Tshepo Morokong
Macro & Resource Economics
Email: Tshepm@elsenburg.com
Tel: 021 808 5195

GARDEN ROUTE DISTRICT MUNICIPALITY: OPPORTUNITIES FOR AGRICULTURAL EXPORTS USING AIR TRANSPORT

1. INTRODUCTION

The Western Cape Department of Agriculture received a request to provide information essential to inform decision making on potential opportunities for regional agricultural exports using air transport from the Garden Route District Municipality. This report provides context on this subject, starting broadly with an overview of the Garden Route economy, followed trends in agricultural exports and the mode of transport used. The next section expand further on the types and value of agricultural products exported through major airports in South Africa, but placing emphasis the on Cape Town international airport which is located in Western Cape Province. To provide more context on the type of farming undertaken in the Garden Route district, agricultural land use changes for the past four years are given alongside changes in exports via Cape Town international airport.

2. ECONOMIC OVERVIEW

The Garden Route (formerly known as Eden) district municipality is one of six districts in the Western Cape Province. It is the third most populated district after the City of Town and Cape Winelands. Although the Garden Route consist of seven municipalities, the George local municipality is seen as the main economic driver in the district because of its significant contribution to the primary sector (agriculture), employment, secondary sector (e.g. manufacturing) and tertiary sector (e.g. finance, insurance) (WCG, 2019). In 2016, the George municipality had around 202 000 residents which make up around 34% of the total Garden Route population (StatsSA, 2016).

In terms of the economy, Figure 1 below shows the breakdown of the different sectors' contribution to the Gross Value Added (GVA) in 2018. The value added for the district was

around R30.2 billion in 2018, which makes it the third largest district in the Western Cape economy. Agriculture, forestry and fisheries contributed to 6% and the agri processing industries another 5%. Thus, agricultural value chains contributes to around 11% of the Garden Route economy. Furthermore, Agricultural sector generated 12.4% of the jobs in the region (WCG, 2019). The performance of the agricultural and agri processing sectors are given below in real 2010-prices, indicating the strong growth since 2001, although some challenging condition has been experienced in recent years (Quantec, 2020). Other important sectors, which have implications for the questions considered in this report is that transport makes out a sizable contribution to the economy with value added of R1.8 billion in 2018.

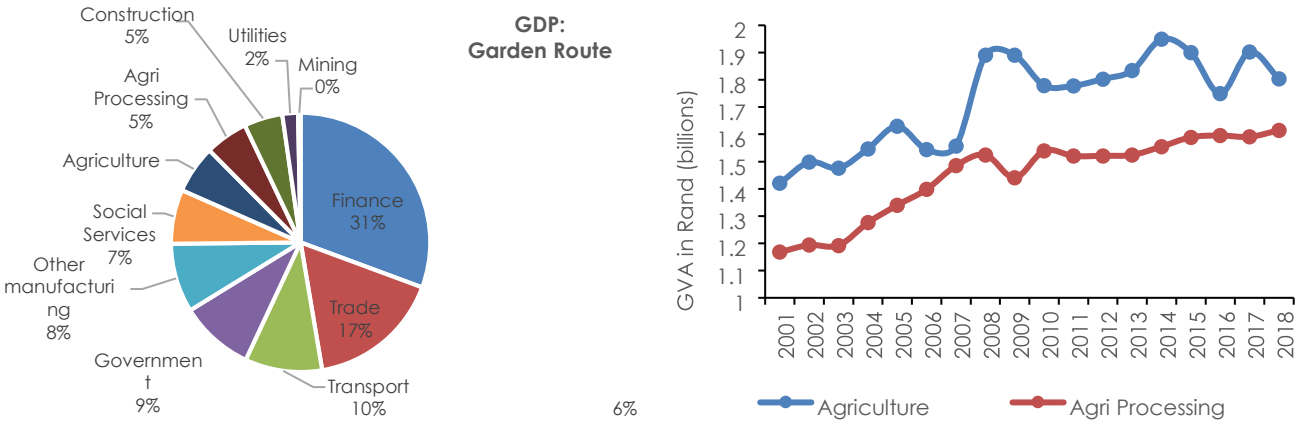

Figure 1: Garden Route Value Added per sector & agricultural performance
Source: (Quantec, 2020)

