

Agriculture



Western Cape Agriculture Sector Profile | 2023-B

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WESTERN CAPE AGRICULTURAL SECTOR PROFILE 2023-B

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ABBREVIATIONS

AAMP	: Agriculture and Agro-processing Master Plan
AfCFTA	: African Continental Free Trade Area
AGOA	: African Growth and Opportunity Act
CMAs	: Catchment Management Agencies
DWS	: Department of Water and Sanitation
FBT	: Food Beverage and Tobacco
GFCF	: Gross Fixed Capital Formation
GVA	: Gross Value Added
На	: Hectare
NDP	: National Development Plan
SPI	: Standard Precipitation Index
SPEI	: Standard Precipitation Evaporation Index
WC	: Western Cape
WCDoA	: Western Cape Department of Agriculture
WMAs	: Water Management Areas

EXECUTIVE SUMMARY

This report presents an annual publication of the Western Cape (WC) agricultural sector 2023-B based on the 2023 statistics. The WC is home to a population of 7.5 million or 12% of the national population. A large portion of the population resides in the City of Cape Town (64%), Cape Winelands (12%), Garden Route (11%), West Coast (7%), Overberg (5%) and Central Karoo (1%). The WC recorded approximately 1 044 816 hectares (ha) of land under crop production in 2023, representing an expansion of 32% (256 204 hectares) in the past six years. A significant share of this land is under grain, oilseeds & lupines (75%), followed by orchards (17%), tobacco, tea & hops (6%) and vegetables (2%).

The share of agricultural employment in the provincial workforce has remained stable at 8% from 2022 and 2023. Seasonally adjusted data showed a steady rise in agricultural employment, with the number of employed individuals increasing from an average of 148 thousand in Q2 of 2021 to 224 thousand in Q4 of 2023. Actual agricultural jobs increased by 3% from 216 thousand in Q4 of 2022 to 223 thousand in Q4 of 2023, indicating the sector's resilience. Agri-processing employment stood at 106 thousand in Q4 of 2023.

The WC agricultural sector generated a gross value added (GVA) of R25.6 billion in 2023 and experienced an annual average growth rate of 2.7% over the past decade. The WC accounted for approximately 49% of South Africa's total primary agricultural exports amounting to R66.9 billion in 2023. A significant portion of the exports was directed toward Europe (48%), followed by Asia (35%), the Americas (9%) and Africa (8%). Notably, Asia's share declined by 1% compared to the previous year. The WC agricultural imports increased from R5.7 billion in 2022 to R6.4 billion in 2023. The WC agri-processing exports and imports stood at R36.7 billion and R29.7 billion, respectively, in 2023.

The Special Focus chapter has highlighted the impact of climate change on agriculture in the Western Cape. The climate in the province is already changing, resulting in more frequent, intense and varied disasters that affect agriculture. The situation differs across the SmartAgri zone within the province and is strongly linked to water resources and infrastructure. Between March 2023 to July 2024, severe damages amounting to over R6.1 billion have occurred in the sector due primarily to

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extreme rainfall and floods. In respect of the agricultural disasters in the period 2017/18 to 2022/23, the Western Cape Department of Agriculture (WCDoA) provided financial support to farming communities amounting to around R830 million. There is an urgent need for collaboratively efforts to implement climate change response plans to prepare for further climate shifts in the province.





1. INTRODUCTION

South Africa's National Development Plan (NDP) identified agriculture as a sector with the potential to create 1 million jobs by 2030, through investment in irrigated agriculture, expansion of area under production, and prioritised support of commercial agricultural sub-sectors (NPC, 2011). However, there are surmountable challenges that the agricultural sector needs to overcome to realise needed economic and employment growth, and consequently reduced levels of food insecurity.

South Africa's Agriculture and Agro-processing¹ Master Plan (AAMP) highlights agriculture's vital role in the country's economic recovery. Key objectives include; increasing food security, accelerating sustainable transformation in agriculture and agro-processing sectors, improving access to local and export markets, supporting farmers and employees, enhancing the resilience to the effects of climate change and promoting sustainable management of natural resources, among other key priority objectives (DALRRD, NAMC, BFAP, & CCRED, 2022). The Agricultural sector is crucial for supporting exports-led economic growth. The African Continental Free Trade Area (AfCFTA) is expected to boost intra-Africa trade, attract trade facilitation investment, and promote harmonised trading systems to reduce both tariff and non-tariff barriers. The WC Department of Agriculture (WCDoA) has long identified Africa as a key market. Several research studies were conducted to determine specific African markets that present potential opportunities for agricultural exports and investment (OABS & WCDoA, 2022; Morokong, T; Pienaar, L; Sihlobo, W., 2019).

To implement key policies and programs effectively in the sector, it is essential to use evidence-based and data-driven insights to inform planning and decision-making. This report highlights the performance of the WC agricultural sector by examining the key trends that are shaping it within the current economic and policy context. The report covers key topics including an overview of the province, trends in agricultural production, land use, trade, employment, subsistence farming, investment, infrastructure, domestic markets, agri-tourism and water use. The final chapter looks at climate change in the WC.

¹ Agro-processing refers "refers to the sub-sector of the manufacturing that beneficiates primary materials and intermediate goods from agricultural, fisheries and forestry based sectors". (the dtic, 2025)

Overview of the Western Cape

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2. OVERVIEW OF THE WESTERN CAPE

The WC is located along South Africa's southwestern coast (Figure 2.1) and is the fourth-largest province by area. It is divided into 25 municipalities, grouped into six districts, each with distinct characteristics contributing to the province's agricultural landscape. The WC's Mediterranean climate along the coast, characterized by wet winters and dry summers, and the semi-arid conditions inland set it apart from the predominantly summer-rainfall regions of South Africa.

The province's climatic conditions, combined with diverse topography that includes high mountain ranges, fertile valleys, extensive coastal zones, and arid interior regions, create an environment conducive to varied agricultural activities. The WC is a prominent hub for both primary production and value-added agri-processing², supported by sophisticated infrastructure and advanced technologies. This allows for the stable production of a wide range of high-quality crops, livestock, and other agricultural commodities.

The region is renowned for producing deciduous fruits, table grapes, wine, citrus, and vegetables. Livestock farming, including sheep, cattle, and ostriches, is also significant, particularly in semi-arid areas. The WC's agricultural sector not only supports local consumption but also underpins export-driven industries, bolstering its position as a key contributor to South Africa's economy.

² Agri-processing refers to "All post-harvest activities applied to products that originate from primary agriculture, forestry and fisheries which involve the transformation, preservation and preparation of products for intermediary and final consumption to make them usable as food, feed, fibre or industrial raw materials. This includes waste and waste products." (Pienaar & Partridge, 2015)



Figure 2.1: Western Cape province broad farming enterprises, South Africa Source: (WCDoA, 2024)

The WC population grew by 129 026 people between 2022 and 2023, bringing the total to 7.5 million, which represents 12% of South Africa's national population. As illustrated in Figure 2.2, the province's population and its share of the national total have steadily increased over the past decade, with an average annual growth rate of 1.9%. This is notably higher than the national average growth rate of 1.4%, highlighting the WC as a preferred destination for migration and natural population growth. The growing population heightens competition for employment opportunities, emphasising the need for inclusive economic growth strategies. The consistent population increase exerts mounting pressure on the province's infrastructure and resources. The province's limited arable land and water resources make it crucial to adopt sustainable agricultural practices, optimise production efficiencies, and invest in innovation to meet the demands of a growing and increasingly urbanized population.



Figure 2.2: WC absolute and relative population trends

Source: (Quantec, 2024)

Figure 2.3 illustrates the population distribution across the WC's six districts for the years 2013 and 2023. The City of Cape Town remains the most populous district, housing 64% of the province's population. Over the past year, it also experienced the fastest population growth, with an annual rate of 2%, exceeding the provincial average of 1.9%. This underscores Cape Town's continued role as a major economic and social hub, attracting people from other provinces and countries. Despite Cape Town's significant growth, the overall relative population distribution across the province's districts has remained consistent over the past decade. Districts such as the Cape Winelands, Garden Route (Eden), and the West Coast maintain steady population shares, highlighting the sustained importance of rural and semi-urban regions in the province's demographic profile.



Figure 2.3: WC population by district Source: (Quantec, 2024)

Figure 2.4 provides a detailed breakdown of the WC (WC) population in 2023 by age and gender. The province has a slightly higher proportion of females, who account for 52% of the population, compared to males, reflecting a demographic trend consistent with national and global patterns. The age distribution highlights a significant concentration of individuals in the economically active age group, particularly those aged 20 to 39. This segment represents 35.9% of the total population, underscoring the prominence of young adults and early mid-career professionals within the province. The prevalence of this demographic signals a strong labour force and potential for economic productivity, particularly in sectors such as technology, services, and agriculture, where younger populations are often highly engaged.

