than the average over the past 10 years but still highly significant accounting for almost half of all South African agricultural exports. The province's share in national agricultural imports also stayed relatively constant totalling 18% in 2019. The Western Cape's shares in both these trade flows are illustrated graphically in Figure 4.3.

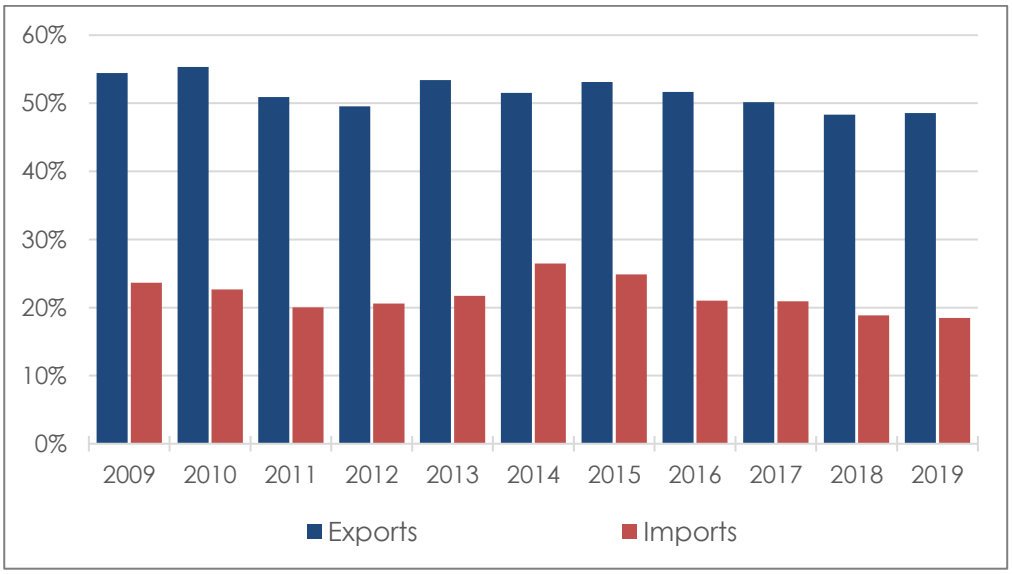


Figure 4.3: WC Share in National Agricultural Trade, 2009-2019
Source: (Quantec, 2020)

As WC FBT exports have been declining in real terms, so too has the province's share in national exports. In 2019 the WC's share in national FBT exports stood at 35%, still very significant but far below the 44% recorded only a few years prior in 2016. At the same time, the WC has become increasingly responsible for South Africa's FBT imports with the province's share rising from 23% in 2010 to 34% in 2019. The annual Western Cape import and export flows for the FBT sector are provided in Figure 4.4.

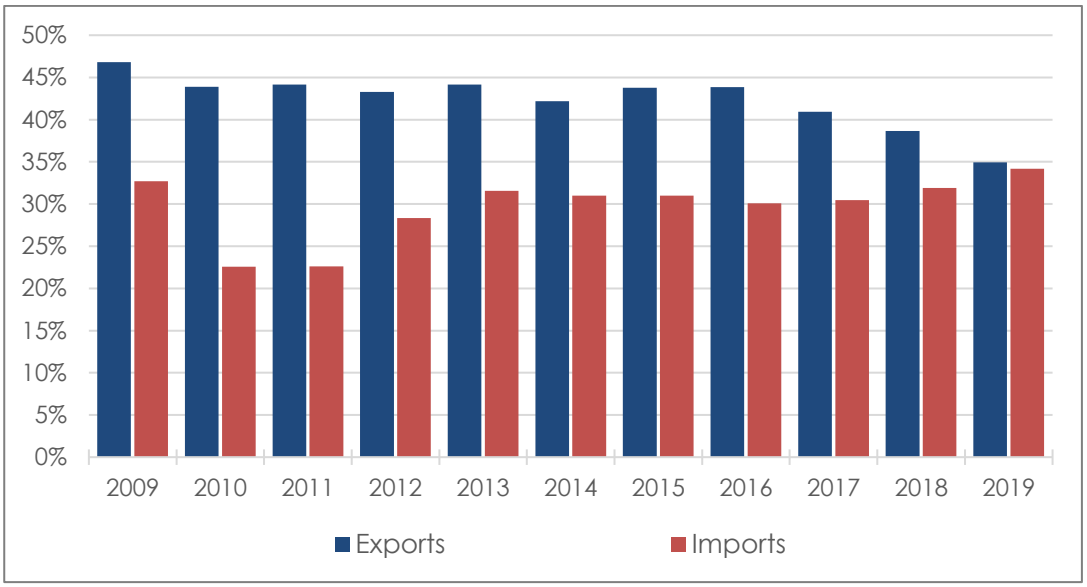


Figure 4.4: WC Share in National FBT Trade, 2009-2019
Source: (Quantec, 2020)

Figure 4.5 compares the top 10 export destinations for agricultural goods in 2019 with the breakdown a year prior. The main three export destinations, the Netherlands, United Kingdom and China, retained their relative position. However, the combined share of exports going to these regions declined slightly from 35% to 33%. This decline in share was spread fairly evenly across the three destinations.

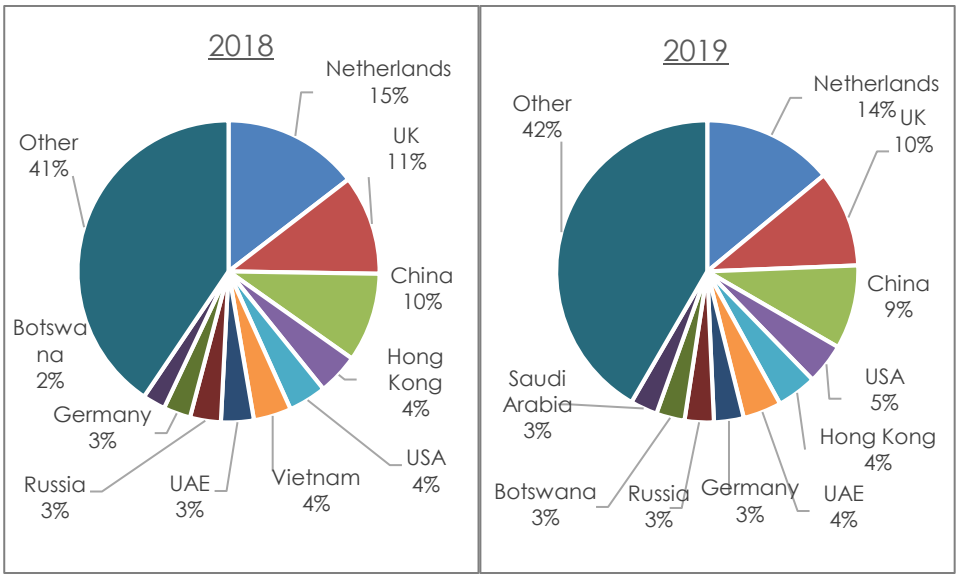


Figure 4.5: WC Agricultural Export Destinations - Countries, 2018 vs 2019
Source: (Quantec, 2020)

There was a large increase in WC agricultural exports to Africa in 2019. This is evident from an increase in the share of agricultural exports rising from 15% to 19% in one year. The diversification of exports away from dependence on Europe towards markets in Africa and Asia had already been observed in the Western Cape over the past decade (Partridge & Morokong, 2018). It is interesting to note in recent years the share of exports going to Asia has also now declined in favour of African markets. Despite becoming significantly less important in recent times, Europe remains the biggest export destination, accounting for 42% of all exports as shown in Figure 4.6 below.

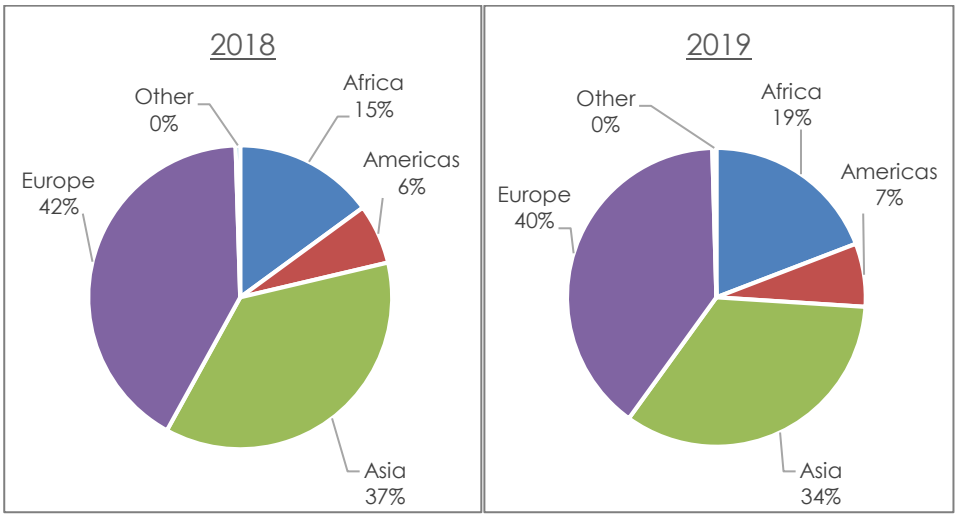


Figure 4.6: WC Agricultural Export Destinations - Regions, 2018 vs 2019
Source: (Quantec, 2020)

Africa destinations dominated the exports of FBT products from the WC, broken down graphically for 2018 and 2019 in Figure 4.7. In total six of the top ten export destinations for FBT exports in 2019, and all of the top four destinations, were African countries. The top 3 destinations, Botswana, Namibia and Mozambique, collectively accounted for 30% of exports in 2019.

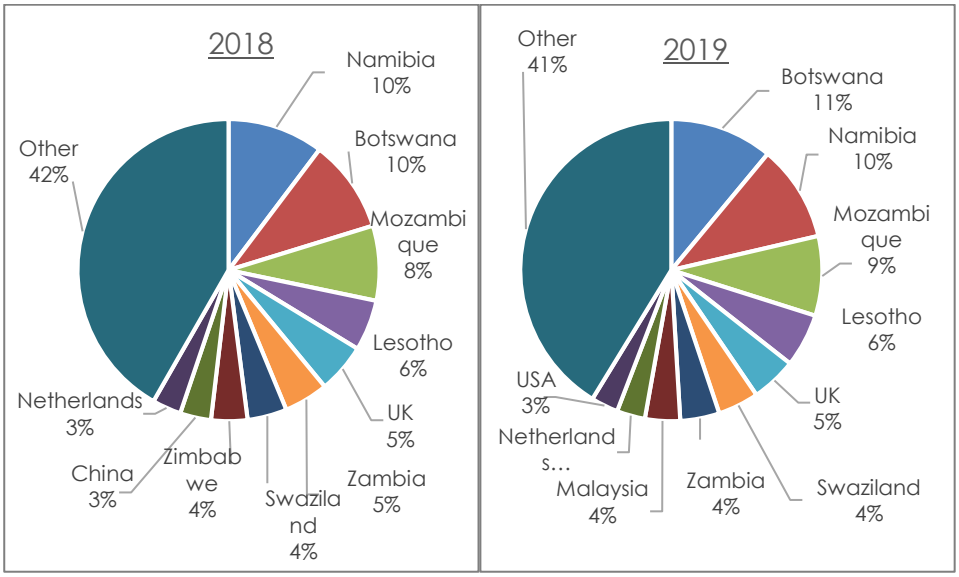


Figure 4.7: WC Top FBT Export Destinations - Countries, 2018 vs 2019
Source: (Quantec, 2020)

The regional breakdown of FBT exports did not change significantly between 2018 and 2019 as can be seen from the graphical representation in Figure 4.8. Despite falling slightly, Africa remained the overwhelming major destination, accounting for 58% of all exports from the sector in 2019.

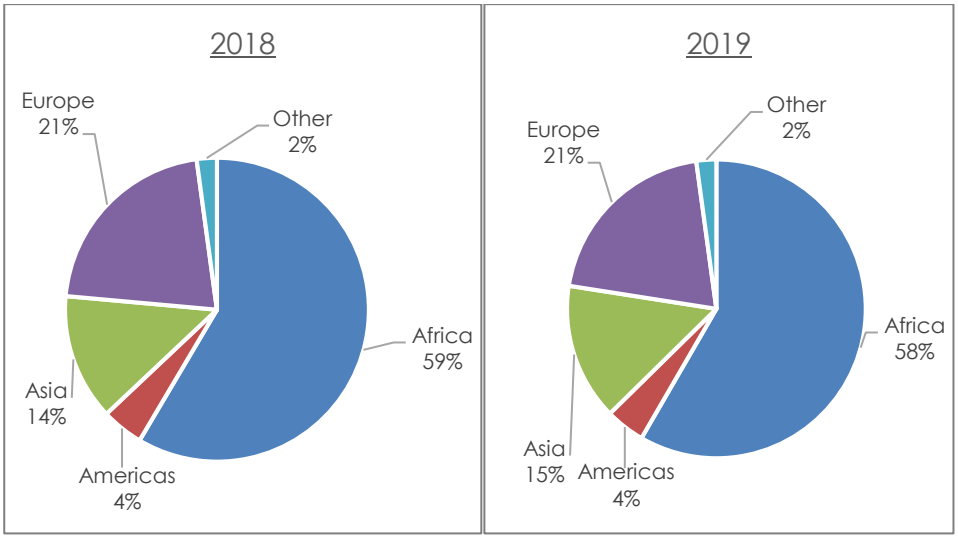


Figure 4.8: WC Top FBT Export Destinations - Regions, 2018 vs 2019
Source: (Quantec, 2020)

There was more volatility in the breakdown of agricultural imports into the WC in Figure 4.9. The list of countries making up the top ten origins did maintain a degree of consistency with seven of the top ten in 2018 remaining in the top ten for 2019. Additionally Namibia remained the top origin across both years, albeit at a lowered share. Asides from this most countries shifted significantly in terms of their relative positions within the top ten. Impressive growth was noted particularly for the value of imports from Germany, Argentina and USA. On the other hand Russia and Zimbabwe, the second and third biggest origins in 2018 respectively, experienced a significant decline of their relative share in imports.

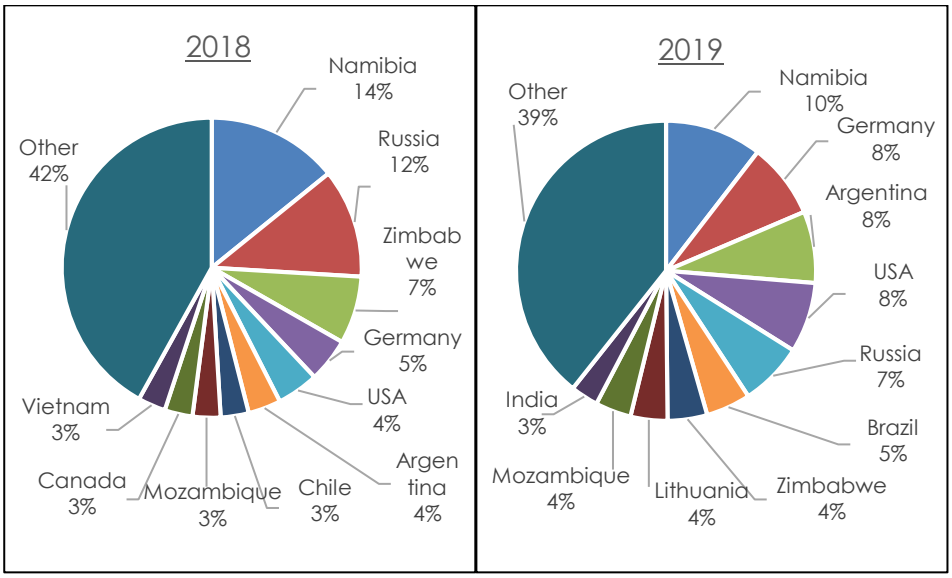


Figure 4.9: WC Agricultural Import Origins - Countries, 2018 vs 2019
Source: (Quantec, 2020)

In the past year there was a slight shift in the regional breakdown of agricultural import origins into the WC in Figure 4.10. Specifically, there was a decline in the share of imports from Africa and Asia, which in turn was made up by a rise in imports attributable to the Americas. In 2019, 30% of imports came from both Europe and Africa, with the Americas' share increasing from 18% in 2018 to 24% in 2019. It should be noted that this is a part-reversal of the trend of the past 10 years where the America's and Asia's share in imports had been dropping sharply in favour of Africa and Europe (Partridge & Morokong, 2018).

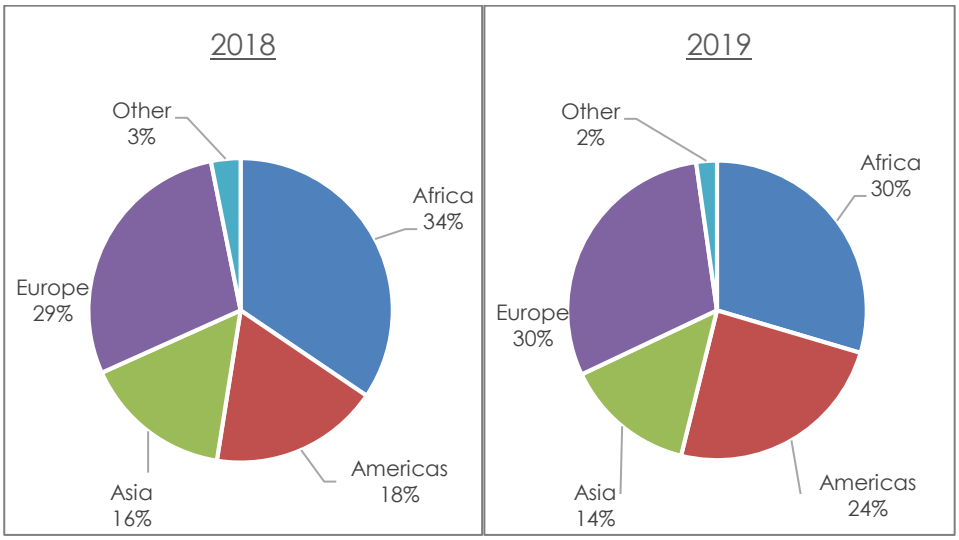


Figure 4.10: WC Agricultural Import Origins - Regions, 2018 vs 2019
Source: (Quantec, 2020)

The import origins of FBT products into the WC, broken down in Figure 4.11, did not change significantly from 2018 to 2019. Thailand remained the biggest importer, accounting for 10% of the total for both years. Brazil was second in 2018 but dropped down to the sixth biggest for 2019.

