

# THE FUTURE OF THE WESTERN CAPE AGRICULTURAL SECTOR IN THE CONTEXT OF THE 4<sup>TH</sup> INDUSTRIAL REVOLUTION

## Annexure C: Western Cape Agricultural Systems Summary

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# 1. South African Agriculture

## *The agricultural regions of South Africa*

South Africa is rich and diverse in fauna and flora, particularly with respect to vegetation types, plant and animal biodiversity, different climatic zones, and varying soil types. It is because of this diversity that distinct farming regions can be defined, which allows for intensive crop production in winter rainfall and high summer rainfall areas, or cattle ranching in the bushveld and sheep farming in the more arid regions. Only 12% of the country is suitable to produce rain-fed crops. Most of the country's land surface (69%) is suitable for grazing. Livestock farming is the largest agricultural sector in the country<sup>1</sup>.

## *South Africa's food consumption trends*

South Africa's population grows at a rate of almost 2% per year, estimated to reach 82 million by the year 2035, from 56 million in 2016<sup>2</sup>. Food production or imports must therefore exceed double the current capacity to feed the growing nation, whilst production needs should increase using the same or limited natural resources. It is conceivable that the demand for certain food types will change as more people become wealthier<sup>3</sup> and aware of their nutritional requirements.

According to the literature, the country's middle class has increased by 30% between 2001 and 2004. This has resulted in a shift from staple grain crops to a more diverse diet. A decrease in the consumption of the staples maize and bread has been observed. Chicken consumption has increased from 6 kg to 27 kg per person per annum. Beef, mutton, pork and milk consumption has declined. Per capita egg consumption has doubled. The per capita consumption of fruit and vegetables has remained the same<sup>4</sup>.

## *South Africa's dual economy*

South Africa has a dual agricultural economy, with both well-developed commercial farming and smaller-scale communal farming (located in the former homeland regions). Agriculture contributes a small share of the total GDP, but is important in providing employment and earning foreign exchange. The commercial agricultural sector has grown by approximately 14% per year since 1970, while the total economy has grown by 14,5% over the same period. There reportedly are backward and forward linkages into the economy, so that this sector is estimated to contribute about 14% of the GDP<sup>5</sup>.

The discontinuation of agricultural marketing boards, phasing out certain import and export controls, introducing certain import tariffs, dismantling state support to farmers combined with low import tariffs, and government-led initiatives to increase irrigated farmland has enabled other farmers to successfully grow high-value export crops such as deciduous fruit, grapes and citrus, essentially resulting in a vibrant agricultural economy and (increase in volume of agricultural exports, and Rand value of exports increased from 5% of agricultural production in 1988 to 51% in 2008<sup>6</sup>). However, another result of these interventions has been a decrease in the area under production for staple low-value crops such as wheat and maize. Despite these interventions, smaller farmers in South Africa cannot compete successfully with subsidised produce from overseas that is dumped in South Africa at below production cost, for example wheat, resulting in increases in the cost of locally-produced staples such as bread.

In 2008, South Africa's shift from low-value basic food crops to high-value export crops made the country a net importer of food in terms of volume for the first time. Despite the clear negative implications for this, the benefits are in the generation of foreign exchange and profits for local farmers. Furthermore, the environmental effects are worth mention, such as increased usage of irrigation water, increased carbon footprint, and climate change<sup>7</sup>.

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### *Land reform*

The South African government has developed and implemented land reform and agricultural support programmes for disadvantaged farming communities, through investment grants and provision of microcredit and retail financial services in rural areas. The Land Reform Programme has reduced poverty, however progress against targets has been slow and projects have shown a 90% failure rate, reducing agricultural output in certain areas. Uncertainty around land tenure has resulted in some white farmers farming irresponsibly<sup>8</sup>.

### *Increasing input costs*

Intensive farming practices are dependent on water, fuel, feed, synthetic fertilisers, pesticides, herbicides and, increasingly, on genetically modified (GM) seeds. Increased fuel prices impact on the running of farm machinery as well as the transport of bulk agricultural produce, due to the reliance of transport by road over the poorly-resourced railway system.

The high price of raw materials used in fertiliser production, the rising oil price and increased shipping costs, weakened Rand against the US dollar further drove up the prices of imported fertilisers such as potassium and nitrogen. Local fertiliser production is subject to international fluctuations and is under the control of a few large corporate companies<sup>9</sup>.