The substantial presence of younger cohorts also suggests a growing demand for education, skills development, and entry-level employment opportunities. At the same time, this demographic structure necessitates forward-thinking strategies to address challenges such as youth unemployment and urban migration. Furthermore, the gender imbalance, though slight, could have implications for policy planning in areas such as healthcare, social services, and gender-focused initiatives. Overall, this demographic profile positions the WC for economic dynamism while highlighting the need for inclusive and sustainable development policies.





Source: (Quantec, 2024)

Figure 2.5 depicts the WC's consistent economic contribution to South Africa, averaging 14% of the national economy from 2013 to 2023. Over this period, the provincial economy demonstrated resilience with an annual average growth rate of 1% (measured at constant 2015 prices), highlighting its importance to the country's economic framework. From 2013 to 2019, the WC economy followed a growth trajectory, peaking at R585 billion in 2019. However, the COVID-19 pandemic caused a sharp contraction in 2020, with the provincial GDP declining by 6% to R553 billion, reflecting the widespread disruptions to trade, tourism, and other key sectors.

The recovery post-2020 has faced multiple hurdles. Domestic power outages (loadshedding) have strained production and investment, while delays at ageing port facilities disrupted the province's export-dependent sectors, such as agriculture and manufacturing. Additionally, social unrest and geopolitical tensions in major trade markets further impeded growth. Despite these challenges, the WC economy has shown signs of recovery since 2021, though progress has been slow. This highlights the need for investments in resilient infrastructure, energy security, and diversification of trade markets to strengthen economic recovery and ensure long-term stability.



Figure 2.5: WC contribution to national gross value added (GVA) Source: (Quantec, 2024a)

Figure 2.6 provides a detailed sectoral breakdown of the WC economy, highlighting each sector's contribution and growth between 2022 and 2023. The largest sector is business services, encompassing finance, real estate, and professional services, which play a pivotal role in driving the province's economic activity. In 2023, only a few sectors experienced growth, reflecting the broader economic challenges. The transport and accommodation sector, sustained by a recovery in tourism and logistics, grew by 0.4%, leading to the gains. Business services followed closely with a 0.3% increase, demonstrating resilience and stability despite prevailing economic headwinds. Manufacturing grew by 0.2%, supported by demand in key industries, while social services, encompassing healthcare and education, posted marginal growth of 0.1%.

The agricultural sector, a critical component of the WC economy, experienced a slight contraction of 0.2%, primarily attributed to adverse weather conditions, escalating input costs, and disruptions in export logistics. This highlights the need for enhanced investment in climate resilience, value chain efficiency, and market diversification to support long-term sustainability in the agricultural sector.



Figure 2.6: Sectoral contribution to the WC GVA

Source: (Quantec, 2024b)

Summary points

- WC increased by an additional 129 026 people between 2022 and 2023.
- Over the past decade, the province's annual average growth rate of 1.9% has been higher than the national population average growth of 1.4%.
- Females constitute a larger share of 52% of the provincial population.
- From 2021 to 2023 the provincial economy has been on a recovery path although at a slow pace.

Agricultural Production

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3. AGRICULTURAL PRODUCTION

Agriculture as a business plays an important role in the economy. Figure 3.1 illustrates the economic performance of the WC's agriculture (incl. forestry and fisheries), food, beverage and tobacco (FBT) from 2013 to 2023.

Over the past 10 and 5 years, the agricultural sector experienced an annual average growth rate of 2.7%, with a slightly lower rate of 2.5% respectively. As a result, the gross value added (GVA) reached R25.6 billion in 2023, reflecting an annual decline of 4.4% from R26.8 billion in 2022. This decrease can be attributed to several challenges, including high input prices driven by conflict in Ukraine, domestic power outages due to load shedding and extreme environmental conditions such as droughts and floods.

In 2023, the food industry demonstrated resilience, achieving a growth rate of 3.1% (equivalent to R393 million), and its average annual growth rates remained modest at 0.9% and 0.33% for the past 10 and 5-years, respectively. In contrast, the beverage and tobacco industries experienced a sharp decline of 15%, and negative annual average growth of 4.4% in the past 10 years and 6% over the past 5 year. Combined, the agriculture, FBT industries recorded a 5% decrease in GVA (R1.1 billion) in 2023 compared to 2022.

The performance of the WC in the past decade reflects the compounded impact of many shocks which disrupted value chains. However, despite these setbacks, the provincial agricultural sector has shown remarkable resilience, maintaining output levels above pre-COVID-19 benchmarks. This underscores the sector's adaptive capacity and its importance to the WC's economy.



Figure 3.1: WC real GVA in primary agriculture & agri processing

Source: (Quantec, 2024)

Figure 3.2 highlights the WC's (WC) consistent contribution to South Africa's national agriculture and agri-processing sectors over the past decade. Despite facing significant challenges, including severe droughts toward the end of the decade, the outbreak of COVID-19 in 2020, persistent electricity disruptions caused by load-shedding, and recent flooding events, the province's share of the national agriculture and agri-processing economy remained stable at approximately 16% and 21%, respectively. The WC's agricultural sector continues to be a critical player in national food security, producing a diverse array of high-value crops, livestock, and horticultural products. Similarly, the province's agri-processing sector, driven by its strong FBT industries, maintains its role as a cornerstone of value addition, employment, and export earnings.

This stability amid adversity underscores the resilience and strategic importance of the WC in the broader South African agricultural economy. Key factors contributing to this performance include advanced farming practices, a well-established supply chain, and proximity to export markets through the Port of Cape Town. However, the ongoing pressures of climate variability, infrastructure inefficiencies, and rising input costs highlight the need for targeted interventions to enhance resilience, improve efficiency, and sustain the province's leadership in agriculture and agri-processing.



Figure 3.2: WC share in national agriculture and agri-processing GVA Source: (Quantec, 2024)

Table 3.1 highlights the geographic distribution of Gross Value Added (GVA) for agriculture, food, and beverage & tobacco industries within the WC in 2023. The Cape Winelands district remains the largest contributor to the province's agricultural income, accounting for 33.4%, driven by its extensive wine production, fruit farming, and agri-processing activities. The West Coast follows with a 24.8% share, reflecting its strengths in grain production, livestock farming, and fisheries. The City of Cape Town contributes 18.1%, benefiting from urban-based processing and export-oriented activities. The Garden Route (Eden) adds 10.6%, Overberg 10.4%, and the Central Karoo 2.8%, reflecting their specialized contributions to niche markets and regional food systems.

Compared to 2022, the West Coast saw a slight improvement in its share (+1%), likely due to robust recovery in key sectors such as fisheries and grains. Conversely, the Overberg district experienced a 1% decline, reflecting localized challenges such as adverse weather or logistical constraints. The City of Cape Town continues to dominate the food and beverage & tobacco sectors, supported by its urban infrastructure and proximity to export markets. However, the Cape Winelands experienced a 3% decline in food-related GVA and a 1.1% drop in beverage &

tobacco. In contrast, the Garden Route and Overberg regions recorded marginal improvements in their beverage & tobacco shares, signalling localized growth in specific processing industries. These shifts underline the dynamic nature of regional contributions and highlight opportunities for targeted interventions to address regional disparities and optimize the province's overall agri-economic performance.

	WC districts & Municipalities	Agriculture	Food	Beverages & Tobacco
City	of Cape Town	1 8 .1%	59.0%	63.7%
City of Cape Town		18.1%	59.0%	63.7%
West Coast		24.8 %	16.6%	13.2%
	Matzikama	5.9%	1.1%	1.3%
	Cederberg	3.7%	2.4%	0.6%
	Bergrivier	6.3%	3.4%	0.8%
	Saldanha Bay	1.6%	3.7%	6.2%
	Swartland	7.2%	5.9%	4.3%
Cap	e Winelands	33.4%	12.7%	15.4%
	Witzenberg	7.5%	2.5%	1.5%
	Drakenstein	8.1%	3.6%	5.7%
	Stellenbosch	4.8%	2.6%	4.5%
	Breede Valley	7.8%	2.3%	2.0%
	Langeberg	5.2%	1.9%	1.8%
Overberg		10.4%	3.8%	2.7%
	Theewaterskloof	6.8%	1.6%	1.2%
	Overstrand	1.1%	1.2%	0.9%
	Cape Agulhas	1.0%	0.6%	0.3%
	Swellendam	1.6%	0.4%	0.3%
Ede	n	10.6%	7.8 %	4.9 %
	Kannaland	1.2%	0.4%	0.2%
	Hessequa	2.0%	0.6%	0.3%
	Mossel Bay	1.0%	1.3%	0.7%
	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	1.5%	0.1%	0.1%

Table 3.1: WC agriculture and agri-processing GVA by district and municipality in 2023

Source: (Quantec, 2024)

Summary points

- In the past 5 and 10-year period, the WC agricultural sector grew an annual average growth rate was 2.5% and 2.7% respectively, reaching R25.6 billion in 2023.
- In 2023, its share of national agriculture and agri-processing remained steady at 16% and 21% mark, respectively.
- Cape Winelands district accounts for a significant share of 33.4% of the province's agricultural income, followed by the West Coast at 24.8%, City of Cape at 18.1%, Garden Route (Eden) at 10.6%, then Overberg and Central Karoo at 10.4%, and 2.8%, respectively.