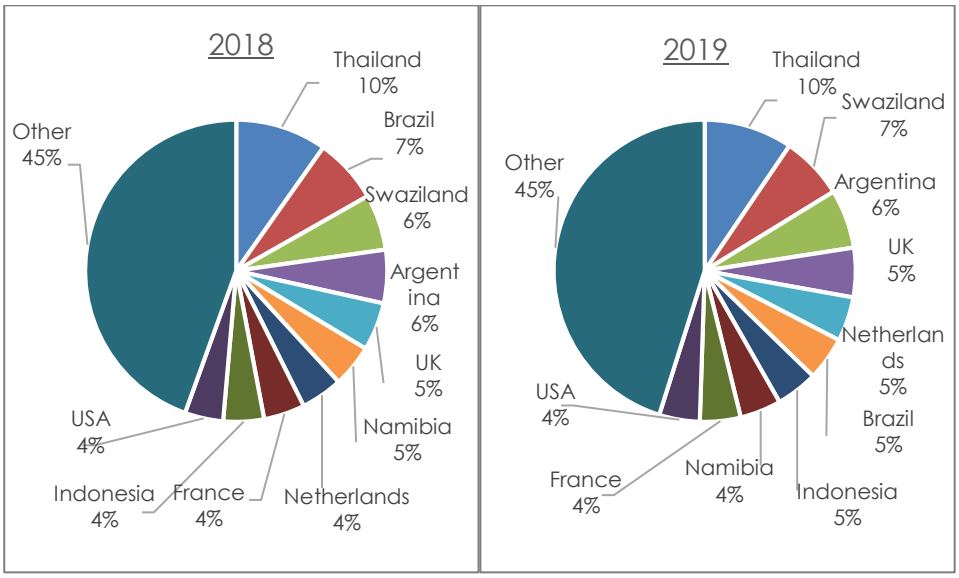


Figure 4.11: WC FBT Import Origins - Countries, 2018 vs 2019
Source: (Quantec, 2020)

The observed stability in FBT imports is also evident in the aggregated regional breakdown of import origins in Figure 4.12. Europe remains the biggest regional importer, accounting for 37%, followed by Asia with 27%. There was only a slight one percentage point drop in the shares attributable to Asia and "Other", and a two percentage point rise in the share of imports from Europe.

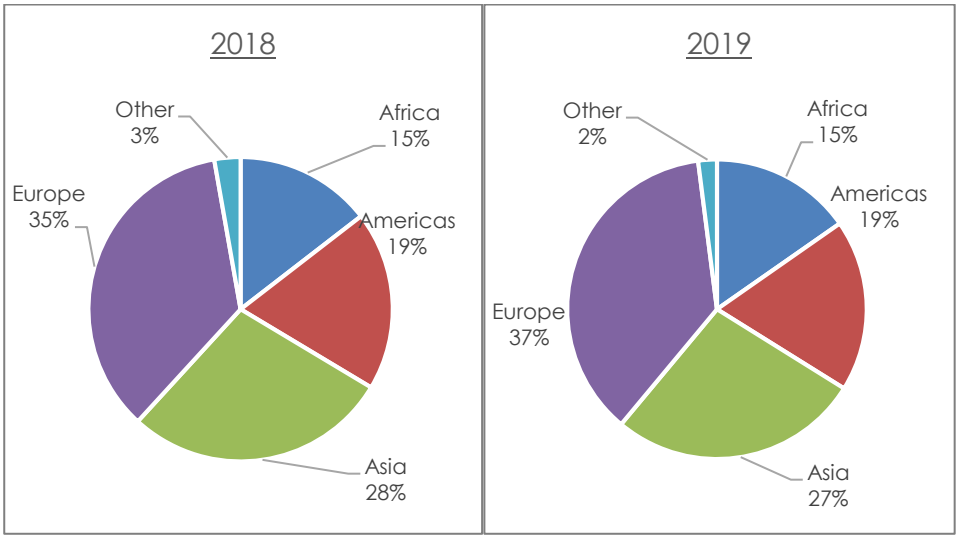


Figure 4.12: WC FBT Import Origins - Regions, 2018 vs 2019
Source: (Quantec, 2020)

Shifts in export and import market preferences are partly in response to the relative attractiveness of different global markets, but is also an outcome of changing supply and demand for specific commodities. The rest of this section looks at value of exports at the specific HS6-digit product level. The high level of product specification allows for certain agri processing products to be identified which fall under other manufacturing sub-sectors, such as textiles and furniture, where they could not previously be identified at aggregated product levels. Agriculture and agri processing is thus broadly taken to include a range of agriculture, forestry, fisheries and agri processing products. Specifically all products falling under codes HS01-HS24; HS41-HS48; and HS50-HS53 (Pienaar & Partridge, 2015). For the rest of this section "agricultural" will be used to refer to all agricultural and agri processing products as defined here. Table 4.13 shows the main WC agricultural exports for 2019, as well as the real growth experienced for the past year.

Two years of negative growth for bottled wine exports have resulted in falling from the main export in 2017 (Partridge & Morokong, 2018) to only the third highest in 2019. Table grapes, the second biggest export in 2018 (Partridge, et al., 2019), became the biggest WC agricultural export in 2019 accounting for 9.8% of all agricultural exports. Oranges fell from the top spot after a poor year in global markets where exports fell by almost 20% in real terms. The growth in blueberry exports in recent years has been particularly impressive. Exports of this commodity from the WC grew at 46% in 2017 (Partridge & Morokong, 2018), 53% in 2018 (Partridge, et al., 2019), and now 39% in 2019, even after the impact of inflation has been removed.

Table 4.13: Biggest WC Agricultural and Agri Processing Exports by Value, 2019

#	HS6	Description	Exports 2019	Share 2019	Real Growth 2018-2019
1	080610	Table grapes	6 317 361 525	9.77%	0.35%
2	080510	Oranges	5 801 759 106	8.97%	-19.49%
3	220421	Bottled wine	5 768 930 571	8.92%	-7.47%
4	080810	Apples	4 559 803 299	7.05%	0.80%
5	080521	Soft citrus	2 989 020 818	4.62%	10.26%
6	080830	Pears	2 427 512 136	3.75%	-0.12%
7	080550	Lemons & limes	2 007 515 526	3.10%	6.74%
8	220429	Bulk wine (> 10l containers)	1 837 606 510	2.84%	-22.64%
9	030474	Hake fillets	1 764 731 844	2.73%	1.36%
10	240220	Cigarettes	1 642 396 385	2.54%	4.69%
11	081040	Blueberries	1 526 882 186	2.36%	38.56%
12	080540	Grapefruit	1 133 021 671	1.75%	-20.47%
13	220600	Maize	867 812 969	1.34%	15.79%
14	200870	Peaches & nectarines	812 785 495	1.26%	12.15%
15	230120	Fish meal	799 741 344	1.24%	-37.51%
16	200990	Mixed fruit juice	775 780 115	1.20%	-4.49%
17	080940	Plums	759 961 657	1.18%	-20.44%
18	121299	Fruit stones, kernels, etc.	748 069 757	1.16%	-29.44%
19	210690	Food preparations	655 489 020	1.01%	3.97%
20	030743	Frozen crayfish	631 155 350	0.98%	-34.44%
Other agricultural exports			20 830 884 386	32.22%	-

Source: (Quantec, 2020)

There were some other commodities where growth in exports was particularly noticeable, albeit usually from a very small base. The fastest growth rates over the past ten years are provided in Table 4.14, along with the share in total WC agricultural exports. It is worth noting particularly the inclusion of cotton, which has been growing extremely fast and now makes up a significant total annual value of R90 million.

Rice imports were the big mover in terms of agricultural imports into the WC for 2019 in Table 4.15, increasing in real terms by 190% from 2018 when it was only the eighth biggest to take up the biggest share in imports for 2019 (6.5%). Beer imports also grew substantially over the year to become a close second (6.2%). The growth in gin imports should also be taken note of, increasing by 73% in 2019 to break into the top twenty imported products. Other commodities experiencing strong growth included tinned tuna, apple juice and frozen sardines.

Table 4.14: Fastest Growing WC Agricultural and Agri Processing Exports, 2009-2019

#	HS6	Description	Exports 2019	Share 2019	10yr Annual Real Growth
1	520100	Cotton, raw	89 543 518	0.14%	492.01%
2	481310	Cigarette paper: booklets	3 428 460	0.01%	188.90%
3	450190	Cork waste	543 721	0.00%	182.27%
4	151229	Cotton-seed oil	2 429 747	0.00%	181.46%
5	190520	Gingerbread products	3 980 403	0.01%	177.12%
6	110720	Roasted malt	1 856 994	0.00%	167.25%
7	020311	Pork carcases	17 997 851	0.03%	165.19%
8	510119	Greasy wool	2 784 219	0.00%	148.52%
9	170250	Solid fructose	172 953	0.00%	132.64%
10	480254	Natural paper	130 200	0.00%	128.29%
11	481320	Cigarette paper: rolls	3 579 784	0.01%	125.86%
12	240399	Other tobacco products	29 540 566	0.05%	112.60%
13	080231	Walnuts in shell	2 325 139	0.00%	102.23%
14	511190	Woven fabrics 50%-84% wool	48 218	0.00%	102.14%
15	020727	Frozen turkey cuts	1 521 090	0.00%	101.23%
16	440791	Oak planks >6mm thick	2 166 851	0.00%	97.94%
17	190430	Bulgar wheat	3 976 420	0.01%	92.03%
18	071140	Preserved gherkins	162 400	0.00%	86.84%
19	520511	Single cotton yarn <=MN14	145 205	0.00%	83.33%
20	030520	Preserved fish liver & roes	296 055	0.00%	82.83%

Source: (Quantec, 2020)

Table 4.15: Biggest WC Agricultural and Agri Processing Imports by Value, 2019

#	HS6	Description	Exports 2019	Share 2019	Real Growth 2018-2019
1	100630	Milled rice	2 373 830 446	6.54%	189.94%
2	220300	Beer	2 232 252 516	6.15%	37.25%
3	220830	Whisky	1 680 089 413	4.63%	4.57%
4	100199	Wheat	1 082 794 150	2.98%	13.82%
5	050400	Animal guts	1 065 278 589	2.94%	2.45%
6	160413	Tinned sardines	1 064 415 167	2.93%	-7.58%
7	030353	Frozen sardines	1 030 483 505	2.84%	20.85%
8	020714	Chicken offal, frozen	933 144 447	2.57%	-28.17%
9	200979	Apple juice, Brix > 20	913 531 263	2.52%	36.90%
10	240220	Cigarettes	846 267 513	2.33%	12.25%
11	160414	Tinned tuna	614 667 541	1.69%	42.13%
12	200969	Grape juice, Brix > 20	554 614 637	1.53%	0.90%
13	220210	Flavoured water	536 339 932	1.48%	0.92%
14	240120	Processed tobacco	525 289 760	1.45%	-3.63%
15	110720	Roasted malt	466 841 471	1.29%	15.02%
16	230910	Dog & cat food	388 762 998	1.07%	-17.07%
17	220850	Gin	376 945 410	1.04%	72.52%
18	030474	Hake fillets	372 945 641	1.03%	-11.70%
19	030617	Frozen shrimps & prawns	364 862 263	1.01%	-28.36%
20	420292	Plastic-coated leather articles	363 502 176	1.00%	14.27%
Other agricultural imports			18 492 623 162	50.97%	-

Source: (Quantec, 2020)

Again looking at the growth rates of agricultural imports regardless of the base amount, Table 4.16 shows that artificial fur products had the highest growth rate of 159%. This was followed closely by cocoa paste and cotton linters. It is worth noting the increase in bulk wine imports over a year when bulk wine exports were shown to have fallen so drastically (see Table 4.13).

Table 4.16: Fastest Growing WC Agricultural and Agri Processing Imports, 2009-2019

#	HS6	Description	Exports 2019	Share 2019	10yr Annual Real Growth
1	430400	Artificial fur products	2 245 397	0.01%	158.90%
2	180310	Cocoa paste - not defatted	32 338 410	0.09%	149.96%
3	140420	Cotton linters	14 425 255	0.04%	141.68%
4	070200	Tomatoes	3 057 317	0.01%	135.03%
5	040590	Dairy fats	2 525 148	0.01%	129.56%
6	151211	Sunflower oil	6 474 281	0.02%	129.29%
7	071040	Sweetcorn	6 146 488	0.02%	108.05%
8	080232	Shelled walnuts	13 342 247	0.04%	105.06%
9	110811	Wheat starch	2 197 625	0.01%	101.16%
10	530890	Vegetable yarn	655 864	0.00%	96.34%
11	220429	Bulk wine (> 10l containers)	168 216 118	0.46%	94.16%
12	060311	Roses	12 056 925	0.03%	91.46%
13	121020	Processed hops	36 987 202	0.10%	86.35%
14	450200	Natural cork	2 443 531	0.01%	83.65%
15	210500	Ice cream	20 546 116	0.06%	81.56%
16	040291	Unsweetened dairy concentrate	4 863 087	0.01%	81.52%
17	521151	Cotton - plain weave	427 021	0.00%	77.91%
18	071332	Adzuki beans	14 563	0.00%	77.31%
19	050690	Bones and bone products	171 331	0.00%	77.23%
20	070410	Cauliflower & broccoli	6 340 196	0.02%	76.53%

Source: (Quantec, 2020)

Summary points

- Poor export performance halted the Western Cape's growing agricultural trade balance, which remained substantial at almost R30 billion (exports = R34 billion, imports = R4 billion).
- The main three export destinations in 2018, the Netherlands, United Kingdom and China, retained their relative position for 2019. However, the combined share of exports going to these regions declined slightly from 35% to 33%.
- There was a large increase in the share of WC agricultural exports going to Africa in 2019, up to 19% from 15% one year prior.
- Food, beverage and tobacco exports declined again in 2019 resulting in the deterioration of the province's positive trade balance for the sector
- The neighbouring nations of Botswana, Namibia and Mozambique and Lesotho continue to be the main export destination for the province's food, beverage and tobacco exports, accounting for approximately 36% of the Province's exports.

- The UK is the most important market for food, beverages and tobacco exports outside of Southern Africa.
- Table grapes became the province's biggest agricultural export in 2019 after falling exports of wine and citrus. Blueberries had continued strong export performance.
- There was substantial growth in the main two agricultural imports: rice and beer.

5. AGRICULTURAL EMPLOYMENT

Despite the economic contractions experienced in economic output, there was a continuation of the employment recovery which began in 2018 (Partridge, et al., 2019). Seasonally adjusted employment in the WC agricultural sector, measured through four period moving averages in Figure 5.1, increased from 188 thousand to 209 thousand over the duration of 2019, an addition of 22 thousand jobs (11.6% increase). This also led to an increase in the agricultural sector's share in total Western Cape employment, from 7.4% to 8.0%.

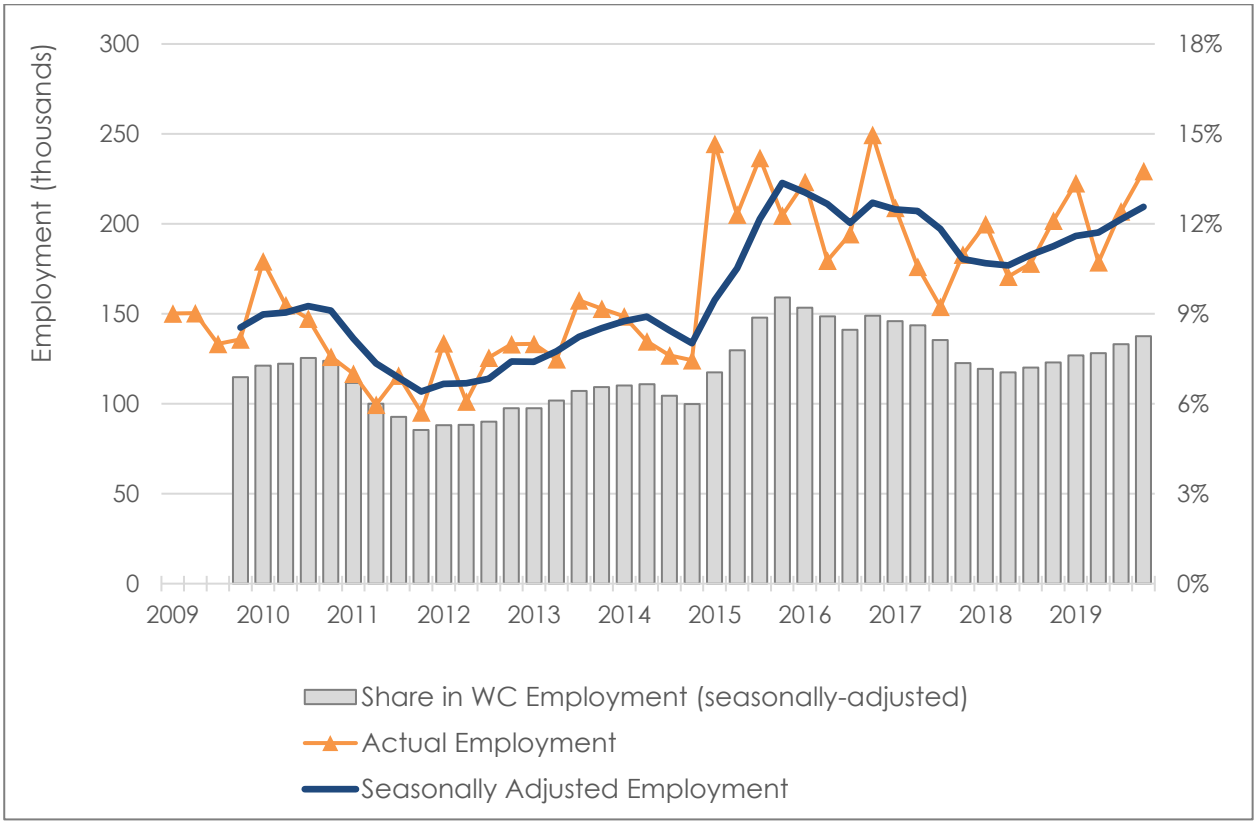


Figure 5.1: WC Employment in Agriculture, 2009-2019
Source: (Stats SA, 2020b)

There was also employment growth in the food, beverages and tobacco (FBT) sector over 2019. Seasonally adjusted employment in the sector, shown in Figure 5.2, increased from 110 thousand to 122 thousand, an addition of 12 thousand jobs (11.2% increase). Again, this led to an increase in the share of the sector in total provincial employment, from 4.3% to 4.8%. The seasonally adjusted trend for employment in the FBT sector ends off 2019 at the highest level since the Quarterly Labour Force Surveys started in 2008.

The good performance across food value chains can be further seen in the combined employment series in Figure 5.3, which also shows the province's share of employment in the national agricultural and FBT sectors. As the two sectors have grown in importance in the Western Cape economy, so too has the Western Cape grown in the importance of these sectors at the national level. Over 2019 the Western Cape's share in national

agricultural employment grew from 23.8% to 25.9%, and the province's share in national FBT employment grew from 29.9% to 31.8%.

