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# Western Cape Agriculture Sector Profile 2023

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# Table of Contents

## List of Figures

## List of Tables

## Executive summary

This report presents the 2023 edition of the Western Cape (WC) Agriculture sector profile based on 2022 statistics. Whilst some of the data is updated annually, other data sources are less frequently updated and will remain the same.

The WC experienced a net positive population growth between 2021 and 2022 bringing the total population to 7.4 million, which is 12% of the national population. For the past decade, the provincial annual average growth rate of 2.2% is higher than 1.7% at the national level. From 2021 to 2022 the provincial economy increased by 2.4% reaching a total of R616 billion (in 2015 prices), indicative of an economy on its path to recovery.

In 2022 the WC contributed 55% to national primary agricultural exports. The agricultural (incl. Forestry & Fisheries) sector experienced negative economic growth of 2.41% from R18 billion in 2021 to R17 billion in 2022, and this was also the case for the beverages and tobacco sectors which combined decreased by 4.11%. The food sector increased slightly by 0.22%.

In 2022, the WC recorded 216 000 primary agriculture jobs, increasing agricultural sector's share in total WC employment, from 8% at the end of 2021 to 8.1% in 2022. Whereas, employment in the food, beverages & tobacco (FBT) sector decreased by from 147 000 in 2021 to 115 000 in 2022

Loadshedding adversely affected the WC agricultural sector's operations. The impact of power outages was more severe in on irrigation farming. Major commodities under irrigation are pastures which account for 77%, summer grains 12% and winter grains 8%. Electricity demand for agricultural irrigation increases during the hottest and growing months (October to March). Coupled with increasing cost of fuel (e.g. petrol and diesel) on business operations, the production costs were elevated.

The number of households participating in non-commercial agricultural activities declined by 35% from 84 567 in 2011 to 54 644 in 2022. More than half of the households participating in agriculture were involved in crop, livestock and poultry production. The majority of households produce for own consumption, and others sell some of their surplus produce.

# 1. Introduction

The agricultural sector is known for its direct contribution to food security, employment and economic growth. In the Western Cape (WC) agriculture is largely commercial and also benefits from foreign earnings through export markets. Agriculture is a strategic sector with the potential to unlock more job opportunities through increased production in primary agriculture and investment in agri-processing activities.

Evidence based and data driven insights are essential to inform planning and decision-making in the agricultural industry. Hence, agricultural economic and statistical data on the performance of the sector is analysed for the past ten years.

Using insights of the analysis, this report discusses a wide range of topics starting with an overview of the province, then agricultural production trends, agricultural land use change, subsistence farming, investment, infrastructure, domestic markets, agro-tourism, and water use. The last chapter is a special chapter presenting a brief discussion on the impact of loadshedding in the agricultural sector in the province.

# 2. Overview of the Western Cape

The Western Cape is one of South Africa's nine provinces, located on the country's South West Coast (Figure 2.1). The province consists of 25 municipalities which are grouped into six municipal districts. The Western Cape is unique to the rest of the country in terms of climate; its region along the coast has a Mediterranean climate, while a semi-dessert exists inland. It is also rich in natural biodiversity and the fynbos biome ecosystem contributes to the production of endemic Protea flowers and rooibos tea.

It is a winter rainfall region with a well-developed production and processing infrastructure that allows stable production of a unique mix of agricultural produce. Horticulture is a major farming enterprise in the Western Cape, and there is also production of field crops and livestock.

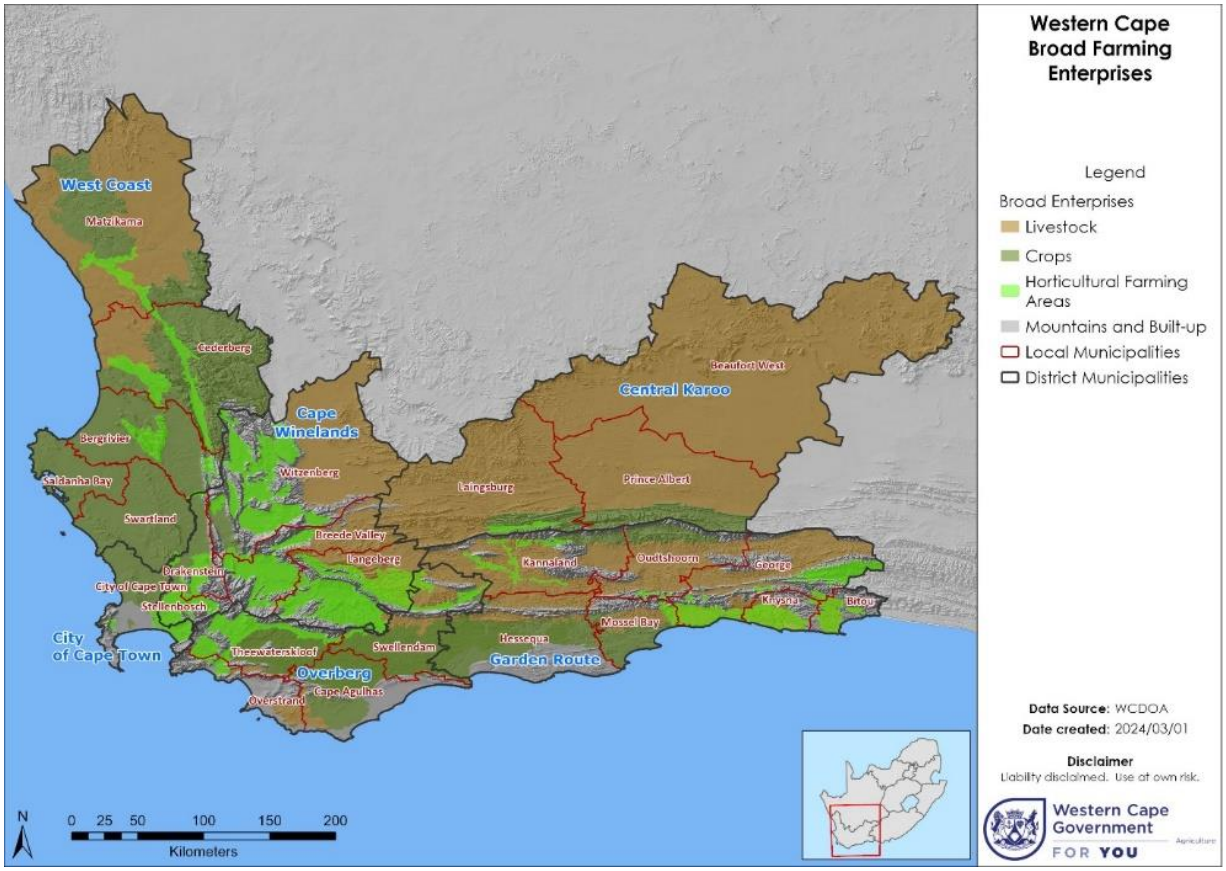



**Figure 2.1: Western Cape Province agricultural enterprises, South Africa**
*Source: (WCDoA, 2024)*

The Western Cape's population is 7.4 million, 12% of the national population. Figure 2.2 illustrates the absolute population of the province and the relative share of the national population for each year between 2012 and 2022. For the past decade, the national population's annual average growth of 1.7% was lower than the provincial growth rate of 2.3%. Figure 2.3 illustrates a regional breakdown of the Western Cape population by district for the period 2012 and 2022. It was observed that most of the province's population resides in the Cape Town metropole area (64%), and the City of Cape Town had the fastest-growing population, which increased at a rate of 2% per annum over the past year. Overall, the relative breakdown of the population has not changed significantly over the past decade, with Eden showing a growth of 1% and Cape Winelands decreasing by 2%.

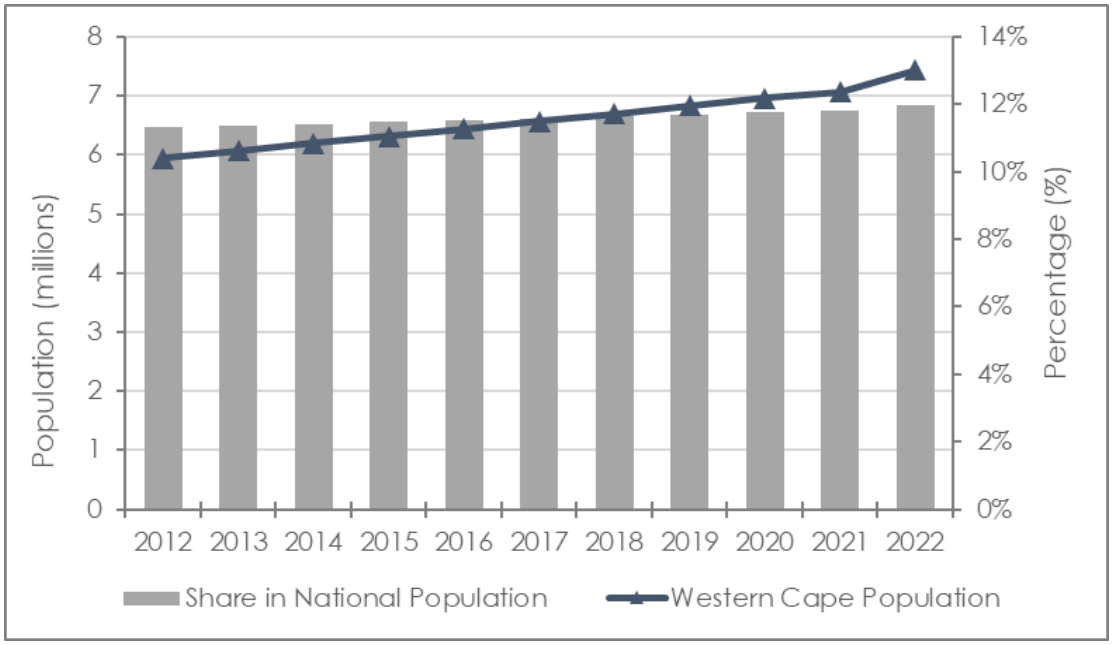



**Figure 2.2: Western Cape absolute and relative population 2012-2022**
*Source: (Quantec, 2023)*

Figure 2.4 shows a breakdown of the WC population in 2022 by age and gender. The province has slightly more females than males, with the female share of the population at 52%. In terms of age groups, a large portion of the population falls between the ages of 25 and 39, these cohorts together accounting for 27.7% of the total population.

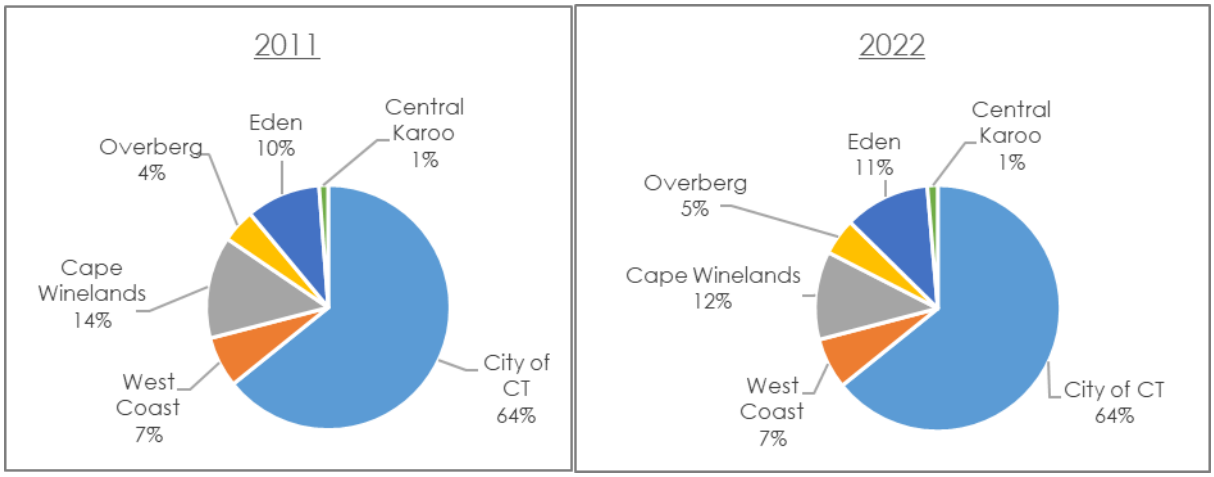



**Figure 2.3: Western Cape Population by District, 2012-2022**
*Source: (Quantec, 2023)*

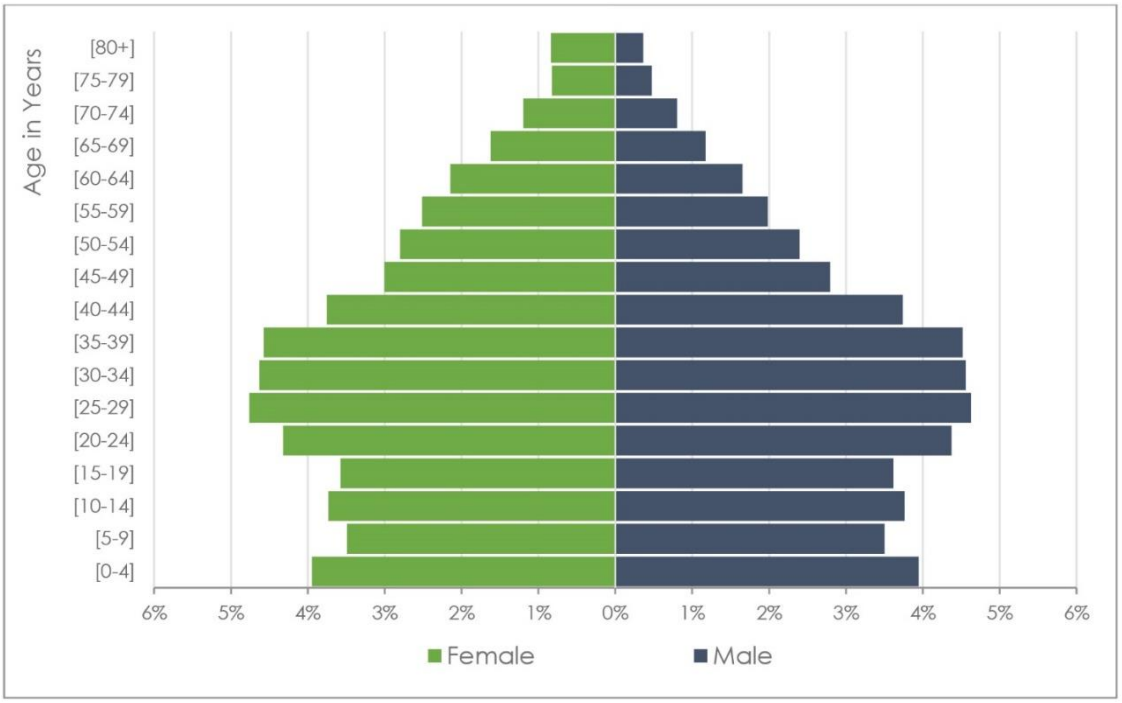



**Figure 2.4: Western Cape population by age and gender, 2022**
*Source: (Quantec, 2023)*

Since 2012, the WC's economy has been growing steadily for 8 years, before it decreased in 2020, due to the COVID-19 pandemic. Figure 2.5 shows that the economy picked up again in 2021 and even grew more in 2022, the latter had the highest growth rate. Between 2012 and 2022 real annual growth averaged at 1%, but between 2021 and 2022 the provincial economy increased by 2.4% to reach a total of R616 billion (in 2015 prices).

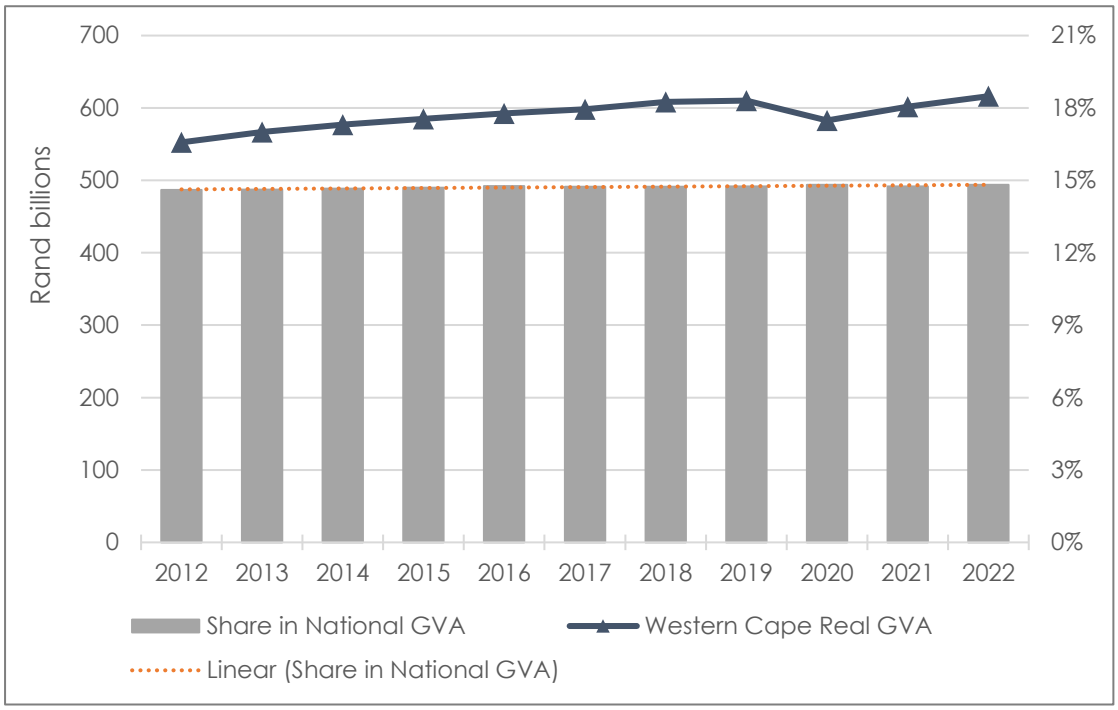



**Figure 2.5: Western Cape Real Gross Value Added (GVA), 2012-2022**
*Source: (Quantec, 2023)*

Figure 2.6 illustrates the WC sectoral breakdown by share contribution to the provincial economy. The business services sector (including financial, insurance and real estate services) is the largest in terms of contribution to the WC economy. In 2021, this sector slightly declined by 0.3%. However, there was a slight improvement from 30.4% in 2021 to 30.6% in 2022. In general, only four sectors increased their share of contribution to the economy compared to the seven sectors for the previous year. These four sectors include transport and accommodation (8.4% to 9.0%), business services (30.4% to 30.6%), wholesale retail (13.6% to 13.7%) and social services (18.5% to 18.6%). The other eight sectors either stayed unchanged (forestry & fisheries, and mining & quarrying) or declined in share contribution to the WC economy, including agriculture (3.0% to 2.9%).