### *Towards intensified agriculture*

Declining farming profitability and water scarcity, changing of the use of land to other uses, farm consolidations have reduced the number of farms of South Africa to less than 60% (down to 39, 900) of the number of farms in the early 1990s. For example, although the area under maize, wheat and dairy (5% of the national herd) has decreased significantly over the last 20 years<sup>10</sup>, production remains relatively constant, suggesting the onset of intensified production.

Advisory services provided by provided by fertiliser companies and agribusinesses taken up the space previously held by government extension services, in exchange for procurement of their agricultural inputs from subscribing farmers.

### *Livestock*

Most of South Africa's land surface (69%) is suitable for grazing. Livestock farming is the largest agricultural sector in the country - the South African national cattle herd has increased by about 6 million head since the 1970s and now stands at near 14 million<sup>11</sup>. This increase has almost met the increased demand from South Africa's growing population (mentioned above), but the per capita consumption of beef has declined since the 1970s. The consumption of chicken by contrast is on the increase in South Africa and exceeds the total consumption of red meat; a trend that is likely to continue, possibly due to lower chicken process, and the quicker turn-around tie of production.

The livestock carrying capacity (i.e. potential livestock stocking rate) of land in South Africa increases eastwards, in line with increased rainfall. Higher numbers of cattle are concentrated in the eastern, wetter regions of the country, as well as in the North-West Province and the Northern Cape Province. Sheep farming is extensive in the drier western and central areas of the country. The total area of grazing land has declined over time due to expanding human settlements and activities (such as crop farming, forestry and mining). This decline is most prevalent in Gauteng and the Western Cape Provinces, with their high rates of urbanisation, but communal districts in Limpopo, KwaZulu-Natal and the Eastern Cape have also lost grazing lands<sup>12</sup>.

### *Opportunities for South Africa agriculture*

Despite the challenges noted above, there are opportunities for agriculture to thrive in South Africa. These are:

- *Alternative energy sources and energy efficiency technologies* - becoming cheaper and more necessary due to rising energy costs. Opportunities for farming operations include solar energy and biogas.

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- *Water use efficiency technologies* in irrigation - to address water scarcity and save the electricity used to pump water.
- *Precision agriculture techniques* - to reduce agricultural inputs including water and fertiliser, resulting in lowered costs and fewer environmental impacts.
- *Environmentally-friendly alternatives to chemical inputs* - to increase soil health and biodiversity and to reduce pollution<sup>13</sup>.

### *The value of primary agricultural production in South Africa*

The value of primary agricultural production in South Africa was R263,2 billion in 2016, while its contribution to the GDP was estimated at R72,2 billion in 2015. The *total gross value of agricultural production* (total production during the production season valued at the average basic prices received by producers) for 2016/17 is estimated at R273 344 million, compared to R243 057 million the previous year—an increase of 12,5%<sup>14</sup>. This increase can be attributed mainly to an increase in the value of field crops and animal products. Despite its relatively small share of the total GDP, primary agriculture is an important sector in the South African economy. Agriculture remains a significant provider of employment, especially in the rural areas, and a major earner of foreign exchange. In 2013, this sector was reported to have contributed to 7% of formal employment in South Africa<sup>15</sup>. Of employed people in the real economy in the Western Cape in 2015:

- 297 000 were in manufacturing.
- 232 000 were in agriculture
- 200 000 were in construction
- 3500 were in mining (in 2014)

### *Arable land in South Africa*

Table 1 indicates the availability of arable land in South Africa.

**Table 1:** Arable land availability

Use	Ha (million)	% of total
Suitable for rain-fed crops	14.4	12
High potential	3.6	3
Irrigated crops	1.3	1
Suitable for grazing	82.8	69
<b>Total</b>	<b>120</b>	<b>85</b>

### *South Africa's agricultural commodities volumes*

According to the FAO, the top 10 South African agricultural commodities by tonnage (million tons in parentheses) are sugar cane (17.3), fresh milk, cow (3.4), wheat (1.9), oranges (1.6), apples (0.8), maize (11.8), potatoes (2.3), grapes (1.8), meat chicken (1.5) and meat beef cattle (0.8).

### *Key players of South Africa's agricultural sector*

Key players in the agriculture sector can be categorized as follows: producers, research (academia), input suppliers, industry associations and labour organisations.