Agricultural Land



Mr Jacques Murdoch Mr Tshepo Morokong

4. AGRICULTURAL LAND

Over the past six years, the WC has seen a significant expansion in crop production, with the total area under cultivation increasing by 32% (256 204 hectares) to approximately 1 044 816 hectares in 2023. Figure 4.1 highlights the top ten crops in the province based on area size and compares areas under cultivation between 2017 and 2023.

Wheat production, a staple crop in the region, expanded by 7% (23 231 hectares), due to a conducive environment, and reflects increased demand and favourable market conditions. Oats, a versatile crop for feed and food, saw the most significant growth, with a substantial addition of 151 557 hectares, indicating its rising importance in the province's crop mix. Canola, a valuable oilseed crop, experienced a remarkable 48% increase (43 hectares), driven by its profitability and role in crop rotation systems. Barley, a key ingredient for the brewing industry, grew by 27% (23 188 hectares), likely supported by demand from both local and export markets.

Conversely, the area under wine grapes decreased by 12% (10 586 hectares) during the same period. This decline may be attributed to shifting market dynamics, changing consumer preferences, and challenges such as drought conditions and export disruptions. The overall increase in cultivated area underscores the province's agricultural dynamism and its ability to adapt to changing economic and environmental conditions. However, the decline in wine grape cultivation highlights the need for strategic interventions to support the wine industry and diversify market opportunities.



Figure 4.1: Top WC crops by area planted

Source:(SIQ, WCDoA & OABS, 2024) **Version no.3 flyover dataset³

The WC's agricultural landscape is characterized by distinct regional specializations in crop production. The West Coast and Overberg are central to the province's grain, oilseeds, and lupine production, with the West Coast contributing 41% of the total area under these crops, while the Overberg accounts for 33%. This region's suitability for grain farming, particularly wheat, and oilseeds such as canola, is enhanced by its climate and soil conditions.

In addition to grains and oilseeds, the West Coast is also the province's primary vegetable-producing area, accounting for 51% of the total vegetable production. The region is particularly well-suited for the cultivation of crops like potatoes, onions, and carrots. Furthermore, the West Coast plays a dominant role in the production of tobacco, teas, and hops, with 98% of the province's area under these crops located here, largely due to its status as the major rooibos-growing region. Meanwhile, the Cape Winelands district, known for its diverse agricultural production, is home to over

³ "Note: The 2023 iteration/update had an increased reliance on remote sensing (RS) to distinguish annual winter cropping (e.g. wheat, barley, oats, triticale, Canola, lupins, lucerne/medics), which was not the case with the previous update of the data.

half of the province's orchards (57%). This area's favourable climate makes it ideal for fruit cultivation, particularly wine grapes, apples, pears, and citrus fruits.

Table 4.1 provides a comprehensive breakdown of broad crop categories cultivated in each municipality of the WC during the 2022/2023 growing season. The table underscores the specialized agricultural activities in each region, highlighting the strategic importance of local conditions in shaping the province's agricultural output. The diverse agricultural activities across the WC reflect the adaptability of the region's farming systems and the importance of tailoring production to regional strengths.

WC district &	Grain, oil	Orchards	Tobacco, tea	Vegetables	Total
municipalities	seeds, lupines		& hops		
Cape Winelands	52 175	100 809	21	5 237	158 242
Breede Valley	1 868	24 387	-	428	26 683
Drakenstein	24 964	16 075	21	219	41 279
Langeberg	6 793	22 948	-	496	30 236
Stellenbosch	1 801	13 546	& hops 21 5 237 - 428 21 219 21 219 - 496 - 30 - 4064 - 360 - 19 - 18 - 323 - 1580 - 1580 104 28 104 28 481 629 10 249 10 249 - 138		15 377
Witzenberg	16 750	23 853	- 4 064 - 360		44 666
Central Karoo	2 088	481	-	360	2 929
Beaufort West	540	60	-	19	619
Prince Albert	1 385	115	-	18	1 518
Laingsburg	163	306	-	323	792
City of Cape Town	23 120	4 869	-	1 580	29 569
City of Cape Town	23 120	4 869	-	1 580	29 569
Garden Route	131 781	9 084	786 1 650		143 302
Bitou	510	437	104	28	1 079
George	7 374	3 760	481 629		12 244
Hessequa	103 737	1 084	25 59		104 906
Kannaland	2 749	1 977	10 249		4 986
Knysna	432	211	-	138	782
Mossel Bay	10 260	1 162 -		173	11 595
Oudtshoorn	6 718	453	166	374	7 711
Overberg	257 497	21 462	148	574	279 681
Cape Agulhas	83 124	590	39	4	83 757
Overstrand	4 595	1 177	61	45	5 877
Swellendam	85 816	2 706	48	190	88 760

Table 4.1: Geographic spread of WC crops planted, 2023

Theewaterskloof	83 962	16 990	-	336	101 288
West Coast	321 062	40 970	60 394	9 614	432 040
Bergrivier	100 710	6 085	17 095	3 078	126 967
Cederberg	13 609	12 794	34 310 4 099		64 812
Matzikama	8 594	10 140	6 365	1 977	27 077
Saldanha Bay	33 898	48	1 649	28	35 623
Swartland	164 251	11 903	976	431	177 561
Total	787 723	177 676	61 349	19 014	1 045 763

Source: (SIQ, WCDoA & OABS, 2024) (**Version no.3 of the flyover data)

The WC's farmland market has demonstrated consistent activity over the past decade, with approximately 780 sales per annum from 2013 to 2023(WCDoA, 2024). This steady demand for farmland in rural areas has also contributed to a notable increase in the average unit price per hectare, reflecting the changing dynamics of agricultural land markets. As shown in Figure 4.2, the average price for farmland increased from R8 000/ha in 2013 to almost R24,000/ha in 2023, with the price averaging R12 000/ha between 2013 and 2019. This steady upward trend in land prices reflects both the consistent demand for farmland and broader market factors such as inflation and rising agricultural productivity.

However, the onset of the COVID-19 pandemic marked a significant turning point in the market. With many people re-evaluating their lifestyles, the appeal of rural living grew, driving a surge in demand for agricultural land.

This demand spike is evident in Figure 4.2, where the average unit price of land surged from R14 000/ha in 2019 to R28 000/ha by 2021. The dramatic rise was further compounded by a reduction in the volume of available land on the market, leading to inflated prices as competition for rural properties increased.

By 2022, the market began to stabilize, with land prices dropping to R25 000/ha in 2023. This price correction suggests that the initial post-COVID surge in demand is gradually subsiding, as supply-demand dynamics adjust. Notably, the Central Karoo, with its large-scale farms, experienced the highest volume of land transactions, with nearly 45 000 hectares changing hands. In contrast, the Cape Metropole saw minimal activity, with only 286 hectares sold, reflecting its more urbanized landscape and limited availability of agricultural land.



Figure 4.2: Agricultural land transferred and aggregate value trends Source: (WCDoA, 2023b)

Table 4.2 presents the number of agricultural land transactions by district from 2013 to 2023. In 2023, only 265 land transactions took place, marking a significant 57% decrease from the 614 transactions recorded in the previous year. This sharp decline in the number of transactions can be attributed to a combination of factors that impacted the agricultural land market.

One of the primary contributors to this downturn is the high interest rates, which have increased the cost of financing land purchases, making it more difficult for potential buyers to afford agricultural land During the COVID-19 pandemic, there was a surge in interest for rural properties as people sought to escape urban areas in favour of a more tranquil lifestyle. However, as the initial surge subsided and market conditions normalized, the demand for rural land began to ease.