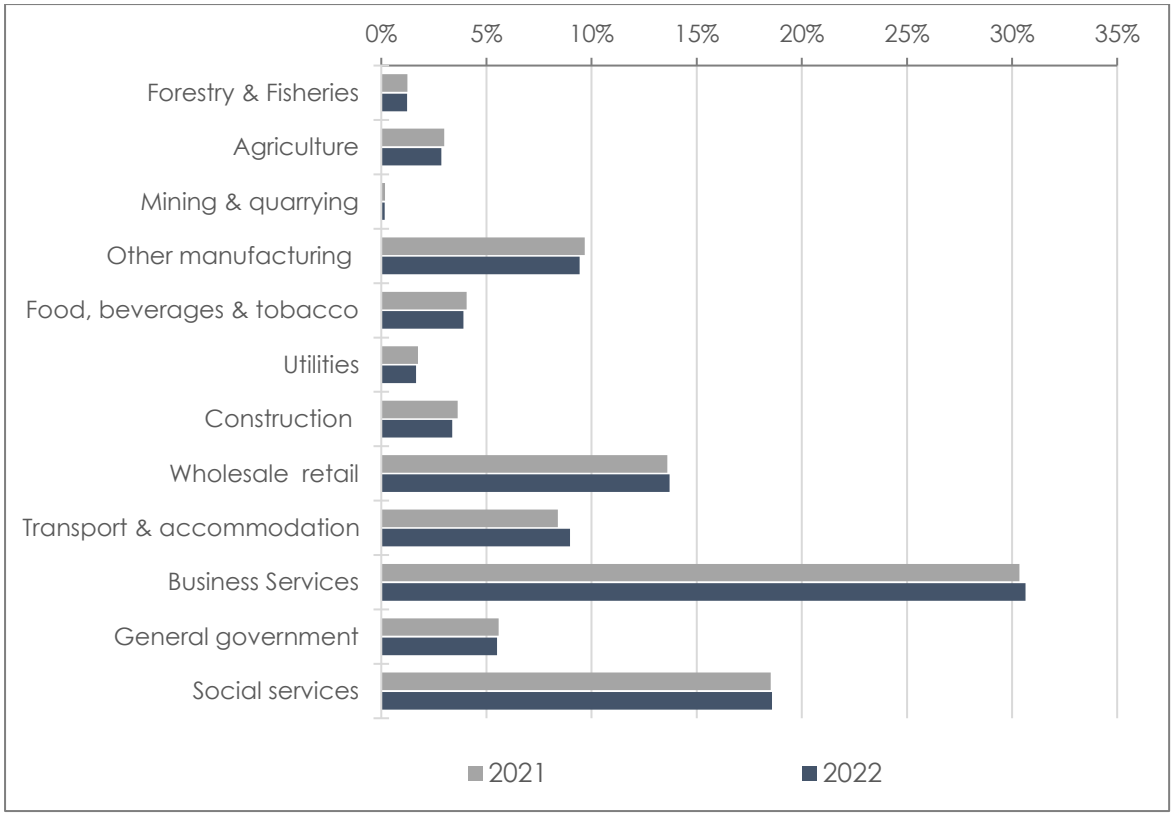


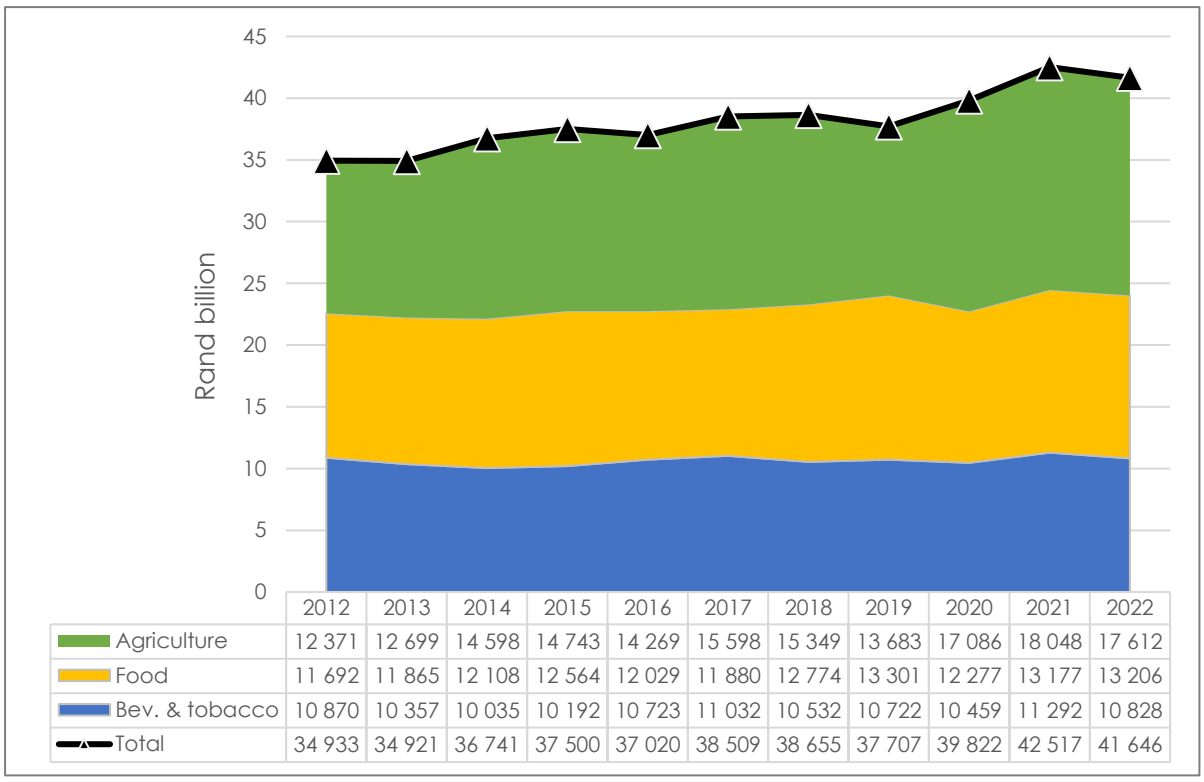

**Figure 2.6: Western Cape industry contribution by GVA, 2021 vs 2022**
*Source: (Quantec, 2023)*

**Summary points**

- For the past ten years the Western Cape population grew by an average growth rate of 2.3% higher than the national average of 1.7%.
- Provincial GVA increased by 2.4% in real terms in 2022 indicative of an economy on its path to recovery.
- The Business services sector continues to constitute the largest share of the Western Cape economy.

## 3. Agricultural Production

The agricultural (incl. Forestry & Fisheries) sector experienced negative economic growth of 2.41% from 2021 to 2022. Having declined from R18 billion in 2021 to R17 billion in 2022. This was also the case for the beverages and tobacco sector at 4.11%. The food sector increased slightly by 0.22%. Overall, the combined growth rate was negative, 2.05% (Figure 3.1).




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Agriculture | 12 371 | 12 699 | 14 598 | 14 743 | 14 269 | 15 598 | 15 349 | 13 683 | 17 086 | 18 048 | 17 612 |
| Food | 11 692 | 11 865 | 12 108 | 12 564 | 12 029 | 11 880 | 12 774 | 13 301 | 12 277 | 13 177 | 13 206 |
| Bev. & tobacco | 10 870 | 10 357 | 10 035 | 10 192 | 10 723 | 11 032 | 10 532 | 10 722 | 10 459 | 11 292 | 10 828 |
| Total | 34 933 | 34 921 | 36 741 | 37 500 | 37 020 | 38 509 | 38 655 | 37 707 | 39 822 | 42 517 | 41 646 |

**Figure 3.1: Western Cape Real GVA in primary agriculture & agri-processing, 2012-2022**

*Source: (Quantec, 2023)*

However, for the past 10 years, the WC's agricultural GVA increased by an annual average growth rate of 3.60%. The province's share of national agricultural GVA represented in Figure 3.2 shows a decline over the past ten years but in 2022, the share decreased by 2% compared to the previous year. The WC was disproportionately affected by the later impacts of the drought towards the end of the decade, then the outbreak of Covid-19 in 2020 and ongoing electricity supply disruptions due to Loadshedding. The growth in 2022 for the province was slower than the national level meaning the provincial share in agricultural GVA remained relatively low at 14.68%. Another interesting observation relates to the province's share of national GVA in the

food, beverage and tobacco (FBT) sector. As illustrated in Figure 3.2, the province's national share in 2022 remained steady the 20% mark.

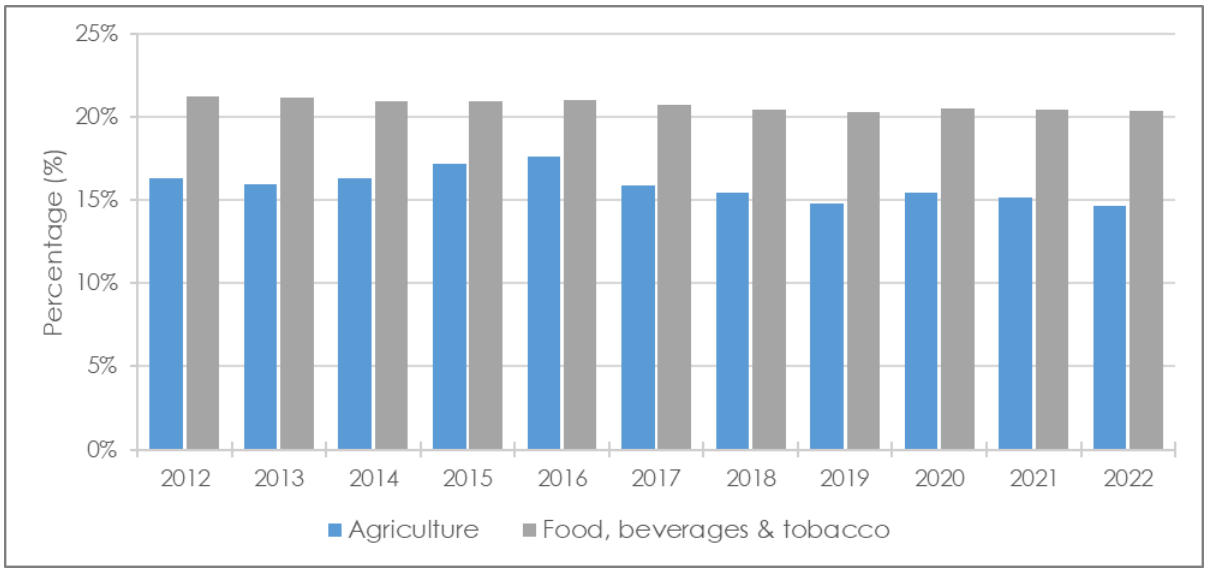



**Figure 3.2: Western Cape share in national agriculture and agri-processing GVA, 2012-2022**

*Source: (Quantec, 2023)*

The geographic distribution of agricultural and FBT GVA within the WC province in Table 3.1 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 decreased slightly from 18.1% to 18.0%. The previous years, 2020 and 2021 showed a decline in food processing GVA from the Cape Winelands (12.72% and 12.60% respectively) but the 2022 pictures show a slight increase to 13.0%. There was also quite a significant shift in the concentration of beverage and tobacco products from Cape Winelands, where the share in activity increased for 2022, moving from 15.60% in 2020 and 15.20% in 2021 to 16.5% for 2022; to the City of Cape Town, where the share rose from 63.57% in 2020 to 64.1% in 2021, has now slightly decreased to 63.2% in 2022.

**Table 3.1: Western Cape district and municipal level agricultural GVA, 2022**

| District and municipalities | Agriculture | Food | Beverages & Tobacco |
|---|---|---|---|
| ***City of Cape Town*** | ***18.0%*** | ***59.3%*** | ***63.2%*** |
| City of Cape Town | 18.0% | 59.3% | 63.2% |
| ***West Coast*** | ***24.7%*** | ***16.0%*** | ***12.7%*** |
| Matzikama | 5.9% | 1.1% | 1.4% |
| Cederberg | 3.7% | 2.3% | 0.6% |
| Bergrivier | 6.3% | 3.1% | 0.7% |
| Saldanha Bay | 1.6% | 3.8% | 5.9% |
| Swartland | 7.2% | 5.7% | 4.1% |
| ***Cape Winelands*** | ***33.4%*** | ***13.0%*** | ***16.5%*** |
| Witzenberg | 7.5% | 2.5% | 1.4% |
| Drakenstein | 8.1% | 3.6% | 6.2% |
| Stellenbosch | 4.9% | 2.6% | 4.9% |
| Breede Valley | 7.8% | 2.3% | 2.0% |
| Langeberg | 5.2% | 1.9% | 1.9% |
| ***Overberg*** | ***10.5%*** | ***3.8%*** | ***2.6%*** |
| 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% | 0.3% |
| 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% | 0.7% |
| 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 | 1.6% | 0.1% | 0.1% |

*Source: (Quantec, 2023)*

## Summary points

- WC's agricultural GVA increased by an annual average growth rate of 3.60% over the past ten years.
- The WC's Agricultural Sector's relative share of national GVA remained low at 14.68% in 2022.
- The WC's share of national GVA in the food, beverage and tobacco (FBT) in 2022 remained steady at 20%.
- There was an increase in food processing GVA from the Cape Winelands (12.6% in 2021 to 13.0% in 2022), as well as a slight positive increase for beverages and tobacco's GVA (15.2% in 2021 to 16.5% in 2022).

# 4. Agricultural Land

In Figure 4.1 shows agricultural land auction sale prices for the last 10 years, and it can observed that in past 5-years the supply of agricultural land declined whilst prices per hectare (ha) increased. Towards the end of the pandemic in 2020, demand for agricultural land was high as people living in cities looked towards the rural landscape for escape, as working from home became more accepted. This demand is reflected in the Aggregated R/ha price for agricultural land that steeply increased from the end of 2021 where the price of land was valued at R21 998/ha to R28 445/ha in 2022. At R107 530/ha, the most valuable agricultural land is found in the City of Cape Town, with the Cape Winelands District second at R90 436/ha. The Central Karoo District has the lowest agricultural land value in the province at R2 934/ha. This represents a rise in value of almost 29% in the one year from 2021 to 2022.

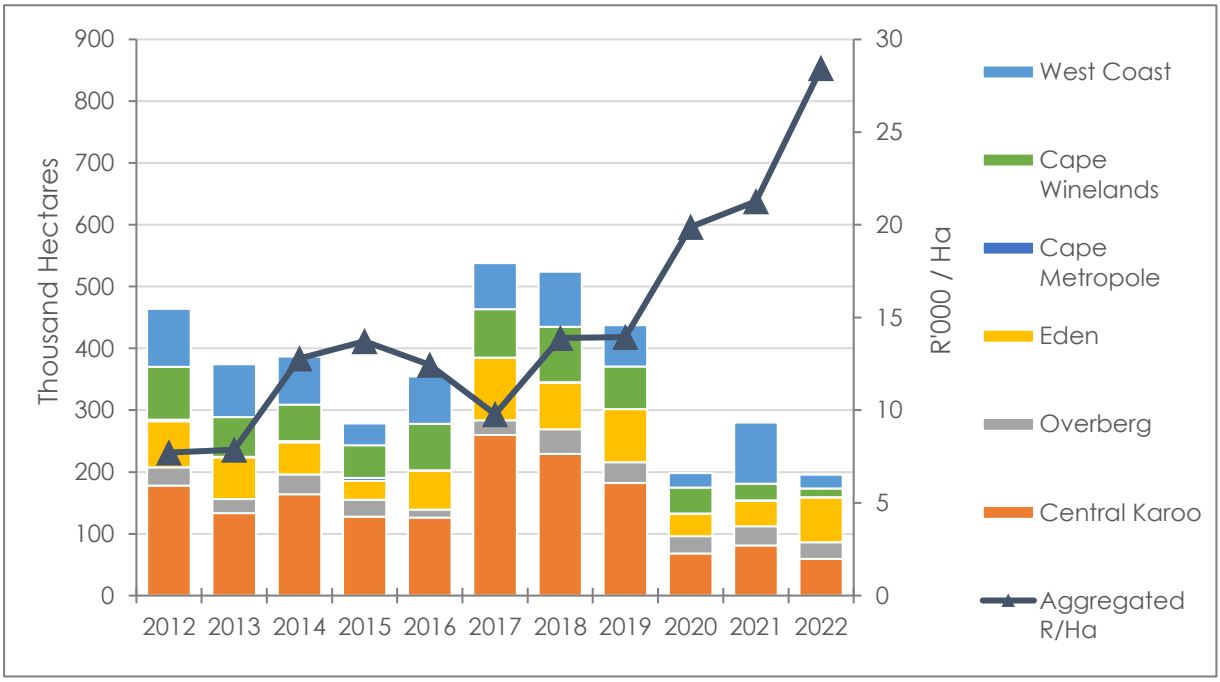



**Figure 4.1: Agricultural land auction sale prices, 2012-2022**
*Source: (WCDoA, 2023b)*

The number of agricultural land transactions shows that out of a total of 614 sales for 2022, Eden District proved to be the most popular destination with a total 355 transactions coming from the district alone. From a high of 870 land transactions in 2017 to the latest data in sales of agricultural land indicating the second lowest year of 614 transactions in total, the lowest being 2020 due to the COVID-19 pandemic.

Both the years 2021 and 2022 continued the downward trend from the high record of 2017. Much of this can be attributed to the increase in the interest rate in the last few years from a low of 3.5% in 2020 to more than 8% in 2022. The Eden district, especially George and Mossel Bay still has a strong attraction for people escaping the inland cities during the post-COVID-19 exodus. The West Coast in 2022 had a reversal of fortunes compared to the previous year. From a high of 122 transactions to 34 in 2022. The West Coast proved immensely popular post-COVID-19, but the market has since cooled down in that region. The Cape Winelands, Overberg and Central Karoo Districts, all shared their historical portion of land transactions.

**Table 4.1: Number of Agricultural Land Transactions by District, 2012-2022**

| Year | Central Karoo | Overberg | Eden | Cape Metropole | Cape Winelands | West Coast | Total |
|---|---|---|---|---|---|---|---|
| **2012** | 101 | 117 | 284 | 29 | 213 | 155 | 899 |
| **2013** | 65 | 88 | 242 | 13 | 170 | 143 | 721 |
| **2014** | 65 | 118 | 249 | 33 | 174 | 127 | 766 |
| **2015** | 47 | 87 | 203 | 42 | 142 | 89 | 610 |
| **2016** | 50 | 87 | 325 | 24 | 211 | 143 | 840 |
| **2017** | 87 | 97 | 327 | 5 | 207 | 147 | 870 |
| **2018** | 79 | 147 | 324 | 10 | 224 | 150 | 934 |
| **2019** | 69 | 118 | 301 | 2 | 161 | 127 | 778 |
| **2020** | 21 | 64 | 149 | 7 | 113 | 63 | 417 |
| **2021** | 29 | 54 | 288 | 4 | 142 | 122 | 639 |
| **2022** | 36 | 134 | 355 | 4 | 51 | 34 | 614 |

*Source: (WCDoA, 2023b)*

The 4 years before the pandemic provided better than normal climatic conditions in the Western Cape and was a strong driver for agricultural land sales. The general economy of the world is going through tough times since then and this is clearly reflected by the lower number of land transactions than before.

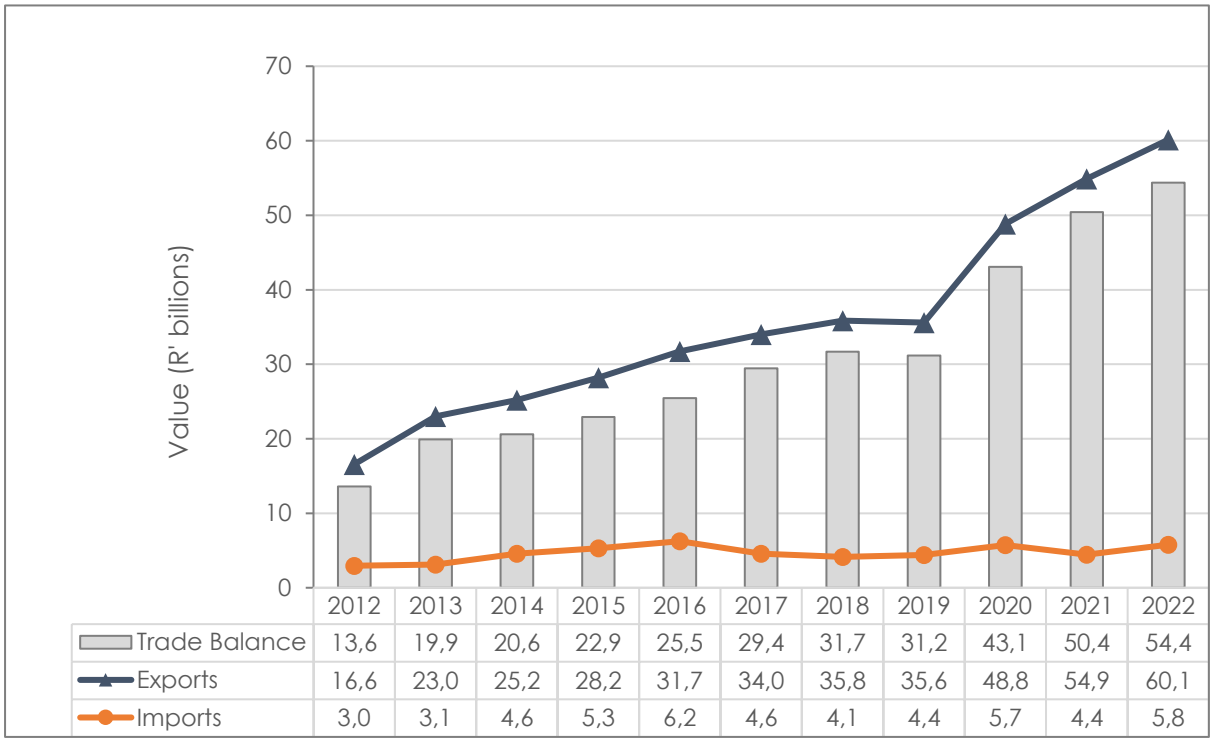
**Summary points**

- Agricultural land sales through auctions market have shown interest trends in the past decade.