- Producers/farmers produce commodities and may do their own harvesting, storage and transport.
- Research institutions like universities and science councils such as the Agricultural Research Council (ARC) investigate all aspects of the value chain.
- Input suppliers produce inputs such as fertiliser, seeds, pesticides, packaging and machinery. Suppliers of green technologies, such as conservation agriculture (CA) equipment and solar panel manufacturers are included
- Industry associations are involved in all aspects of the value chain, and provide support to farmers with information on regulation, logistics, and cultivar development, for example, including soil, water, production practices and cultivars support.

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- Labour organisations provide support for employees in the agricultural sector by assisting them in attaining the best possible financial and social position in all employment opportunities along the entire value chain. Examples are grain producers, wool growers, poultry producers and vegetable and fruit producers.<sup>16</sup>

## 2. Agricultural systems of the Western Cape

### *Definitions of agricultural (farming) systems*

Several literature sources adequately define the various agricultural (farming) systems that may be found in agriculture and would be applicable in the Western Cape. These farming systems are described below, to illustrate the complexity of agricultural systems, and to suggest the depth with which considerations on farming systems should be made.

*Crop systems.* Crop systems relate to the production of individual crops

*All crop systems.* These are also known as *cropping systems* and refer to the combination of all the individual crops on a farm, which may be 4-6 or more different crops.

*Animal systems.* These systems relate to single-species animal enterprises or activities, for example, dairy cows, fish, sheep. They are the animal equivalent of individual crop systems.

*All animal systems.* These systems are the animal equivalent of all crop systems

*Farm service matrix.* This system refers to the fixed capital resources of a farm which are critical to the operation of the farm, and include examples such as fences, warehouses, and irrigation systems.

*Whole-farm systems.* Whole-farm systems consist of all the farm fixed capital, all the operating capital, all the final-product enterprises, all the activities and all the agro-technical processes which make up such enterprises and activities.

The population of the Western Cape is estimated at 6, 293, 000 in 2016<sup>17</sup>, however, the Western Cape Province is the 4th largest province in South Africa in terms of its land area which amounts to 12,938,600 hectares. The area consists of 11,560,609 hectares (89.3%) of farm land, 2,454,788 hectares (19%) potentially arable land, 9,105,821 hectares (70.4%) grazing, 730,731 hectares (5.6%) nature conservation, 198,938 hectares (1.5%) forestry and 448,322 (3.5%) other<sup>18,19</sup>.

There are five district municipalities in the Western Cape namely; Cape Winelands, Central Karoo, Eden, Overberg and the West Coast as well as Cape Metropole (City of Cape Town), which is the only metropole situated in the Province.

The total economy of the Western Cape, measured by the Gross Domestic Product (GDP) contribution towards the total national economy was 14.4% in 1997, 14.5% in 2007 and 14.2% in 2012.<sup>20</sup>

The Western Cape (WC) is primarily a winter rainfall region. This characteristic gives the province unique climatic properties to produce the following crop and animal commodities in 23 agro-climatic zones:

*Crops:* pome fruit, wheat, stone fruit, hops, flowers, honey bush, wine grapes, table grapes, pome fruit, olives, citrus, vegetables (onions, tomatoes, potatoes) canola, berries, rooibos, fynbos, barley, nuts, herbs and essential oils.

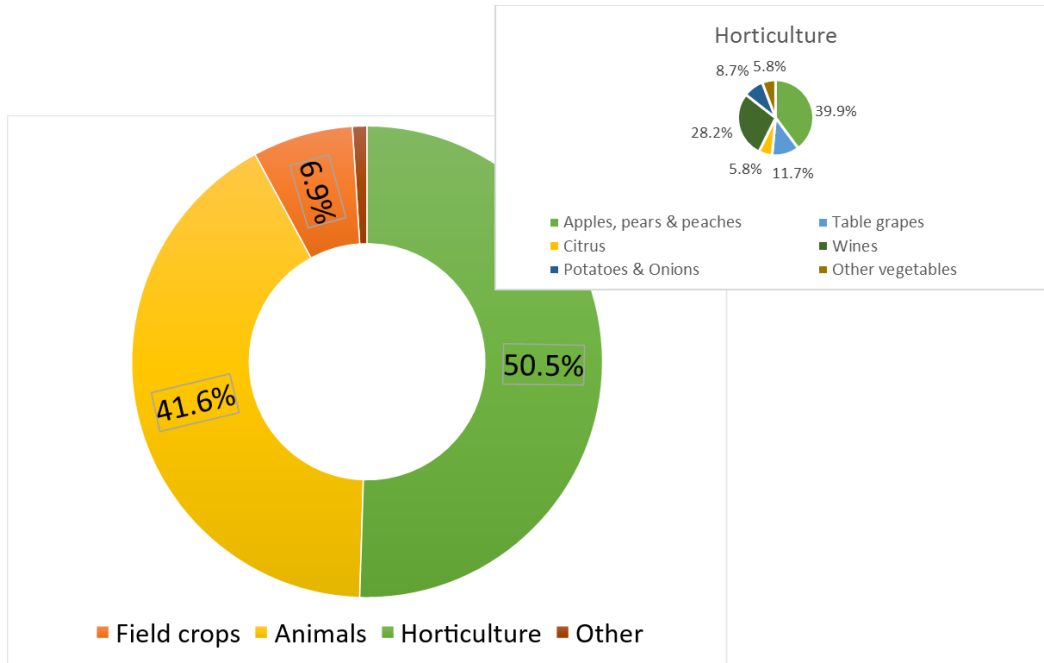
*Livestock:* cattle, broilers, layers, dairy cattle, pigs, sheep, goats, game, ostriches.