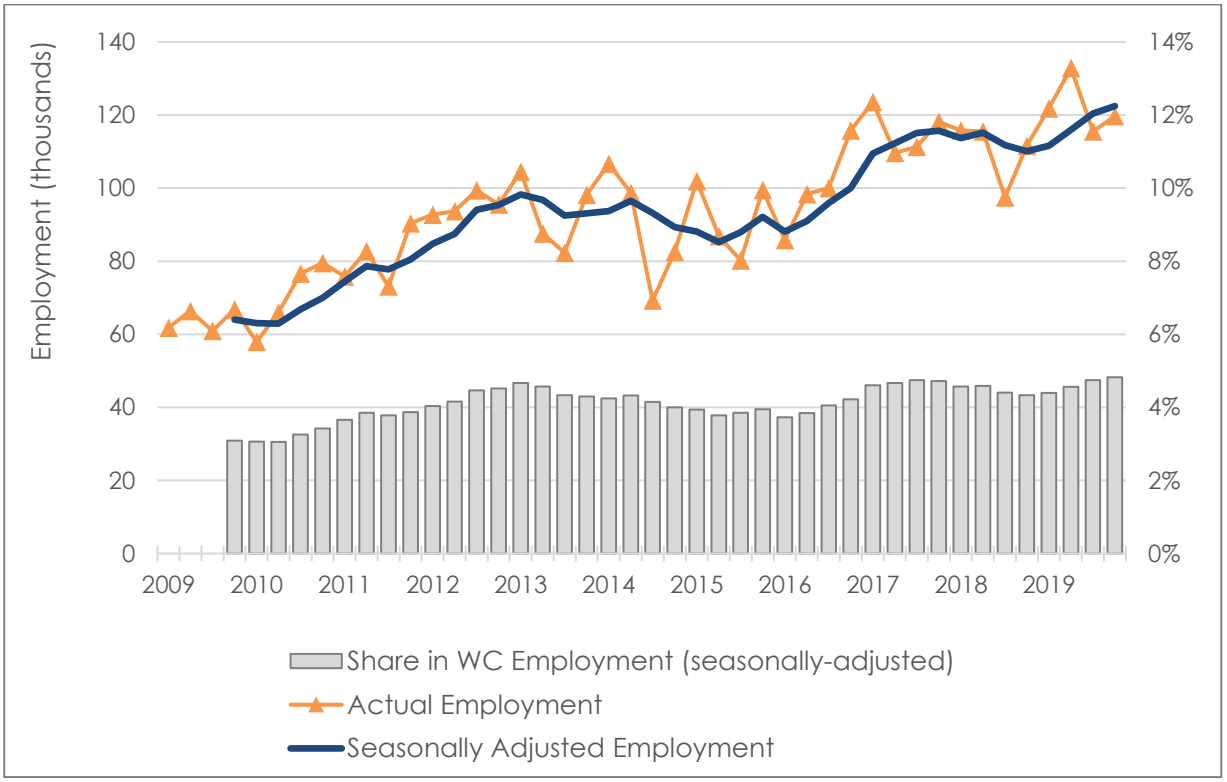


Figure 5.2: Western Cape Employment in Food, Beverages & Tobacco (FBT) 2009-2019
Source: (Stats SA, 2020b)

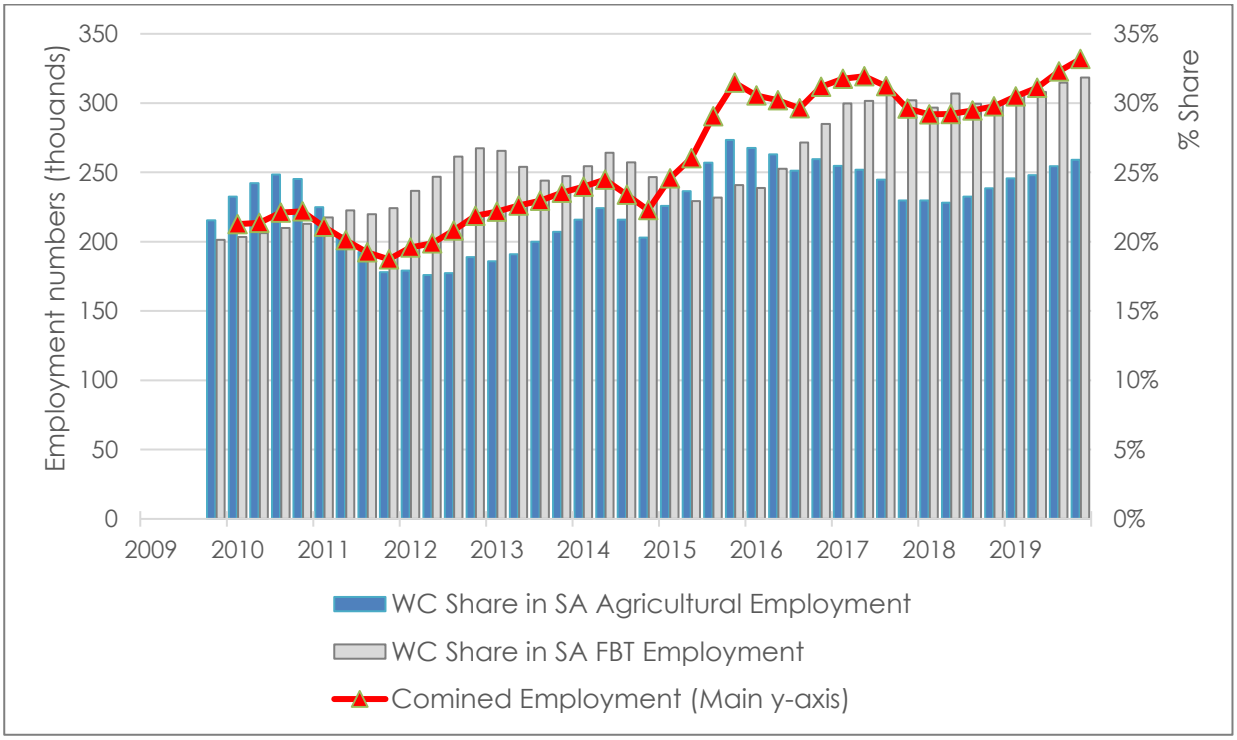


Figure 5.3: WC Share in National Sectoral Employment (seasonally adj.), 2009-2019
Source: (Stats SA, 2020b)

As employment has grown there have also been gains made in creating opportunities for disadvantaged groups to whom the country's National Development Plan (NPC, 2011) draws reference to, as highlighted in Table 5.4. In both the agricultural and FBT sectors there was an increase in employment of black[1] individuals bringing the share in the combined labour forces of the two sectors up from 90% to 93%. There were also increases in the shares of both sectors' labour force made up of youth from 46% to 48%. Whilst there was a slight decline in the share of the FBT labour force made up of women, significant gains in the agricultural sector meant that combined across the sectors, the female share in employment rose from 40% to 42%. The strong employment growth in the agricultural sector was largely rural driven, resulting in a significant rise in the share of agricultural workers living in rural areas. In the same way, but to a lesser extent, employment growth in the FBT sector was more concentrated in urban areas.

Table 5.4: Demographics of Western Cape Agricultural Employment, 2018 vs 2019

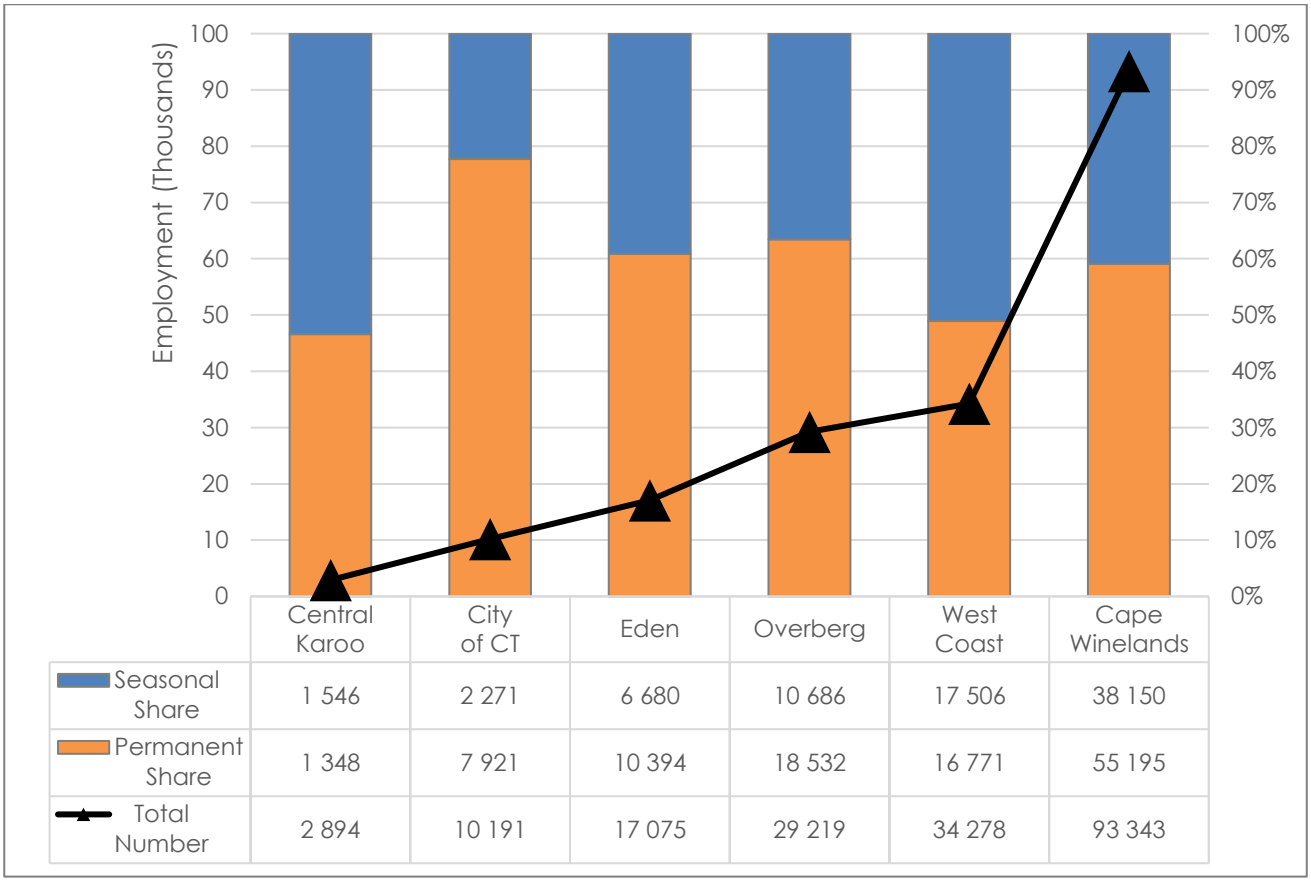
	Black	Female	Youth	Rural
Agriculture				
2018	91%	37%	47%	62%
2019	94%	39%	48%	70%
Relative Change	*2.6%*	*2.6%*	*1.2%*	*8.0%*
Food, Beverages and Tobacco				
2018	89%	46%	46%	4%
2019	90%	46%	48%	2%
Relative Change	*1.4%*	*-0.8%*	*2.3%*	*-1.8%*
Combined				
2018	90%	40%	46%	39%
2019	93%	42%	48%	45%
Relative Change	*2.2%*	*1.1%*	*1.6%*	*5.6%*

Source: (Stats SA, 2020b)

It is worth noting that over 2019 seasonally-adjusted, total employment for the Western Cape Province fell 14% with a loss of more than 6 thousand jobs. This makes the 34 thousand jobs created between the two combined agricultural sectors (agriculture + FBT) all the more impressive and important. As noted earlier, these jobs have also been created for previously disadvantaged target groups with a 33 thousand increase in jobs attributed to black individuals, 11 thousand increase in female jobs in the labour force, 29 thousand new jobs for rural dwellers and an increase of 25 thousand youth in the labour force over the two sectors.

[1] *"Black" is defined according to the Broad-Based Black Economic Empowerment (B-BBEE) Act of 2003 which states that "'black people' is a generic term which means Africans, Coloureds and Indians"* (RSA Presidency, 2003, p. 4). *The definition was amended in 2013 to include the qualification of being a South African citizen* (RSA Presidency, 2014). *The QLFS does not capture individuals' citizenship status so this analysis had to take the pre-amendment definition without the citizenship qualification*

Figure 5.5 gives the breakdown of agricultural employees in the Western Cape by district with the corresponding shares of employment being attributed to permanent full-time work and seasonal or part-time work. Almost half of all employees are located in the Cape Winelands District with the West Coast and Overberg together accounting for an additional third. The share of seasonal or part-time employment varies across the districts from a low of 22% for the City of Cape Town, to as much as 51% and 53% for the West Coast and Central Karoo respectively.



	Central Karoo	City of CT	Eden	Overberg	West Coast	Cape Winelands
Seasonal Share	1 546	2 271	6 680	10 686	17 506	38 150
Permanent Share	1 348	7 921	10 394	18 532	16 771	55 195
Total Number	2 894	10 191	17 075	29 219	34 278	93 343

Figure 5.5: Breakdown of Western Cape Agricultural Employees by District, 2017
Source: (Stats SA, 2020)

Looking deeper at the municipal breakdown of agricultural employment in the Western Cape in Figure 5.6 reveals that Witzenberg is the municipality with the highest share of agricultural employment (14%), followed by Breede Valley (13%), both situated in the Cape Winelands District. The third biggest employer at the municipal level is Theewaterskloof in the Overberg District (10%).

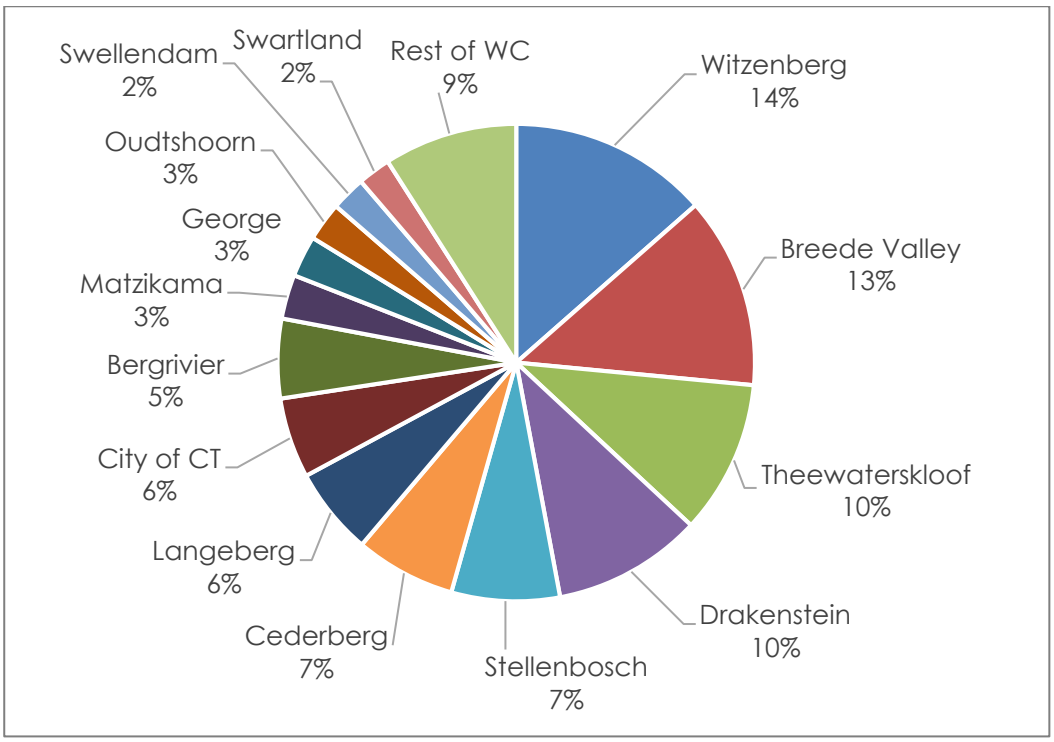


Figure 5.6: Breakdown of Western Cape Agricultural Employees by Municipality, 2017
Source: (Stats SA, 2020)

Summary points

- Combined the agriculture (22 thousand) and the food, beverages and tobacco industries (12 thousand) created 34 thousand new jobs in 2019.
- There were increases in the share of the combined agriculture and food, beverages and tobacco labour force attributable to black employees, females, the youth and rural dwellers.
- Almost half of all farm employees are located in the Cape Winelands District, with the West Coast and Overberg together accounting for an additional third

6. SUBSISTENCE FARMING

Subsistence farming is an important part of livelihoods in both rural and urban areas, although rural dwellers are more reliant on it compared with their urban counterparts. Figure 6.1 shows the weighted number of households in the Western Cape who were recorded as partaking in agricultural activities outside of paid employment for each year between 2009 and 2019. Households where agricultural activities were for leisure purposes only were excluded so that the results show only those households farming for subsistence purposes or to sell their produce.

After three consecutive years of decline in the total number of households partaking in non-commercial agricultural activities, 2019 saw an increase of approximately six thousand households. This is an increase of more than 11% to bring the total to 52 533. This is significantly higher than the number recorded ten years prior in 2009, 37 278, but still significantly below the 71 303 recorded in 2015.

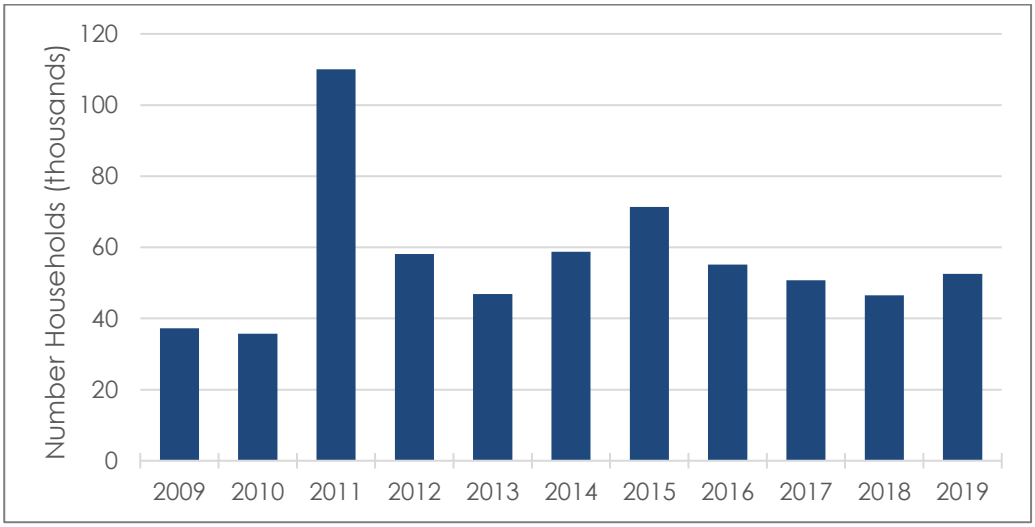
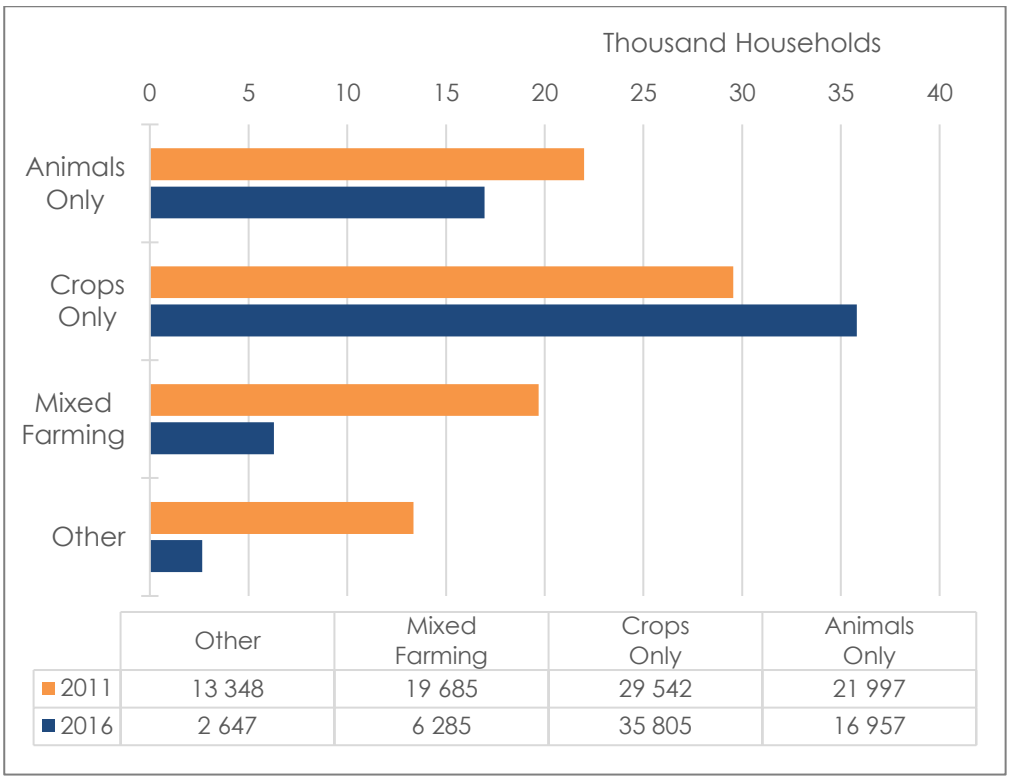


Figure 6.1: Households Involved in Non-Commercial Agriculture, 2009-2019
Source: (Stats SA, 2021)

When analysing Figure 6.1 above it is also important to consider the recent drought and subsequent water restrictions which has contributed to the decline in the number of households producing food since 2015.