- The asking price per hectare for agricultural land has steeply increased from the end of 2021 when the price of land was valued at R21 998/ha to R28 445/ha in 2022.
- The Cape Metropole agricultural land price was significant going at R107 530/ha, followed by Cape Winelands at R90 436/ha.
- Whereas, the Central Karoo District has the lowest agricultural land value in the province at R2 934/ha.

## 5. Agricultural Trade

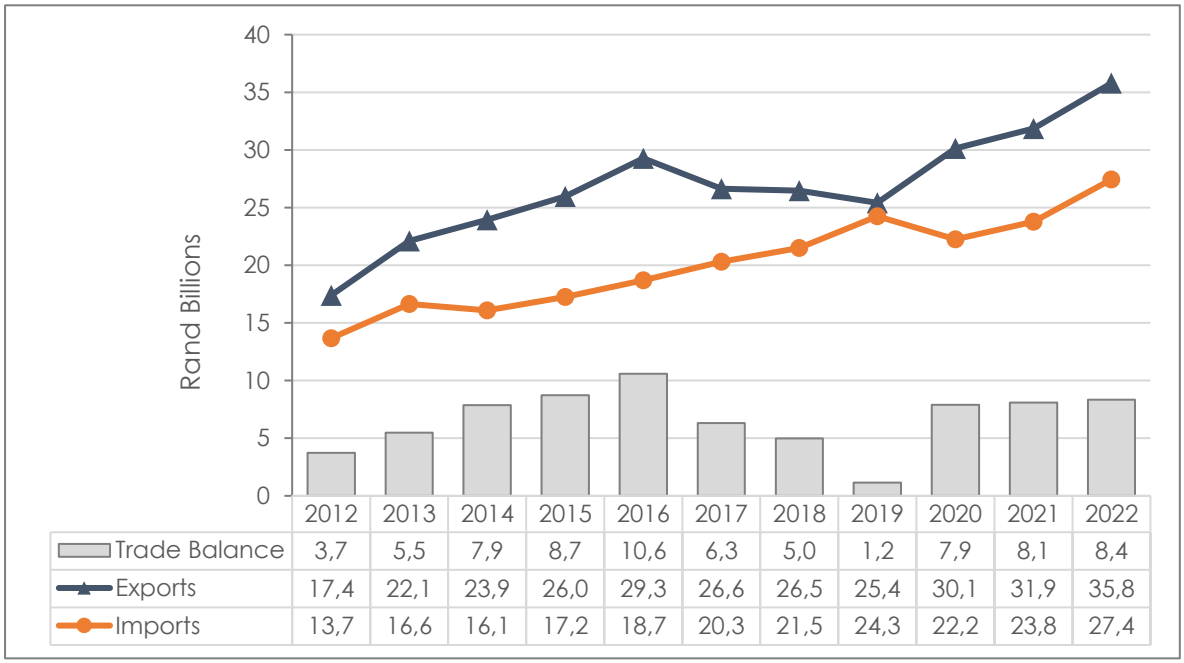
The WC agricultural sector is export-orientated in the past ten years, despite the challenges with the seaports and poor infrastructure, the COVID-19 pandemic, disease outbreaks and loadshedding, the agricultural exports have grown significantly, and the industry remained resilient. Similarly, agricultural imports have remained relatively stable, but show a slight decline in 2021 and an increase in 2022. However, there is still a widening trade balance for the sector illustrated in Figure 5.1 below. The WC agricultural exports increased from R54.9 billion in 2021 to R60.1 billion in 2022, and agricultural imports increased from R4.4 billion in 2021 to R5.8 billion in 2022.




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Trade Balance | 13,6 | 19,9 | 20,6 | 22,9 | 25,5 | 29,4 | 31,7 | 31,2 | 43,1 | 50,4 | 54,4 |
| Exports | 16,6 | 23,0 | 25,2 | 28,2 | 31,7 | 34,0 | 35,8 | 35,6 | 48,8 | 54,9 | 60,1 |
| Imports | 3,0 | 3,1 | 4,6 | 5,3 | 6,2 | 4,6 | 4,1 | 4,4 | 5,7 | 4,4 | 5,8 |

**Figure 5.1: Western Cape Agricultural Trade, 2012-2022**
*Source: (Quantec, 2023a)*

The FBT sector has shown positive economic performance in the past observed ten years. As shown in Figure 5.2 below, the exports of FBT products grew strongly between 2009 and 2016, but imports of these products also increased resulting in a modest and relatively flat trade balance. Since 2016 there has been a continued decline in the value of FBT exports until 2019, but from 2021 to 2022 the exports shown an increase from R31.9 billion to R35.8 billion, respectively. Whereas imports showed a slight increase by 15% in 2022.




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Trade Balance | 3,7 | 5,5 | 7,9 | 8,7 | 10,6 | 6,3 | 5,0 | 1,2 | 7,9 | 8,1 | 8,4 |
| Exports | 17,4 | 22,1 | 23,9 | 26,0 | 29,3 | 26,6 | 26,5 | 25,4 | 30,1 | 31,9 | 35,8 |
| Imports | 13,7 | 16,6 | 16,1 | 17,2 | 18,7 | 20,3 | 21,5 | 24,3 | 22,2 | 23,8 | 27,4 |

**Figure 5.2: Western Cape Food, Beverage & Tobacco (FBT) Trade, 2012-2022**
*Source: (Quantec, 2023a)*

The Western Cape's shares in both these trade flows are illustrated graphically in Figure 5.3 below. The WC's agricultural share in national agricultural exports declined by 5% (from 55% to 50%) from 2021 to 2022. This is slightly lower than the average (51%) over the past 10 years (2012 to 2022), however, it still shows a significant contribution and accounts for half of all South African agricultural exports. The province's share in national agricultural imports increased by 1% (from 18 % to 19%) between 2021 and 2022.

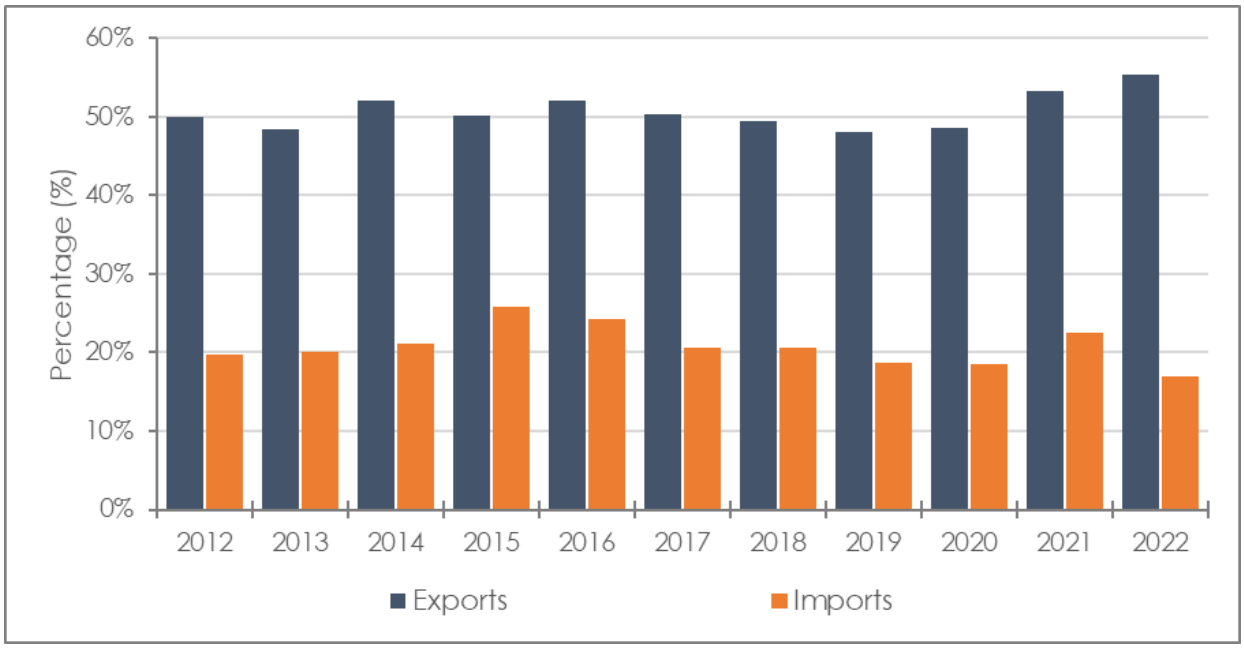



**Figure 5.3: Western Cape Share in National Agricultural Trade, 2012-2022**
*Source: (Quantec, 2023a)*

The annual Western Cape import and export flows for the FBT segment are illustrated in Figure 5.4. In 2022, the WC's share in national FBT exports reached 37%, which is a slight decline from the previous year by 2%, but overall, for the past ten years, this share has been declining from 42% recorded in 2011, 2013, 2015, and 2016 respectively. The WC accounts for a third of South Africa's FBT imports.

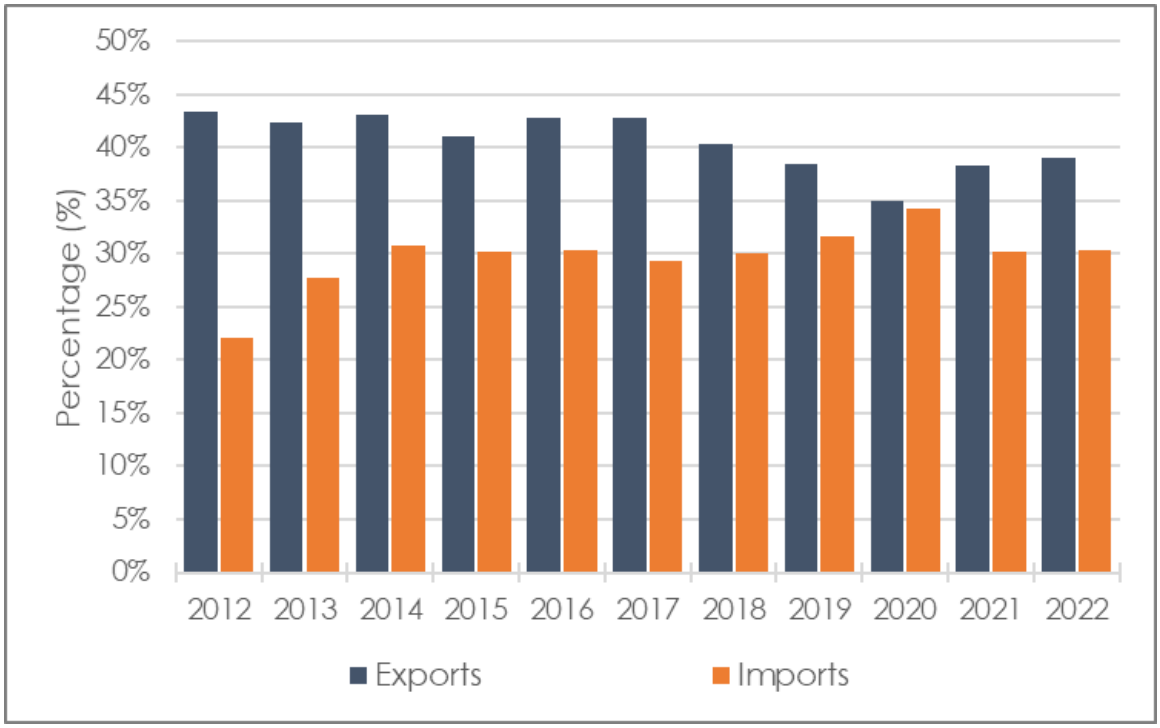



**Figure 5.4: Western Cape share in National FBT Trade, 2012-2022**
*Source: (Quantec, 2023a)*

Figure 5.5 below compares the top 10 export destinations for agricultural goods in 2022 with the breakdown of a year prior. The main three agricultural export destinations in 2022 were the Netherlands (21%), the United Kingdom (UK) at 13% and Russia (6%). The combined share of agricultural exports going to these regions was 40% in 2022.

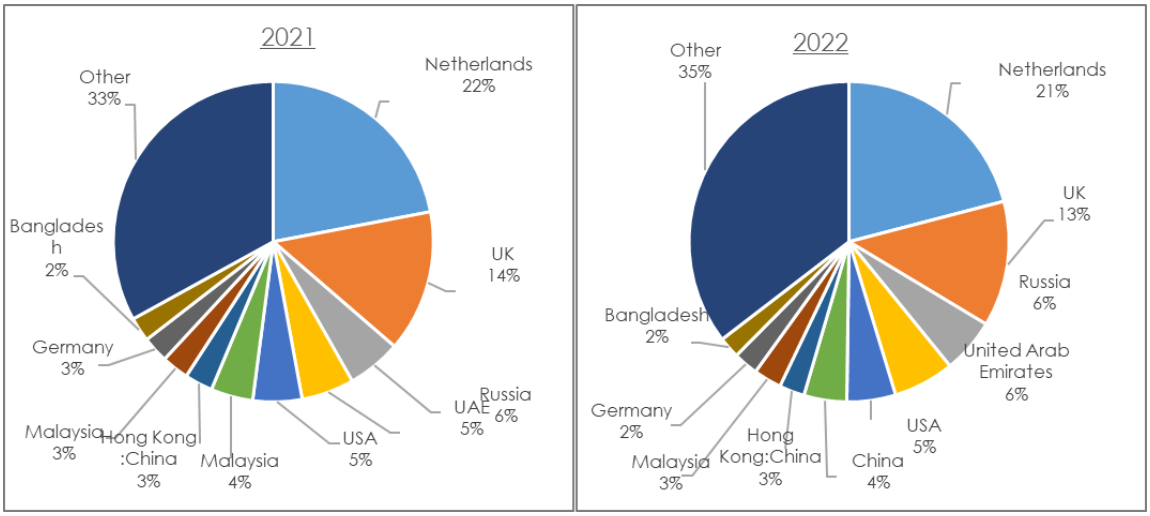



**Figure 5.5: Western Cape Agricultural Export Destinations – Countries, 2021 vs 2022**
*Source: (Quantec, 2023a)*

Figure 5.6 shows the share of WC agricultural exports to Africa and the Americas, each remaining at 8% in 2021 and 2022, respectively. Whereas Europe declined by 4%. The diversification of agricultural exports away from dependence on the traditional market, Europe, towards other markets such as Africa and Asia, has already been observed in the WC over the past decade (Partridge & Morokong, 2018). It is interesting to note that in recent years the share of agricultural exports going to Asia has declined in favour of African markets, however, in 2022, China's share increased to 365 from 32% in 2021. Despite becoming significantly less important in recent times, Europe remains the biggest agricultural export destination for WC, accounting for 48% of all exports in 2022, as shown in Figure 5.6.

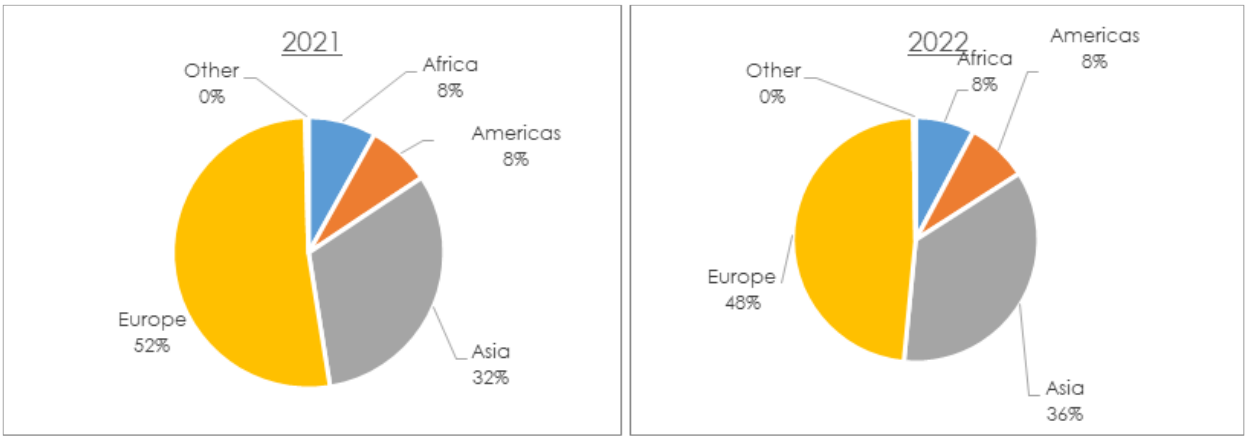



**Figure 5.6: Western Cape Agricultural Export Destinations – Regions, 2021-2022**
*Source: (Quantec, 2023a)*

In 2022, the WC's top export destinations for FBT products were the United Kingdom (UK) (9%), Namibia (9%), Botswana (8%) and the USA (7%), as indicated in Figure 5.7. Compared to 2021, it is evident that Botswana took the lead from the USA which declined with the latter losing its spot in the top three destinations.

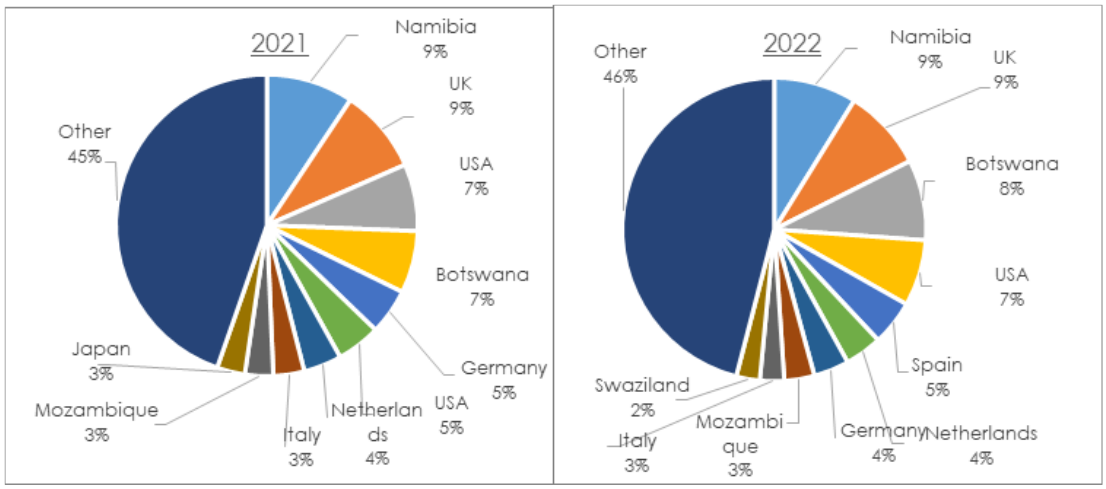



**Figure 5.7: Western Cape top FBT Exports Destinations - Countries, 2021 vs 2022**
*Source: (Quantec, 2023a)*

The regional breakdown of FBT exports did change significantly between 2021 and 2022, as it can be observed from the graphical representation in Figure 5.8. The year 2021 was characterised by major disruptions in trade, resulting in shifts in the share composition of export destinations. In 2022, WC exports of FBT to Africa increased by 3% and America remained unchanged at 11%. Whereas Europe imports of WC FBT exports declined by 3% in 2022.

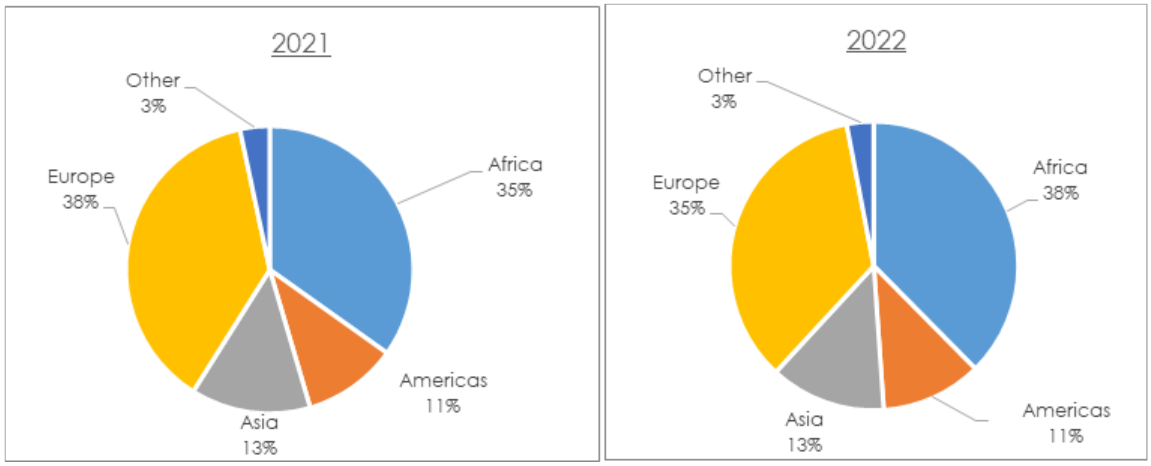



**Figure 5.8: Western Cape top FBT export destinations - regions 2021 vs 2022**
*Source: (Quantec, 2023a)*

As illustrated in Figure 5.9 below, in 2021 the import origins of FBT products into the WC changed from 2021 to 2022. Although Thailand remained the biggest importer, accounting for 18% in 2020 and 2021, the import share from Morocco increased by 3% and China's share increased by 2%.