These combined factors — higher interest rates, a post-COVID-19 market adjustment, and potentially reduced buyer confidence — contributed to the sharp decline in agricultural land transactions in 2023. The shift suggests a recalibration of the market after the unprecedented demand of the previous years, highlighting the cyclical nature of land markets and the influence of broader economic conditions on land transactions.

Year	Central Karoo	Overberg	Eden	Cape Metropole	Cape Winelands	West Coast	Total
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
2023	18	41	79	7	68	52	265

Table 4.2: Number of agricultural land transactions by district, 2013-2023

Source: (WCDoA, 2023b)

In 2023, the Eden district remained a popular area for agricultural land transactions, with 79 recorded sales, continuing to be a key hub for farmland exchange. The Cape Winelands saw an increase in transactions, rising from 51 sales in 2022 to 68 sales in 2023. However, this increase still represents a decline compared to previous years, indicating a slowdown in the region's land market activity, likely due to factors such as the cooling of the COVID-19-driven land demand boom and ongoing economic uncertainties.

The West Coast, on the other hand, experienced a notable improvement in land sales, with 52 transactions recorded in 2023, compared to only 34 in the previous year. This increase in sales highlights a rebound in interest, likely driven by the region's strong agricultural base, which includes crop production, vegetable farming, and the cultivation of rooibos. The West Coast also ranked second in terms of the number of hectares transferred, with approximately 32 493 hectares changing hands, reflecting its significant agricultural footprint and attractiveness to land investors.

These trends indicate regional variations in agricultural land transactions across the WC, with areas like Eden and the West Coast showing resilience and growth, while other regions like the Cape Winelands continue to face challenges in terms of sales activity.

Summary points

- In 2023 a total of 265 land transactions were recorded showing a decline of 57% when compared to 2022 which recorded 614.
- Most of the province's grain crops, oilseeds and lupines are grown on the West Coast (41%) and the Overberg (33%)

Agricultural Trade





5. AGRICULTURAL TRADE

Over the past decade, the WC's agricultural sector has maintained a strong export orientation, despite facing a range of significant challenges. These included logistical bottlenecks at seaports, inadequate road infrastructure, the global disruptions caused by the COVID-19 pandemic, animal disease outbreaks, and environmental disasters. Despite these hurdles, agricultural exports have grown substantially, showcasing the sector's resilience and competitiveness on the global market. This growth is a testament to the sector's adaptability and ability to meet the demands of international markets, with key exports remaining in high demand.

Table 5.1 highlights the biggest WC agricultural and agri-processing exports by value, illustrating the continued strength of the province's export economy. Agricultural exports increased from R60.1 billion in 2022 to R66.9 billion in 2023, driven by key sectors such as fruit, wine, and other processed food products. These exports continue to form a significant portion of the province's agricultural income, underscoring the importance of international trade for the province's economic stability and growth. On the import side, agricultural imports in the WC have remained relatively stable over the same period, with a slight dip in 2021, followed by an increase in 2023. Imports rose from R5.7 billion in 2022 to R6.4 billion in 2023, reflecting ongoing demand for certain agricultural products not produced locally or for inputs like fertilizers and seeds.

Despite the increase in agricultural imports, the trade balance for the sector continues to widen, indicating that the WC's agricultural export sector remains a net contributor to the provincial and national economy. This widening trade balance highlights the sector's robust position in international markets and its importance to the broader economic landscape of the province.


Figure 5.1: WC agricultural trade, 2013-2023

Source: (Quantec, 2024a)

The FBT sector of the WC has demonstrated positive economic performance over the past decade, reflecting a steady growth trajectory in exports. As indicated in Table 5.2, which outlines the fastest-growing agricultural and agri-processing exports from 2013 to 2023, the export of FBT products showed significant growth between 2013 and 2023. However, this growth was accompanied by a substantial increase in the import of these products, leading to a modest and relatively flat trade balance in the sector. Notably, the period from 2016 to 2019 saw a continued decline in the value of FBT exports, which raised concerns about the sector's performance. However, from 2022 to 2023, the sector experienced a positive turn, with export values rising from R35.8 billion in 2022 to R36.7 billion in 2023. This increase indicates a recovery and resilience in the FBT export market, supported by factors such as increased global demand for processed food and beverages, as well as the WC's established reputation for high-quality products, especially in sectors like wine, fruit, and processed foods.

On the other hand, imports of FBT products saw a slight increase of 8.3% in 2023, reflecting a continued demand for products that are either not produced locally or require specialized ingredients and processing. Despite the rise in imports, the trade balance for the FBT sector has remained relatively flat, as the growth in exports has largely offset the increase in imports, maintaining the sector's overall stability. This

mixed performance highlights both the opportunities and challenges facing the FBT sector in the WC, with growing export values signalling potential for expansion, while rising imports suggest the need for further development of local production capabilities and value-added processing within the sector.



Figure 5.2: WC Food, Beverage & Tobacco (FBT) Trade, 2013-2023

Source:(Quantec, 2024a)

Figure 5.3, illustrating the WC's share in national agricultural trade from 2013 to 2023, highlights the province's significant role in both agricultural exports and imports. In 2023, the WC's share of national agricultural exports declined marginally by 1%, from 50% in 2022 to 49%. This slight decrease is slightly lower than the 10-year average of 51% (from 2013 to 2023), but it still represents a substantial contribution to South Africa's agricultural exports. The WC continues to account for approximately half of all agricultural exports from the country, reflecting its dominance in key agricultural sectors such as fruit, wine, and other processed products.

On the import side, the province's share in national agricultural imports increased by 1%, rising from 19% in 2022 to 20% in 2023. This increase signals a growing demand for agricultural imports in the WC, possibly due to factors such as changing consumer preferences, gaps in local production, and increased demand for specific agricultural inputs and products not locally available. These shifts in export and import shares indicate that the WC's agricultural sector remains a central player in the national

agricultural trade, maintaining its importance as both an exporter and importer. Despite the slight decline in its share of national exports, the province's overall contribution to South Africa's agricultural trade remains significant, highlighting its ongoing competitiveness and critical role in the country's agricultural economy.



Figure 5.3: WC share in National Agricultural Trade, 2013-2023

Source: (Quantec, 2024a)

Figure 5.4 provides a graphical representation of the annual import and export flows for the FBT segment in the WC. In 2023, the province's share of national FBT exports stood at 33%, which marks a 4% decline from the previous year. This decline is part of a longer-term trend, as the WC's share in national FBT exports has been gradually decreasing over the past decade. In 2016, the province accounted for 43% of national FBT exports, but by 2023, this had dropped to 33%.

Despite this decline, the WC continues to be a significant contributor to South Africa's FBT export sector, representing roughly a third of the country's FBT exports. This decrease in share could be attributed to several factors, including the rise of other regions' competitiveness in the sector, changes in global demand patterns, or shifts in domestic production capabilities. On the import side, the WC also accounts for approximately a third of South Africa's FBT imports, maintaining its prominent role as a key importer in this sector. This indicates that while the province's export share may

have reduced, its overall engagement in the FBT trade — both in imports and exports — remains substantial, emphasizing the central role of the province in the national FBT market.





Figure 5.5 shows the WC agricultural exports to the top ten countries in 2022 and 2023. Most of the WC agricultural exports were destined for the Netherlands (21% or about R14 billion), the UK (12% or about R8 billion) and the UAE (8% or about R5 billion) in 2023. The share of WC agricultural exports increased from the previous year for countries like the UAE (+2%), USA (+1%), and China (+1%) but declined for countries like the UK (-1%), Japan (-2%), Vietnam (-1%) and Canada (-1%). From the previous year, countries like the Philippines, Belgium and Norway observed significant growth rates of 415% to R209 million, 343% to R392 million and 182% to R406 million, respectively. The notable increase in agricultural exports to the Philippines in 2023 was attributed to oranges at R261 million in the same year. In the past ten years, there was a notable increase in exports to Mexico driven by maize (seed) at R182 million in 2022 and R265 million in 2023. There was also a sharp rise in exports to Belgium which was due to canola or rape seed at R297 million in 2023. Exports to India were primarily

apples at R341 million, pears at R332 million, and oranges at R226 million in 2023.⁴ Exports to Israel were mainly fresh grapes at R195 million in 2023.