Figure 6.2 compares the number of households in 2011 and 2016 in each classification of specific agricultural activities undertaken. Over these five years, there has been a decline in the number of households only rearing animals and an increase in the number growing only crops. There was also a decline in the number of households who farmed with animals and grew crops, as well the number of households whose activities do not fall within one of the three aforementioned groups. In 2016 more than half (58%) of agricultural households in the province exclusively grew crops. This is a relative increase from a share of 35% in 2011.



	Other	Mixed Farming	Crops Only	Animals Only
2011	13 348	19 685	29 542	21 997
2016	2 647	6 285	35 805	16 957

Figure 6.2: WC Agricultural Households by Activity, 2011 vs 2016
Source: (Stats SA, 2016)

Focusing on livestock activities, broken down by type in Figure 6.3, the decline was almost uniformly felt across the different livestock options. The exception was for households only farming pigs where there was a very slight increase from 947 to 965 over the 5 years.

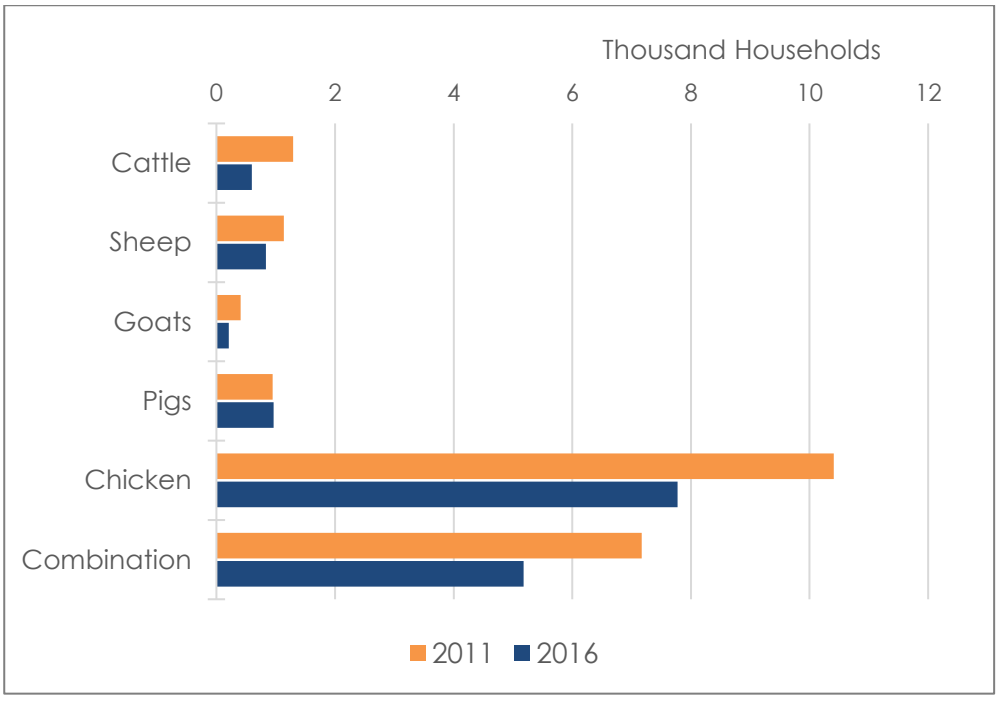


Figure 6.3: WC Livestock Households by Livestock Type, 2011 vs 2016
Source: (Stats SA, 2016)

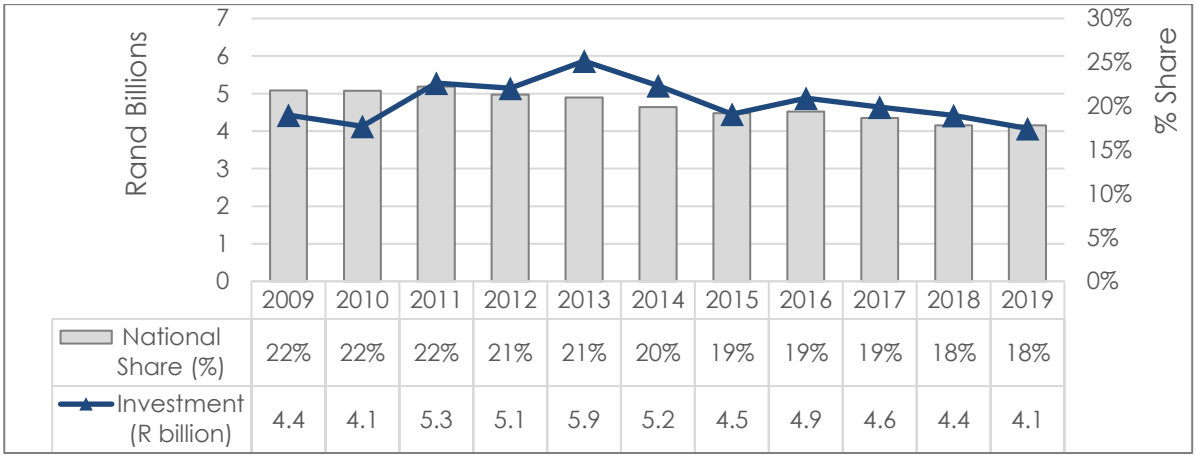
The biggest net decline was in households rearing chickens which fell from 10 411 to 7 773 (a decline of 2 638 households). However, it should be noted that this is from a large base as even with this drop the share in total households with livestock stood at 50% in 2016. The biggest relative decline was in cattle farming where the drop from 1 294 to 597 households worked out to a drop of 54%. Whilst it is hard to pinpoint the exact reason for these changes the onset of the drought nation-wide would be expected to play a role.

Summary points

- Subsistence farming remains an important part of livelihoods in both rural and urban areas but until 2019 had been on the decline since 2015.
- There was an increase of six thousand households involved in subsistence farming at the household level between 2018 and 2019.
- In 2016 more than half (58%) of agricultural households in the province exclusively grew crops. This is a relative increase from a share of 35% in 2011

7. INVESTMENT IN AGRICULTURE

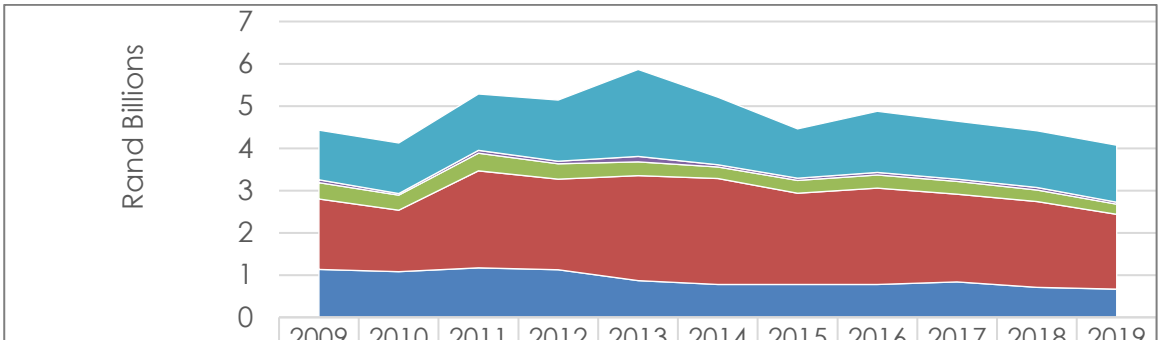
In real terms investment in Western Cape agriculture, shown below in Figure 7.1, continued its declining trend by falling to R4.1 billion in 2019, but maintained an 18% share in national agricultural investment. This was down from the real equivalent of R4.4 billion in 2018 and far lower than the R5.9 billion recorded in 2013.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
National Share (%)	22%	22%	22%	21%	21%	20%	19%	19%	19%	18%	18%
Investment (R billion)	4.4	4.1	5.3	5.1	5.9	5.2	4.5	4.9	4.6	4.4	4.1

Figure 7.1: Real Investment (GFCF) in WC Agriculture (2019 prices), 2009-2019
Source: (Quantec, 2020)

When investment in the sector is broken down by investment type as in Figure 7.2, there were declines across the board except for the research and exploration category where there was a small 0.5% real increase. The largest relative drop for the year of -24.7% was in information and communication investments in agriculture.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Research & exploration	1.17	1.20	1.33	1.45	2.05	1.60	1.16	1.45	1.37	1.34	1.35
Information & communication	0.07	0.04	0.07	0.06	0.13	0.06	0.05	0.06	0.05	0.06	0.05
Transport equipment	0.38	0.36	0.42	0.36	0.33	0.27	0.30	0.31	0.31	0.27	0.24
Machinery equipment	1.67	1.45	2.30	2.15	2.49	2.50	2.16	2.28	2.07	2.04	1.77
Building & construction	1.13	1.08	1.17	1.12	0.87	0.78	0.78	0.78	0.84	0.71	0.67

Figure 7.2: Real Investment (GFCF) in WC Agriculture by Nature (2019 prices), 2009-2019
Source: (Quantec, 2020)

The municipal breakdown of agricultural investment in the Western Cape is provided in Table 7.3. The majority of investment spending was in the Cape Winelands and the West Coast, accounting for 58.2% of the provincial total. It should be noted that the West Coast and City of Cape Town were the only districts with a real increase in agricultural investment between 2009 and 2019 (0.3% and 0.6% real growth per annum respectively).

Table 7.3: Geography of Agricultural Investment (GDFI), 2009-2019

	2009		2018		2019		10y Annual Growth
	Rm	Share	Rm	Share	Rm	Share	
City of Cape Town	**688**	**15.5%**	**779**	**17.6%**	**730**	**17.9%**	**0.60%**
City of Cape Town	688	15.5%	779	17.6%	730	17.9%	0.60%
West Coast	**975**	**22.0%**	**1 082**	**24.5%**	**1 006**	**24.7%**	**0.31%**
Matzikama	203	4.6%	257	5.8%	239	5.9%	1.64%
Cederberg	176	4.0%	165	3.7%	151	3.7%	-1.51%
Bergrivier	252	5.7%	277	6.3%	257	6.3%	0.20%
Saldanha Bay	53	1.2%	70	1.6%	66	1.6%	2.21%
Swartland	291	6.6%	314	7.1%	293	7.2%	0.07%
Cape Winelands	**1 615**	**36.5%**	**1 492**	**33.8%**	**1 364**	**33.5%**	**-1.67%**
Witzenberg	344	7.8%	334	7.6%	307	7.5%	-1.15%
Drakenstein	373	8.4%	360	8.1%	330	8.1%	-1.21%
Stellenbosch	244	5.5%	216	4.9%	197	4.8%	-2.11%
Breede Valley	390	8.8%	348	7.9%	317	7.8%	-2.04%
Langeberg	264	6.0%	234	5.3%	213	5.2%	-2.11%
Overberg	**527**	**11.9%**	**467**	**10.6%**	**426**	**10.5%**	**-2.10%**
Theewaterskloof	347	7.8%	306	6.9%	279	6.8%	-2.17%
Overstrand	52	1.2%	48	1.1%	44	1.1%	-1.69%
Cape Agulhas	49	1.1%	44	1.0%	40	1.0%	-1.94%
Swellendam	79	1.8%	70	1.6%	63	1.6%	-2.16%
Eden	**502**	**11.3%**	**471**	**10.7%**	**433**	**10.6%**	**-1.48%**
Kannaland	62	1.4%	55	1.2%	50	1.2%	-2.13%
Hessequa	104	2.3%	90	2.0%	81	2.0%	-2.41%
Mossel Bay	47	1.1%	42	1.0%	39	1.0%	-1.83%
George	152	3.4%	148	3.3%	136	3.3%	-1.10%
Oudtshoorn	88	2.0%	85	1.9%	78	1.9%	-1.28%
Bitou	24	0.5%	26	0.6%	24	0.6%	0.16%
Knysna	26	0.6%	27	0.6%	25	0.6%	-0.40%
Central Karoo	**121**	**2.7%**	**121**	**2.7%**	**112**	**2.8%**	**-0.78%**
Laingsburg	27	0.6%	26	0.6%	24	0.6%	-1.07%
Prince Albert	26	0.6%	27	0.6%	25	0.6%	-0.53%
Beaufort West	68	1.5%	68	1.5%	63	1.5%	-0.77%
Western Cape	***4 428***	***100.0%***	***4 414***	***100.0%***	***4 071***	***100.0%***	***-0.84%***

Source: (Quantec, 2020)

After five consecutive years of real decline in investment in the Western Cape's food, beverages and tobacco (FBT) sector as show in Figure 7.4, an annual increase of 3.1% meant that investment totalled R5.6 billion in 2019.

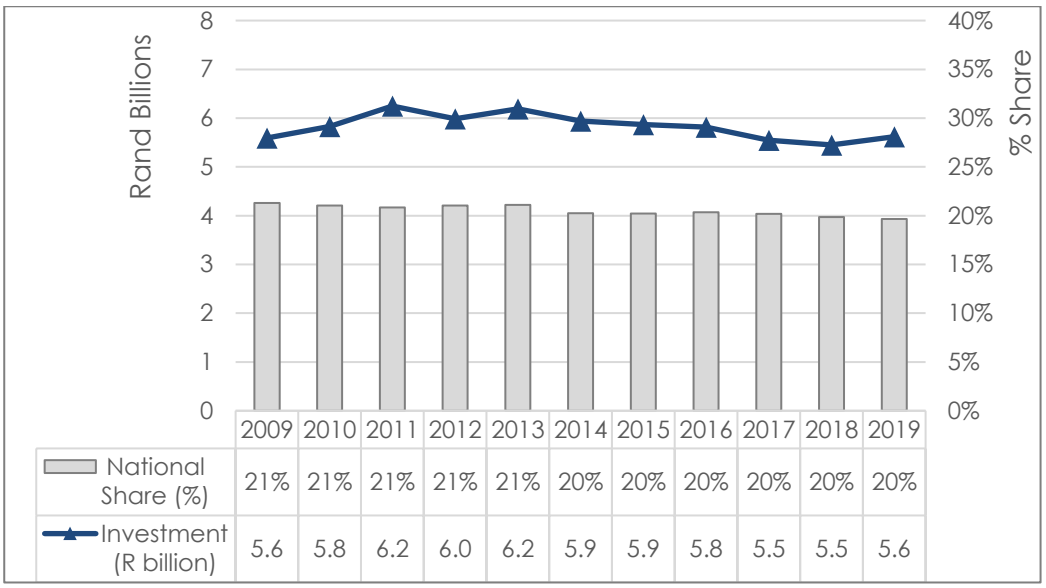


Figure 7.4: Investment (GFCF) in Western Cape FBT and National Share, 2009-2019
Source: (Quantec, 2020)

The increase in investment in the FBT sector was not reflected in investments in building and construction or in transport equipment which decreased in real terms by 13.2% and 7.4% respectively, continuing a decreasing trend which has occurred over the past decade. Investment in information and communication continued to grow impressively with a real annual growth rate of 14.7%. Research and exploration also added another positive year with a real annual growth rate of 4.3%, extending an upward trend observed over the past decade. Despite exhibiting a slight downward trend over the last ten years, the real value of investment in machinery equipment grew by 4.8% in 2019.

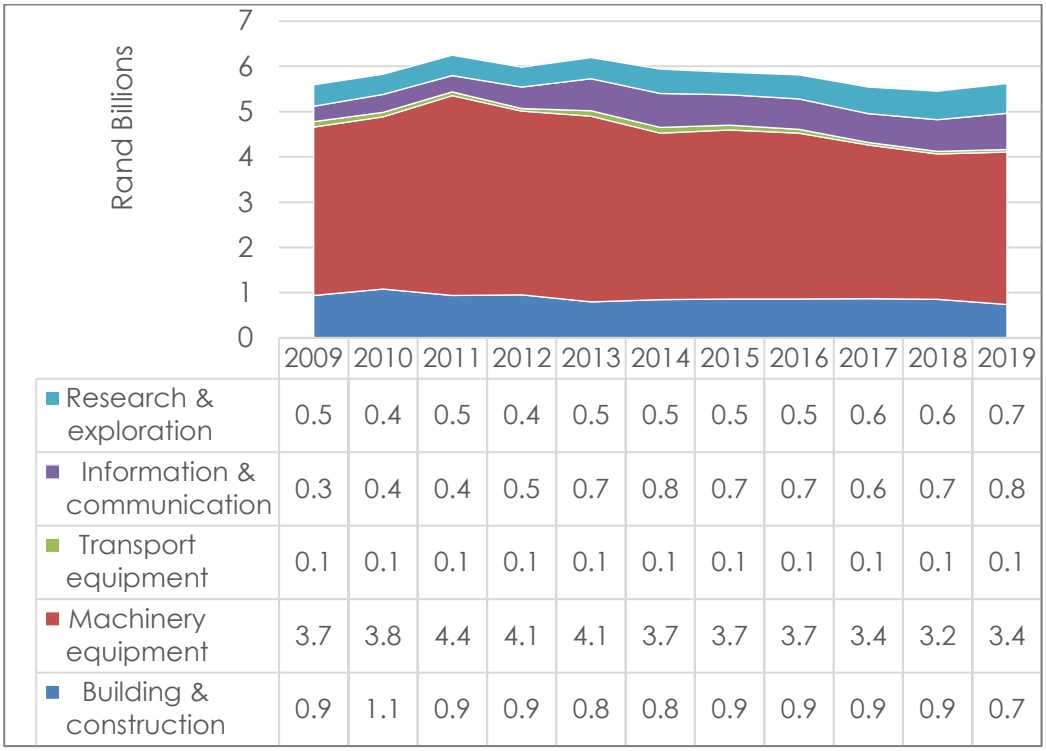


Figure 7.5: Investment (GFCF) in Western Cape FBT by Nature, 2009-2019
Source: (Quantec, 2020)

The geographic breakdown of FBT investment in the Western Cape in Table 7.6 is in line with the distribution of production with a strong concentration in the City of Cape Town. Over the past decade there has been a shift in the district shares of FBT investment away from the Cape Winelands in favour of the City of Cape Town, the West Coast and the Overberg.