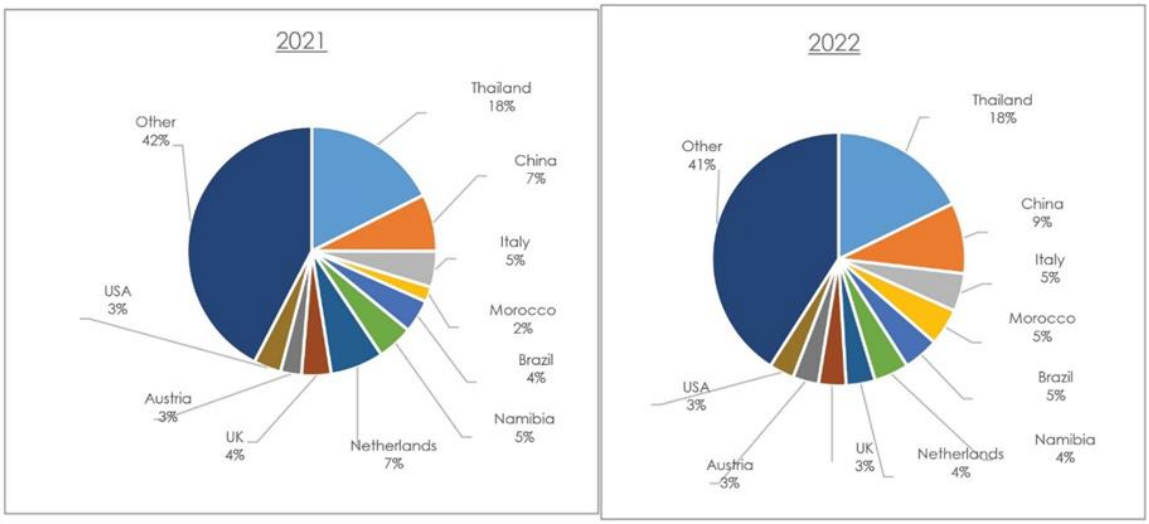



**Figure 5.9: WC FBT Imports Origins - Countries, 2021 vs 2022**
*Source: (Quantec, 2023a)*

The FBT import origin markets are unstable and this is evident in the aggregated regional breakdown of import origins as shown in Figure 5.10. In 2022, a larger share of WC imports was from the Americas which accounts for 27%, followed by Europe 26%. The WC share of imports from Africa remained unchanged in 2022.

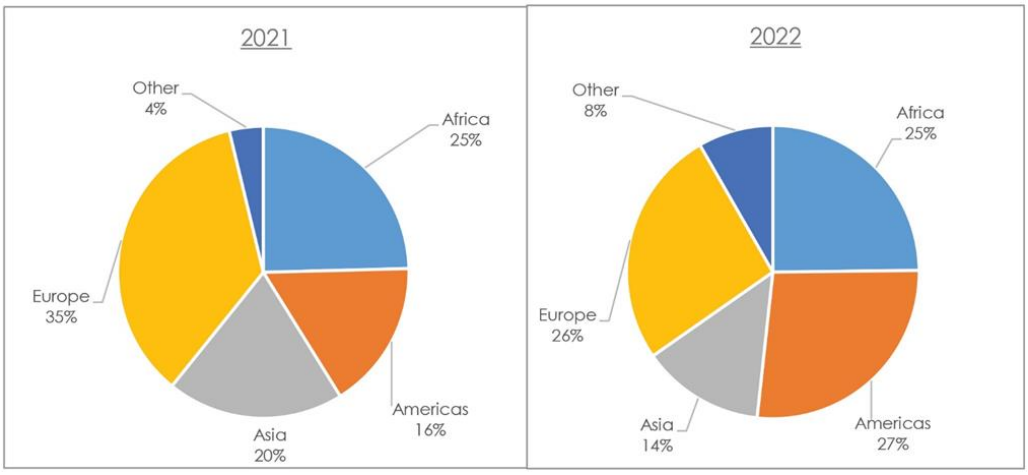



**Figure 5.10: Western Cape FBT imports - Regions, 2021 vs 2022**
*Source: (Quantec, 2023a)*

The rest of this section focuses on the value of exports at the specific HS6-digit for agricultural and agri-processing products. The high level of product specification allows for certain agri-processing products to be identified that 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 into consideration including a range of agriculture, forestry, fisheries and agri-processing products. Specifically, all products fall under Harmonised Standard codes (HS): HS01-24; HS41; and HS50-53 ( (Patridge & Morokong, 2019). For the rest of this section "agricultural" will be used to refer to all agricultural and agri-processing products excluding forestry and fisheries. Table 5.1 shows the main WC agricultural exports for 2022, as well as the growth experienced for the past year. Fresh grapes stood at the first position, accounting for a share of 11% of all selected agricultural exports in value terms and grew by 13.92% followed, by oranges (8.58%) in the second place. Apples in the third place was followed by wine<=2 litres and other products ranking according to the value of exports.

**Table 5.1: Biggest Western Cape agricultural and agri-processing exports by value, 2021vs 2022**

| Rank | #HS6 | Description | Exports 2022 | Share 2022 | Real Growth 2021 - 2022 |
|---|---|---|---|---|---|
| **1** | 080610 | Fresh grapes | 10 453 033 628 | 10,66% | 13,92% |
| **2** | 080510 | Oranges | 8 408 934 940 | 8,58% | 0,50% |
| **3** | 080810 | Apples | 7 205 968 446 | 7,35% | 10,22% |
| **4** | 220421 | Wine<=2 Litres | 7 094 687 703 | 7,24% | 0,40% |
| **5** | 080521 | Mandarins | 6 396 174 351 | 6,52% | -0,18% |
| **6** | 080830 | Pears | 3 516 822 646 | 3,59% | 21,87% |
| **7** | 080550 | Lemons | 3 247 445 818 | 3,31% | 9,55% |
| **8** | 220429 | Wine incl. fortified wines>10 L | 2 485 473 524 | 2,53% | 0,80% |
| **9** | 100510 | Maize (incl.seed) | 2 022 136 446 | 2,06% | 578,15% |
| **10** | 030474 | Hake | 1 898 030 588 | 1,94% | 3,61% |
| **11** | 080940 | Plums & Sloes | 1 798 224 092 | 1,83% | 19,21% |
| **12** | 100590 | Maize(excl.seed) | 1 707 278 832 | 1,74% | 15,99% |
| **13** | 220600 | Cider, perry, mead & other | 1 480 798 826 | 1,51% | 52,02% |
| **14** | 080540 | Grapefruit, incl. pomelos | 1 442 376 661 | 1,47% | -7,58% |
| **15** | 230120 | Flour, meals & pallets of fish | 1 360 269 884 | 1,39% | 33,67% |
| **16** | 081040 | Cranberries, bilberries | 1 283 389 035 | 1,31% | -41,27% |
| **17** | 200870 | Peaches & Nectarines, | 1 096 285 946 | 1,12% | 60,84% |
| **18** | 240220 | Cigarettes (tobacco) | 1 092 052 812 | 1,11% | -12,89% |
| **19** | 210390 | Preparations of sauces | 881 969 182 | 0,90% | 23,49% |
| **20** | 080930 | Peaches & Nectarines | 869 524 772 | 0,89% | 11,69% |
| **Other agricultural exports** | | | 32 317 221 302 | 32,96% | 32 317 221 302 |

*Source: (Quantec, 2023a)*

The fastest growth rate over the past ten years is provided in Table 5.2, along with the share in total WC agricultural exports. These products are ranked based on the highest growth in the past ten years. The top three products are low erucic acid or colza seeds, southern Bluefin tuna, and woven fabrics or cotton which grew by 215.15%, 178.84% and 170.32%, over the past ten years, respectively.

**Table 5.2: Fastest Growing WC Agricultural and Agri-processing Exports, 2012- 2022**

| Rank | #HS6 | Description | Exports 2022 | Share 2022 | 10yr Annual Real Growth |
|---|---|---|---|---|---|
| **1** | 120510 | Low erucic acid or colza seeds | 388 808 356 | 0,60% | 215,15% |
| **2** | 030236 | Southern Bluefin tuna | 20 257 274 | 0,03% | 178,84% |
| **3** | 511290 | Woven fabrics/cotton, <85% | 4 041 406 | 0,01% | 170,32% |
| **4** | 010515 | Guinea fowls | 2 947 253 | 0,00% | 153,40% |
| **5** | 150710 | Crude oil, whether or not degummed | 21 568 359 | 0,03% | 147,54% |
| **6** | 100829 | Millet(excl.grain sorghum,& seed) | 1 735 459 | 0,00% | 140,33% |
| **7** | 030461 | Tilapias | 626 840 | 0,00% | 138,56% |
| **8** | 120760 | Safflower | 504 132 | 0,00% | 135,52% |
| **9** | 020421 | Carcases &half-carcases | 156 980 169 | 0,24% | 113,95% |
| **10** | 020410 | Carcases & half-carcases, lamb | 25 480 747 | 0,04% | 109,87% |
| **11** | 010649 | Live inserts (excl.bees) | 2 367 155 | 0,00% | 105,76% |
| **12** | 151499 | High erucic acid rape/colza oil | 5 832 297 | 0,01% | 105,04% |
| **13** | 151211 | Crude oil | 232 434 833 | 0,36% | 103,60% |
| **14** | 050290 | Badger&other brush making hair | 551 700 | 0,00% | 99,34% |
| **15** | 100510 | Maize, seed | 2 022 136 446 | 3,12% | 98,93% |
| **16** | 240311 | Water-pipe tobacco | 33 088 894 | 0,05% | 97,74% |
| **17** | 080251 | Pistachios, in shell | 16 730 095 | 0,03% | 91,63% |
| **18** | 020743 | Fatty livers | 119 260 | 0,00% | 89,19% |
| **19** | 030324 | Catfish | 4 572 271 | 0,01% | 85,81% |
| **20** | 521059 | Other fabrics | 1 893 385 | 0,00% | 81,46% |
| **Other agricultural exports** | | | **95 115 423 103** | **97,00%** | |

****Based on selection of HS codes ( 1-24; 41; 50-53)*

*Source: (Quantec, 2023a)*

Table 5.3 shows the biggest WC agricultural imports by value and growth rate over a year, ranked by import value. The leading products are semi or whole-milled rice

(9.37%), fertilizer (ADN) (4.82%), prepared or preserved sardines (3.96%), wheat and meslin, and urea among others biggest agricultural products imported in value terms.

**Table 5.3: Biggest WC agricultural and agri-processing imports by value, 2021-2022**

| Rank | #HS6 | Description | Exports 2022 | Share 2022 | Real Growth 2021 - 2022 |
|---|---|---|---|---|---|
| **1** | 100630 | Semi-milled or wholly milled rice | 3 706 197 749 | 9,37% | 12,54% |
| **2** | 310540 | Ammonium (ADN), fertilizer | 1 905 467 937 | 4,82% | 119,75% |
| **3** | 030353 | Prepared or preserved sardines | 1 788 029 533 | 4,52% | 97,89% |
| **4** | 100199 | Wheat & Meslin (excl. seed for sowing, & duram wheat) | 1 565 967 519 | 3,96% | 97,30% |
| **5** | 310210 | Urea, whether/not in aqueous solution | 1 476 127 769 | 3,73% | 273,36% |
| **6** | 200979 | Apple juice, value>20 at 20°C | 1 266 765 391 | 3,20% | 37,36% |
| **7** | 160413 | Sardines, sardinella & brisling | 1 264 233 838 | 3,20% | 68,22% |
| **8** | 220210 | Water incl. mineral and aerated | 1 135 869 083 | 2,87% | 49,98% |
| **9** | 050400 | Guts, bladders & stomachs of animals, excl. fish, frozen | 1 072 799 209 | 2,71% | 9,95% |
| **10** | 220830 | Whiskies | 982 110 595 | 2,48% | 26,32% |
| **11** | 151211 | Crude oil | 695 901 270 | 1,76% | 174,44% |
| **12** | 151190 | Palm oil & its fractions | 671 051 740 | 1,70% | 57,14% |
| **13** | 240220 | Cigarettes containing tobacco | 640 145 426 | 1,62% | -16,45% |
| **14** | 210690 | Food preparations, n.e.s | 584 932 869 | 1,48% | 9,06% |
| **15** | 020714 | Frozen cuts & edible offal of fowls | 582 610 271 | 1,47% | -18,99% |
| **16** | 230910 | Dog or cat food | 546 819 891 | 1,38% | -5,73% |
| **17** | 030617 | Frozen shrimps & prawns | 527 278 808 | 1,33% | 1,63% |
| **18** | 160414 | Tuna, skipjack & bonito | 520 533 671 | 1,32% | 10,09% |
| **19** | 230110 | flours, meals and pellets, of meat or offal | 494 688 038 | 1,25% | 20,41% |
| **20** | 020712 | Frozen fowls (*Gallus domesticus*) | 493 785 522 | 1,25% | 19,66% |
| **Other agricultural exports** | | | 17 633 996 329 | 44,58% | >200% |

****Based on selection of HS codes ( 1-24; 41; 50-53)*

*Source: (Quantec, 2023a)*

Again, observing the growth rates of agricultural imports regardless of the base amount, Table 5.4 shows that cereal pallets grew by 180.13% over the past ten years. This was followed by snails (154.76%), soya-bean oil and its friction (153.71%), cotton linters (151.16%), crude oil (140.90%) and beet molasses (135.59%), respectively.

**Table 5.4: Fastest growing WC agricultural and agri-processing import, 2012-2022**

| Rank | #HS6 | Description | Exports 2022 | Share 2022 | 10yr Annual Real Growth |
|---|---|---|---|---|---|
| **1** | 110320 | Cereal Pallets | 4 136 533 | 0,01% | 180,13% |
| **2** | 030760 | Snails, other than sea snails | 3 305 516 | 0,01% | 154,76% |
| **3** | 150790 | Soya-bean oil & its fractions | 96 557 942 | 0,24% | 153,71% |
| **4** | 140420 | Cotton Linters | 27 942 596 | 0,07% | 151,16% |
| **5** | 151211 | Crude Oil | 695 901 270 | 1,76% | 140,90% |
| **6** | 170390 | Beet molasses | 1 474 905 | 0,00% | 135,59% |
| **7** | 520612 | Single cotton yarn,<85% cotton weight | 1 946 935 | 0,00% | 131,10% |
| **8** | 060420 | Foliage, branches & other parts of plants | 140 274 | 0,00% | 130,59% |
| **9** | 530610 | Single flex yarn | 9 498 461 | 0,02% | 125,86% |
| **10** | 310520 | Mineral or Chemical Fertilisers | 10 218 512 | 0,03% | 100,07% |
| **11** | 200840 | Pears, prepared or preserved | 52 993 | 0,00% | 96,42% |
| **12** | 060220 | Trees, shrubs &bushes, edible fruit or nuts | 3 858 161 | 0,01% | 92,76% |
| **13** | 040590 | Fats and oils from milk | 20 310 | 0,00% | 92,54% |
| **14** | 310530 | Diammonium phosphate, fertiliser | 268 606 401 | 0,68% | 92,49% |
| **15** | 160559 | Molluscs, prepared or preserved | 3 336 371 | 0,01% | 92,20% |
| **16** | 230310 | Residues of starch manufacture | 120 594 | 0,00% | 91,80% |
| **17** | 520543 | Multiple "folded" or cabled cotton yarn | 2 683 746 | 0,01% | 89,54% |

| | | | | | |
|---|---|---|---|---|---|
| **18** | 200929 | Grapefruit juice, brix value >20 at 20°C | 548 100 | 0,00% | 88,73% |
| **19** | 070700 | Cucumbers & Gherkins | 332 314 | 0,00% | 85,85% |
| **20** | 230240 | Bram, sharps & other residues of cereals | 7 951 976 | 0,02% | 85,42% |
| **Other agricultural exports** | | | 38 416 678 548 | 97,12% | - |

*Source: (Quantec, 2023a)*

**Summary points**

- The WC agricultural exports increased from R54.9 billion in 2021 to R60.1 billion in 2022, and agricultural imports increased from R4.4 billion in 2021 to R5.8 billion in 2022.
- Agri-processing (FBT) trade performance from 2021 to 2022 shows exports increase from R31.9 billion to R35.8 billion, respectively. Whereas imports showed a slight increase of 15% in 2022.
- The main WC agricultural exports for 2022, were table/ fresh grapes, oranges, apples and wine in containers holding <=2 litres.
- The share of WC agricultural exports to Africa remained at 8% in 2021 and 2022.
- The main three agricultural export destinations in 2022 were the Netherlands (21%), the United Kingdom (UK) at 13% and Russia (6%).

# 6. Agricultural employment

Figure 6.1 below illustrates seasonally adjusted employment numbers in the WC agricultural sector, measured by quarterly period moving averages. In 2022, the agricultural employment numbers increased from 199 thousand to 216 000 showing an increase of 17 000 jobs (8% increase). This also led to a small increase in the agricultural sector's share in total WC employment, from 8% at the end of 2021 to 8.1% in 2022.

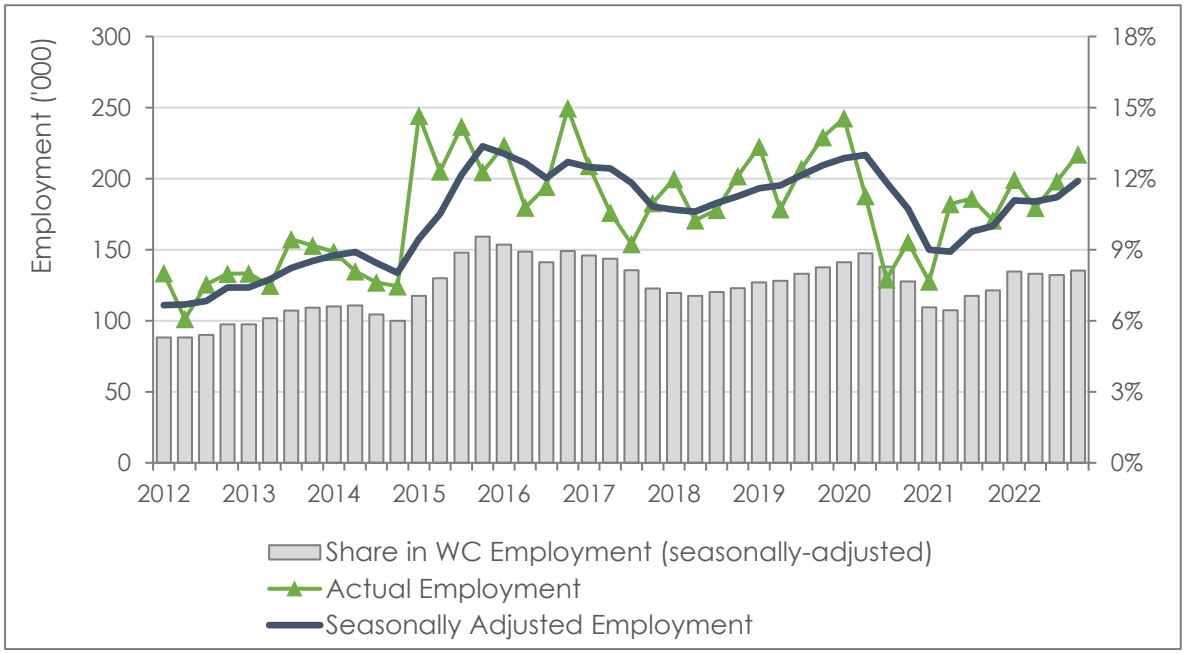



**Figure 6.1: Western Cape employment in agriculture, 2012-2022**
*Source: (Quantec; Stats SA, 2023)*

However, employment in the food, beverages and tobacco (FBT) sector decreased in 2022. Seasonally adjusted employment in the sector, shown in Figure 6.2, decreased from 147 000 in 2021 to 115 000 in 2022, a decrease of 32 000 jobs (22% decrease). Again, this led to a decrease in the share of the sector in total provincial employment, from 5.2% to 5%. The employment series in Figure 6.3, also illustrates the province's share of employment in the national agricultural and FBT sector. The job gains in primary agriculture were sufficient to offset the decrease in FBT employment numbers, therefore, combined agricultural employment from the two sectors shows an increase of 4%. This is also reflected in the province share's contribution at the national level. In 2022, the WC's share in national agricultural employment increased from 22.7% to

24%, and the province's share in national FBT employment decreased from 35.3% to 33.1%.