The Western Cape is a significant contributor to GDP because of the high-value export crops it produces such as wine grapes, and that the export of wines and fruit is dominated by this province. Agro-processing in the Western Cape, when considered, contributes 12% to GDP.<sup>21</sup>

### *Agricultural commodities of the Western Cape*

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The proportions of the agricultural commodities produced in the Western Cape are shown in Figure 1 below.



**Figure 1:** Proportion of agricultural commodity produced in the WC

### Support systems to the Agricultural Sector

Support systems to the agricultural sector of the WC can be summarised as in Table 2 below<sup>22</sup>.

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**Table 2:** Support systems to the agricultural sector of the Western Cape

<b>Programme</b>	<b>Short description</b>	<b>Sub-programmes</b>
Programme 1: Administration	To manage and formulate policy directives and priorities; to ensure there is appropriate support service to all other programmes regarding finance, personnel, information, communication and procurement.	Office of the MEC; Senior Management; Corporate Services; Financial Management; Communication Services
Programme 2: Sustainable Resource Management	To deliver a support service to all farmers in the province; maintain and improve the current natural resources through implementation of projects, regulation and communication campaigns; to support farmers with climate change; provide sustainable resource management solutions and methodologies to implement and manage disaster aid schemes.	Engineering Services; LandCare; Land Use Management; Disaster Risk Management.
Programme 3: Farmer Support and Development	To provide support to farmers through agricultural development programmes.	Farmer Settlement and Development; Extension and Advisory services; Food security; Casidra SOC Ltd.
Programme 4: Veterinary Services	To provide veterinary services to clients' animals	Animal Health; Export Control; Veterinary Public Health; Veterinary Laboratory Services
Programme 5: Research and Technology Development Services	To render expert and needs based research, development and technology transfer services impacting on development objectives.	Research; Technology Transfer Services; infrastructure Support Services
Programme 6: Agricultural Economics Services	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agribusiness development	Agribusiness Support and Development; Macroeconomics Support.
Programme 7: Structured Agricultural Education and Training	To facilitate and provide structured agricultural education and training	Higher Education and Training; Further Education and Training
Programme 8: Rural Development	To create vibrant, sustainable rural communities, to facilitate the implementation of the National Comprehensive Rural Development Programme and to facilitate the development of agri workers in the Western Cape.	Rural Development Coordination; Social Facilitation; Farm Worker Development.

Over and above the support systems described above, the Western Cape Department of Agriculture has special projects running in support of farmers. These are summarised in Table 3 below.



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**Table 3:** Agricultural projects in support of farmers in the Western Cape

Project name	Short description
Spatial intelligence project	This detailed airborne survey maps the footprint of the Western Cape's agricultural sector.
Western Cape AgriStats portal	Comprehensive web-based agricultural statistics portal seeks to inform decision-making.
Cape Farm Mapper	Cape Farm Mapper is a desktop web mapping application, which provides access to updated spatial intelligence to assist with decisions around agriculture practices, environmental management and farm planning; provides access to spatial databases and web services.
Cape Agricultural Mobile Information System (CAMIS)	The Cape Agricultural Mobile Information System (CAMIS) is a mobile app for farmers which provides access to key agricultural indicators. CAMIS represents a mini, location-based version of the CapeFarmMapper desktop web application.
Smart Pen	The digital Smart Pen allows officials to electronically capture farm visit reports, creating paperless processes.
Agricultural Information Management System (AIMS)	The Agricultural Information Management System (AIMS) brings together the fly-over data and the digital pen technology, and provides an accurate and verified baseline of the current state of agriculture in the Western Cape.
Agri Touch	The interactive AgriTouch kiosk offers advice on market access, key sector indicators, agri-business promotion and information on departmental services. Through this service, land reform beneficiaries and emerging farmers will have easy access to the information they need to take their enterprises forward.
Fruitlook	Through Fruitlook, satellite technology is used to analyse crop growth and water use.
GreenAgri	The GreenAgri portal is an online tool outlining green agricultural practices and profiling the latest environmentally-friendly innovations.
Export certification system	The Western Cape Department of Agriculture's vets have developed a comprehensive directory for exporters.