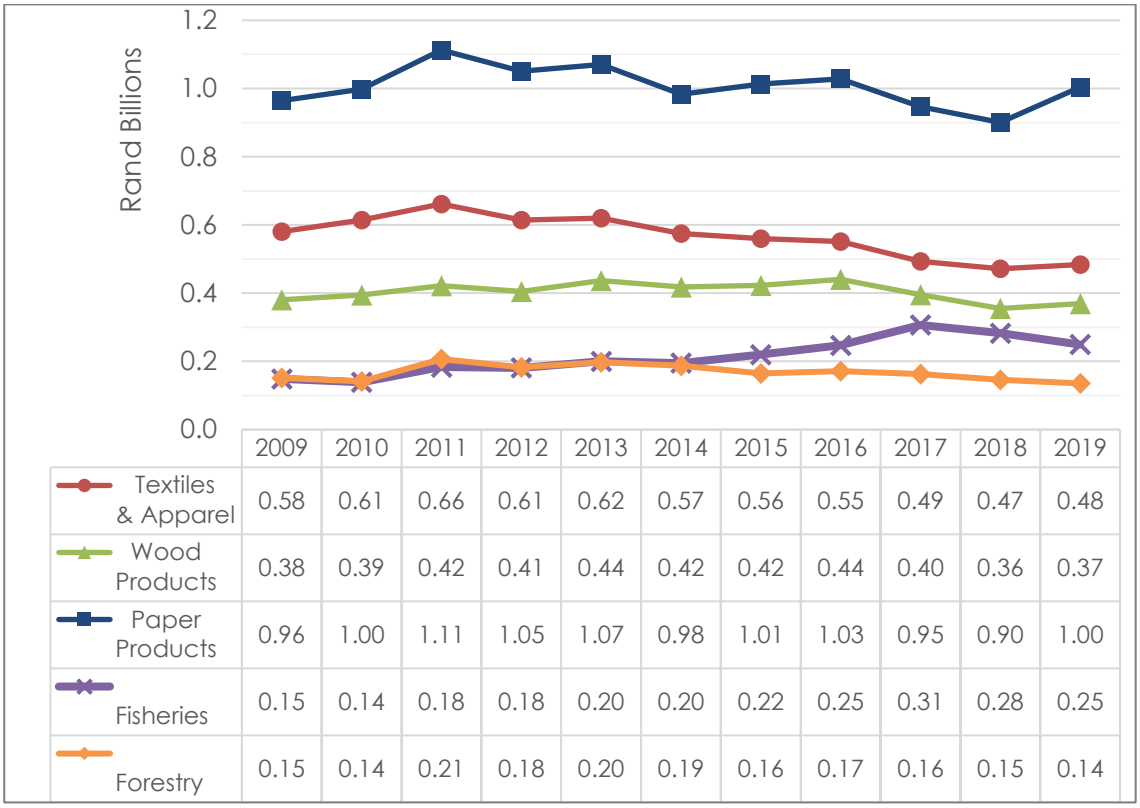
Table 7.6: Geography of FBT Investment (GDFI), 2009-2019

	2009		2018		2019		10y Annual Growth
	Rm	Share	Rm	Share	Rm	Share	
City of Cape Town	**3 075**	**55.0%**	**3 308**	**60.7%**	**3 457**	**61.5%**	**1.18%**
City of Cape Town	3 075	55.0%	3 308	60.7%	3 457	61.5%	1.18%
West Coast	**702**	**12.5%**	**793**	**14.5%**	**814**	**14.5%**	**1.49%**
Matzikama	78	1.4%	70	1.3%	70	1.2%	-1.06%
Cederberg	71	1.3%	87	1.6%	89	1.6%	2.24%
Bergrivier	100	1.8%	120	2.2%	122	2.2%	2.00%
Saldanha Bay	239	4.3%	252	4.6%	258	4.6%	0.75%
Swartland	213	3.8%	264	4.8%	274	4.9%	2.57%
Cape Winelands	**1 273**	**22.8%**	**803**	**14.7%**	**784**	**14.0%**	**-4.73%**
Witzenberg	128	2.3%	111	2.0%	112	2.0%	-1.29%
Drakenstein	448	8.0%	261	4.8%	254	4.5%	-5.51%
Stellenbosch	354	6.3%	200	3.7%	192	3.4%	-5.95%
Breede Valley	154	2.8%	122	2.2%	122	2.2%	-2.33%
Langeberg	189	3.4%	109	2.0%	104	1.9%	-5.79%
Overberg	**160**	**2.9%**	**181**	**3.3%**	**188**	**3.4%**	**1.67%**
Theewaterskloof	69	1.2%	77	1.4%	81	1.4%	1.56%
Overstrand	59	1.1%	61	1.1%	62	1.1%	0.50%
Cape Agulhas	16	0.3%	23	0.4%	24	0.4%	3.97%
Swellendam	15	0.3%	20	0.4%	21	0.4%	3.63%
Eden	**376**	**6.7%**	**358**	**6.6%**	**367**	**6.5%**	**-0.24%**
Kannaland	29	0.5%	18	0.3%	17	0.3%	-5.27%
Hessequa	24	0.4%	28	0.5%	29	0.5%	1.94%
Mossel Bay	69	1.2%	58	1.1%	58	1.0%	-1.68%
George	159	2.8%	159	2.9%	165	2.9%	0.37%
Oudtshoorn	62	1.1%	59	1.1%	60	1.1%	-0.36%
Bitou	10	0.2%	11	0.2%	11	0.2%	1.41%
Knysna	22	0.4%	25	0.5%	26	0.5%	1.51%
Central Karoo	**8**	**0.2%**	**8**	**0.1%**	**8**	**0.1%**	**-0.35%**
Laingsburg	0	0.0%	0	0.0%	0	0.0%	-3.89%
Prince Albert	2	0.0%	2	0.0%	2	0.0%	-0.52%
Beaufort West	6	0.1%	6	0.1%	6	0.1%	-0.17%
Western Cape	***5 594***	***100.0%***	***5 450***	***100.0%***	***5 618***	***100.0%***	***0.04%***

Source: (Quantec, 2020)

There are a number of other industries which are not exclusively agri processing, but have elements which would be considered agri processing due to involving the transformation of agricultural products. Real investments into five of these sectors is provided in Figure 7.7. There were real increases in 2019 in investments in textiles and apparel (2.5%); wood

products (3.9%); paper products (11.5%). There were real declines in investment in both the fisheries (-7.0%) and the forestry industries (-11.8%).



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Textiles & Apparel	0.58	0.61	0.66	0.61	0.62	0.57	0.56	0.55	0.49	0.47	0.48
Wood Products	0.38	0.39	0.42	0.41	0.44	0.42	0.42	0.44	0.40	0.36	0.37
Paper Products	0.96	1.00	1.11	1.05	1.07	0.98	1.01	1.03	0.95	0.90	1.00
Fisheries	0.15	0.14	0.18	0.18	0.20	0.20	0.22	0.25	0.31	0.28	0.25
Forestry	0.15	0.14	0.21	0.18	0.20	0.19	0.16	0.17	0.16	0.15	0.14

Figure 7.7: Investment (GFCF) in WC Sectors with Connections to Agriculture, 2009-2019
Source: (Quantec, 2020)

Summary points

- Investment in Western Cape Agriculture fell in real terms in 2019 after declines in all types of investment asides form a small increase in research and exploration.
- Most agricultural investments happen in the Cape Winelands, although there is a convergence as the West Coast and City of Cape Town are catching up.
- After several years of decline, investment in food, beverages and tobacco increased in real terms for 2019.
- Increasing investment in the food, beverages and tobacco sector was driven mainly by strong investments in information and communication and is increasingly concentrated in the City of Cape Town

8. AGRICULTURAL INFRASTRUCTURE

Production infrastructure is concentrated in different areas based on agricultural production in the region. Looking at the breakdown of infrastructure by municipality in Table 8.1, it is clear that the Cape Winelands is particularly well endowed in terms of infrastructure with the highest number of chicken batteries, homesteads, nurseries, piggeries and tunnels of all the districts.

Table 8.1: WC Agricultural Production Infrastructure, 2017

	City of CT	West Coast	Cape Winelands	Overberg	Eden	Central Karoo	WC Total
Airfields	7	39	21	20	16	26	129
Chicken Batteries	82	7	143	41	5	0	278
Dams*	1 154	3 159	4 494	4 857	6 215	2 613	22 492
Feedlots	4	7	5	11	18	6	51
Homesteads	1 201	9 191	13 958	6 315	3 697	3 159	37 521
Nurseries	30	17	64	26	8	2	147
Piggeries	8	18	31	7	3	1	68
Shade Netting	42	673	388	207	62	5	1 376
Tunnels	25	73	93	36	3	1	231

** 2013 data used*
Source: (WCDoA, 2018)

The West Coast is also well endowed with agricultural production infrastructure, particularly with regards to airfields and shade netting where the district's share in the provincial total stands at 30% and 49% respectively. Eden has the highest number of dams, thanks largely to the high number of dams in Hessequa and George municipalities, and the highest amount feedlots.

Moving away from the infrastructure necessary for production to look at facilities where different agricultural products can be processed, Table 8.2 shows the number of various processing facilities at the district level. Again different facilities are concentrated in different areas depending on what is produced locally, highlighting how the development of agri processing facilities can aid in the development of local producers.

Once again the Cape Winelands is very well set up with the highest number of pack houses, distilleries, fruit packers, cool chain facilities, olive cellars and unsurprisingly given the district name, wine cellars. The cellars have a particularly high concentration in the Cape Winelands which is home to 66% of the province's wine cellars and 66% of the province's olive cellars. It should be noted that the facilities with high concentrations in the Cape Winelands are mostly aimed at processing fruit.

The highest concentrated observed is in terms of tea processing facilities where 96% of all processing facilities are in the West Coast District. This is the only product with the highest concentration in the West Coast District. The City of Cape Town boasts the highest number of breweries (61%) and millers (42%). The Overberg has the highest number of silos (37%),

although only slightly higher than Eden (30%). Eden itself has the highest number of crush pens/dip tanks (41%) and dairies (50%). The Central Karoo has the most abattoirs (25%), but again only slightly higher than Eden (20%).

Table 8.2: WC Agricultural Processing Infrastructure (number), 2017

	City of CT	West Coast	Cape Winelands	Overberg	Eden	Central Karoo	WC Total
Abattoirs	7	10	9	8	12	15	61
Crush pens/Dip tanks	65	426	162	372	975	381	2381
Dairies	23	35	41	118	215	0	432
Packhouses	5	135	294	176	39	34	683
Silos	5	15	8	34	28	2	92
Brewery	31	2	15	2	1	0	51
Distillery	2	0	5	1	1	0	9
Fruit Packers	3	37	115	36	1	1	193
Cool Chain	36	32	66	36	1	1	172
Millers	10	3	7	2	2	0	24
Olive Cellar	6	3	42	6	2	5	64
Wine Cellar	54	24	309	64	13	3	467
Tea Processing	0	72	1	1	1	0	75
Other Facilities	94	32	37	36	19	4	222

Source: (WCDoA, 2018)

Summary points

- The Cape Winelands District is well endowed with agricultural production infrastructure when compared to other districts in the Western Cape. It has the highest number of chicken batteries, homesteads, nurseries, piggeries and tunnels of all the districts.
- The Cape Winelands District is also the best endowed in terms of processing infrastructure with the highest of pack-houses, distilleries, fruit packers, cool chain facilities, olive cellars and unsurprisingly given the district name, wine cellars.

9. DOMESTIC MARKET

The number of households in the WC has increased as the population has expanded (see Section 1: Overview of the Western Cape). Figure 9.1 shows the number of households and average households size between 2009 and 2019 in the WC. In 2019, there was a recorded 1.93 million households in the province. The increase from only 1.48 million households in 2009 implies that each year on average an additional 45 548 households are added to the province. Between 2018 and 2019 there were an additional 55 703 households added. As the number of households has been increasing in the province, there has been a slight decline in the average household size in recent years. However the data shows a buck to this trend in 2019 with the average household size increasing from 3.19 in 2018 to 3.51.

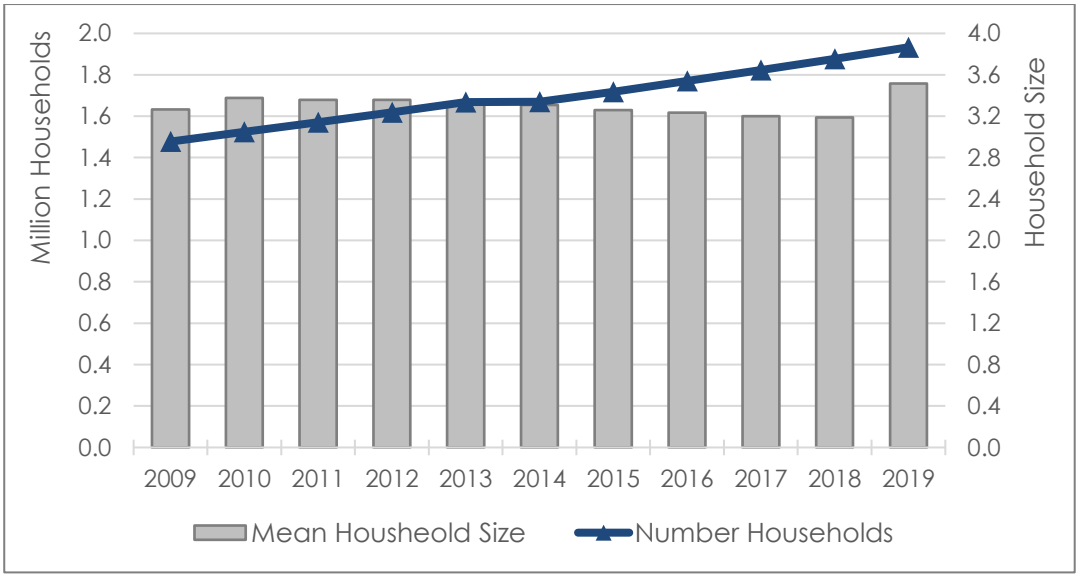


Figure 9.1: Number Households and Average Household Size, 2009-2019
Source (Stats SA, 2021)

Figure 9.2 shows the number of households by its expenditure bracket for 2009, 2014 and 2019. Due to the data only being provided in brackets, no conversion could be made with regards to inflation so values reflect nominal monetary values and thus some upward movement is expected. However, this is still a positive sign of avoiding the very undesirable case where poor households are not able to increase their incomes as inflation causes prices to rise.

From a food security perspective, the proportion of the WC population experiencing self-reported hunger at least sometimes had been on the rise from 2008 up until 2014/2015 where it appeared to peak and then begin to decline (Partridge, et al., 2019). South Africa's annual General Household Surveys did not ask questions on hunger in 2009 so Figure 9.3 shows "adult hunger" and "child hunger" as the percentage of households which reported experiencing adult and child hunger either "sometimes", "often" or "always" respectively. Adult hunger declined to 11.1% in 2019 and child hunger declined to 10.4%, the lowest value for both series over the entire nine year period.

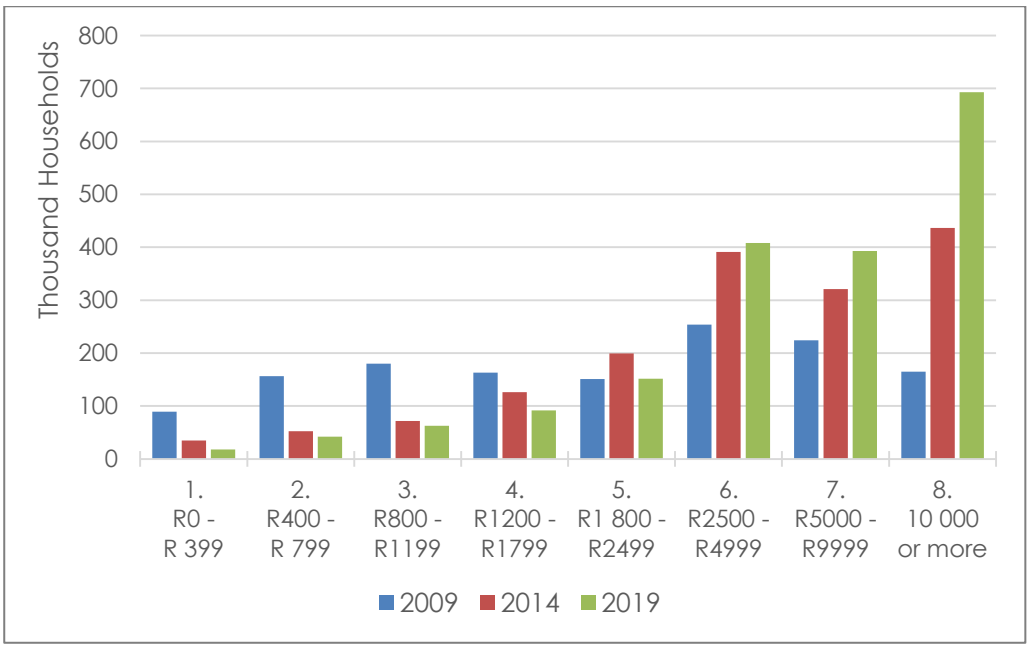


Figure 9.2: Monthly Household Expenditure, 2009, 2014 & 2019
Source (Stats SA, 2021)

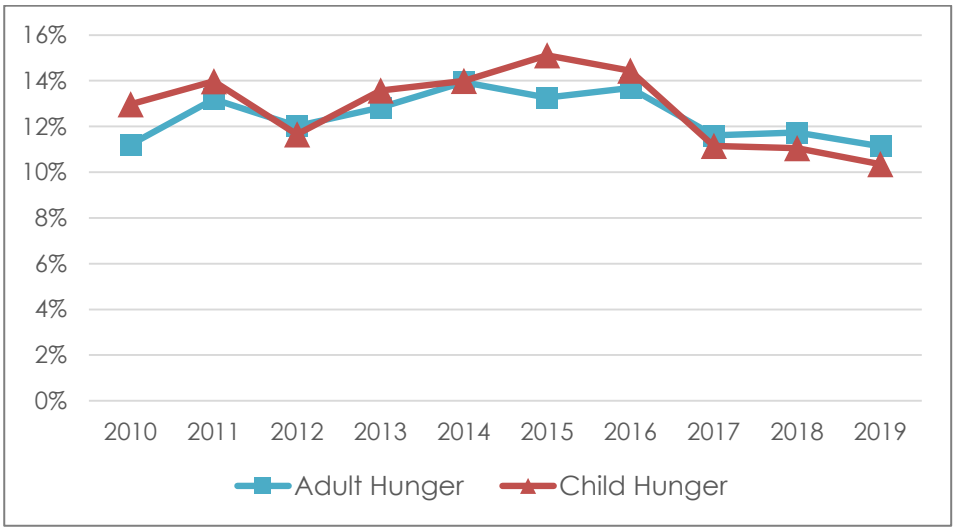


Figure 9.3: Prevalence of Hunger in the Western Cape, 2010-2019
Source (Stats SA, 2021)

Western Cape inflation has moved in line with national inflation over the past decade, as evident from the two overlaid series in Figure 9.4. There has been a slight divergence since 2016 with Western Cape inflation exceeding national inflation for the past three years. In 2019, national inflation stood at 4.12%, whereas inflation for the Western Cape stood at 4.82%.