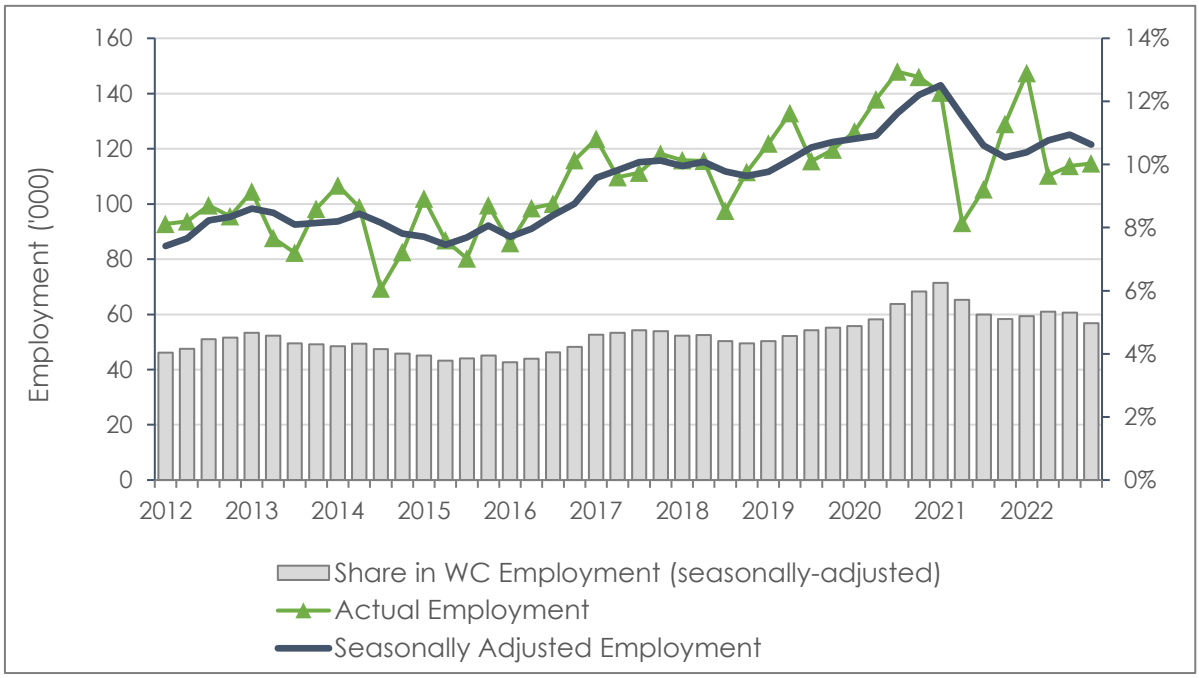



**Figure 6.2: Western Cape Employment in FBT, 2012-2022**
*Source: (Quantec; Stats SA, 2023)*

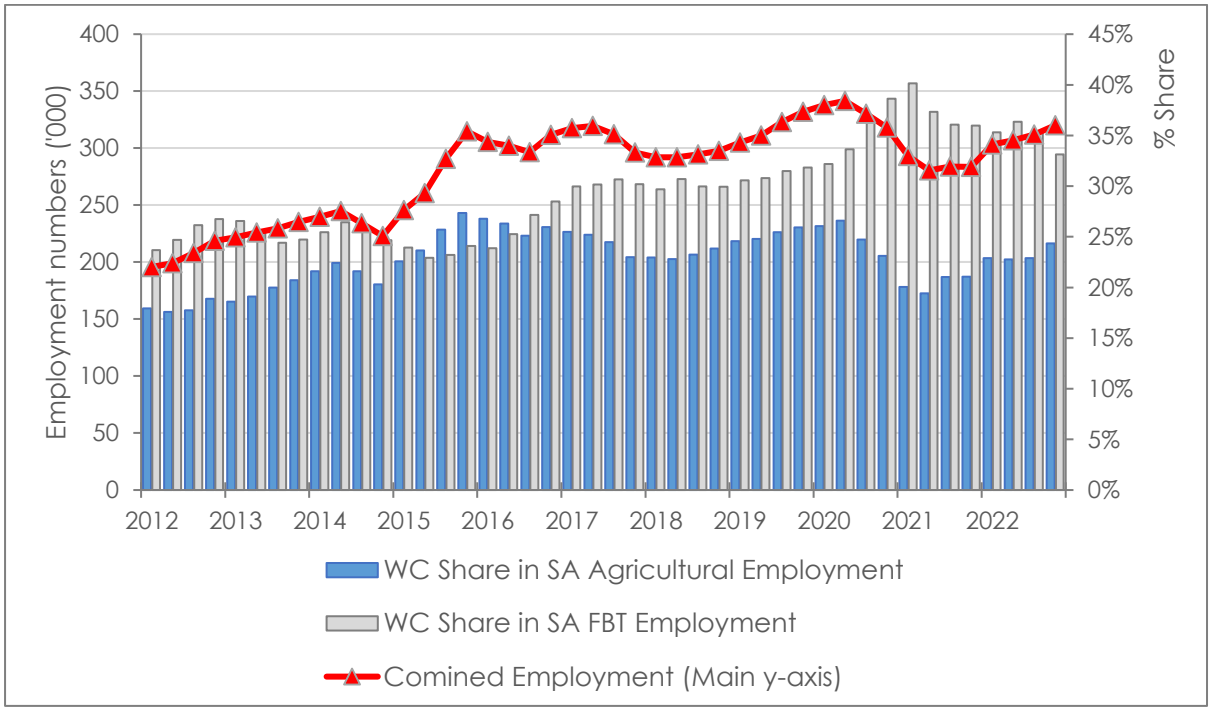



**Figure 6.3: Western Cape share in National Sectoral Employment (seasonally adj.), 2012-2022**
*Source: (Quantec; Stats SA, 2023)*

Table 6.1 below illustrates both the agricultural and FBT sectors, there was an increase in the employment of black[1] individuals raising the share in the combined labour forces of the two sectors from 81% to 94%. There was also a slight decline (-0.8%) in the shares of both sectors' labour force made up of youth from 2021 to 2022. Whilst there was also a 2.3% decline in the share of the FBT labour force made up of women, significant losses in the agricultural sector meant that combined across the sectors, the female share in employment declined from 42% to 40%. Strong employment growth of 5.2% in the agricultural sector was realised for people living in rural areas.

**Table 6.1: Demographics of Western Cape agricultural employment, 2021vs 2022**

| | Black | Female | Youth | Rural |
|---|---|---|---|---|
| **Agriculture** | | | | |
| **2021** | 78% | 36% | 46% | 72% |
| **2022** | 95% | 37% | 45% | 67% |
| ***Relative Change*** | *16,7%* | *0,8%* | *-0,5%* | *-5,0%* |
| **Food, Beverages and Tobacco** | | | | |
| **2021** | 84% | 49% | 44% | 2% |
| **2022** | 93% | 45% | 46% | 4% |
| ***Relative Change*** | *8,8%* | *-3,8%* | *2,3%* | *1,9%* |
| **Combined** | | | | |
| **2021** | 81% | 42% | 45% | 38% |
| **2022** | 94% | 40% | 45% | 43% |
| ***Relative Change*** | *13,1%* | *-2,3%* | *0,8%* | *5,2%* |

*Source: (Quantec; Stats SA, 2023)*

**Summary points**

- In 2022, the agricultural employment numbers increased from 199 000 to 216 000, showing an increase of 17 000 jobs (8% increase).
- Employment in the food, beverages and tobacco (FBT) sector decreased from 147 000 in 2021 to 115 000in 2022.

[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*

# 7. Subsistence farming

Subsistence farming is essential for supporting livelihoods in both rural and urban areas, even though rural dwellers are more reliant on it compared to their urban counterparts. Figure 7.1 illustrates the number of households participating in non-commercial agriculture during the period 2012 and 2022. During this period, there was a sharp increase of 110 051 households' participation in non-commercial in 2014 followed by a decline which averaged at 55 262 households between 2015 to 2022. From 2021 to 2022 the number of households participating in non-commercial increased by 17%.

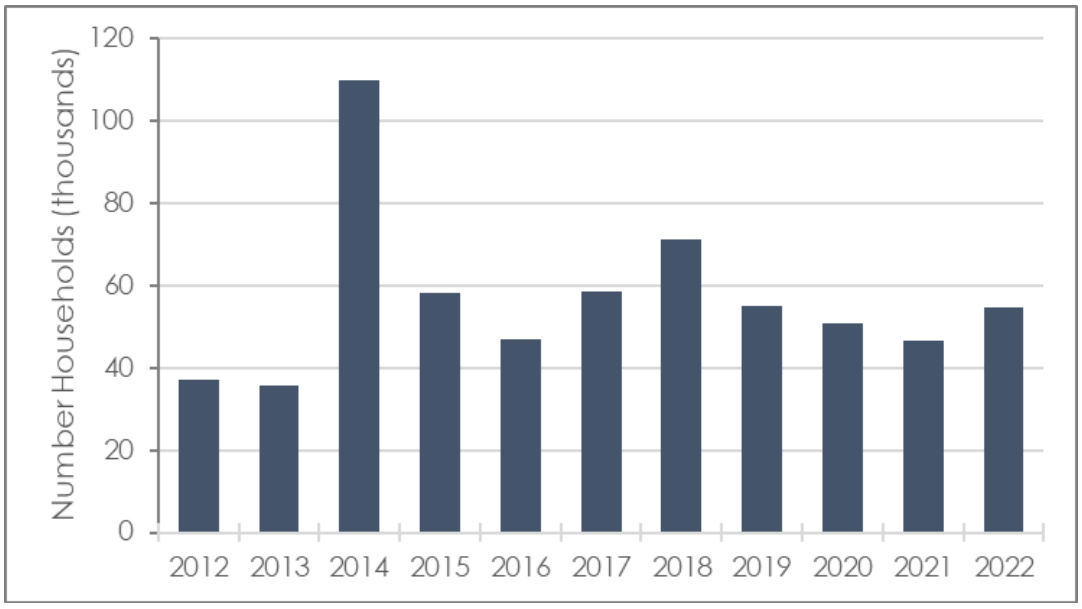



**Figure 7.1: Households involved in non-commercial agriculture, 2012- 2022**
*Source: (Stats SA, 2023)*

In 2022, most of the households taking part in agriculture are involved in crop production (55%), followed by livestock and poultry production (28%), then grain, food, crop and industrial crops (10%), mixed farming (fruit, crop combined with livestock) (4%) and other activities (3%) (Figure 7.2).

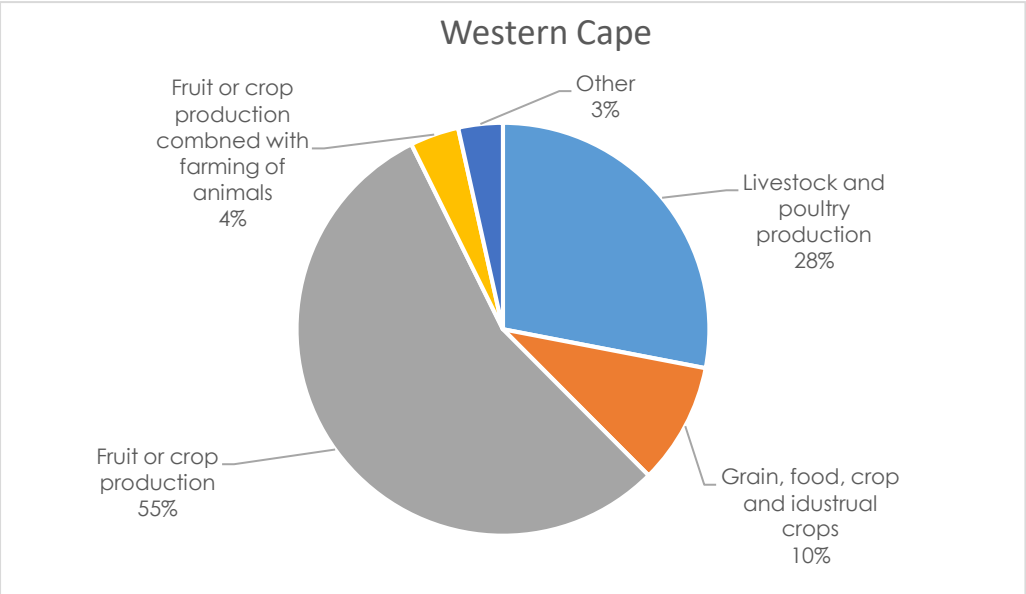



**Figure 7.2: Western Cape agricultural households by type activity, 2022**
*Source: (Stats SA, 2023)*

Figure 7.3 below shows that more than half (57%) of the agricultural households in the province are producing for own consumption, followed by 22% who produce only for sale, then 14% for mainly sale and some own consumption, and 7% for mainly own consumption and sale. The Western Cape is a major player in the horticultural sector, and household-level agricultural activities also highlight this since more than half of them produce fruits or crops.

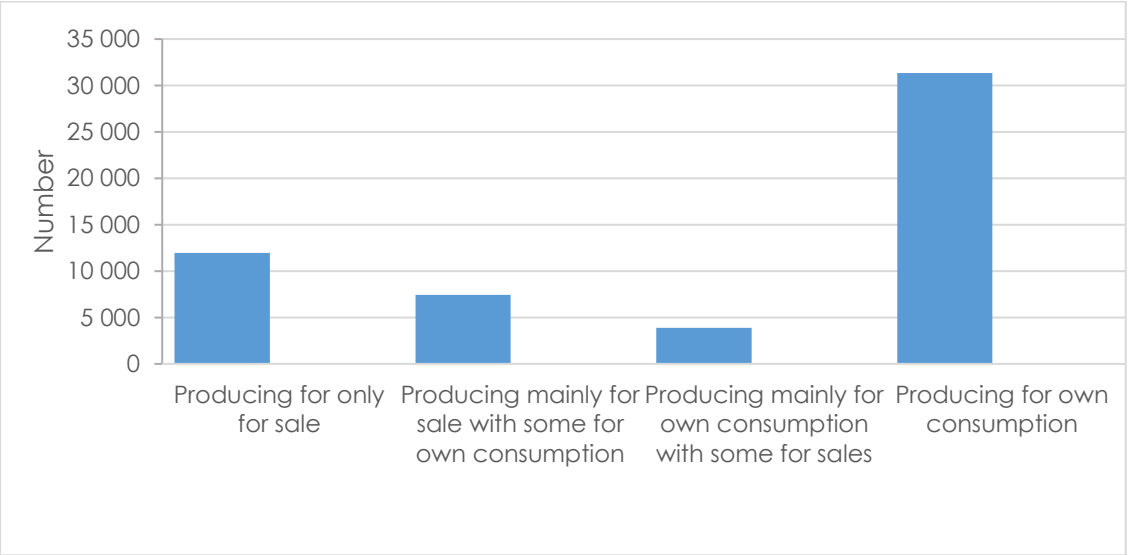


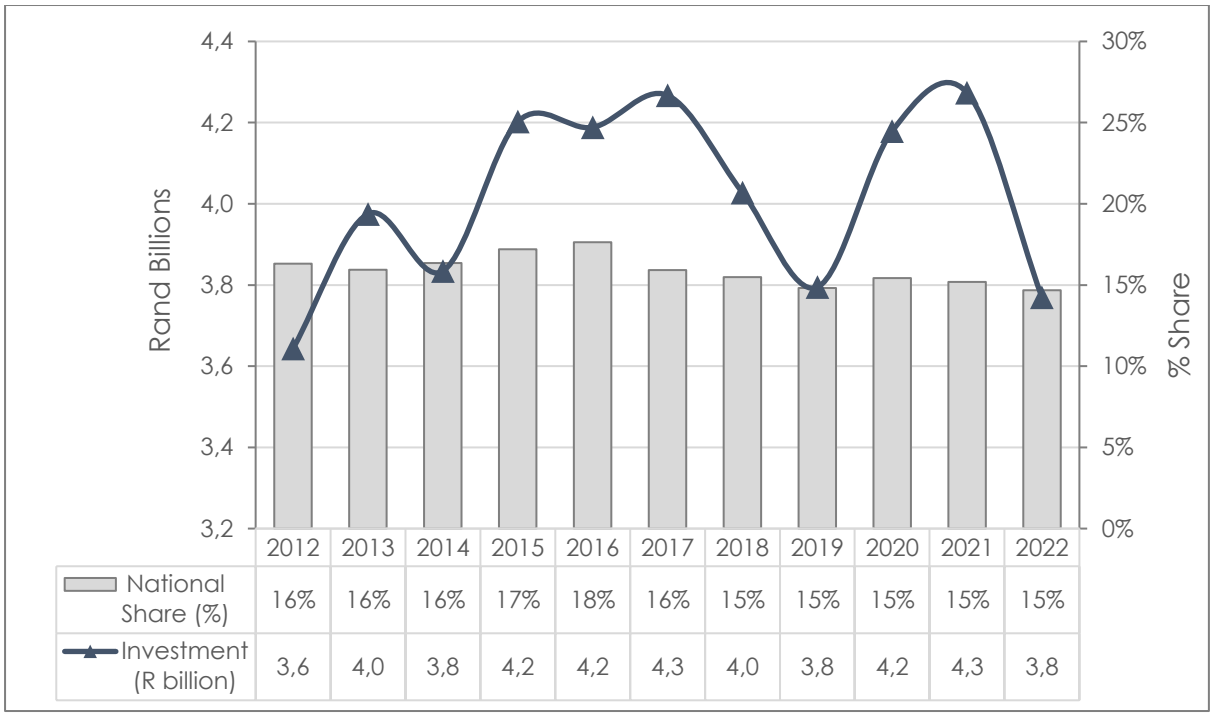

**Figure 7.3: Western Cape agricultural households by purpose for involvement in non-commercial agriculture**
*Source: (Stats SA, 2023)*

**Summary points**

- The number of agricultural households declined by 35% from 84 567 in 2011 to 54 644 in 2022.
- Crop and livestock farming are the major farming activities at household level.
- More than half of the households in agriculture are subsistence farmers.

## 8. Investment in agriculture

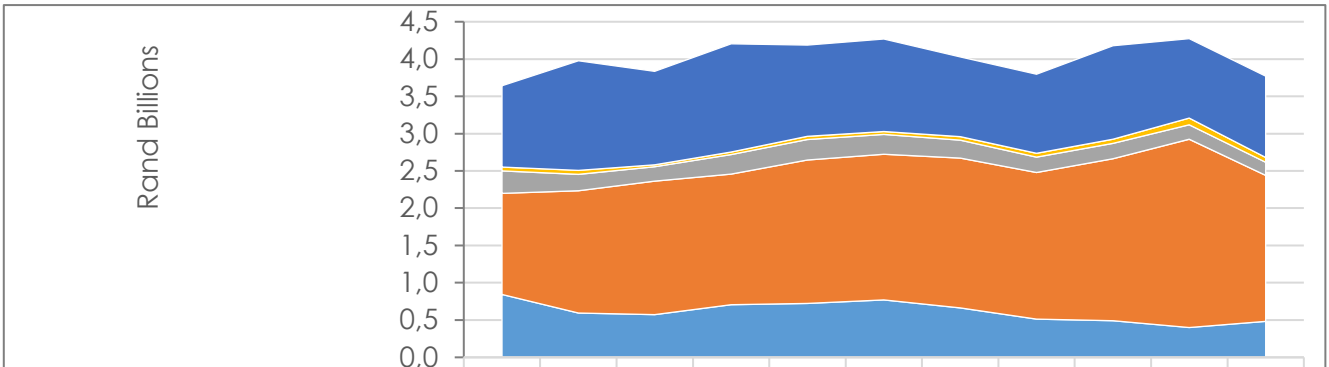
In real terms, investment in the WC agricultural industry decreased by 12% which led to an investment of R3.8 billion in 2022 (Figure 8.1), which is a 15% share of national agricultural investment.




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| National Share (%) | 16% | 16% | 16% | 17% | 18% | 16% | 15% | 15% | 15% | 15% | 15% |
| Investment (R billion) | 3,6 | 4,0 | 3,8 | 4,2 | 4,2 | 4,3 | 4,0 | 3,8 | 4,2 | 4,3 | 3,8 |

**Figure 8.1: Real investment (GFCF) in the WC agriculture, 2012-2022**
*Source: (Quantec, 2023b)*

When investment in the sector is broken down by investment type as in Figure 8.2, there were decreases across. The largest relative decrease for the year was 27% in information and communication in agriculture. Followed by machinery and other equipment decreasing by 22%.