### Collaborations

The Agricultural Research Council provides research support to the agricultural sector of the Western Cape primarily through its Infruitec-Nietvoorbij Institute. The research programmes include crop development, crop protection, soil and eater science, viticulture, proteomics and research services, post-harvest and agro-processing technologies, and other services. The research activities of the ARC in the Western Cape are primarily in Deciduous fruit (apples, pears, peaches, plums, apricots and nectarines), grapes (wine, table and raisin), temperate climate crops (cherries, honey-bush & rooibos teas, olives, pomegranates, figs, aloe and strawberries), wine, brandy, dried fruit, processed fruit as well as fruit juice. Several experimental farms are available for practical work and demonstrations.

The University of the Western Cape has a Natural Sciences Faculty and offers training (and therefore support to the agriculture sector) in Biotechnology, Biodiversity and Conservation Biology, Microbial Biotechnology and Metagenomics, as well as Water Studies.

The Cape Peninsula University of Technology offers training in Agriculture and Agricultural Management, covering Livestock, Crop, Agronomy, Oenology, Viticulture and Extension Services Training. Its partners include Crookes Brothers, the ARC Animal Production Institute, Haygrove, RCL Foods (Rainbow Chickens), SABBI, Reliance Group, Suiderland Farms, Fruitways, Koue Bokkeveld Opleidingsentrum, and Du Toit Agri.

The University of Stellenbosch also provided research support to the agricultural sector of the Western Cape. It has several departments for academic output, namely, Agricultural Economics, Agronomy, Animals Sciences, Conservation Ecology, Food Science, Forest and

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Wood Science, Genetics, Horticultural Science, Plant Pathology, Soil Science, Viticulture and Oenology, as well as two experimental farms for training purposes.

There are several collaborations between the WC Department of Agriculture and higher education institutions, and example of which is the SmartAgri Project (Smart Agriculture for Climate Resilience) is a collaboration between the Western Cape Department of Agriculture, the Western Cape Department of Environmental Affairs & Development, and the University of Cape Town's African Climate and Development Initiative (ACDI, which was set-up to provide a road map for initiatives that allow the agricultural to adapt to the challenges brought on by climate change. A number of resources emanating from this collaboration may be found at: <http://www.acdi.uct.ac.za>.

The Cape of Good Hope Agricultural Society (later renamed Agri-Expo) has the objective to support the sustainability of all sectors of agriculture in the Western Cape, through sustainable projects and events.

The Western Cape Agriculture Forum (WCAF) is a voluntary association of agricultural organisations and commodities in the Western Cape, which seeks to ensure growth of the agricultural sector of the Western Cape, and agree on strategic matters in agriculture. Current members are Agri Wes-Cape, African Farmers' Association of South Africa (AFASA), the National African Farmers' Union (NAFU), VinPro, South African Table Grape Industry (SATI), Hortgro, the Red Meat Producers Organisation in the Western Cape, the National Wool Growers' Association, the Milk Producers' Organisation, Dried Fruit Technical Services, the Canning Fruit Producers' Association and the Kaapland Pork Meat Producers' Association.

The WC Department of Agriculture has also partnered with South African National Apex Cooperative (SANACO WC), Small Enterprise Development Agency, and Department of Agriculture to create an enabling environment for agricultural cooperatives to participate more meaningfully in the agricultural sector, through providing training, access to assets and increased productivity.

Table 4 below is a selection of the key role players in the WC Agricultural sector, which does not list the private companies active in the agricultural value chain (these may be found in the 2016/17 Agri Handbook for South Africa).