Inflation for food and non-alcoholic beverages for 2019 was 2.67%, significantly lower than both the headline inflation noted above and the 3.78% recorded for food and non-alcoholic beverages inflation in 2018. The average price of alcoholic beverages increased by 5.69% in 2019, more than headline inflation but less than the 7.21% recorded in 2018. Both inflation series are shown graphically in Figure 9.5.

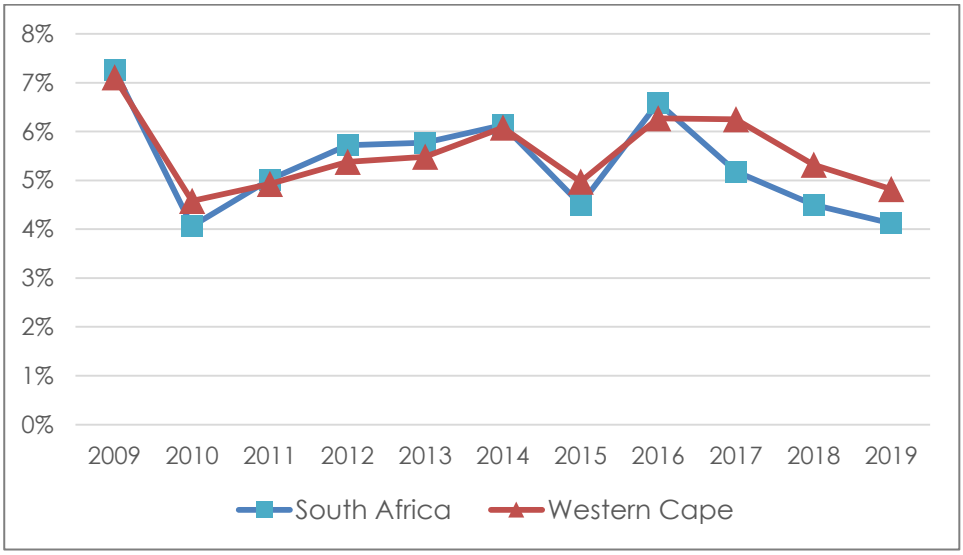


Figure 9.4: National and Provincial Inflation (CPI), 2009-2019
Source: (Stats SA, 2020c)

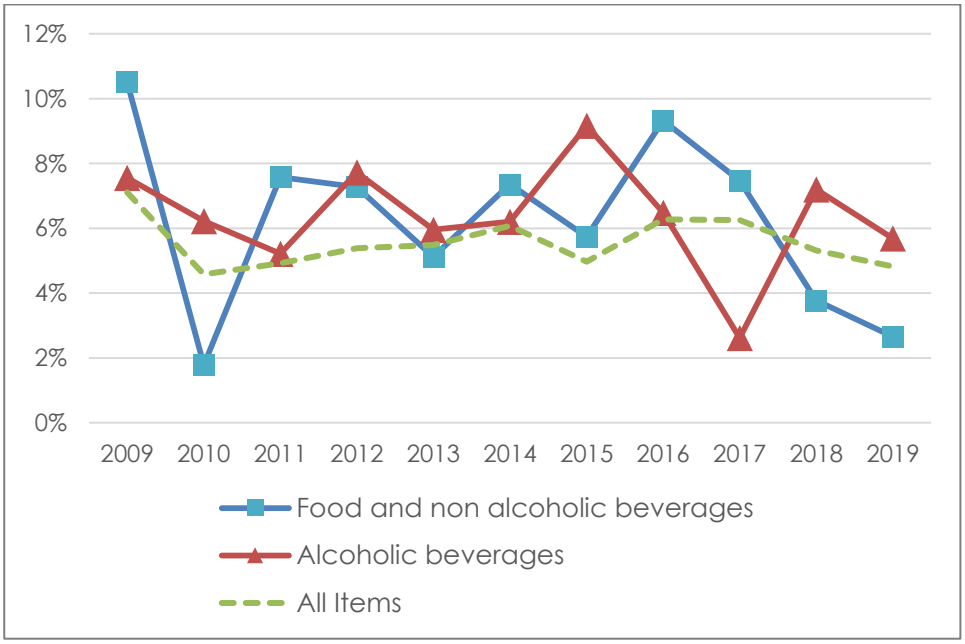


Figure 9.5: WC Food and Beverage Inflation (CPI), 2009-2019
Source: (Stats SA, 2020c)

Looking at the market price performance of select agricultural products in Table 9.6 reveals a significant amount of volatility in prices with large increases and decreases in prices common at the commodity level. The prices provide average costs, calculated using weekly price data with linear interpolation. In 2019 there were particularly big average price increases for plums (45%) and naartjies (40%). There were also price increases significantly above average food and beverage inflation (2.7%) and headline inflation (4.8%) for table grapes (19%) and strawberries (15%) and wheat (9%-12%). The biggest price drop in 2019 was observed for mutton (-9% to -14%), as well as lemons (-11%), onions (-9%) and peaches (-9%).

Table 9.6: Market Price Performance of Select Agricultural Products, 2015-2019

	Annual % Change in Average Prices					5 Year
	2015	2016	2017	2018	2019	Average
WC CPI: Headline	5.0%	6.3%	6.3%	5.3%	4.8%	5.5%
WC CPI: Food & Beverages	5.7%	9.3%	7.5%	3.8%	2.7%	5.8%
Beef: Class A2/A3	4.3%	10.4%	20.6%	1.6%	-5.2%	6.0%
Beef: Class AB2/AB3	6.6%	12.1%	22.8%	2.2%	-5.4%	7.2%
Beef: Class B2/B3	7.6%	11.8%	24.2%	3.4%	-7.3%	7.5%
Beef: Class C2/C3	11.0%	10.7%	28.9%	3.7%	-7.6%	8.7%
Mutton: Class A2/A3	8.0%	9.5%	22.4%	1.9%	-9.3%	6.0%
Mutton: Class AB2/AB3	7.4%	9.2%	22.3%	3.1%	-12.8%	5.2%
Mutton: Class B2/B3	8.2%	11.9%	21.4%	10.3%	-13.7%	6.9%
Mutton: Class C2/C3	10.3%	9.1%	22.9%	5.3%	-12.5%	6.4%
Pork: Bacon	5.9%	6.7%	13.4%	-11.8%	3.1%	3.1%
Pork: Pork	10.4%	3.1%	11.4%	-7.0%	-0.7%	3.2%
Pork: Sausage	10.3%	-6.1%	24.2%	-8.1%	2.2%	3.9%
Pork: Average	6.3%	6.8%	13.0%	-11.0%	-0.9%	2.5%
Poultry: Frozen Class A	4.2%	0.3%	18.1%	0.0%	0.5%	4.4%
Poultry: Fresh	15.8%	0.8%	16.0%	0.1%	0.9%	6.5%
Wheat: Kansas City (Winter)	-9.2%	-0.8%	-9.7%	13.3%	8.5%	2.4%
Wheat: Minneapolis (Spring)	-9.2%	-0.8%	-9.7%	12.9%	8.7%	2.4%
Wheat: Safex	3.1%	10.1%	-5.1%	-4.6%	11.9%	2.8%
Lemons	0.2%	-5.7%	-2.4%	-5.7%	-10.8%	-5.0%
Oranges	-20.5%	66.4%	10.0%	-17.9%	-2.2%	3.2%
Naartjies	12.6%	3.1%	1.9%	-19.0%	40.1%	6.1%
Apples	-9.6%	7.5%	1.2%	18.8%	-3.6%	2.4%
Pears	11.8%	2.9%	-7.9%	11.2%	3.4%	4.0%
Plums	-1.9%	70.6%	-26.7%	-3.6%	44.7%	11.3%
Peaches	28.9%	21.0%	-6.1%	16.0%	-9.1%	9.1%
Strawberries	45.9%	21.9%	29.4%	-9.9%	14.7%	18.9%
Table Grapes	86.6%	33.8%	12.6%	-21.3%	19.2%	21.4%
Onions	1475.1%	94.3%	-37.3%	30.0%	-9.2%	86.7%
Potatoes	-19.8%	73.2%	-26.5%	7.8%	5.9%	3.1%
Tomatoes	3.5%	-3.2%	-0.9%	11.5%	7.1%	3.5%

Source: (WCDoA, 2020c)

Summary points

- The number of households in the WC has increased as the population has expanded.
- The proportion of the WC population experiencing self-reported hunger at least sometimes has until recently been on the rise. Gains have been made in recent years but hunger levels still stand higher than ten years ago
- In 2019, national inflation stood at 4.12%, whereas inflation for the Western Cape stood at 4.82%.

10. AGRI TOURISM

Table 14 shows the geographic spread of agri tourism activities in the WC. For more general outdoor activities there is quite an even spread across the districts. These activities would include birding, camping, ecotourism, fishing, hiking and mountain biking. The exception is the City of Cape Town, where aside from ecotourism, there are far less of these general activities.

Table 10.1: WC Agri Tourism Enterprises (number), 2017

	City of CT	West Coast	Cape Winelands	Overberg	Eden	Central Karoo	WC Total
4x4 Facilities	5	32	19	15	28	48	147
Accommodation	51	162	443	221	145	129	1151
Birding	4	49	44	38	26	49	210
Breweries	17	7	26	8	0	1	59
Camping	11	66	42	30	29	34	212
Cellars & Wine Shops	16	5	109	20	4	3	157
Conference & Functions	53	42	256	82	27	22	482
Ecotourism	24	38	47	43	41	53	246
Farm Market	9	7	21	15	3	1	56
Farm Stall	4	19	54	23	23	12	135
Fishing	10	34	50	45	29	23	191
Hiking	26	90	108	121	55	72	472
Horse Riding	8	10	55	24	17	22	136
Mountain Bike	13	49	89	89	45	55	340
Ostrich	2	0	4	0	3	0	9
Picnics	20	37	126	48	31	73	335
Quad Bike	2	10	13	13	8	17	63
Restaurant	53	42	256	82	27	22	482

Source: (WCDoA, 2018)

The Cape Winelands has the highest district share in terms of numbers for thirteen out of the eighteen activities. The highest concentrations were for cellars and wine shops (69%), conference functions (53%) and restaurants (53%). The Central Karoo has the highest for four of the five remaining activities with particularly high concentration in terms of 4x4 facilities (33%). The only activity where the highest concentration is not the Cape Winelands or Central Karoo is camping where the West Coast has the highest share (31%). It should be noted, however, that the West Coast also has the joint highest number of birding facilities with the Central Karoo (each 23%) and that the Overberg has the joint highest mountain bike trails with the Cape Winelands (26%).

Summary points

- The Cape Winelands generally appears to have the highest amount of agri-tourism activities, especially with regards to cellars and wine shops, conference functions and restaurants
- The West Coast is popular for camping and birding, the Overberg is popular for mountain biking.

11. WATER

This section of the report provides an update on major Water Management Areas (CMAs) in the Western Cape, status on dam levels, water allocations, raw water tariffs and inspection status of various dams in the province.

Water is a critical input in agriculture and has become an increasingly scarce resource. The recent drought in the province highlighted the importance of water resources and the need to monitor its availability for better planning and decision-making in the sector.

There are 9 Water Catchment Management Areas (CMAs) in the country, and the four located in the Western Cape Province are the Gouritz, Breede, Berg and Olifants Water Management Areas (WMA's). These are shown in Figure 11.1, along with the freshwater bodies inland. The Breede and Gouritz (Breede-Gouritz) WMAs have a full total supply capacity of 1 318.07 million cubic metres (Mm3) and the Berg-Olifants WMAs another 43.95 Mm3 (DWS, 2020). Water bodies (e.g. rivers, wetlands etc.) are an important part of the agro-ecosystems.

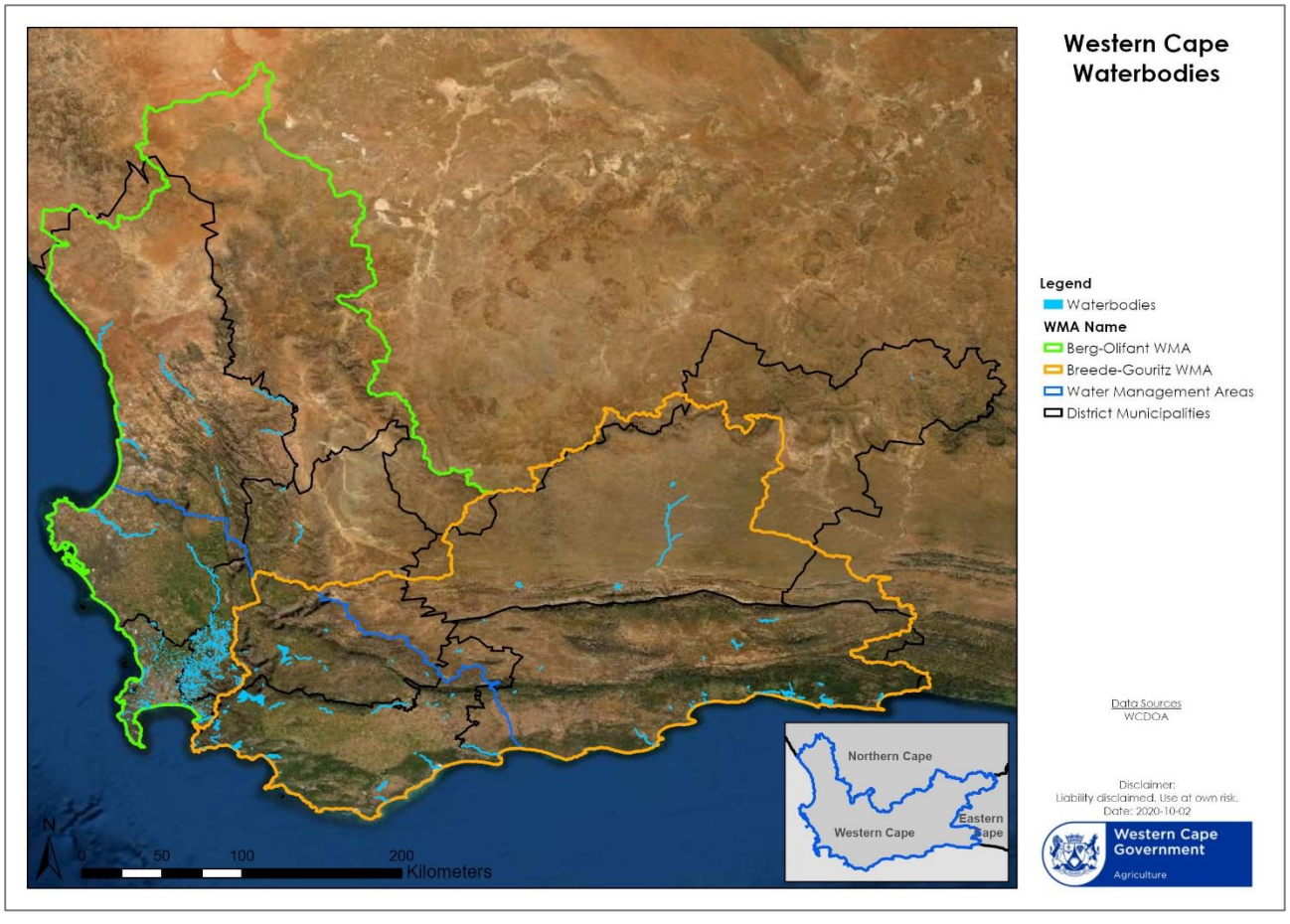


Figure 11.1: WC Water Management Areas (WMA) and Fresh Water Bodies
Source: (WCDoA, 2020a)

A large amount of water in the Western Cape is supplied through the Western Cape Water Supply System (WCWSS). This infrastructure is an "integrated and collectively managed

systems of dams, pumps stations, pipelines and tunnels" (City of Cape Town, 2018, p. 15). The WCWSS also transfers water between dams and catchment systems. Regions supplied through the WCWSS include the City of Cape Town, Overberg, Boland, West Coast and Swartland.

The domestic and industrial use accounts for 72% (390m³ million) of annual water allocations from the WCWSS, 89% of which is for the City of Cape Town (347m³ million). Going forward it is expected that the water allocations for the City of Cape Town will need to increase, whereas allocations for agricultural use, currently 186m³ million, will not (DWS, 2019).

The WCWSS dam's water levels, based on the major dam levels and shown in Figure 11.2, shows a significant increase from a low 21% to 100% during the period 2018 and 2020 (City of Cape Town, 2020). This will boost agricultural production and accelerate the process of economic recovery from the impact of the drought experienced in 2017 to 2018.

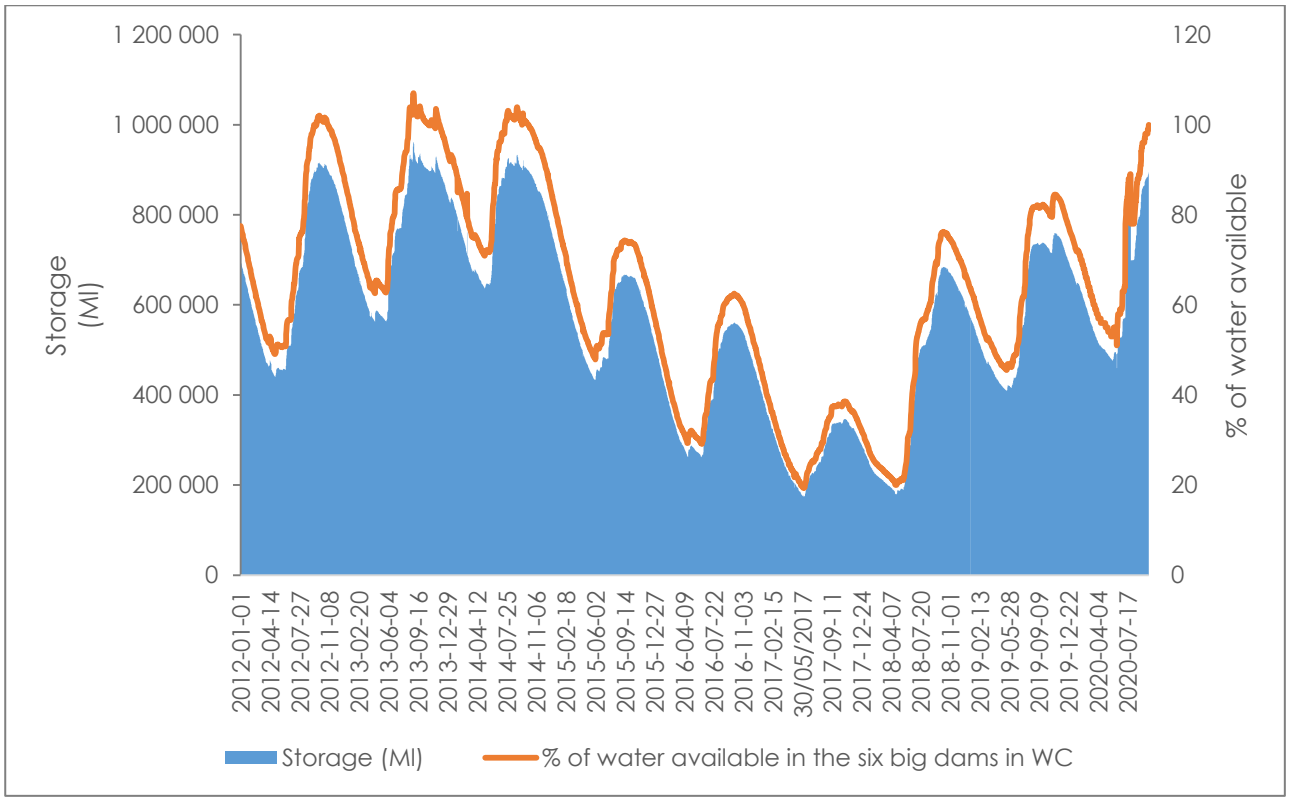


Figure 11.2: Percentage of WCWSS Major Dams' Bulk-Water Storage Levels, 2012-2019
Source: (City of Cape Town, 2020)

From a total of 186 m³ million allocated to agriculture, 31% supplies Riviersonderend, with a further 29% of the allocations going to the Upper Berg Irrigation Board and 14% to the Wynland Water Use Authority. The Upper Berg River Pumped Schemes accounts for a further 11%, as does the Lower Berg Irrigation Board. The detailed account of water allocations for agriculture in the WCWSS is provided in Table 11.3.