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Research & exploration | 1,09 | 1,47 | 1,25 | 1,45 | 1,23 | 1,24 | 1,07 | 1,06 | 1,25 | 1,06 | 1,09 |
| Information & communication | 0,05 | 0,05 | 0,03 | 0,04 | 0,04 | 0,04 | 0,05 | 0,05 | 0,05 | 0,09 | 0,07 |
| Transport equipment | 0,30 | 0,22 | 0,19 | 0,26 | 0,28 | 0,27 | 0,24 | 0,21 | 0,21 | 0,20 | 0,18 |
| Machinery equipment | 1,35 | 1,64 | 1,79 | 1,75 | 1,92 | 1,95 | 2,01 | 1,97 | 2,17 | 2,52 | 1,96 |
| Building & construction | 0,84 | 0,59 | 0,57 | 0,71 | 0,72 | 0,77 | 0,66 | 0,51 | 0,49 | 0,40 | 0,48 |

**Figure 8.2: Real Investment (GFCF) in the WC by type, 2012-2022**
*Source: (Quantec, 2023b)*

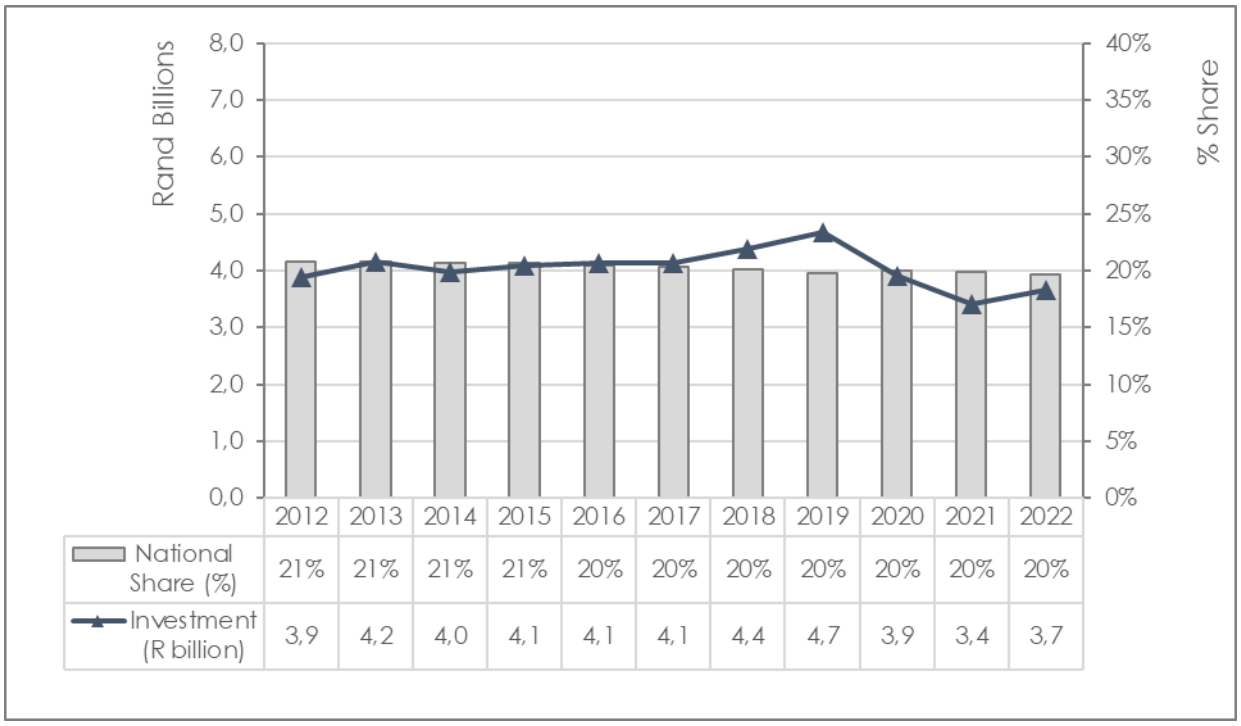
The municipal breakdown of agricultural investment in the WC is provided in Table 8.1. Most of the investment spending was in the Cape Winelands and the West Coast, accounting for 58.1% of the provincial total. Overall, the WC agricultural real investment grew at an annual average rate of 0.34% from 2012 to 2022. With noticeable growth in the City of Cape Town and West Coast districts 1.88% and 1.49% real annual growth per annum respectively.

**Table 8.1: Geography of Agricultural Investment (GFCF), 2012-2022**

| Specific regions | 2012 | | 2021 | | 2022 | | 10y Annual Growth |
|---|---|---|---|---|---|---|---|
| | Rm | Share | Rm | Share | Rm | Share | |
| **City of Cape Town** | **564** | **15.5%** | 764 | **17.9%** | **680** | **18.0%** | **1.88%** |
| City of Cape Town | 564 | 15.5% | 764 | 17.9% | **680** | 18.0% | 1.88% |
| **West Coast** | **802** | **22.0%** | 1,045 | **24.4%** | **929** | **24.7%** | **1.49%** |
| Matzikama | 167 | 4.6% | 249 | 5.8% | **221** | 5.9% | 2.88% |
| Cederberg | 144 | 4.0% | 158 | 3.7% | **139** | 3.7% | -0.38% |
| Bergrivier | 207 | 5.7% | 266 | 6.2% | **237** | 6.3% | 1.37% |
| Saldanha Bay | 44 | 1.2% | 67 | 1.6% | **61** | 1.6% | 3.38% |
| Swartland | 240 | 6.6% | 305 | 7.1% | **271** | 7.2% | 1.22% |
| **Cape Winelands** | **1,329** | **36.5%** | 1,437 | **33.6%** | **1,260** | **33.4%** | **-0.53%** |
| Witzenberg | 279 | 7.7% | 319 | 7.5% | **282** | 7.5% | 0.08% |
| Drakenstein | 309 | 8.5% | 347 | 8.1% | **306** | 8.1% | -0.09% |
| Stellenbosch | 203 | 5.6% | 211 | 4.9% | **184** | 4.9% | -0.99% |
| Breede Valley | 321 | 8.8% | 335 | 7.8% | **293** | 7.8% | -0.93% |
| Langeberg | 217 | 6.0% | 225 | 5.3% | **196** | 5.2% | -0.99% |
| **Overberg** | **436** | **12.0%** | 452 | **10.6%** | **395** | **10.5%** | **-1.00%** |
| Theewaterskloof | 287 | 7.9% | 295 | 6.9% | **258** | 6.8% | -1.07% |
| Overstrand | 43 | 1.2% | 47 | 1.1% | **41** | 1.1% | -0.55% |
| Cape Agulhas | 41 | 1.1% | 43 | 1.0% | **37** | 1.0% | -0.87% |
| Swellendam | 65 | 1.8% | 67 | 1.6% | **59** | 1.6% | -1.08% |
| **Eden** | **412** | **11.3%** | 457 | **10.7%** | **401** | **10.6%** | **-0.28%** |
| Kannaland | 51 | 1.4% | 53 | 1.2% | **46** | 1.2% | -1.01% |
| Hessequa | 85 | 2.3% | 87 | 2.0% | **76** | 2.0% | -1.21% |
| Mossel Bay | 38 | 1.1% | 41 | 1.0% | **36** | 1.0% | -0.56% |
| George | 124 | 3.4% | 143 | 3.3% | **126** | 3.3% | 0.14% |
| Oudtshoorn | 73 | 2.0% | 82 | 1.9% | **72** | 1.9% | -0.15% |
| Bitou | 19 | 0.5% | 25 | 0.6% | **22** | 0.6% | 1.47% |
| Knysna | 21 | 0.6% | 26 | 0.6% | **23** | 0.6% | 0.80% |
| **Central Karoo** | **100** | **2.7%** | **118** | **2.8%** | **104** | **2.8%** | **0.44%** |
| Laingsburg | 22 | 0.6% | 26 | 0.6% | **23** | 0.6% | 0.21% |
| Prince Albert | 22 | 0.6% | 26 | 0.6% | **23** | 0.6% | 0.60% |
| Beaufort West | 56 | 1.5% | 66 | 1.6% | **58** | 1.6% | 0.48% |
| ***Western Cape*** | ***3,644*** | ***100.0%*** | ***4,274*** | ***100.0%*** | ***3,769*** | ***100.0%*** | ***0.34%*** |

*Source: (Quantec, 2023b)*

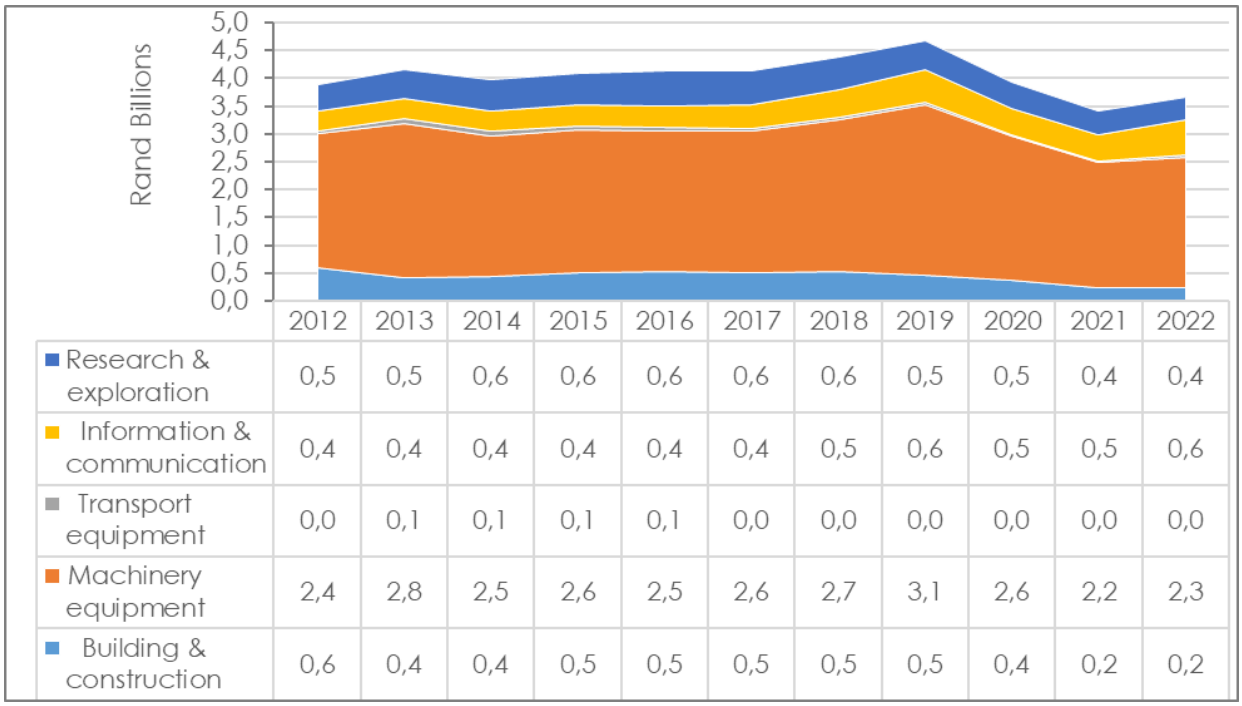
Real investment in the WC's FBT sector has decreased to -1% in 2022 (Figure 8.3). However, at the national level, the province's share contribution remained at a 20% mark in 2022.




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| National Share (%) | 21% | 21% | 21% | 21% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Investment (R billion) | 3,9 | 4,2 | 4,0 | 4,1 | 4,1 | 4,1 | 4,4 | 4,7 | 3,9 | 3,4 | 3,7 |

**Figure 8.3: Investment (CFCF) in Western Cape FBT and National Share, 2012-2022**
*Source: (Quantec, 2023b)*

Figure 8.4 illustrates a decline in investment in the FBT sector except from 2019 to 2021, where it slightly increased again for some of the sectors. For example, information and communication (36%) and machinery and other equipment 5%. The sector with the highest decline in investment was transport equipment with 21%. Research and exploration declined by 4% and building and construction with 2%.




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Research & exploration | 0,5 | 0,5 | 0,6 | 0,6 | 0,6 | 0,6 | 0,6 | 0,5 | 0,5 | 0,4 | 0,4 |
| Information & communication | 0,4 | 0,4 | 0,4 | 0,4 | 0,4 | 0,4 | 0,5 | 0,6 | 0,5 | 0,5 | 0,6 |
| Transport equipment | 0,0 | 0,1 | 0,1 | 0,1 | 0,1 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Machinery equipment | 2,4 | 2,8 | 2,5 | 2,6 | 2,5 | 2,6 | 2,7 | 3,1 | 2,6 | 2,2 | 2,3 |
| Building & construction | 0,6 | 0,4 | 0,4 | 0,5 | 0,5 | 0,5 | 0,5 | 0,5 | 0,4 | 0,2 | 0,2 |

**Figure 8.4: Investment (CFCF) in Western Cape FBT by type, 2012-2022**
*Source: (Quantec, 2023b)*

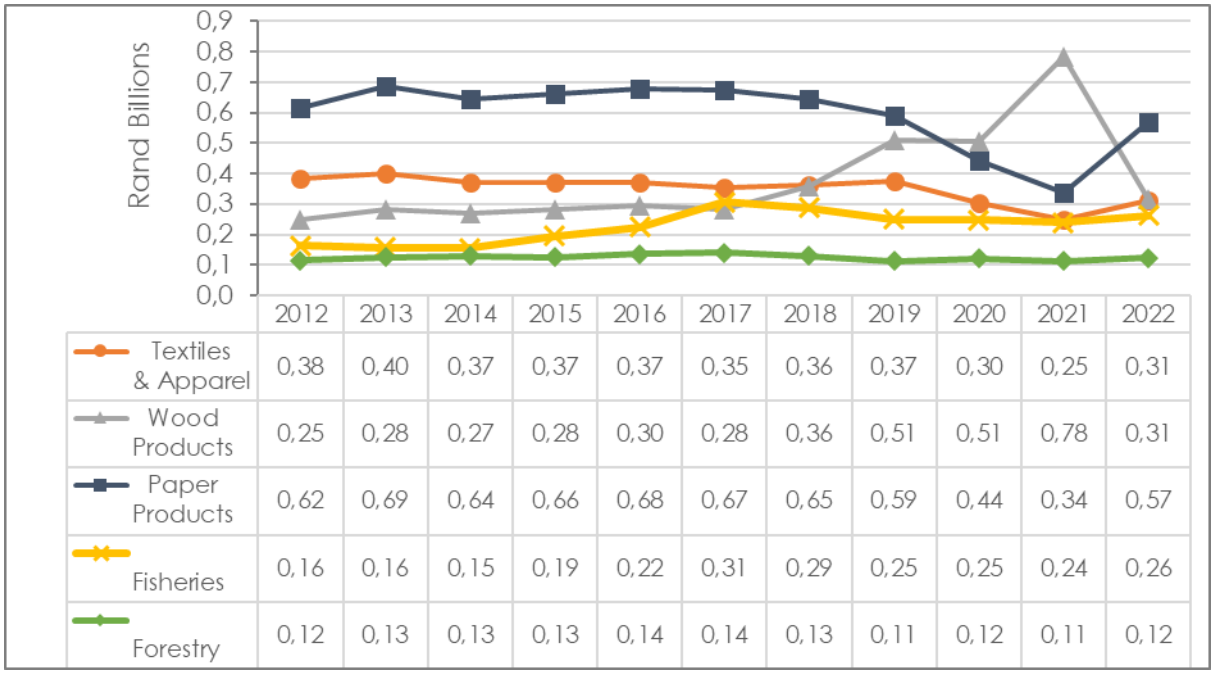
Table 8.2 presents a geographic breakdown of FBT investment in the Western Cape from 2021 and 2022. The City of Cape Town accounts for the largest share of 61% of the total f investment in FBT in 2022 and has increased by the annual average growth of 0.5% in the past ten years. Other districts with a large share are West Coast and Cape Winelands with a combined share of 28.9%.

**Table 8.2: Geography of FBT investment (GFCF), 2012-2022**

| District and municipalities | 2012 | | 2021 | | 2022 | | 10y Annual Growth |
|---|---|---|---|---|---|---|---|
| | Rm | Share | Rm | Share | Rm | Share | |
| **City of Cape Town** | **2,130** | **54.9%** | **2,066** | **60.6%** | **2,232** | **61.0%** | **0.47%** |
| City of Cape Town | **2,130** | 54.9% | **2,066** | 60.6% | **2,232** | 61.0% | 0.47% |
| **West Coast** | **491** | **12.6%** | **488** | **14.3%** | **531** | **14.5%** | **0.79%** |
| Matzikama | **53** | 1.4% | **43** | 1.3% | **46** | 1.3% | -1.34% |
| Cederberg | **48** | 1.2% | **53** | 1.6% | **58** | 1.6% | 1.97% |
| Bergrivier | **65** | 1.7% | **67** | 2.0% | **74** | 2.0% | 1.41% |
| Saldanha Bay | **176** | 4.5% | **160** | 4.7% | **172** | 4.7% | -0.24% |
| Swartland | **149** | 3.8% | **164** | 4.8% | **180** | 4.9% | 1.91% |
| **Cape Winelands** | **887** | **22.9%** | **514** | **15.1%** | **526** | **14.4%** | **-5.09%** |
| Witzenberg | **90** | 2.3% | **71** | 2.1% | **74** | 2.0% | -1.91% |
| Drakenstein | **315** | 8.1% | **169** | 4.9% | **169** | 4.6% | -6.02% |
| Stellenbosch | **239** | 6.1% | **127** | 3.7% | **131** | 3.6% | -5.85% |
| Breede Valley | **113** | 2.9% | **78** | 2.3% | **82** | 2.2% | -3.20% |
| Langeberg | **130** | 3.3% | **69** | 2.0% | **70** | 1.9% | -6.02% |
| **Overberg** | **112** | **2.9%** | **114** | **3.3%** | **123** | **3.4%** | **1.02%** |
| Theewaterskloof | **49** | 1.3% | **49** | 1.4% | **53** | 1.5% | 0.76% |
| Overstrand | **40** | 1.0% | **38** | 1.1% | **41** | 1.1% | 0.16% |
| Cape Agulhas | **12** | 0.3% | **14** | 0.4% | **16** | 0.4% | 2.97% |
| Swellendam | **10** | 0.3% | **13** | 0.4% | **14** | 0.4% | 2.86% |
| **Eden** | **257** | **6.6%** | **223** | **6.5%** | **240** | **6.6%** | **-0.69%** |
| Kannaland | **19** | 0.5% | **11** | 0.3% | **11** | 0.3% | -5.14% |
| Hessequa | **17** | 0.4% | **18** | 0.5% | **19** | 0.5% | 1.46% |
| Mossel Bay | **46** | 1.2% | **36** | 1.1% | **38** | 1.0% | -1.93% |
| George | **109** | 2.8% | **100** | 2.9% | **107** | 2.9% | -0.13% |
| Oudtshoorn | **43** | 1.1% | **36** | 1.0% | **39** | 1.1% | -1.12% |
| Bitou | **7** | 0.2% | **7** | 0.2% | **7** | 0.2% | 1.31% |
| Knysna | **15** | 0.4% | **16** | 0.5% | **17** | 0.5% | 1.03% |
| **Central Karoo** | **6** | **0.2%** | **5** | **0.2%** | **5** | **0.1%** | **-1.09%** |
| Laingsburg | **0** | 0.0% | **0** | 0.0% | **0** | 0.0% | -6.12% |
| Prince Albert | **1** | 0.0% | **1** | 0.0% | **1** | 0.0% | -0.44% |
| Beaufort West | **4** | 0.1% | **4** | 0.1% | **4** | 0.1% | -1.09% |
| ***Western Cape*** | ***3,881*** | ***100.0%*** | ***3,410*** | ***100.0%*** | ***3,657*** | ***100.0%*** | ***-0.59%*** |

*Source: (Quantec, 2023b)*

Several other industries are not exclusively agri-processing but have elements that would be considered agri-processing due to involving the transformation of agricultural products. In 2022, there were increases in real investments mainly in paper (67%) and textiles (26%) Figure 8.5. 2022, also showed a 60% decline in wood products.