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**Table 4:** A selection of key role players in the WC Agricultural sector<sup>23</sup>

Government	Research institutions and universities	Industry Associations
Agriculture, Forestry and Fisheries (DAFF) National Department of Energy (DoE) National Department of Rural Development and Land Reform (DRD&LR) National Department of Science and Technology (DST) National Department of Water and Sanitation (DWS) Western Cape Department of Agriculture (WCDoA) Western Cape Department of Economic Development and Tourism (DEDAT)	Agricultural Research Council (ARC) Bureau for Food and Agricultural Policy (BFAP) Council for Scientific and Industrial Research (CSIR) Institute for Poverty, Land and Agrarian Studies (PLAAS) Statistics South Africa (Stats SA) Stellenbosch University (US) University of Cape Town (UCT) University of the Western Cape (UWC) Nelson Mandela University (NMU) Cape Peninsula University of Technology (CPUT)	Agri Western Cape Citrus Growers Association (CGA) Grain SA HORTGRO Milk Producers Association(MPO) National Wool Growers Association Conservation Agriculture Western Cape (CAWC) Potato SA SA Olive Industry Association SA Pork Producers Association SA Poultry Association (SAPA) SA Rooibos Council SA Table Grape Association SA Mohair Growers Association VinPro Winetech

### Infrastructure

The WC Agricultural sector is supported infrastructurally in the following ways, shown in Table 5.

**Table 5:** Infrastructural capacity that supports agriculture in the WC<sup>24</sup>

Abattoirs (red meat)	55
Abattoirs (white meat)	25
Agro processing plants	261
Chicken batteries	57
Chicken broilers	170
Chicken layers	140
Chicken hatcheries	2
Cool chain facilities	21
Dairies	760
Fruit packers	44
Fruit cool chains	29
Homestead	5565
Homestead-labour	13860
Pack houses	613
Piggeries	75
Silos (commercial)	44
Tunnels	853
<b>Total</b>	<b>22574</b>

The Western Cape's agricultural sector is unique from other provinces in South Africa, mostly in terms of physical resource differences. The winter rainfall region of the Winelands and the year-round rainfall of the Southern Cape enable a variety of crop mix and production potential. The Provinces' agricultural sector is known for its production stability and supported by well-developed infrastructure for input supply and output processing. It is well known that agriculture plays a significant role in the Western Cape economy with a total value-addition to the economy of R14.7 billion in 2011, and about 23% of the national agricultural value-addition<sup>25</sup>

### Agricultural trade performance<sup>26</sup>

The major agricultural products exported from the Western Cape are

- The *live animal and animal products* exports consist of 0.1% live animals, 0.8% meat and edible meat offal, 19.5% fish, crustaceans, molluscs, aquatic invertebrates and 0.4% products from animal origin.
- The *vegetable products* exports consist mainly of edible fruit, nuts, peel of citrus and melon (84%). In this category, the main export products are citrus fruit (fresh and dried) at 36.8%, pome fruit (apples, pears and quinces) at 31.2%, grape (fresh and dried) at

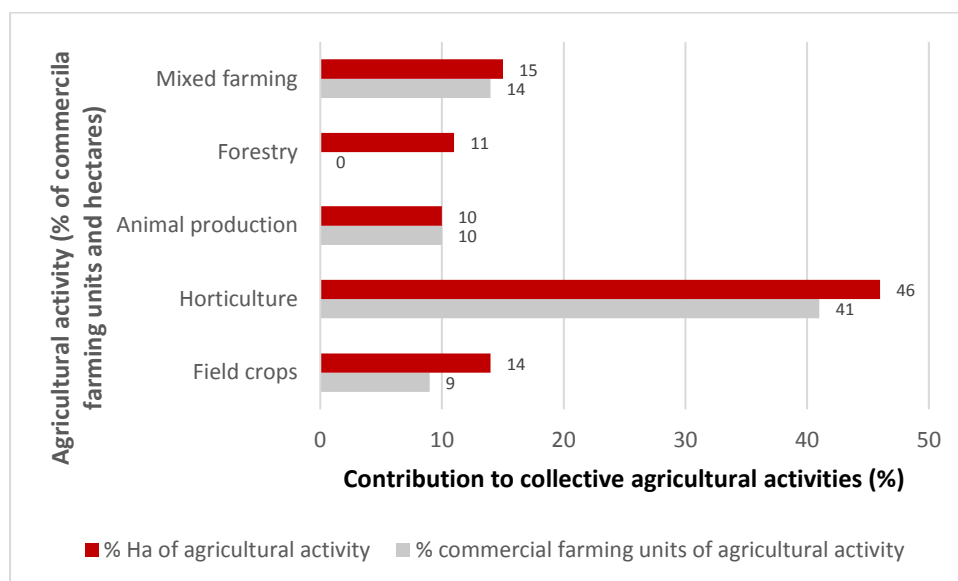
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22.5% and stone fruit (apricots, cherries, plum, apricots and nectarines) at 5.7% according to the total export value.