Table 11.3: Water Allocations for Agriculture in the WCWSS, 2019

System	Allocation (million m3/a)	Share
Riviersonderend (Theewaterskloof Dam)	**61.7**	**31%**
Zonderend IB	36.1	
Vyeboom IB	13.2	
Individual Irrigators	12.4	
Wynland WUA	**26.2**	**14%**
Stellenbosch IB	11.9	
Helderberg IB	11.6	
Lower Eerste River IB	2.1	
Industrial use	0.7	
Banhoek Tunnel	**1.8**	**1%**
Upper Berg Irrigation Board	**54.4**	**29%**
Sub-District 1	14.3	
Sub-District 2	21.5	
Sub-District 2	0.6	
Sub-District 3	18.0	
Upper Berg River Pumped Schemes	**21.1**	**11%**
Suid-Agter Paarl	3.5	
Simondium Pipeline	1.0	
Simonsberg	0.5	
Perdeberg	6.6	
Noord-Agter Paarl	3.6	
Noord-Agter Paarl	1.3	
Groenberg Ward 1 - Pipeline	1.1	
Groenberg Ward 2 - Pipeline	0.6	
Riebeeck Kasteel *	1.5	
Riebeek West Ward 1	0.7	
Riebeek West Ward 2	0.8	
Lower Berg Irrigation Board	**21.3**	**11%**
Lower Berg Irrigation Board	11.0	
Other licences	10.3	
WCWSS Total Allocation	***186.4***	***100%***

Source: (DWS, 2019)

Figure 11.4 indicates the Western Cape raw water tariffs charged for domestic & industry, irrigation and forestry for the period 2016 to 2019 (DWS, 2020). The irrigation water tariffs expressed in cents per cubic metre indicate the tariffs CMAs agencies charge Water Boards sourcing water from the Berg-Olifants and Breede-Gouritz. On average, the irrigation water tariffs have remained marginally higher than the national average throughout the period under review except the year 2018.

According to the DWS (2020), reducing information asymmetry in the water markets is essential to address concerns related to affordability, equity and fairness in raw water pricing. Ensuring the sustainability of Catchment Management Areas (CMAs) is also regarded as important.

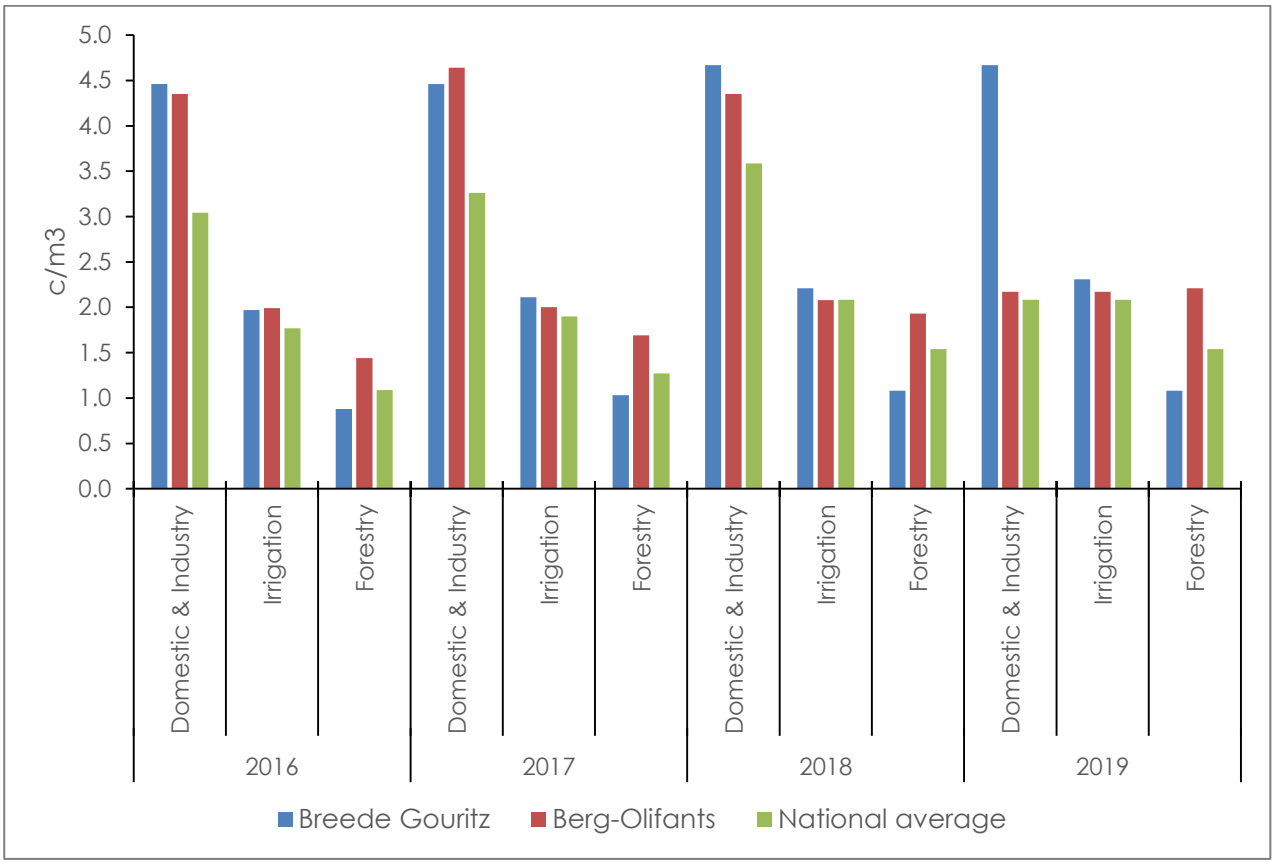


Figure 11.4: Western Cape Raw Water Tariffs and One-Year % change (2016-2019)
Source: (DWS, 2020)

The Breede Gouritz WMA dam inspection status is based on 187 small dams, 235 medium-sized dams, 34 large dams and 9 unclassified dams. The results, displayed in Figure 11.5, show that 42% of the small dams were not inspected within 10 years. The rest of the dams (58%) were inspected within the last or previous 5 years. In the case of medium dams, only 32% of them were not inspected within 10 years, and the remaining 68% were inspected within the last or previous 5 years. The Berg-Olifants WMA dam inspection status is based on 225 small dams, 213 medium dams and 2 unclassified dams. It shows that 57% of the small dams and 40% of the medium dams have not been inspected within ten years. The remaining 43% of the small dams and 60% of the medium dams were inspected within the

last or previous 5 years. In the case of large dams, 75% were inspected in within the last 5 years and 25% in the previous 5 years.

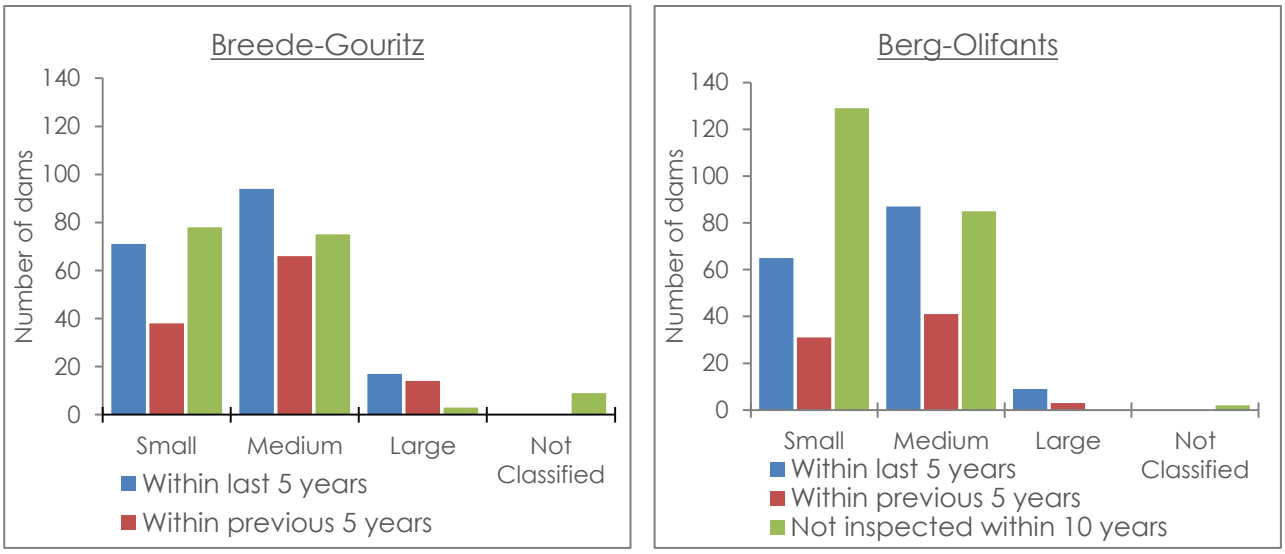


Figure 11.5: Status of Dam Inspection in the Breede-Gouritz and Berg-Olifants WMAs
Source: (DWS, 2020)

Summary Points

- The Western Cape dam water levels have significantly improved since 2018 due to good rains in 2019.
- The provincial raw water tariffs are still higher than the national tariffs with small margins.
- The majority of the provincial large and small dams have been inspected in the last year fives.

12. Special Focus: Break-Down Of Agricultural Productive Assets and Input Costs in the Census of Commercial Agriculture

In 2020 Statistics South Africa released the Census of Commercial Agriculture for 2017, ten years after the previous census of 2007 (Stats SA, 2020). The census provides detailed production information on the commercial farming sector, down to the municipal level. It is therefore a very valuable resource for anyone working in or with South Africa's agricultural sector.

Figure 12.1 provides the provincial breakdown for the number of faming units, the amount of gross farm income earned and total farm employment. The Western Cape makes the largest contribution to gross farm income and employment, accounting for 19% and 25% of the national total respectively. The province also has the second highest number of farming units in the country, approximately seven thousand in total.

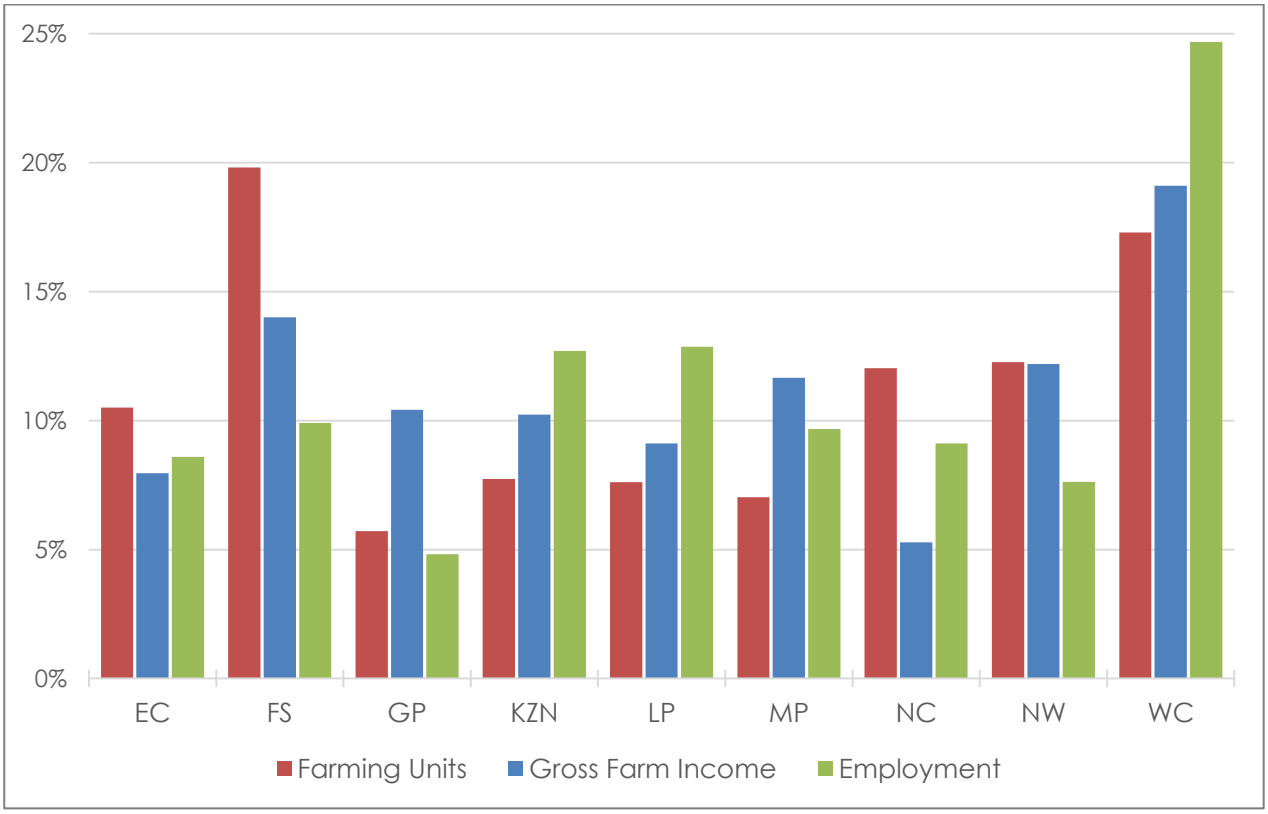


Figure 12.1: Breakdown of Farming Units, Income and Employment by Province, 2017
Source: (Stats SA, 2020)

Breaking down the Western Cape's farming sector by district in the same way as in Figure 12.1 above, yields the breakdown provided in Figure 12.2 below. The Cape Winelands accounts for 29% of the farming units in the province, however it accounts for 41% of gross farm income and 50% of employment on farm. The Overberg District is the only other district with higher shares in income and employment than the number of farming units, a result of having larger farming operations in these districts.

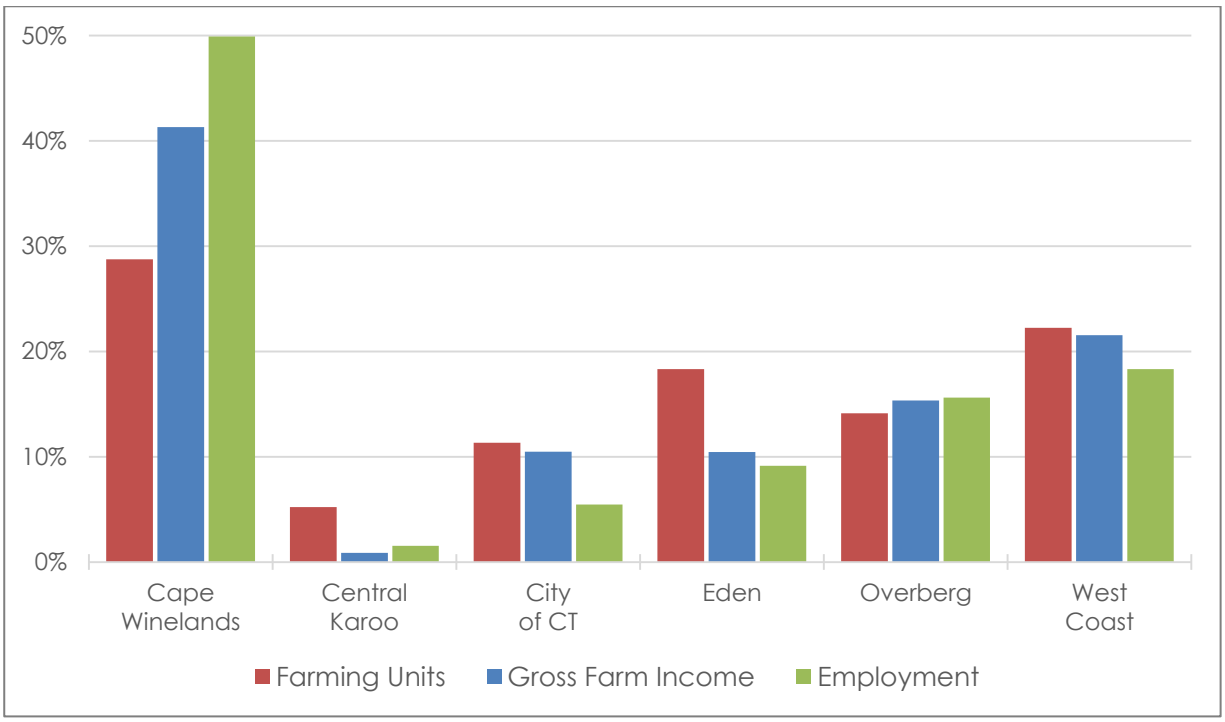


Figure 12.2: Breakdown of WC Farming Units, Income and Employment by District, 2017
Source: (Stats SA, 2020)

The proportion of farm income sent on purchases of production inputs was only slightly lower for the Western Cape on average than the rest of South Africa, both standing at approximately 39%. However there was also a significant amount of variation in the District level comparison in Figure 12.3. The highest ratio was for the City of Cape Town, which stood at 43%. The lowest ratio was for the Central Karoo, 23%, followed by the Cape Winelands and Eden, both at 37%.