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Textiles & Apparel | 0,38 | 0,40 | 0,37 | 0,37 | 0,37 | 0,35 | 0,36 | 0,37 | 0,30 | 0,25 | 0,31 |
| Wood Products | 0,25 | 0,28 | 0,27 | 0,28 | 0,30 | 0,28 | 0,36 | 0,51 | 0,51 | 0,78 | 0,31 |
| Paper Products | 0,62 | 0,69 | 0,64 | 0,66 | 0,68 | 0,67 | 0,65 | 0,59 | 0,44 | 0,34 | 0,57 |
| Fisheries | 0,16 | 0,16 | 0,15 | 0,19 | 0,22 | 0,31 | 0,29 | 0,25 | 0,25 | 0,24 | 0,26 |
| Forestry | 0,12 | 0,13 | 0,13 | 0,13 | 0,14 | 0,14 | 0,13 | 0,11 | 0,12 | 0,11 | 0,12 |

**Figure 8.5: Investment (CFCF) in WC sectors related to agriculture**
*Source: (Quantec, 2023b)*

**Summary points**

- Investment in the WC agricultural industry decreased by 12% which led to an investment of R3.8 billion in 2022.
- The largest relative investment increase in 2022 was 36% in information and communication in agriculture. Followed by machinery and other equipment increased by 5%.
- Investments in transport equipment, research, exploration, and building and construction decreased in real terms by 21%, 4% and 2% respectively.

# 9. Agricultural infrastructure

Production infrastructure is concentrated in different areas based on agricultural production in the region. Looking at the breakdown of infrastructure by the municipality in Table 9.1, it is clear that the Cape Winelands district 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 9.1: Western Cape 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 |

*Source: (WCDoA, 2018)*

The West Coast is also well endowed with agricultural production infrastructure, particularly 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, largely due to the high number of dams in Hessequa and George municipalities, and the highest number of feedlots.

Moving away from the infrastructure necessary for production to look at facilities where different agricultural products can be processed, Table 9.2 shows the number of various processing facilities at the district level. Moreover, 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 concentration 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 9.2: Western Cape agricultural processing infrastructure, 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 |
| **Pack houses** | 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 WC. 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.

## 10. 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 10.1 shows the number of households and average household size between 2012 and 2022 in the WC. In 2022, there was a recorded 2 million households in the province. Between 2021 and 2022 there were an additional 453 000 households added. As the number of households has been increasing in the province, there has been a slight decline in the average household size from 2012 to 2022.

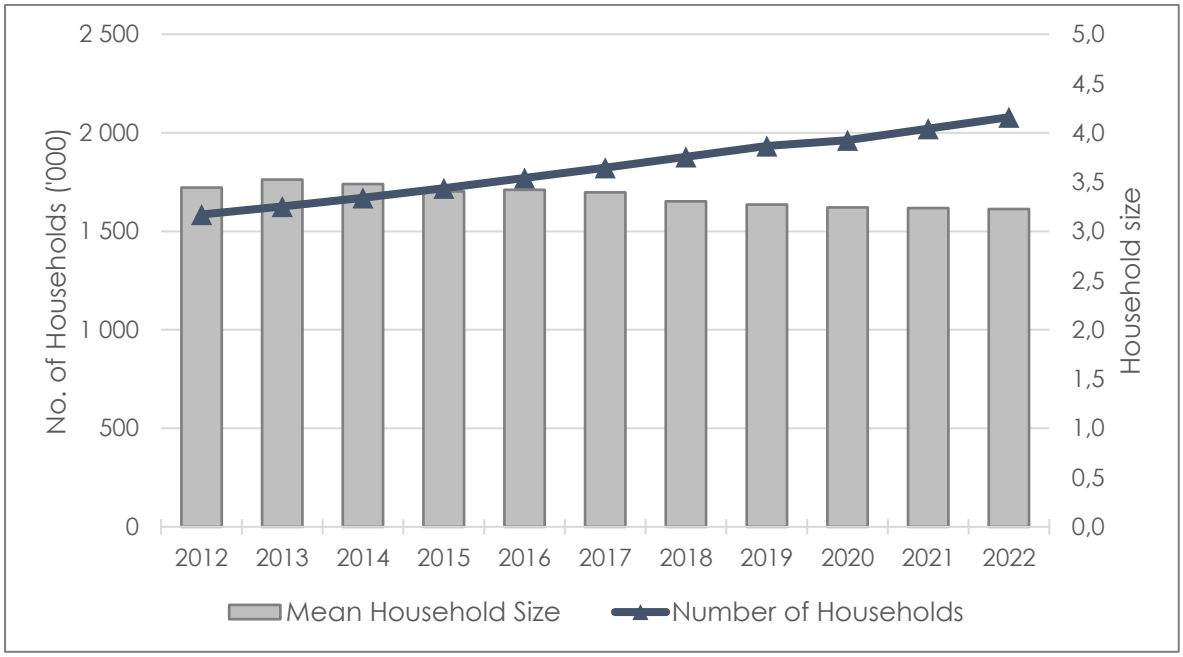



**Figure 10.1: Number of households and average household size, 2011-2022**
*Source: (Stats SA, 2022b)*

Figure 10.2 shows the number of households by their expenditure bracket for 2012, 2021 and 2022 in nominal terms[2]. However, the trend shows a slight increase in monthly expenditure for households classified under monthly expenditure categories (1-5), these are likely low-income households who can't spend more due to budgetary constraints.

However, it can be observed from the figure that majority of households with monthly expenditures greater than R5 000 have increased significantly over time. The 2021 Global Food Security Global Index has identified food affordability as one of the major

[2] 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.

limiting factors hampering food security in South Africa. From a food security perspective, the proportion of the WC population experiencing self-reported hunger at least sometimes had been on the rise from 2010 until 2014/2015 when it appeared to peak and then begin to decline (Partridge, *et al.*, 2019). However, as indicated in Figure 10.3, the population experiencing adult or child hunger either "sometimes", "often" or "always", has slightly declined in 2021 whereas child hunger increased. Adult hunger decreased from 16.98% in 2020 to 13.99% in 2021, but child hunger increased in the same period from 12.09% to 14.44% respectively.


**Figure 10.2: Monthly household expenditure, 2012, 2021 & 2022**
*Source: (Stats SA, 2022b)*

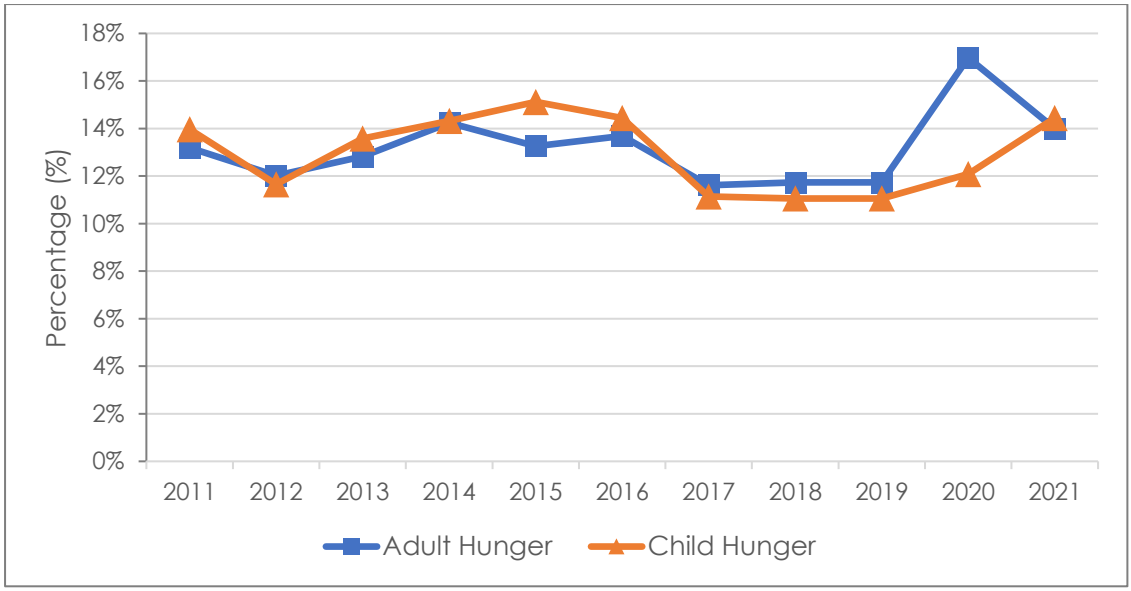



**Figure 10.3: Prevalence of hunger in the Western Cape, 2011-2021**
*Source (Stats SA, 2021)*

The WC inflation has moved along with national inflation over the past decade, as evident from the two overlaid series in Figure 10.4. There has been a slight divergence since 2016 with WC inflation exceeding national inflation until 2020. In 2022, national and provincial inflation stood at 6%. The national and provincial headline inflation showed an upward trend from 2019 to 2021. Figure 10.5 illustrates inflation for food & non-alcoholic, alcoholic beverages and energy (electricity & other fuels) showed an increasing trend from 2019 until 2022, except energy which declined slightly in 2022.

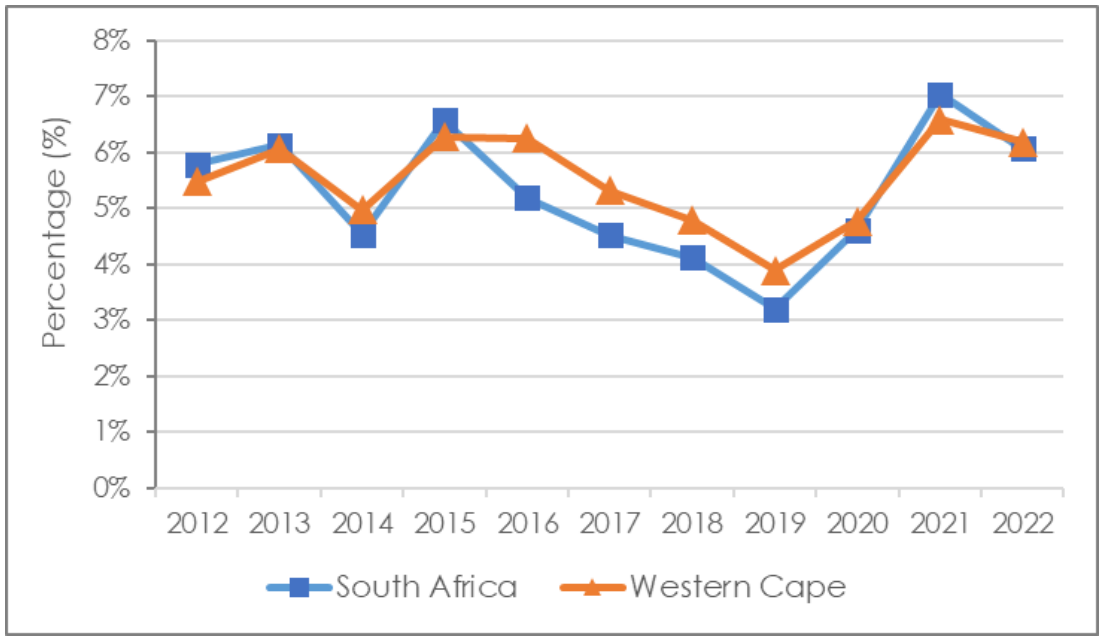



**Figure 10.4: National and provincial inflation (CPI), 2012-2022**
*Source: (Stats SA, 2021c)*

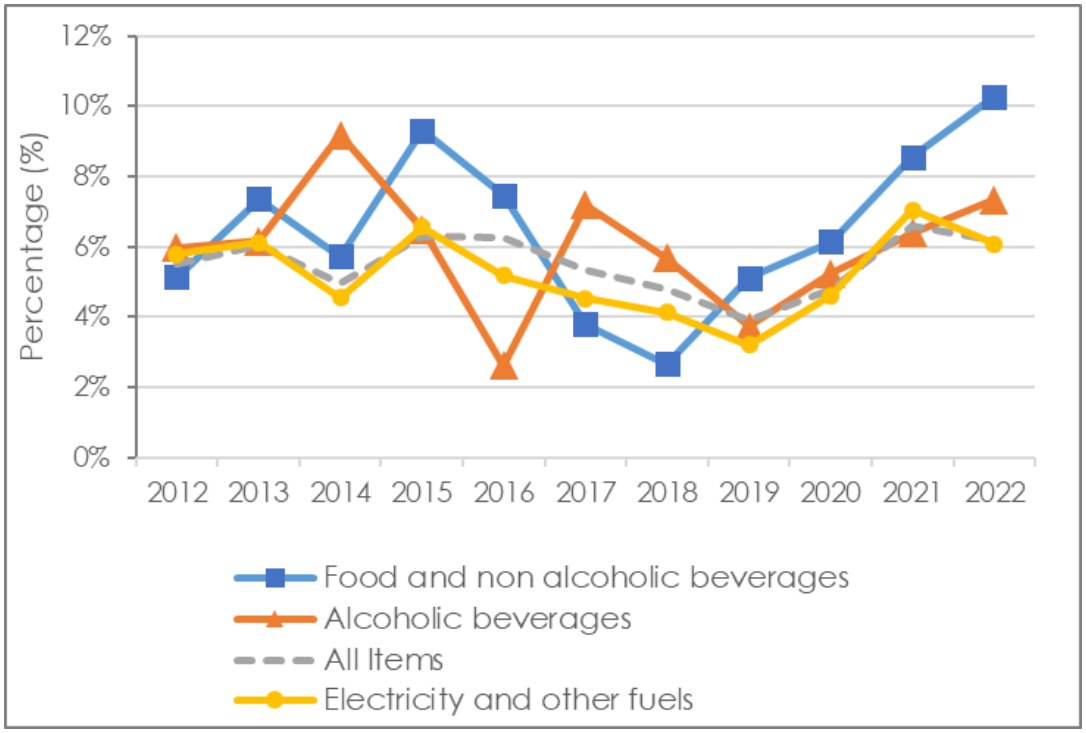



**Figure 10.5: WC food, beverage inflation (CPI), 2012-2022**
*Source: (Stats SA, 2021c)*

As can be seen in Table 10.1, the prices of selected agricultural products are monitored over 5 years, with an average cost calculated using weekly price data with linear interpolation. Onions had the highest increase in prices at 30.4% compared to the previous year. Apples had the second biggest price increase (21.3%) and peaches had a 16% increase in price, placing it third highest.

Table grapes dropped in price by 21.3% compared to the previous year. Naartjies became cheaper by 19% and oranges by 17.9%. The average price of pork came down by 11.6%, with bacon (12.3%) and pork sausages (8.7%), the biggest drivers in the price drop.

**Table 10.1: Market Price Performance of Selected Agricultural products, 2018-2022**

| | Annual % Change in Average Prices | | | | | 5 Year |
|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2020 | 2021 | 2022 | Average |
| WC CPI: Headline | 6,3% | 5,3% | 4,8% | 3,9% | 4,8% | 5,0% |
| WC CPI: Food & Beverages | 7,5% | 3,8% | 2,7% | 5,1% | 6,1% | 5,0% |
| Beef: Class A2/A3 | 13,3% | 4,3% | 10,4% | 20,6% | 1,7% | 9,9% |
| Beef: Class AB2/AB3 | 10,6% | 6,6% | 12,1% | 22,8% | 2,2% | 10,6% |
| Beef: Class B2/B3 | 10,3% | 7,6% | 11,8% | 24,2% | 3,4% | 11,3% |
| Beef: Class C2/C3 | 8,9% | 11,0% | 10,7% | 28,9% | 3,7% | 12,3% |
| Mutton: Class A2/A3 | 15,5% | 8,0% | 9,5% | 22,4% | 1,9% | 11,2% |
| Mutton: Class AB2/AB3 | 14,8% | 7,4% | 9,2% | 22,3% | 3,1% | 11,2% |
| Mutton: Class B2/B3 | 6,2% | 8,2% | 11,9% | 21,4% | 10,3% | 11,5% |
| Mutton: Class C2/C3 | 11,9% | 10,3% | 9,1% | 22,9% | 5,3% | 11,7% |
| Pork: Bacon | 11,9% | 5,9% | 6,7% | 13,4% | -12,3% | 4,7% |
| Pork: Pork | 11,4% | 10,4% | 3,1% | 11,4% | -7,6% | 5,5% |
| Pork: Sausage | 17,7% | 10,3% | -6,1% | 24,2% | -8,7% | 6,7% |
| Pork: Average | 12,0% | 6,3% | 6,8% | 13,0% | -11,6% | 4,9% |
| Poultry: Frozen Class A | 10,1% | 4,2% | 0,3% | 18,1% | 0,0% | 6,4% |
| Poultry: Fresh | 28,7% | 15,8% | 0,8% | 16,0% | 0,2% | 11,8% |
| Wheat: Kansas City (Winter) | -1,8% | -9,2% | -0,8% | -9,7% | 13,1% | -2,0% |
| Wheat: Minneapolis (Spring) | -1,8% | -9,2% | -0,8% | -9,7% | 12,8% | -2,0% |
| Wheat: Safex | 0,0% | 3,1% | 10,1% | -5,1% | -4,7% | 0,5% |
| Lemons | 34,5% | 0,2% | -5,7% | -2,4% | -5,7% | 3,1% |
| Oranges | 66,3% | -20,5% | 66,4% | 10,0% | -17,9% | 14,7% |
| Naartjies | 45,4% | 12,6% | 3,1% | 1,9% | -19,0% | 6,9% |
| Apples | 17,7% | -9,6% | 7,5% | 1,2% | 18,8% | 6,6% |
| Pears | 2,5% | 11,8% | 2,9% | -7,9% | 11,2% | 3,8% |
| Plums | 156,5% | -1,9% | 70,6% | -26,7% | -3,6% | 24,8% |
| Peaches | 0,2% | 28,9% | 21,0% | -6,1% | 16,0% | 11,2% |
| Strawberries | -36,1% | 45,9% | 21,9% | 29,4% | -9,9% | 5,8% |
| Table Grapes | 6,7% | 86,6% | 33,8% | 12,6% | -21,3% | 18,8% |
| Onions | 312,6% | 1475,1% | 94,3% | -37,3% | 30,4% | 152,8% |
| Potatoes | 0,8% | -19,8% | 73,2% | -26,5% | 7,3% | 2,0% |
| Tomatoes | 21,7% | 3,5% | -3,2% | -0,9% | 11,4% | 6,1% |

*Source: (WCDoA, 2023c)*

**Summary points**

- In 2022, there were a recorded 2 million households in the province, having increased an additional 453,000 households between 2021 and 2022.
- The number of households with monthly expenditures greater than R5 000 has increased significantly between 2021 and 2022.
- In 2022, national and provincial inflation stood at 6%.

# 11. Agricultural tourism

Table 11.1 shows the geographic spread of agricultural tourism (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 City of Cape Town, where aside from ecotourism, there are fewer of these general activities.

**Table 11.1: Western Cape Agricultural Production Infrastructure, 2017**

| | City of Cape Town | 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)*

Cape Winelands has the highest district share in terms of numbers for 13 out of the 18 activities. The highest concentrations were for cellars and wine shops (69%), conference functions (53%) and restaurants (53%). Central Karoo has the highest for four of the five remaining activities with a particularly high concentration in terms of

4x4 facilities (33%). The only activity where the highest concentration is not 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 the Overberg has the joint highest mountain bike trails with the Cape Winelands (26%).

**Summary points**

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

# 12. Water

This section of the report provides an update on major and minor dam levels in the WC, the Water Catchment Management Areas (CMAs) in the WC, and raw water tariffs. There are nine Water Catchment Management Areas (CMAs) in the country, and four are located in the WC Province namely, Gouritz, Breede, Berg and Olifants Water Management Areas (WMA's), these are shown in Figure 12.1. The Breede-Gouritz WMA has a full total supply capacity of 1 320.54 million cubic metres (Mm3) and the Berg-Olifants WMA has another 543.95 Mm3 (DWS, 2023). Freshwater bodies (e.g. rivers, wetlands, etc.) are an important part of the agroecosystems.

The spread of invasive alien plant species (IAPs) is one major environmental challenge negatively affecting water bodies. The increased spread of IAPs alters natural ecosystem processes through the displacement of native vegetation. All efforts to clear IAPs by various government departments and non-governmental organizations are critical in protecting freshwater bodies and reclaiming land for productive use (e.g. agriculture). Water is an indispensable resource and drives economic growth and supports healthy ecosystems (World Bank, 2021; Adams, et al., 2018).

A large amount of water in the WC is supplied through the Western Cape Water Supply System (WCWSS). This infrastructure is an "integrated and collectively managed system of dams, pump 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. Domestic and industrial use accounts for 72% (390$m^3$ million) of annual water allocations from the WCWSS, 89% of which is for the City of Cape Town (347$m^3$ million).