- *Prepared foodstuffs; beverages, spirits & vinegar; tobacco & manufactured tobacco substitutes* exports mainly consist of meat, fish and seafood preparations (3.6%), vegetable, fruit and nut food preparations (16.6%), beverages, spirits and vinegar (53.2%) accompanied by a 35.9% growth year-on-year between 2012 and 2013 and tobacco and manufactured tobacco substitutes (7.4%).

### Agricultural activity of the Western Cape

Figure 2 below shows the agricultural activity of the WC<sup>27</sup>.



**Figure 2:** Agricultural activity in the Western Cape

The total gross value of agricultural production may be reported as follows:

- Field crop production (gross value of production of R51, 783 billion);
- Horticulture (gross value of production of R 46,481 billion);
- Animal production (gross value of production of R 84,610 billion), and;
- Forestry and mixed farming.

## 3. National Policy Mandates of South African agriculture<sup>28</sup>

The strategic goals and associated objectives of the Department of Agriculture, Forestry and Fisheries (DAFF), namely,

- effective and efficient strategic leadership, governance and administration;
- enabling environment for food security and sustainable agrarian transformation;
- enhance production, employment and economic growth in the sector,

are a response to achieve the National Development Plan's (NDP) objectives and targets. To align with these priorities, objectives and targets, the department aims to continue providing comprehensive support to all categories of producers. The support will increase the number of people participating in different agricultural sector activities.

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In rural areas, the focus is on support to subsistence and smallholder producers in line with the expectations of the NDP, namely that a third of the food surplus should be produced from small-scale farmers or households. The department aims to support targeted land reform beneficiaries as the NDP also supports the land reform objective. DAFF will implement sustainable development programmes that ensure protection of biomes and endangered species, rehabilitation of degraded land and climate change mitigation and adaptation strategies. The department also aims to improve the production efficiencies for smallholder producers. These strategies include organising smallholder producers into commodity-based organisations, increasing their collective bargaining power in negotiations, as well as providing support and training to SMMEs. Implementation of transformation initiatives such as the AgriBEE Charter, Forestry Charter and allocation of commercial fishing rights will promote participation in the economy of the country.

Three key programmes are aligned with the priorities, namely Fetsa Tlala, aimed at massive production of staple foods on fallow land that has the potential for agricultural production; Ilima/Letsema, aimed at supporting sustainable agriculture and promoting rural development for smallholder producers; and LandCare to address land degradation problems and encourage sustainable use of natural resources.

The NDP also states that agriculture has the potential to create close to 1 million new jobs by 2030 through:

- Expanding irrigated agriculture—the 1,5 million ha under irrigation could be expanded by at least another 500 000 ha to 2 million ha
- Cultivating underutilised land in communal areas and land-reform projects for commercial production
- Supporting commercial agricultural industries and regions with the highest growth and employment potential
- Supporting upstream and downstream job creation
- Finding creative opportunities for collaboration between commercial farmers, communal farmers and complementary industries
- Developing strategies that give new entrants access to value chains and support.

### *The New Growth Path (NGP)*

The NGP is a national policy which broadly aims to unblock private investment and job creation to address systematic blockages to employment-creating growth (infrastructure, skills, regulatory framework, for example). It focuses on productive sectors and proactively intends to support industries, activities and projects that will generate employment. The NGP has identified job drivers for growth, namely, infrastructure, agricultural value chains, mining value chain, manufacturing, tourism and high-level services, green economy, knowledge economy, social economy, public sector, rural development and African regional development. The NGP manages the job drivers for growth such as in mining, commercial agriculture and smallholders, higher industries, and others.

### *Industrial Policy Action Plan*

The IPAP takes place within the framework of continuous improvements and upscaling of concrete industrial development interventions, as set out in the National Industrial Policy Framework (NIPF). IPAP aims to upscale key interventions over a rolling three-year period, with a ten-year outlook on desired economic outcomes. The NIPF has the following core objectives, namely to:

- Facilitate diversification beyond the economy's current reliance on traditional commodities and non-tradable services that require the promotion of value addition, characterised particularly by the movement into non-traditional tradable goods and services that compete in export markets and against imports.