Figure 5.5: WC agricultural export destinations – countries, 2022 vs 2023 Source: (Quantec, 2024)

Figure 5.6 illustrates the trends in WC agricultural exports by region from 2013 to 2023. A majority of WC agricultural exports (83%) were directed to Europe at 48% (or R32 billion) and Asia at 35% (or R24 billion) in 2023. The main exports to these regions were citrus fruits at R8 billion, apples and pears at R5 billion and maize at R3 billion. The share of WC agricultural exports to the Americas increased from 4% in 2013 to 9% in 2023 while the share to Africa dropped from 12% to 8% in the same period. The agricultural exports to Africa mainly consisted of apples at R2 billion. Africa had a growth rate of 12% to R5 billion from 2022. The WC agricultural exports to the Americas had a significant growth of 17% to about R6 billion in 2022 and 468% from 2013, the highest growth rates in both periods. The main agricultural exports to the Americas were mandarins at R1.4 billion and oranges at R1.3 billion in 2023.

⁴ For more information on trade with India which has shown consistent growth over the years, see Wesgro report. Available at: <u>https://www.wesgro.co.za/uploads/files/Wesgro-Research India-Fact-Sheet 2023.08.pdf</u>



Figure 5.6: WC agricultural export destinations – regions, 2013 to2023 Source: (Quantec, 2024)

Figure 5.7 indicates the WC agricultural imports from the top ten countries in 2022 and 2023. Most of the WC agricultural imports were from Lithuania (14% or R877 million), Poland (14% or R876 million) and Namibia (10% or R630 million) in 2023. The share of WC agricultural imports increased from the previous year for countries like Poland (+7%), Spain (+1%), and China (+1%) but declined for countries like the USA (-1%), Brazil (-2%), and Vietnam (-1%). The agricultural imports from Poland were mainly driven by wheat and meslin at R859 million in 2023. Notably, a significant growth rate of 845% to R24 million, 572% to R16 million and 266% to R61 million was observed for countries like Benin, Philippines and Colombia, respectively, from the previous year. Agricultural imports from Benin were primarily driven by shelled cashew nuts, which surged from

R2 million in 2022 to R24 million in 2023. The key agricultural import from Colombia was unroasted, non-decaffeinated coffee, valued at R60 million.



Figure 5.7: WC agricultural import destinations – countries, 2022 vs 2023 Source:(Quantec, 2024)

Figure 5.8 highlights the trends in WC agricultural imports by region from 2013 to 2023. A majority of WC agricultural imports are from Europe at 41% (or R2.6 billion), Africa at 24% (or R1.5 billion) and the Americas at 19% (or R1.2 billion). The share of WC agricultural imports from Europe increased from 26% in 2013 and 2022 to 41% in 2023 while the share from Americas dropped from 32% in 2013 to 19% in 2023. The WC Agricultural imports from Europe had a significant growth of 73% from 2022 and 226% from 2013, the highest growth rates in both periods. The agricultural imports from Europe mainly consisted of wheat and meslin at R1.7 billion in 2023. This was followed by Asia at 13% to about R886 million in 2022 and Africa at 148% from 2013. The agricultural imports from Asia and Africa mainly consisted of Crustaceans at R205 million and fish at R1.3 billion in 2023, respectively.



Figure 5.8: WC agricultural import destinations – regions, 2013-2023 Source: (Quantec, 2024)

Figure 5.9 shows the WC food, beverages and tobacco (FBT) exports to the top ten countries in 2022 and 2023. Most of the WC FBT exports were destined to the UK (10% or R3.5 billion), Botswana (9% or R3.4 billion) and Namibia (9% or R3.3 billion) in 2023. The FBT exports to the UK mainly consisted of wine of fresh grapes in containers holding 2 litres or less at R1.6 billion in 2023. While Botswana and Namibia mainly imported fruit juices, wine from fresh grapes, fermented beverages, rice, sauces and preparations. The share of WC FBT exports increased from previous year for countries like the UK (+1%), China (+1%) and Swaziland (+1%). Similarly, countries like Peru, Switzerland, Greece and Poland observed significant growth rates of 77% to R121 million, 69% to R237 million, 68% to R321 million and 68% to R213 million, respectively. The FBT exports to Peru were primarily fruit or nut purées and pastes at R43 million. Exports to Greece

mainly consisted of flours, meals, and pellets of aquatic invertebrates at R274 million, while fish fillets, specifically hake, accounted for R130 million in exports to Poland.

In the past ten years, there was also a notable increase in FBT exports to Mexico in 2023 driven by fruit or nut puree and pastes at R117 million. Export growth to Kuwait was primarily fuelled by bovine meat at R77 million (though down from R181 million in 2022), and sheep or goat meat, which rose to R64 million in 2023 from R5 million in 2022. Similarly, export growth in Qatar was driven by sheep or goat meat at R134 million in 2023 (though down from R173 million in 2022).



Figure 5.9: WC top FBT export destinations - countries, 2022 vs 2023 Source: (Quantec, 2024)

Figure 5.10 demonstrates the trends in WC FBT exports by region from 2013 to 2023. Most WC FBT exports were directed to Europe at 38% (or R13.9 billion) and Africa at 37% (or R13.6 billion) in 2023. The main FBT exports to Europe consisted of wine from fresh grapes at R6.4 billion and fish fillets at R2.1 billion in 2023. Exports to Africa mainly consisted of fresh juices at R1.7 billion and wine from fresh grapes at R1.5 billion in the same year. The share of WC FBT exports to Europe increased from 35% in 2022 while the share to Africa has dropped from 38% in the same period. The WC FBT exports to Europe had a significant growth of 11% from 2022 and Americas had the highest growth rate of 106% to R3.8 billion from 2013. The exports to the Americas primarily consisted of wine of fresh grapes at R1.3 billion and prepared fruits and nuts at R632 million in 2023. On the other hand, Africa had a growth rate of 1% from 2022 and 86% from 2013.



Figure 5.10: WC top FBT export destinations - regions 2013to 2023 Source: (Quantec, 2024)

Figure 5.11 shows the proportion of WC FBT imports to the top ten countries in 2022 and 2023. Most of the WC FBT imports were from Thailand (21% or R6.2 billion), China (9% or R2.7 billion) and Italy (5% or R1.6 billion) in 2023. The share of WC FBT imports increased from the previous year for countries like Thailand (+3%) and India (+1%) but declined for the UK (-1%). The FBT imports from Thailand mainly consisted of milled rice at R4.7 billion and sardines, sardinella and brisling or sprats at R779 million in 2023. Notably, a significant growth rate of 547% to R142 million, 154% to R334 million, 133% to R118 million and 123% to R131 million was observed for countries like Egypt, Zambia, Pakistan and UAE, respectively, from the previous year. The FBT imports from Egypt

were mainly prepared or preserved tomatoes at R76 million. From Zambia, the primary imports were residues and waste from the food industries at R320 million. Pakistan's main FBT export to the WC was milled rice at R115 million. Imports from the UAE included cocoa chocolate at R45 million, sweet biscuits at R35 million, and cane sugar at R33 million.





Figure 5.12 illustrates the trends in WC FBT imports by region from 2013 to 2023. Most WC FBT imports came from Asia at 40% (or R11.8 billion) and Europe at 37% (or R10.9 billion) in 2023. The main FBT imports from Asia mainly consisted of milled rice at R5.2 billion, prepared sardines, sardinella and brisling or sprats at R1.2 billion, and other fruits and vegetable juices at R1 billion in 2023. The share of WC FBT imports from Asia increased from 26% in 2013 while the share from Europe dropped from 38%. The primary FBT imports from Europe were wheat and meslin at R1.7 billion, waters at R1.3 billion and whiskies at R1.1 billion in 2023. The WC FBT imports from Asia had a significant growth rate of 20% from 2022 and 169% from 2013, the highest growth rates in both periods. This was followed by Europe at 4% from 2022 and 73% from 2013. On the other hand, WC FBT imports from Africa declined by 6% from 2022 to R3.2 billion.



Figure 5.12: WC FBT imports - regions, 2022 vs 2023

Source: (Quantec, 2024)

The focus of this section is on the value of exports at a highly disaggregated HS6-digit level for agricultural and agri-processing products. This allows for more precise identification of specific agri-processing products that may fall under other manufacturing sub-sectors, such as textiles and furniture, which were previously unidentifiable at the aggregate product level. The scope includes products from agriculture, forestry, fisheries, and agri-processing, specifically under the Harmonised Standard codes (HS): HS01-24; HS41; and HS50-53 (Patridge & Morokong, 2019). Thus, the term "agricultural" in this section will refer to all agricultural and agri-processing products, excluding forestry and fisheries. Table 5.1 illustrates the major WC (WC) agricultural export product values for 2023, their share of total agricultural exports, and their growth rates over the past year.

In 2023, oranges led the list, accounting for 9.5% of the total agricultural export value and showing a 20% growth. Fresh grapes followed, contributing 8.8% of the total, and mandarins ranked third. Apples and wine (under 2 litres) were also among the top agricultural export products by value. The data highlights the significant growth of citrus exports, particularly in oranges and mandarins, demonstrating the sector's continued strength and expansion in the global market.