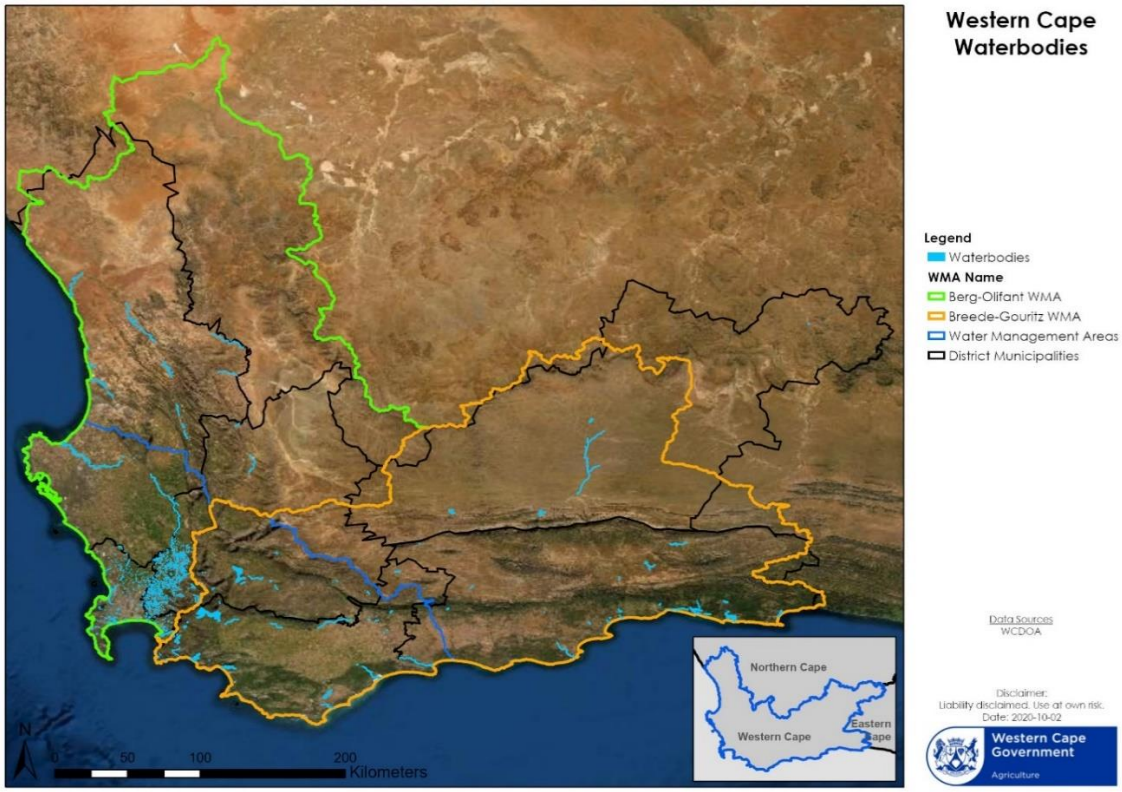



**Figure 12.1: WC Water Management Areas (WMA) and Fresh Water bodies**
*Source: (WCDoA, 2020)*

Figure 12.2 indicates the WC and national average raw water tariffs charged for domestic & industry, irrigation, and forestry for the period 2017 to 2022 (DWS, 2023). The water tariffs expressed in cents per cubic metre (c/m3) indicate the tariffs CMAs agencies charge Water Boards sourcing water from the Berg-Olifants and Breede-Gouritz. On average, national water tariffs have marginally increased over the period under review for domestic & industry, irrigation, and forestry. However, it can also be observed from the figure that water tariffs charged by the CMAs in the province are mostly higher than the national average. According to the DWS (2022), reducing information asymmetry in the water markets is essential to address concerns related to affordability, equity, and fairness in raw water pricing. It is also important to ensure the sustainability of Catchment Management Areas (CMAs).

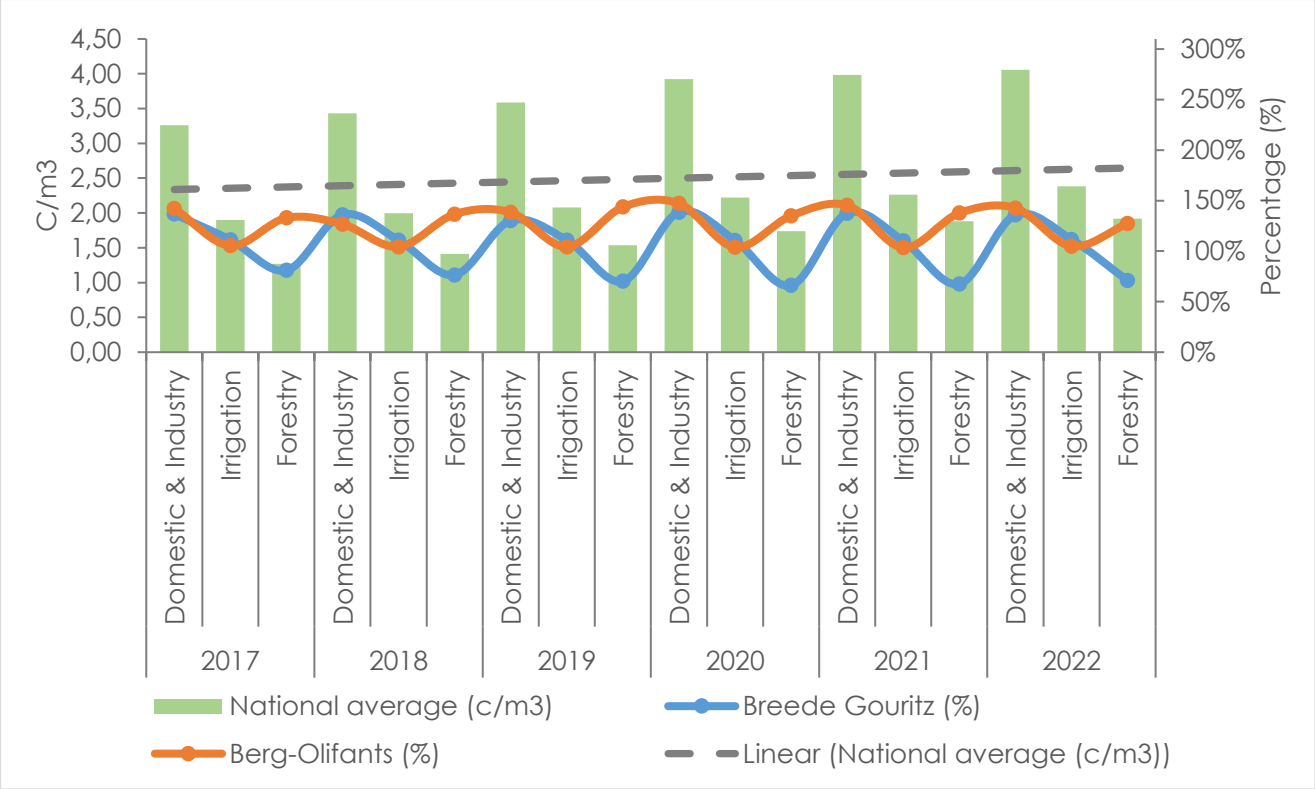



**Figure 12.2: WC Raw Water Tariffs and National Average (2017 – 2022)**
*Source: (DWS, 2023)*

**Summary Points**

- Water is a crucially important resource in the agricultural industry
- Effective management of water resources is essential for building the resilience of ecosystem processes and supporting agricultural production.
- The provincial raw water tariffs are still higher than the national tariffs with small margins.

# 13. SPECIAL CHAPTER: IMPACT OF LOADSHEDDING ON THE WESTERN AGRICULTURAL SECTOR

South Africa's economy performed below its potential due to the constraints imposed by various macro-economic factors and domestic factors such as power outages, social unrest, inadequate investment in key infrastructure and heightened levels of crime among others. However, the impact of these factors on agriculture negatively affects the supply side posing a major threat to food security. Food affordability is a major concern in the country, and therefore the disproportional impact of loadshedding on industries and service delivery highlights energy security as a priority.

Electricity generation in the country is still largely dependent on fossil fuels, and coal-based electricity generation is the most dominant. However, there is an increasing uptake of renewable energy sources such as solar in the country for both domestic and commercial use to supplement energy needs. This is expected to increase the supply side of energy and diversification of the energy sources.

The focus on energy, water and food has come to the forefront of most discussions due to the impact of climate change on food systems in the world. The energy, water and food nexus framework illustrate the complex and interrelated nature of global resource systems essential to realise social, economic and environmental goals (Endo, Tsurita, Burnett, & Orencio, 2017).

For example, the Western Cape agricultural sector experienced a severe drought during the period 2015-2017. The impact of water shortage was negative on agricultural production, resulting in job losses and dwindling economic output. In particular, the Western Cape as a winter rainfall region largely depends on irrigation farming. Rainfall intensity and distribution in a year are important for agricultural production.

However, the extremes in terms of high-intensity rainfall that results in floods and persistent droughts have an adverse impact on primary agriculture. The period of the drought accelerated the adoption of efficient water technologies and best practices (e.g. shade netting, mulching, conservation agriculture, drought tolerant cultivators) and water decision-making tools (e.g. FruitLook).

Although the sector has not fully recovered from water challenges, and the impact of loadshedding on irrigation farming is a major concern. The combined effect of water and energy disrupts agricultural operations and impacts negatively on the viability of the sector and its ability create more employment.

The power outages affect farm operations, especially irrigation, and post-harvest activities related to the storage of perishable products. A reliable supply of energy is crucial for the agricultural value chains to maintain and increase current production levels, employment and contribution to economic growth.

Table 13.1 below indicates the monthly (1-year) electricity demand in Gigawatts hours (GWh) based on the density of irrigation area, electricity demand for crops and seasonality of irrigation in the municipalities of the Western Cape. The total demand computed was above 1 Terawatt hour (TWh) per annum based on the Department's flyover data (BFAP, 2023). In the Table, the areas shaded green indicate low demand for electricity for irrigation purposes, then yellow to light orange intermediate and dark orange show high demand. The period corresponding with the rainy season in the province (April- September) shows minimum energy demand for irrigation purposes in most municipalities. Some of the major commodities under irrigation are pastures which account for 77%, summer grains 12% and winter grains 8%.

Electricity demand for agricultural irrigation increases again during the hottest and growing months (October to March). The demand for energy for irrigation purposes is estimated at 20% from April to September and 80% from October to March. More than 90% of the producers in the province are dependent on Eskom for primary supply of electricity and other businesses have invested in alternative energy sources. As a backup, most producers relied on the use of fuels (diesel and petrol) to generate electricity for irrigation pumps. However, this was sustainable to given the high cost of diesel, Figure 13.1 (a&b) illustrated the monthly prices for diesel in coastal regions of South Africa, and Figure 13.2 only shows fuel price. Whist fuel prices for 2019 to 2021annual averages ranged between R12.71 to R17 per litre, the year 2022 experienced elevated average prices above R21 per litre due unfavourable macroeconomic conditions but also due to increased domestic demand among others factors.

**Table 13.1: WC municipal temporal distribution of electricity demand for irrigation purposes in GWh (2017)**

| Municipality | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Witzenberg | 18.36 | 13.98 | 10.99 | 3.78 | 1.07 | 0.57 | 0.80 | 1.19 | 3.36 | 7.59 | 12.59 | 16.45 | 91 |
| Langeberg | 16.22 | 12.15 | 9.06 | 4.27 | 1.89 | 1.14 | 1.38 | 1.83 | 4.02 | 7.74 | 12.41 | 15.29 | 87 |
| Breede Valley | 15.87 | 13.97 | 10.68 | 4.09 | 1.47 | 0.82 | 1.00 | 1.33 | 3.10 | 6.83 | 11.82 | 15.06 | 86 |
| Oudtshoorn | 13.10 | 10.13 | 8.56 | 5.07 | 3.58 | 2.75 | 3.00 | 3.66 | 5.29 | 7.79 | 10.23 | 12.74 | 86 |
| Theewaterskloof | 14.39 | 11.29 | 9.21 | 3.20 | 1.06 | 0.72 | 1.05 | 1.47 | 3.42 | 6.63 | 10.12 | 13.13 | 76 |
| Cederberg | 10.75 | 8.68 | 8.39 | 4.92 | 2.81 | 2.06 | 2.21 | 2.77 | 5.09 | 7.07 | 8.86 | 10.57 | 74 |
| George | 9.92 | 7.50 | 6.24 | 3.34 | 2.15 | 1.65 | 1.86 | 2.32 | 3.62 | 5.72 | 7.80 | 9.68 | 62 |
| Drakenstein | 10.82 | 9.19 | 6.76 | 2.83 | 1.00 | 0.52 | 0.70 | 0.96 | 2.35 | 4.81 | 8.16 | 10.16 | 58 |
| Kannaland | 8.89 | 6.83 | 5.60 | 3.14 | 2.07 | 1.55 | 1.71 | 2.10 | 3.17 | 4.89 | 6.70 | 8.46 | 55 |
| Hessequa | 7.62 | 5.83 | 4.90 | 2.87 | 1.98 | 1.52 | 1.68 | 2.06 | 3.06 | 4.60 | 6.07 | 7.52 | 50 |
| Swartland | 8.16 | 6.79 | 4.94 | 2.19 | 0.89 | 0.70 | 1.13 | 1.49 | 2.99 | 4.63 | 6.67 | 8.03 | 49 |
| Swellendam | 7.05 | 5.28 | 4.46 | 2.45 | 1.53 | 1.19 | 1.43 | 1.82 | 3.00 | 4.36 | 5.58 | 6.89 | 45 |
| Bergrivier | 6.37 | 5.34 | 4.60 | 2.32 | 1.32 | 1.16 | 1.44 | 1.77 | 2.96 | 4.10 | 5.17 | 6.34 | 43 |
| Stellenbosch | 7.55 | 6.16 | 4.23 | 1.96 | 0.77 | 0.39 | 0.53 | 0.71 | 1.69 | 3.43 | 5.97 | 7.11 | 40 |
| Matzikama | 6.49 | 5.48 | 3.98 | 1.80 | 0.81 | 0.50 | 0.61 | 0.77 | 1.56 | 3.09 | 5.20 | 6.28 | 37 |
| Mossel Bay | 5.44 | 4.19 | 3.50 | 2.06 | 1.43 | 1.11 | 1.24 | 1.53 | 2.24 | 3.27 | 4.27 | 5.32 | 36 |
| Beaufort West | 3.70 | 2.88 | 2.43 | 1.44 | 1.02 | 0.78 | 0.85 | 1.04 | 1.49 | 2.18 | 2.87 | 3.58 | 24 |
| City of Cape Town | 3.65 | 3.00 | 2.14 | 0.99 | 0.42 | 0.24 | 0.31 | 0.40 | 0.88 | 1.75 | 2.92 | 3.51 | 20 |
| Prince Albert | 2.22 | 1.75 | 1.45 | 0.82 | 0.54 | 0.40 | 0.44 | 0.54 | 0.81 | 1.24 | 1.68 | 2.12 | 14 |
| Knysna | 2.04 | 1.55 | 1.31 | 0.79 | 0.56 | 0.43 | 0.47 | 0.58 | 0.84 | 1.26 | 1.65 | 2.03 | 14 |
| Overstrand | 1.39 | 1.11 | 0.86 | 0.43 | 0.23 | 0.16 | 0.18 | 0.23 | 0.41 | 0.73 | 1.10 | 1.34 | 8 |
| Laingsburg | 1.02 | 0.77 | 0.63 | 0.33 | 0.20 | 0.15 | 0.16 | 0.20 | 0.33 | 0.54 | 0.76 | 0.96 | 6 |
| Bitou | 0.67 | 0.52 | 0.43 | 0.25 | 0.18 | 0.13 | 0.15 | 0.18 | 0.26 | 0.39 | 0.51 | 0.64 | 4 |
| Cape Agulhas | 0.45 | 0.33 | 0.25 | 0.13 | 0.07 | 0.06 | 0.08 | 0.10 | 0.18 | 0.31 | 0.43 | 0.50 | 3 |
| Saldanha Bay | 0.18 | 0.13 | 0.10 | 0.06 | 0.04 | 0.06 | 0.12 | 0.16 | 0.27 | 0.25 | 0.17 | 0.20 | 2 |
| **Total** | **182** | **145** | **116** | **56** | **29** | **21** | **25** | **31** | **56** | **95** | **140** | **174** | **1 069** |

*Source: (BFAP, 2023)*

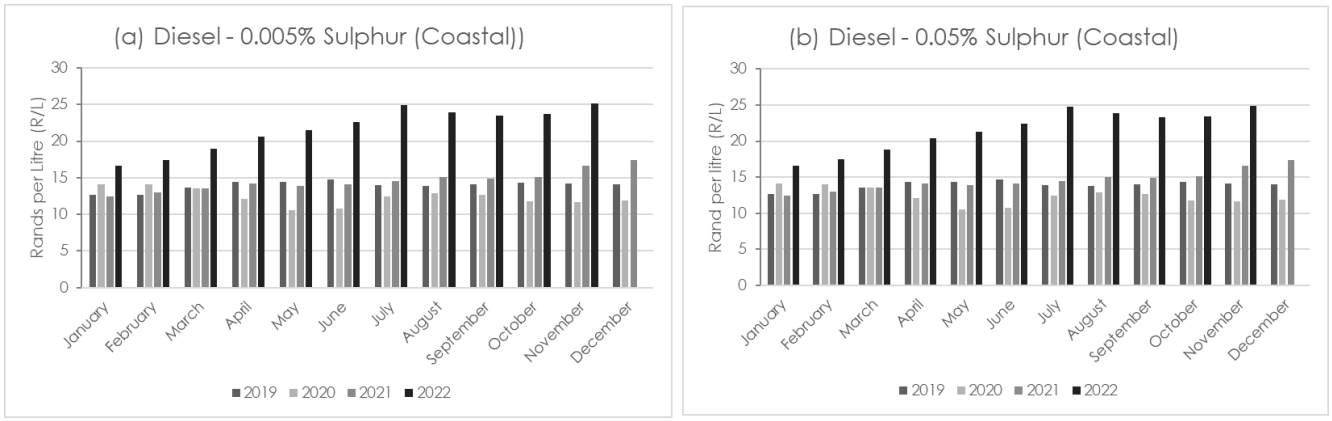



**Figure 13.1: South Africa's monthly diesel prices (Coastal), Jan 2019 – Nov 2022**
*Source: (Quantec & SAPIA, 2022)*

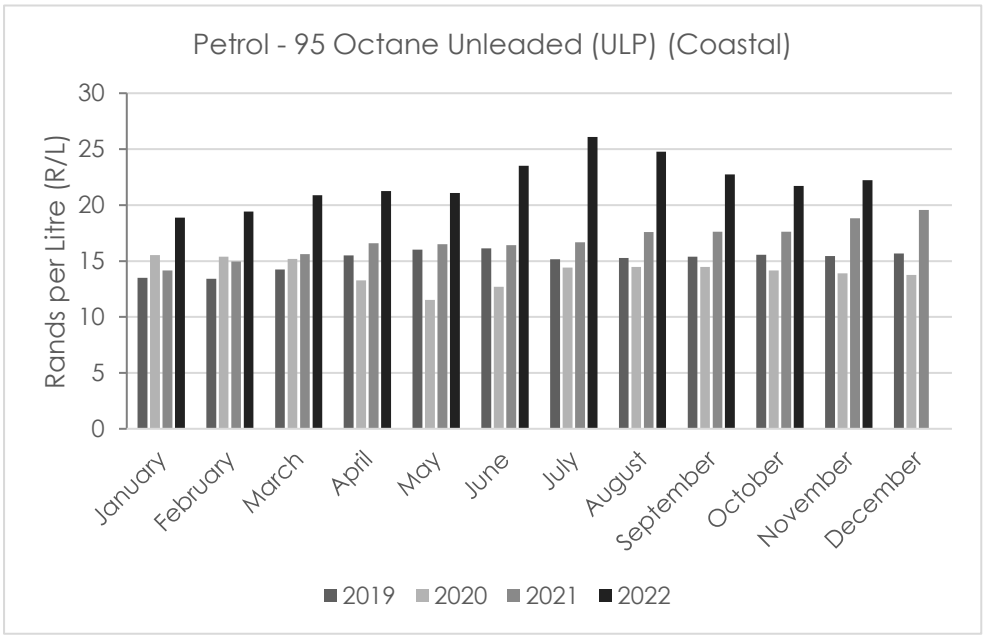



**Figure 13.2: South Africa's coastal regions monthly petrol prices (Coastal), Jan 2019 – Nov 2022**
*(Quantec & SAPIA, 2022)*

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