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- Ensure the long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy.
- Promote a labour-absorbing industrialisation path, with the emphasis on tradable labour-absorbing goods and services and economic linkages that create employment.
- Promote industrialisation, characterised by the increased participation of historically disadvantaged people and marginalised regions in the industrial economy.
- Contribute towards industrial development in Africa with a strong emphasis on building the continent's productive capacity and securing regional economic integration.

### *The Agricultural Policy Action Plan (APAP)*

Based on this analysis of the various challenges within the Agriculture, Forestry and Fisheries (AFF) sectors the AFF Strategic Framework was developed to outline appropriate responses to these challenges. The APAP aims to translate these high-level responses offered in the Agricultural, Forestry and Fisheries Strategic Framework, into tangible, concrete steps. The IGDP identifies four broad sector goals

- Equitable growth and competitiveness;
- Equity and transformation;
- dual sustainability; and
- Governance

which translate into a comprehensive, abiding intervention framework, which will be supported through iterations of APAP via short and medium-term interventions targeting specific value chains (sectoral interventions) or transversal challenges (transversal interventions).

The APAP therefore aligns itself with the New Growth Path (NGP), the National Development Plan (NDP), as well as the Medium Term Strategic Framework in respect of Outcomes 4, 7 and 10.

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<sup>1</sup> FAO Corporate Document Repository

<sup>2</sup> DAFF (2017) Abstract of Agricultural Statistics

<sup>3</sup> Goldblatt, A (2010) AGRICULTURE: FACTS & TRENDS: South Africa

<sup>4</sup> AGRICULTURAL STATISTICS, 2008. Directorate: Agricultural Statistics of the National Department of Agriculture

<sup>5</sup> Goldblatt, A (2010) AGRICULTURE: FACTS & TRENDS: South Africa

<sup>6</sup> SOUTH AFRICAN YEARBOOK. 2008/9. D. BURGER (Ed). *Government Communication and Information System*

<sup>7</sup> Goldblatt, A (2010) AGRICULTURE: FACTS & TRENDS: South Africa

<sup>8</sup> MEGA Report J-469-1-09. 2009. *Business and biodiversity initiatives: Evaluation and strategy report*. Compiled for the CEPF funded C.A.P.E. Conservation Gains project.

<sup>9</sup> Goldblatt, A (2010) AGRICULTURE: FACTS & TRENDS: South Africa

<sup>10</sup> AGRICULTURAL STATISTICS, 2008. Directorate: Agricultural Statistics of the National Department of Agriculture

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<sup>11</sup> PALMER, T. and AINSLIE, A. *2006 Country Pasture/Forage Resource Profiles South Africa*. Prepared by Palmer and Ainslie in May 2002; livestock data updated by S.G. Reynolds in August 2006

<sup>12</sup> Goldblatt, A (2010) *AGRICULTURE: FACTS & TRENDS: South Africa*

<sup>13</sup> GreenCape (2016) *Agriculture: Market Intelligence Report*

<sup>14</sup> DAFF (2017) *Economic Review of the South African Agriculture 2016/2017*

<sup>15</sup> Department of Agriculture Forestry and Fisheries (DAFF) 2013b. *Economic Review of South African Agriculture*.

<sup>16</sup> GreenCape (2017) *Agriculture: Market Intelligence Report*

<sup>17</sup> STATS SA

<sup>18</sup> DAFF (2014). *Agricultural Statistical Abstract (2014)*.

<sup>19</sup> Stats SA (2012). *South African Statistics, 2012*.

<sup>20</sup> Stats SA (2013a). *Statistics SA GDP report (2013)*.

<sup>21</sup> Department of Agriculture Forestry and Fisheries (DAFF) 2013.

<sup>22</sup> Western Cape Department of Agriculture

<sup>23</sup> GreenCape Market Intelligence Report, 2017

<sup>24</sup> GreenCape Market Intelligence Report, 2016

<sup>25</sup> Vink, N., and Tregurtha, N. (2007). *Agriculture and Mariculture First Paper: structure, Performance and Future Prospects – an overview*.

<sup>26</sup> Quantec (2014). *Regional International Trade Data by Province: Western Cape Annual (2012-2013)*.

<sup>27</sup> DAFF (2014). *Agricultural Statistical Abstract (2014)*

<sup>28</sup> DAFF 2015/16 to 2019/20 Strategic Plan