Rank	HS Code	Product Name	Export Value (R'Million):2023	Share (%):2023	Growth(%): 2022-2023
1	080510	Oranges	10 077	9,5%	20%
2	080610	Fresh Grapes	9 320	8,8%	-11%
3	080521	Mandarins	8 609	8,1%	35%
4	080810	Apples	8 186	7,7%	14%
5	220421	Wine <=2l	7 296	6,9%	3%
6	080550	Lemons	3 385	3,8%	25%
7	080830	Pears	3 385	3,2%	-4%
8	100590	Maize(excl. Seed)	2 668	2,5%	56%
9	030474	Hake	2 267	2,1%	19%
10	220429	Wine >10 I	2 260	2,1%	-9%
11	081040	Cranberries, bilberries	2 040	2 040 1,9%	
12	080940	Plums and Sloes	1 610	1,5%	-10%
13	230120	Flours, meals & Pallets of fish	1 578	1,5%	16%
14	080540	Grapefruit	1 460	1,4%	1%
15	100510	Maize Seed	1 225	1,2%	-39%
16	220600	Other Beverages	1 084	1,0%	-27%
17	200870	Peaches & Nectarines	1 052	1,0%	-4%
18	200799	Jams, Jellies.	984	0,9%	47%
19	210390	Preparations for Sauces	934	0,9%	6%
20	200990	Mixtures of fruit Juices	934	.0,9%	11%
		Other Agricultural Exports	35 880	33,1%	4%
		Total	106 237	100%	7%

Table 5.1: Biggest WC agricultural and agri-processing exports by value

Source: (Quantec, 2024a)

Table 5.2 highlights the fastest-growing agricultural export products from the WC (WC) over the past ten years, ranked by their growth rate. The products are listed along with their share of total WC agricultural exports for 2023. The top three products with the highest growth rates over the past decade were pistachio nuts, sheep carcasses and true hemp.

Pistachio nuts in shell experienced an impressive growth rate of 262%, reflecting a significant increase in demand and market expansion. Sheep carcasses (excluding lambs) had a growth rate of 210%, this product also saw considerable growth, indicating a rise in international demand for sheep meat. True hemp (processed) grew by 163%, showcasing a growing interest in hemp products, driven by their use in various industries such as textiles and health. These products' strong growth rates underscore the diversification and resilience of the WC's agricultural export sector, with certain niche products experiencing notable international demand.

Rank	HS Code	Product Name	Export Value (R'Million) 2023	Share (%): 2023	10yr Annual Real Growth (%)
1	080251	Pistachios, in shell	20,8	0,02%	262%
2	020421	Sheep Carcases(excl. lambs)	154,1	0,15%	210%
3	530290	True hemp, processed	1,4	0,00%	163%
4	120510	Low erucic acid or colza seeds	297,6	0,28%	156%
5	020110	Carcases of bovine animals	57,2	0,05%	147%
6	510610	Carded wool yarn	0,0	0,00%	121%
7	150600	Other animal fats & oils	0,5	0,00%	117%
8	511219	Woven fabrics containing >=85% wool	0,1	0,00%	113%
9	120242	Groundnuts	2,7	0,00%	108%
10	411200	Leather further prepared	0,1	0,00%	106%
11	410792	Grain splits leather	25,3	25,3 0,02%	
12	030771	Clams, cockles and ark shells	0,2	0,00%	
13	520512	Single cotton yarn	0,2	0,00%	96%
14	121140	Poppy Straw	0,0	0,00%	94%
15	511290	Woven fabrics <85% combed	7,7	0,01%	92%
16	110720	Roasted malt	0,9	0,00%	91%
17	151499	High erucic acide rape or colza oil	2,5	0,00%	91%
18	100510	Maize seed for sowing	1224,6	1,15%	88%
19	410419	Hides & Skin of bovine incl. Buffalo	3,1	0,00%	88%
20	510910	Yarn containing >=85% wool	4,1	0,00%	85%
		Other Agricultural Products	104433,9	98,30%	797%

Table 5.2. Fastest	arowing WC	aaricultural	and aari-	processing ex	ports 2013-2023
	growing no	agriconorai	ana agn	processing ex	pons, 2010-2020

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



Table 5.3 shows the biggest agricultural imports to the WC (WC) in 2023, ranked by import value and their corresponding annual growth rates. The leading product is semi or whole-milled rice, accounting for 13% of total agricultural imports, reflecting its significance in food security and consumption. Wheat & meslin (excluding seed) follows with a 4% share, highlighting the ongoing demand for wheat for local consumption and processing. Ammonium (ADN) also contributes 4% to the total imports, serving as a crucial input for fertilizer production, which is vital for agricultural productivity. Water, including mineral aerated, represents another 4% of the imports, indicating its importance for both domestic consumption and export-related activities. Sardines, with a share of 3%, are another key import, emphasizing the demand for processed seafood products.

Rank	HS Code	Product Name	Imports (R'Million) :2023	Share (%):2023	Growth (%): 2022- 2023
1	100630	Semi-milled or Wholly milled rice	5 320	13%	44%
2	100199	Wheat & Meslin(excl. seed)	1 737	4%	11%
3	310540	Ammonium and hydrogenorthophosphate	1 686	4%	-12%
4	220210	Water (Incl. mineral & aerated)	1 504	4%	32%
5	160413	Sardines, Sardinella & Brisling or Sprats	1 262	3%	0%
6	220830	Whiskies	1 203	3%	23%
7	050400	Guts, Bladders & Stomachs of Animals	1 158	3%	8%
8	200979	Apple Juice unfermented	1 087	3%	-14%
9	030353	Frozen sardines	988	2%	-45%
10	310210	Urea, whether/not in aqueous	723	2%	-51%
11	240220	Cigarettes containing tobacco	714	2%	12%
12	230910	Dog and Cat food	631	2%	15%
13	151190	Palm oil & Its fractions	619	1%	-8%
14	020714	Cuts and offal, frozen	589	1%	6%
15	200290	Tomatoes (prepared or preserved)	547	1%	75%
16	230110	Flours, meals & pellets of meat	518	1%	11%
17	180690	Chocolate & other prep. Cont. cocoa	476	1%	28%
18	210690	Food Preparations	440	1%	-22%
19	030474	Frozen fillets of hake	19 242	1%	7%
20	200969	Grape Juice	5 320	1%	31%
		Other Agricultural Imports	1 737	46%	4%

Table 5.3: Biggest WC agricultural and agri-processing imports by value, 2022-2023

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

Table 5.4 illustrates the agricultural imports to the WC with the highest growth rates over the past ten years, regardless of the base import value. Potassium sulphate led with a remarkable growth rate of 176.6%, indicating a significant increase in its demand, possibly driven by agricultural needs for fertilizers. Single flax yarn followed with a 164% growth, reflecting an expanding demand for textile-related agricultural products. Germ of cereals saw a growth of 139%, suggesting a rise in its use either for food processing or as an agricultural input. Crude coconut oil experienced a growth rate of 138.5%, highlighting the increasing import demand for oilseeds and oils, likely due to both domestic consumption and industrial use in food processing. These growth rates suggest a shift in the types of agricultural products being imported into the province, with a noticeable increase in speciality inputs and materials for both food and non-food industries.