3. AGRICULTURAL EXPORTS

Agricultural exports from the Garden Route have shown an increasing trend over time. The annual growth rate for the past five years (2013-2018) was 13% and in the past ten years (20082018) was at 12% (Figure 1). Moreover, the figure also shows that a significant value of the exported products relied on sea and road transport, with air transport taking up a much smaller proportion and has been declining since 2015. Indicators such transport speed of delivery, efficiency and costs influence the rationale for the choice of transport mode for agricultural exports (Welby & McGregor, 2004), as well as profitability considerations. For example, agricultural products (e.g. vegetable and fruits) that are highly perishable would require less time on transit. In addition, there could be some regulatory requirements by importing

countries. There are also several other factors that contribute to the decision on the mode of transport utilised by different industries.

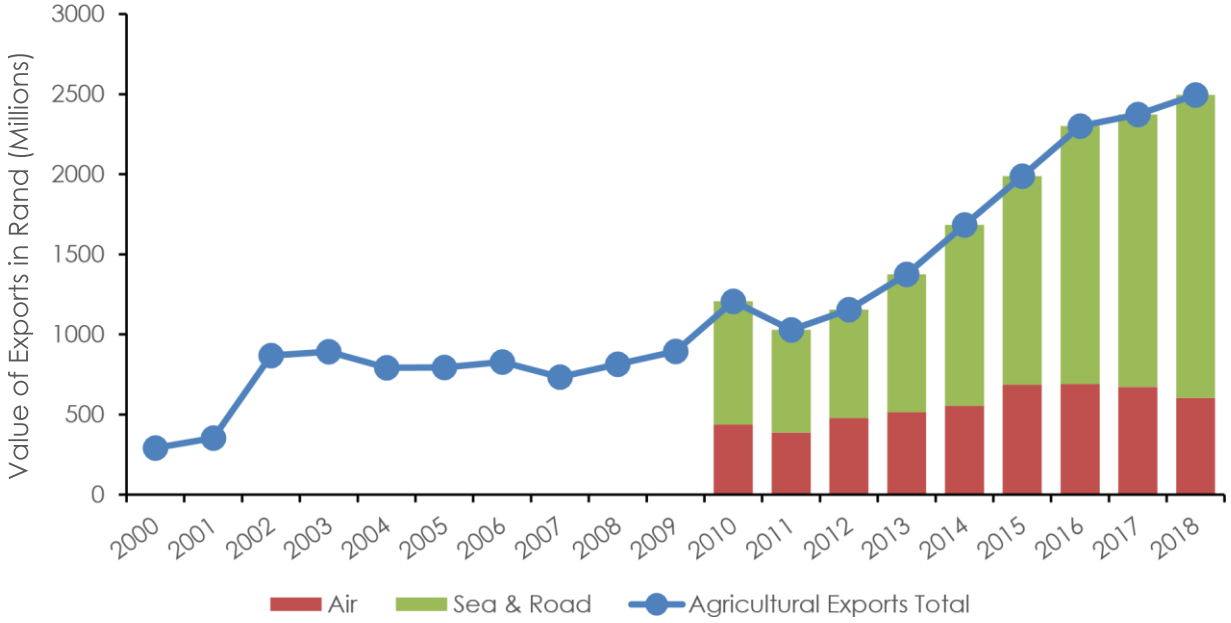

Figure 2: Garden Route value of agricultural exports by mode of transport
Source: (Quantec, 2020)

4. Agricultural products exported through South African airports

The value of agricultural export products leaving the country through airports has increased in the past ten years (2010-2019). As expected, the agricultural exports by air mainly goes via Cape Town and O.R Tambo international airports (Figure 3), whilst all other had much smaller value recorded.