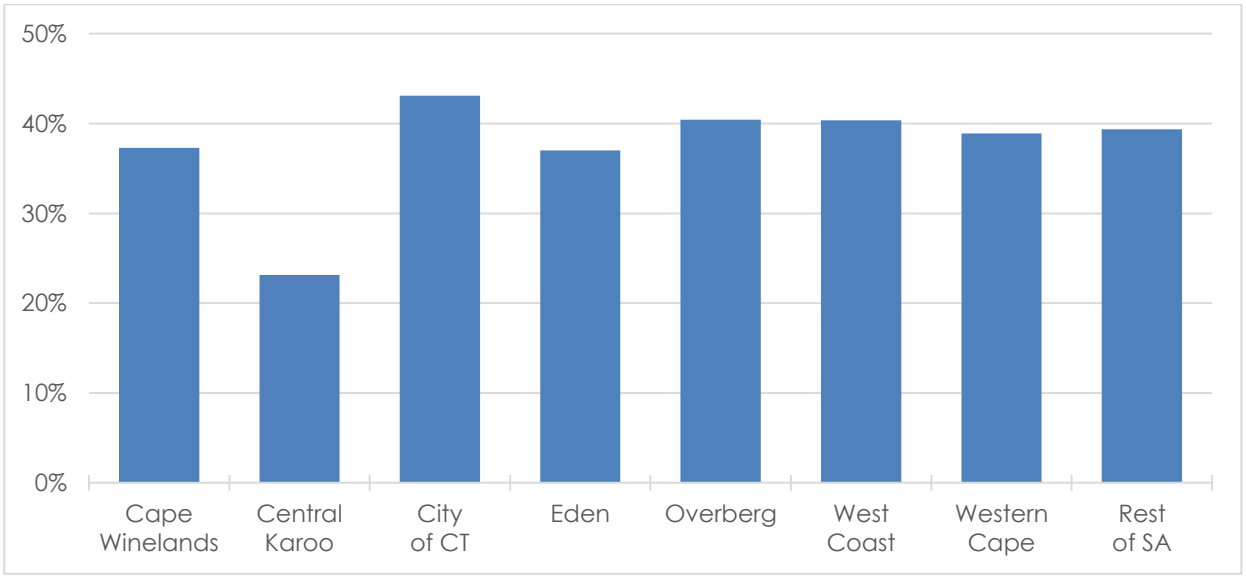


Figure 12.3: Ratio of Production Input Purchases to Gross Farm Income by District, 2017
Source: (Stats SA, 2020)

The breakdown of purchase of production inputs in Figure 12.4 was different in the Western Cape when compared to the rest of the country. This is as would be expected given the differences in output production matrices observed in Chapter 2. For both the Western Cape and nationally for South Africa the biggest expenditure was on feed and supplements, although this was slightly higher at the national level. Other expenses which made up a disproportionately higher share of input costs in the Western Cape, compared to the rest of South Africa, was packing materials (17% vs 6%) and Crop remedies (7% vs 4%). Expenditure was disproportionately lower in the Western Cape for fertilizer (10% vs 14%), fuel (7% vs 9%), seeds and plant (5% vs 8%) and animal remedies (1% vs 3%), ,

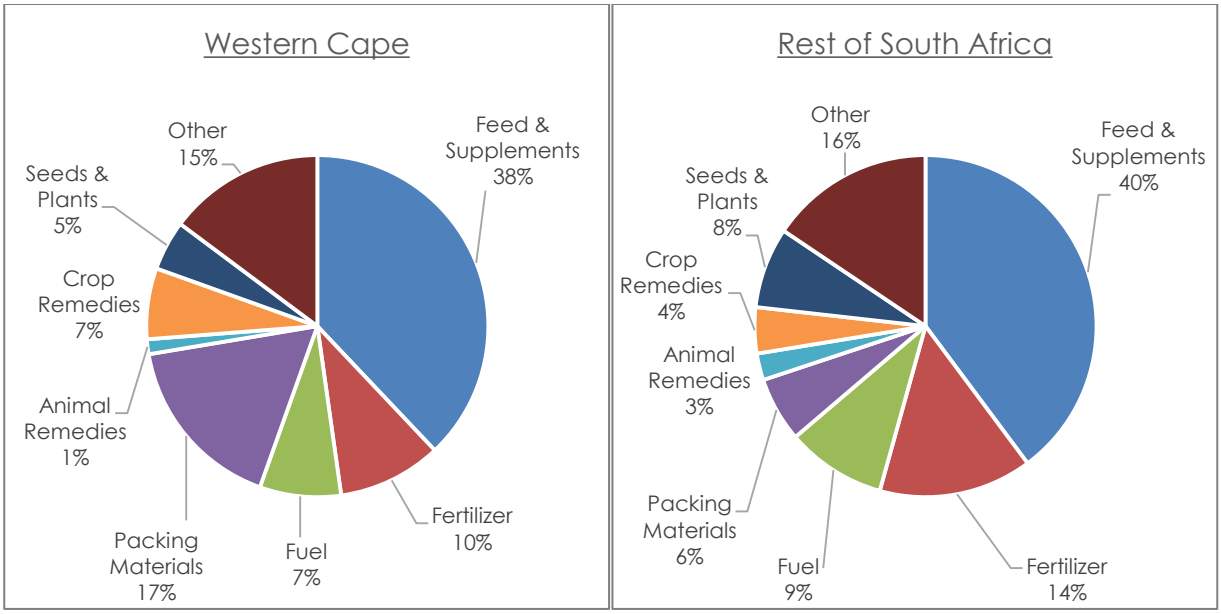


Figure 12.4: Breakdown of Production Input Purchases, Western Cape vs Rest of SA, 2017
Source: (Stats SA, 2020)

The shares of purchases on different production inputs varies across the different districts as broken down in Table 12.5. Some examples which stand out are the unusually high share of purchases of packing material in the Cape Winelands, 25%, and the high share of purchases attributable to animal feeds in the City of Cape Town, 64%, and the Eden District, 49%.

The biggest operating expense for the Western Cape commercial farming sector is wages, exceeding R10 billion in 2017. This is equivalent to 18% of Gross Farm Income in the province, significantly higher than the 11% ratio found for the rest of the country. The main operating expenditures are displayed as a ratio of Groff Farm Income for the Western Cape and the rest of South Africa in Figure 12.6 below.

Table 12.5: Breakdown of Production Input Purchases, Western Cape vs Rest of SA, 2017

	Cape Winelands	Central Karoo	City of CT	Eden	Overberg	West Coast
Feed & Supplements	33%	37%	64%	49%	26%	37%
Fertilizer	8%	6%	4%	14%	15%	11%
Fuel	6%	20%	6%	10%	10%	8%
Packing Materials	25%	5%	12%	6%	11%	15%
Animal Remedies	1%	3%	2%	2%	2%	1%
Crop Remedies	6%	1%	2%	5%	12%	7%
Seeds & Plants	3%	6%	3%	4%	5%	9%
Other	19%	22%	9%	9%	19%	11%

Source: (Stats SA, 2020)

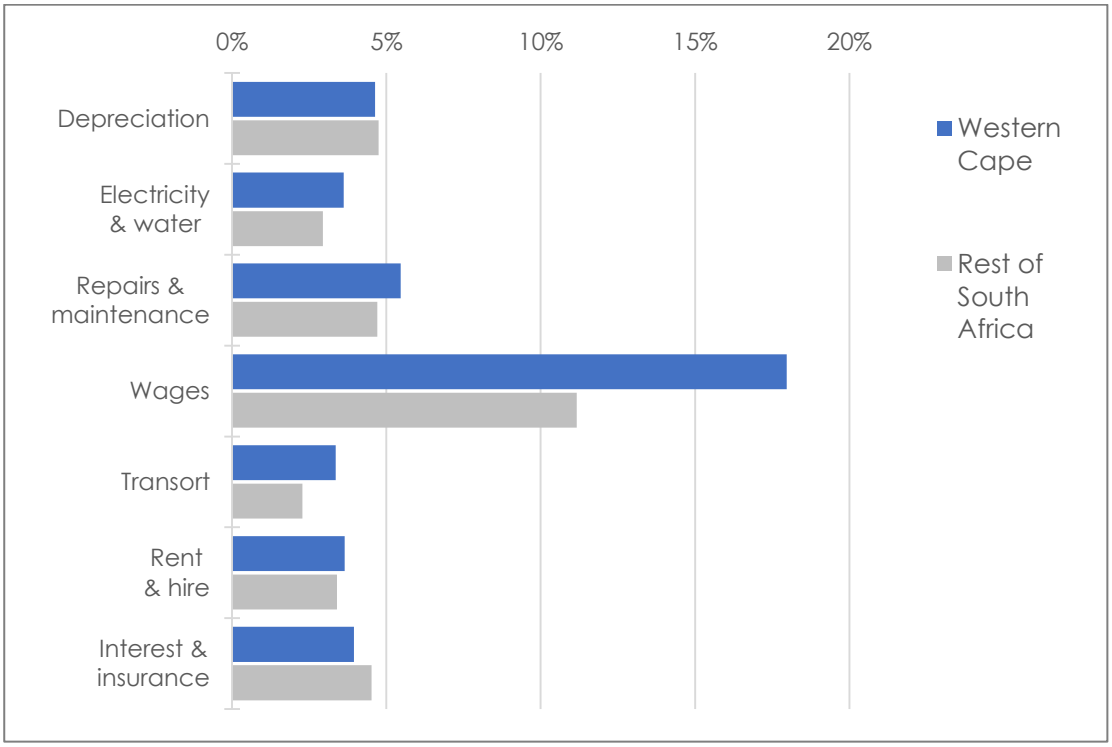


Figure 12.6: Ratio of Key Operating Expenses to Gross Farm Income, 2017
Source: (Stats SA, 2020)

The Census of Commercial Agriculture also has information of inventories of key productive assets. Figure 12.7 shows the Western Cape's share in national counts of different machinery types. Almost 40% of South Africa's presses and crushes are in the Western Cape, 35% of the country's chemical application appliances and 32% of dryers.

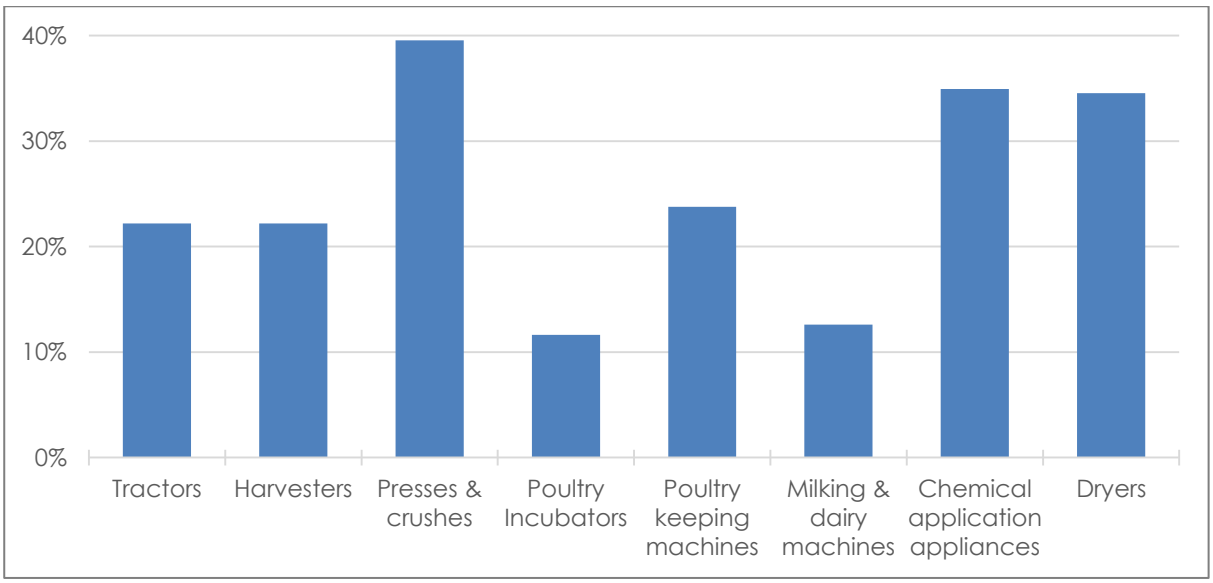


Figure 12.7: Western Cape Share in National Counts of Agricultural Machinery, 2017
Source: (Stats SA, 2020)

The spread of agricultural machinery across districts is not uniform, as can be observed in the district breakdown in Table 12.8. The Cape Winelands is responsible for almost half of the tractors, presses and crushes, and chemical application appliances. The Central Karoo holds 88% of the province's dryers. Eden is responsible for almost half of the province's milking and dairy machines. The West Coast holds most of the poultry-related machines with the highest share of incubators (92%) and poultry keeping (47%). The Overberg had significant shares on a number of the machinery types, but with a maximum share of only 24 % (dairy machines).

Table 12.8: Breakdown of Machinery Numbers by Western Cape District, 2017

		District Breakdown					
	Number	Cape Winelands	Central Karoo	City of CT	Eden	Overberg	West Coast
Tractors	16 560	48%	2%	4%	12%	18%	17%
Harvesters	2 747	22%	2%	3%	30%	23%	20%
Presses & crushes	373	49%	4%	9%	16%	16%	6%
Poultry Incubators	≈12m	6%	0%	0%	0%	2%	92%
Poultry keeping	≈13m	19%	0%	31%	0%	3%	47%
Dairy machines	596	12%	1%	1%	48%	24%	13%
Chemical application	5 419	47%	1%	4%	9%	23%	17%
Dryers	3 084	5%	88%	0%	2%	5%	1%

Source: (Stats SA, 2020)

The Comparison between the Western Cape's share in livestock numbers and livestock-related production reveals a very large provincial share in the national ostrich industry. There are more than 120 thousand ostriches in the commercial agricultural sector in the province, 73% of the national population. There are significant shares across all products except for beef cattle and goats which are bred for meat. The data provided in the census of commercial agriculture does not differentiate between milk from cattle and milk from goats and hence the dairy cattle numbers include goats bred for dairy. Goats make up a negligible proportion of this at both the provincial (0.3%) and national (1.3%) level and therefore lumping them together does not affect the findings.

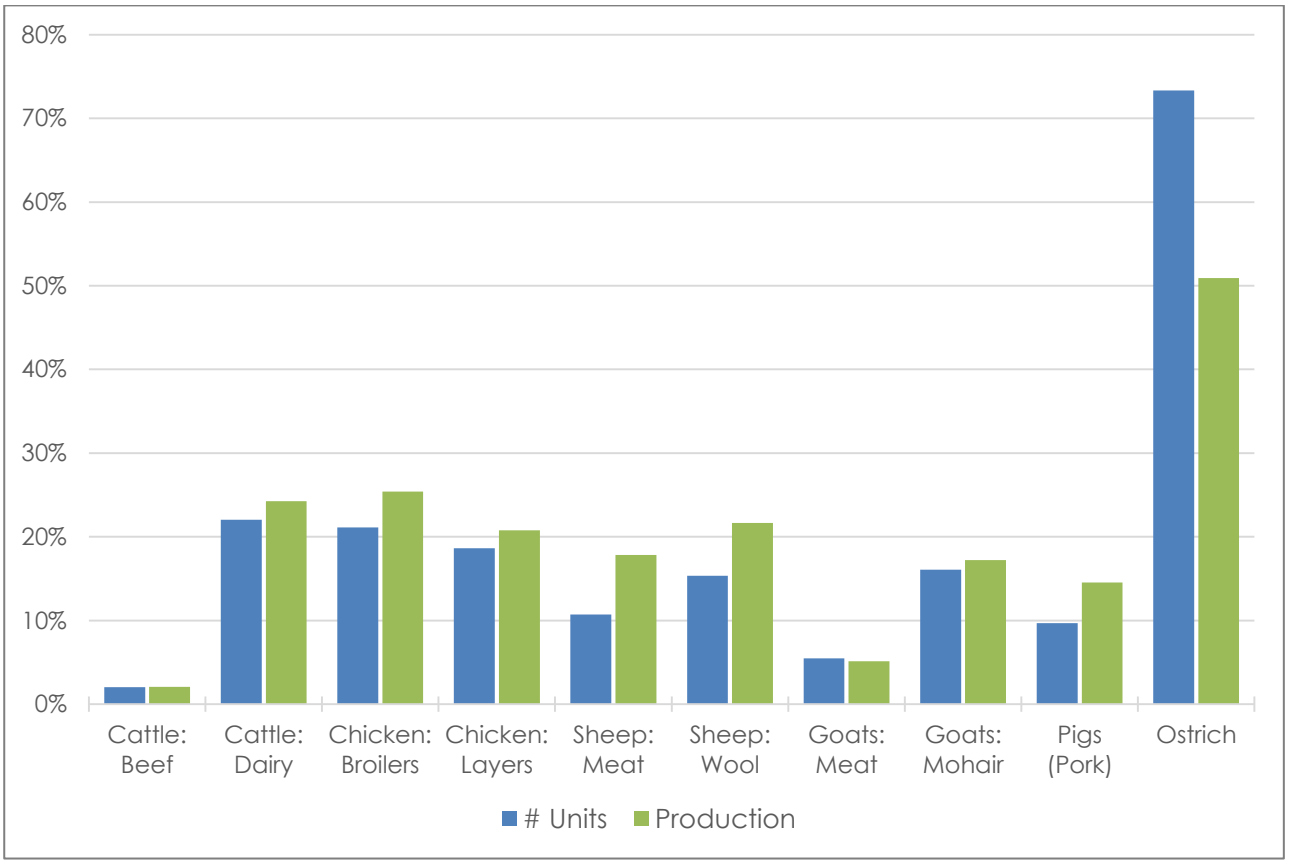


Figure 12.9: Western Cape Share in National Livestock Counts and Production Outputs, 2017
Source: (Stats SA, 2020)

Table 12.10 gives the district breakdown of the Western Cape's livestock numbers. A total share of 90% of the province's ostriches are located in the Eden District. That equates to approximately two thirds of the national population. Eden is also responsible for 54% of the province's dairy cattle, 38% of goats bred for meat and 37% of sheep bred for mutton or lamb. The West Coast has the highest share of pigs, 54%, and broiler chickens, 60%, but the Cape Winelands has the highest share of layer chickens, 53%.

Table 12.10: Breakdown of Livestock Numbers by Western Cape District, 2017

	Number	District Breakdown					
		Cape Winelands	Central Karoo	City of CT	Eden	Overberg	West Coast
Cattle: Beef	101 841	15%	5%	13%	22%	29%	15%
Cattle: Dairy	189 892	13%	0%	6%	54%	22%	4%
Chicken: Broilers	28 398 740	24%	0%	15%	0%	2%	60%
Chicken: Layers	4 282 005	53%	1%	4%	4%	1%	36%
Sheep: Meat	250 315	8%	26%	1%	37%	10%	18%
Sheep: Wool	874 528	4%	22%	1%	13%	49%	11%
Goats: Meat	6 201	31%	19%	0%	38%	0%	12%
Goats: Mohair	80 859	0%	81%	0%	19%	0%	0%
Pigs (Pork)	213 134	33%	0%	4%	1%	9%	54%
Ostrich	120 635	5%	0%	0%	90%	5%	0%

Source: (Stats SA, 2020)

This chapter has provided an example of a very basic application of the Census of Commercial Agriculture data. It has revealed some interesting aspects of the structure of agricultural production in the Western Cape. It is hoped that it has also highlighted the value of the Census as a freely available resource to use when doing research related to local, provincial or national agricultural sectors.

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