Rank	HS Code	Product Name	Imports Value (R'Million) :2023	Share (%): 2023	10yr Annual Growth(%):2013- 2023
1	310430	Potassium sulphate	22.6	0.1%	176.60
2	530610	Single flax yarn	4.9	0.0%	164.40
3	110430	Germ of cereals	0.1	0.0%	139.05
4	151311 Crude coconut oil		6.6	0.0%	138.54
5	071151 Mushrooms		0.4	0.0%	131.44
6	151211 Crude Sunflower-seed		402.1	1.0%	123.73
7	071030	Spinach, New Zealand	2.7	0.0%	118.25
8	170390	Beet molasses (of sugar)	0.8	0.0%	109.12
9	071420 Sweet potatoes		0.5	0.0%	106.51
10	200840 Pears		0.4	0.0%	102.29
11	150790 Soya-bean oil		250.5	0.6%	96.11
12	071430	Yams	0.6	0.0%	92.06
13	070890	Other leguminous vegetables	0.6	0.0%	87.27
14	170310	Cane molasses	15.7	0.0%	83.47
15	080390	Bananas (excl. plantains)	42.7	0.1%	79.76
16	121300	Cereal straw and husks	0.2	0.0%	78.96
17	090720	Cloves (whole fruit)	2.2	0.0%	76.84
18	151190	Palm oil	619.4	1.5%	75.45
19	520299	Cotton waste	2.6	0.0%	73.24
20	030341	Albacore or tuna	18.7	0.0%	70.94
		Other Agricultural Imports	40 095.6	96.6%	69.28

Table 5.4: Fastest growing WC agricultural and agri-processing import, 2013-2023

Summary points

- Despite challenges like poor infrastructure, the COVID-19 pandemic, and environmental disasters, WC agricultural exports increased significantly, from R60.1 billion in 2022 to R66.9 billion in 2023. Key export destinations included the Netherlands, UK, and UAE, with notable growth in exports of citrus and apples.
- Agricultural imports in WC grew slightly from R5.7 billion in 2022 to R6.4 billion in 2023. However, imports like wheat and meslin from Europe increased, with key suppliers being Lithuania and Poland.
- Agri-processing trade performance from 2022 to 2023 reveals that exports slightly increased from R35.8 billion to R36.7 billion. However, WC's share of national FBT exports declined, from 43% in 2016 to 33% in 2023. Key FBT exports included wine and prepared fruits, primarily directed to Europe and Africa. Imports showed a slight increase of 8.3% in 2023.

Agricultural Employment



6

6. AGRICULTURAL EMPLOYMENT

Figure 6.1 illustrates the trends and contributions of WC agricultural employment over recent years. Seasonally adjusted data showed a steady rise in agricultural employment, with the number of employed individuals increasing from an average of 148 000 in Q2 of 2021 to 224 000 in Q4 of 2023. This sustained growth reflects the sector's resilience and recovery following the COVID-19 pandemic.

In terms of actual employment, agricultural jobs increased by 3% from 216 000 in Q4 of 2022 to 223 000 in Q4 of 2023. However, this year-on-year growth is more modest compared to the notable 27% surge between 2021 and 2022, a period marked by a strong post-pandemic rebound as the sector resumed normal activity. The sharp drop in employment to 200 000 in Q2 of 2023 is a typical reflection of the seasonal nature of agriculture in the WC, where labour demand fluctuates based on harvesting and planting cycles. Despite these fluctuations, the share of agricultural employment as a proportion of the total provincial workforce has remained stable at 8% between 2022 and 2023. However, this is lower than the peak contribution of 9.5% observed in Q4 of 2015.



Figure 6.1: WC employment in agriculture, 2013-2023

Source: (Quantec; Stats SA, 2024)

Unlike the upward trends in agricultural employment, agri-processing employment, particularly in the food, beverages, and tobacco industries, has been experiencing a gradual decline, as shown in Figure 6.2. In actual terms, agri-processing employment fell by 7%, from 114 000 workers in Q4 of 2022 to 106 000 in Q4 of 2023. Although significant, this decline is slightly less steep than the previous year's drop of 11% (2021 to 2022). This downward trend highlights challenges within the agri-processing sector, which may include cost pressures, changing consumer demand, or operational adjustments post-pandemic. The decline could also suggest a shift in the structure of the workforce, with fewer jobs available due to automation or industry consolidation.

The agri-processing sector's share of total employment in the WC has decreased from 4.9% in Q4 of 2022 to 4% in Q4 of 2023. This contraction is more pronounced when compared to the peak contribution of 6.3% recorded in Q1 of 2021, a period that saw heightened demand and activity as the sector rebounded from initial pandemic disruptions. These trends indicate that while primary agriculture employment remains stable, the agri-processing sector is under strain, potentially impacting value addition in the regional economy.



Figure 6.2: WC employment in FBT, 2013-2023

Source: (Quantec; Stats SA, 2024)

At the national level, the WC continues to play a pivotal role in both agriculture and agri-processing, contributing significantly to South Africa's overall employment in these sectors, as depicted in Figure 6.3. The WC's share of national agricultural employment saw a notable recovery after reaching its lowest point of 20% in Q2 of 2021, a direct result of COVID-19 disruptions. By Q4 of 2023, the province's share rebounded to 26%, aligning with pre-pandemic levels. This recovery reflects the resilience of the WC's agricultural sector, supported by favourable agro-climatic conditions and a strong focus on high-value crops and export markets.

In contrast, the WC's share of South Africa's agri-processing (food, beverages, and tobacco) employment has seen a gradual decline. From a peak of 40% in Q1 of 2021, the province's contribution fell to 32% in Q4 of 2023. This drop indicates that, while still a key player, the WC is facing growing competition from other regions or potential structural shifts in the agri-processing industry. The decline could be driven by factors such as market consolidation, evolving consumer preferences, or technological changes that reduce labour demand in this sector. Despite these challenges, the WC remains a significant contributor to national agricultural and agri-processing employment.



Figure 6.3: WC share in national sectoral employment (seasonally adj.), 2013-2023 Source: (Quantec; Stats SA, 2024)

Table 6.1 shows that in 2023, the proportion of black individuals ⁵(including Coloureds and Indians) employed in agriculture and agri-processing grew modestly by 0.5%, reaching 95%. This growth, however, was much lower than the significant 13.1% increase witnessed in 2022, which could have been driven by broader recovery dynamics post-COVID. The deceleration in 2023 suggests a stabilization of employment patterns after the pandemic's disruptions. Youth employment in primary agriculture showed a worrying trend, with a decline in the relative share of young workers. In 2023, youth employment dropped by 7%, following a smaller decline of 0.5% in 2022. As a result, young people accounted for only 38% of agricultural employment. In secondary agriculture, youth employment also decreased, though at a slower rate of 1.8% in 2023, compared to a 2.3% growth in 2022. Youth representation in agri-processing was slightly better, contributing to 44% of employment in 2023.

Employment growth in rural areas rose by 3.2%, driven largely by agri-processing, signalling a shift in labour demand toward value-added sectors. Female employment trends were mixed. While female employment in primary agriculture increased by 2.9%, it declined by 4.3% in agri-processing, reflecting gender disparities in sectoral employment trends.

	Black	Female	Youth	Rural
<u>Agriculture</u>				
2022	95%	37%	45%	67%
2023	95%	40%	38%	66%
Relative Change	-0,1%	2,9%	-7,0%	-1,0%
Food, Beverages and Tobacco				
2022	93%	45%	46%	4%
2023	94%	41%	44%	7%
Relative Change	1,2%	-4,3%	-1,8%	2,6%
Combined				
2022	94%	40%	45%	43%
2023	95%	40%	40%	46%
Relative Change	0,5%	0,1%	-5,3%	3,2%

Table 6.1: Demographics of WC agricultural employment, 2022vs 2023

Source: (Quantec; Stats SA, 2024)

⁵ "Black people" is a generic term which means Africans, Coloureds and Indians (BBEE No. 53 Act of 2003) (<u>https://www.gov.za/sites/default/files/gcis_document/201409/a53-030.pdf</u>)

Summary points

- WC agricultural employment grew steadily, rising from 148 000 in Q2 of 2021 to 224 000 in Q4 of 2023. The sector's share of the provincial workforce remained stable at 8%, below the peak of 9.5% in 2015.
- Agri-processing employment declined by 7%, from 114 000 in Q4 of 2022 to 106 000 in Q4 of 2023, with its share of total employment dropping from 4.9% to 4%.
- Youth employment declined significantly in agriculture, dropping to 38% in 2023, while agri-processing saw slightly better youth representation at 44%.
- Female employment rose by 2.9% in agriculture but declined by 4.3% in agriprocessing.
- Rural employment increased by 3.2%, driven by agri-processing, highlighting a shift toward value-added sectors.

Subsistence Farming

Dr Lungelo P Cele Mr Tshepo Morokong

7

7. SUBSISTENCE FARMING

The number of households engaged in non-commercial agriculture saw a significant decline of 27%, dropping from 68 thousand in 2022 to 49 thousand in 2023, as shown in Figure 7.1. This sharp decrease marks a continued trend away from subsistence farming, which had surged during the COVID-19 pandemic. The peak of subsistence farming was observed in 2020 when 79 thousand households were involved in non-commercial agriculture, driven largely by economic hardships and food security concerns during the lockdowns and economic disruptions. The decline in 2023 reflects a gradual return to pre-pandemic conditions, as economic recovery and improved access to formal markets likely reduced the need for households to rely on subsistence agriculture. This shift indicates a broader trend of households moving away from subsistence agriculture as they regain stability through other forms of livelihood or employment.