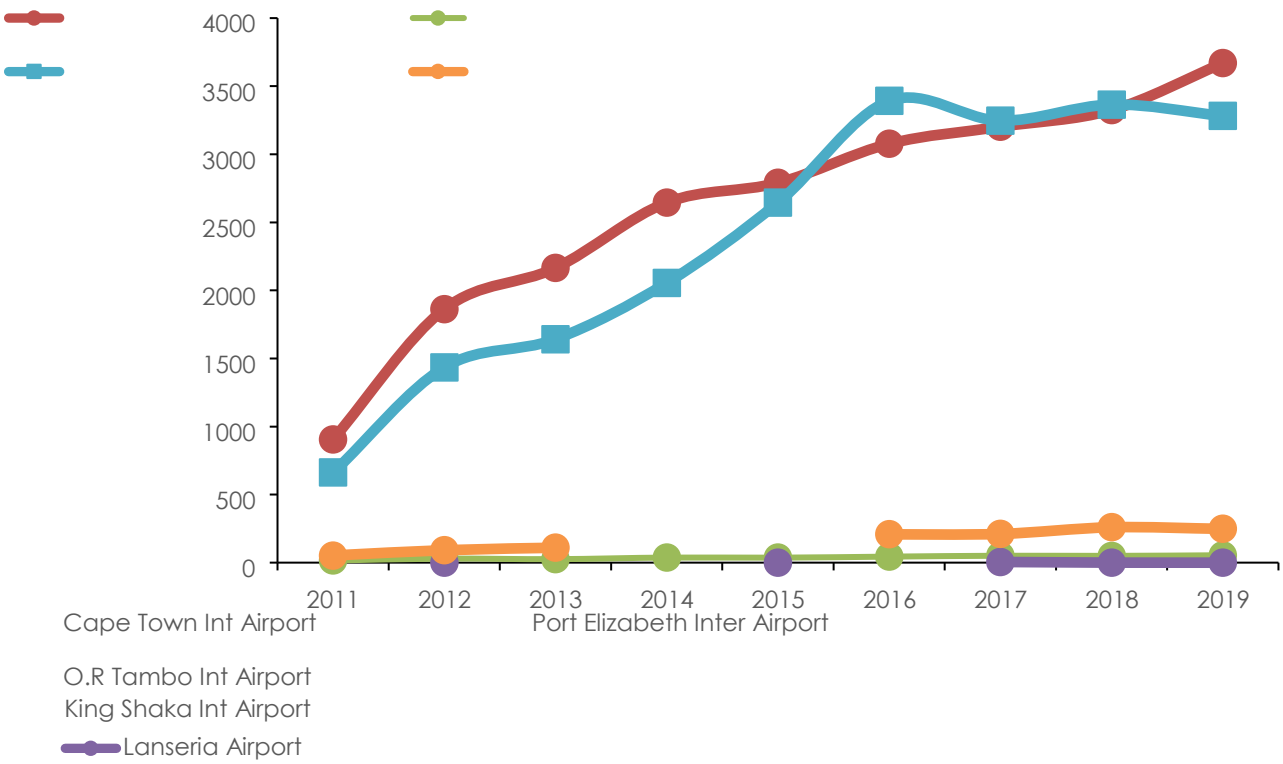

Figure 3: The value of agricultural exports by different airports in South Africa, 2010-2019
Source: (SARS, 2020)

Since specific data on agricultural products exported specifically from the Garden Route is not readily available, Table 1 uses data from SARS (2020) to give a sector breakdown of agricultural exports going through Cape Town International Airport. It is assumed that most Western Cape exported agricultural goods by plane are transported by freight from all over the province. The breakdown given below shows that fish & crustaceans valued at R1.3 billion were exported by air in 2019. Within this category, rock lobster and abalone made up close to 63%. Next, fruit and nuts were the second largest industry exporting goods using air transport with a value of R938 million and a total volume of 9 527 tons. Other industries worth noting is that of live plants and animal, after which the value drops off considerably.

Table 1: Top ten agricultural products exported via Cape Town International airport in 2019

Ranking	Agricultural exports products	Cape Town International Airport (R millions)	Tons
1	Fish and crustaceans	R1 372	6 281
2	Fruit and nuts	R939	9 527
3	Live trees and other plants	R495	4 372
4	Raw hides and skins	R380	161
5	Oil seeds and oleaginous fruits	R159	301
6	Edible vegetables and certain roots	R62	1 083
7	Live animals	R49	-
8	Meat and edible meat offal	R38	405
8	Products of leather	R35	32
9	Beverages, spirits and vinegar	R26	
10	Miscellaneous edible preparations	R24	100
	Other agricultural products	R89	579

Source: (SARS, 2020)

5. Garden Route District Municipality agricultural land use types and changes

In 2014, the Western Cape Department of Agriculture commissioned an aerial census, mapping all agricultural fields in the province and was thereafter updated in 2018 (WCDoA, 2018). Table 2 give a summary of the major land use in the Garden Route as well as the changes taken place in this period. In 2013/14, an estimated 32 9040 hectares (ha) of land was used for farming in Garden Route district municipality.

Table 2: Agricultural land use, area size and land change during the period (2013-2017)

Agricultural land use type	2013 ha	2017 ha	% land use change
Grains, oil, seeds, lupines	31 8453.2	366 299.9	15%
Orchards	6 842.13	7 162.707	5%
Teas and hops	559.87	502.64	-10%
Vegetables	3184.87	2544.483	-20%
Overall	32 9040.1	376 509.7	14%

Source: (WCDoA, 2018)

More than 96% of this land was farmed with grains, oils, seeds and lupines, whilst 5% for orchards and 0.2% under teas & hops. The remaining 1% was planted under vegetables. In 2017, the area under farming was expanded by 47 469 ha, which shows a 14% growth for the period

2014 to 2018. The area under grains, oil, sees and lupines increased by 15%, orchards by 5%, but teas & hops declined 10% and vegetables 20%.

Finally, to bridge the gap in assessing the potential of agricultural exports specifically from the Garden Route, Table 3 proceed by showing the top 15 exported agricultural products by volume and the changes in the area planted. This allows for a rough comparison in seeing which products were both growing in air exports and the growth of each in area planted in this George region. Berries grown in the Garden route has expanded in the Garden Route, as have their exports via Cape Town airport. This was for all the major berries grown which were blueberries, raspberries, blackberries and strawberries. Peaches had a slight decline in both cases. Potential opportunities for further exports are those of figs, persimmons, granadillas, avocados, cherries to name a few. The table points to at least some products that are grown in the Garden Route to be exported by air if a closer option were to be made available.

Table 3: Garden Route value of agricultural exports by mode of transport

Rank	Product	Cape Town International Airport, Agricultural Exports (Tons)			Garden Route Crop Area planted (Hectares)		
		2014	2018	% Change	2014	2018	% Change
	Total	5140	8085	57.3	-	-	-
1	Blueberries	982	3348	240.9	140	265	89.6
2	Peaches	1572	1504	-4.3	501	469	-6.4
3	Raspberries & Blackberries	834	814	-2.4	6	46	651.9
4	Apricots	114	378	232.3	791	623	-21.3
5	Table Grapes	713	285	-60.0	190	160	-16.2
6	Figs	96	282	193.1	39	83	115.4
7	Plums	243	211	-13.4	450	515	14.6
8	Strawberries	0	172	299872.9	35	51	45.6
9	Granadillas	92	128	39.6	0	0	-
10	Cherries	29	122	313.5	0	0	-
11	Apples	31	107	249.8	1516	1413	-6.8
12	Persimmons	15	94	524.7	6	9	46.5
13	Prunes	4	86	2009.7	54	47	-12.0
14	Avocados	0	43	-	130	227	74.6
15	Lemons	0	42	-	9	16	76.6

15	Other	415	469	12.9	-	-	-

Source: (Quantec, 2020)

6. Conclusion

This report has seeks to shed some light on the potential for agricultural exports using air transport and more specifically relate to the Garden Route agricultural production. Data limitation hinder a more robust analysis, but the information provided in the report suggest that agricultural export value by air transport has increased over the past decade. High value products such as abalone, crayfish, berries and other alternative crops are mainly exported by using air transport. Trying to relate this back to what is grown in the Garden Route suggest that those products mainly exported by plane is also seeing a growth in agricultural production.

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