Figure 7.1: Households involved in non-commercial agriculture, 2013- 2023 Source: (Stats SA, 2023)

In 2023, most of the households involved in subsistence farming focused on fruit and vegetable production, with around 40 thousand households engaged in these activities, as illustrated in Figure 7.2. In contrast, approximately 6 thousand households were involved in livestock farming during the same period. This distribution underscores the importance of fruit and vegetable cultivation for subsistence farmers, likely due to the relatively small land requirements and quicker returns on investment compared to

livestock farming. The COVID-19 pandemic in 2020 had a significant impact on both sectors, causing major disruptions. The economic shock and lockdowns led to a surge in subsistence farming as households turned to agriculture for food security and income supplementation. During this time, subsistence farming in fruit, vegetables, and livestock saw a sharp increase in participation as families sought to mitigate the financial strain caused by job losses and reduced access to formal markets. However, as the pandemic's effects waned and economic activity normalized, the number of households involved in these sectors declined.



Figure 7.2: WC agricultural households by type activity

Source: (Stats SA, 2024)



Summary points

Households engaged in non-commercial agriculture dropped by 27%, from 68 thousand in 2022 to 49 thousand in 2023, reflecting a return to pre-pandemic levels as economic stability improved.

The decline in subsistence farming signals a shift towards other forms of livelihood or employment as households regain economic stability and access formal markets.

In 2023, most subsistence households (40 thousand) focused on fruit and vegetable production, compared to only 6 thousand engaged in livestock farming, highlighting the preference for crops with lower land requirements and faster returns.

Investment in Agriculture





8. INVESTMENT IN AGRICULTURE

Investing in agriculture is essential for sustaining current production levels and expanding farming activities. This section analyses investment in the agricultural sector using the gross fixed capital formation (GFCF) as a proxy. In real terms, investment in the WC agricultural industry decreased by 1%, declining from R5.62 billion in 2022 to R5.57 billion in 2023



Figure 8.1), a 16% share of national agriculture investment.





When the WC agricultural sector's investment is broken down by type, as shown in Figure 8.2, there were year-on-year increases across three categories in 2023. The most growth was observed in information and communication, which grew by 12%, reflecting the sector's shift toward digitalization and precision agriculture technologies. Transport equipment growth at 10%, likely linked to the need for improved logistics and supply chain solutions to support the region's export-driven agricultural economy. Investments in machinery and other equipment grew by 8%, driven by the adoption of advanced farming tools to enhance productivity and efficiency. The year-on-year declines were observed for building and construction works (20%) and research, mineral exploration and biological resources (11%). Over the past decade, six investment types recorded positive average annual growth rates, except for buildings and construction works, which contracted by 0.2% and research, mineral exploration and biological resources (0.5%).

This decline may reflect a shift in priorities, with fewer resources allocated to infrastructure expansion in favour of technology-driven solutions and mobile assets. The strong growth in information and communication investments aligns with global trends emphasizing innovation in agriculture, while the machinery and transport equipment growth underscores the importance of operational efficiency and export readiness in the WC's agricultural sector. These trends highlight evolving investment priorities aimed at modernizing the industry and improving competitiveness in global markets.



Figure 8.2: Real Investment (GFCF) in the WC by type, 2013-2023

Source: (Quantec, 2024b)

The municipal breakdown of agricultural investment in the WC, as detailed in Table 8.1, reveals that the Cape Winelands District received the largest share, accounting for 33.4% of the province's total agricultural investment in 2023. This reflects the region's prominence in high-value agricultural activities, particularly in fruit, wine, and horticultural production, which require significant investment in advanced technologies and infrastructure. The West Coast District followed, with 24.8% of the total investment, highlighting its critical role in grain production, livestock farming, and aquaculture, sectors that increasingly attract funding for mechanization, irrigation systems, and sustainability initiatives. Together, these two districts accounted for 58.2% of the province's agricultural investment, underscoring their strategic importance to the WC's agricultural economy.

Table 8.1:Geography of Agricultural Investment (GFCF), 2013-2023

		2013		2022		2023		10y Annual
		Rm	Share	Rm	Share	Rm	Share	Growth
С	ity of Cape Town	649	15.6%	1,002	17.8%	1,006	18.1%	4.48%
	City of Cape Town	649	15.6%	1,002	17.8%	1,006	18.1%	4.48%
W	'est Coast	918	22.1%	1,382	24.6%	1,380	24.8%	4.16%
	Matzikama	191	4.6%	328	5.8%	328	5.9%	5.55%
	Cederberg	164	4.0%	209	3.7%	206	3.7%	2.28%
	Bergrivier	237	5.7%	353	6.3%	353	6.3%	4.06%
	Saldanha Bay	50	1.2%	90	1.6%	91	1.6%	6.07%
	Swartland	275	6.6%	402	7.1%	402	7.2%	3.86%
С	ape Winelands	1,510	36.3%	1,892	33.6%	1,861	33.4%	2.11%
	Witzenberg	318	7.7%	423	7.5%	418	7.5%	2.76%
	Drakenstein	351	8.5%	457	8.1%	452	8.1%	2.55%
	Stellenbosch	230	5.5%	274	4.9%	269	4.8%	1.59%
	Breede Valley	364	8.8%	441	7.8%	432	7.8%	1.72%
	Langeberg	246	5.9%	296	5.3%	290	5.2%	1.66%
0	verberg	494	11. 9 %	593	10.5%	580	10.4%	1.62%
	Theewaterskloof	74	1.8%	88	1.6%	86	1.6%	1.54%
	Overstrand	326	7.8%	388	6.9%	380	6.8%	1.56%
	Cape Agulhas	48	1.2%	60	1.1%	59	1.1%	2.03%
	Swellendam	46	1.1%	56	1.0%	55	1.0%	1.70%
Ec	den	469	11.3%	599	10.7%	591	10.6%	2.34%
	Kannaland	58	1.4%	69	1.2%	68	1.2%	1.64%
	Hessequa	97	2.3%	113	2.0%	110	2.0%	1.35%
	Mossel Bay	44	1.0%	54	1.0%	53	1.0%	2.00%
	George	141	3.4%	188	3.3%	186	3.3%	2.77%
	Oudtshoorn	83	2.0%	108	1.9%	106	1.9%	2.50%
	Bitou	22	0.5%	33	0.6%	33	0.6%	4.09%
	Knysna	24	0.6%	34	0.6%	34	0.6%	3.41%
С	entral Karoo	114	2.7%	155	2.8%	154	2.8%	3.06%
	Laingsburg	25	0.6%	34	0.6%	34	0.6%	2.80%
	Prince Albert	25	0.6%	34	0.6%	34	0.6%	3.28%
	Beaufort West	64	1.5%	87	1.5%	86	1.5%	3.07%
W	C	4,154	100.0%	5,622	100.0%	5,571	100.0%	2.98%

Source: (Quantec, 2024b)

Real investment in the WC's Food, Beverages, and Tobacco (FBT) sector experienced an 11% increase in 2023, as illustrated in Figure 8.3. This growth highlights the sector's resilience and its critical role in the province's agri-processing industry. The increased investment may reflect expanding production capacity, adoption of advanced technologies, and efforts to meet evolving consumer preferences for processed food and beverages. At a national level, the WC maintained its 20% share of total FBT sector investment in 2023. This consistent contribution underscores the province's leadership in agri-processing, supported by its strong agricultural base, skilled workforce, and access to both domestic and international markets.



Figure 8.3: Investment (CFCF) in WC FBT and National Share, 2013-2023

Source: (Quantec, 2024b)

As depicted in Figure 8.4, year-on-year investment growth was recorded for all categories within the FBT sector, except for building and construction work, which declined by 4%, and research, mineral exploration, and biological resources, also down by 4% in 2023. The investment types demonstrating the most significant year-on-year growth were transport equipment (18%), followed closely by machinery and other equipment (15%) and information and communication technologies (15%). These increases highlight a prioritization of capital-intensive investments aimed at improving production efficiency, logistics, and digital integration in the sector.

Over the past decade, the average annual growth rate reveals a different trend, with declines across all investment types except for information and communication, which achieved a 6% growth rate. This sustained growth in ICT investments underscores the industry's focus on digital transformation and innovation to enhance productivity, optimize supply chains, and respond to consumer demand for traceability and quality assurance. The contrasting trends between year-on-year and long-term investment changes reflect the sector's evolving priorities, with recent

growth likely driven by the recovery from the COVID-19 pandemic and the ongoing modernization of operations in the WC.



Figure 8.4: Investment (CFCF) in WC FBT by type, 2013-2023

Source: (Quantec, 2024b)

Table 8.2 provides a detailed geographic distribution of investment in the WC's FBT sector for 2013, 2022, and 2023. The City of Cape Town emerged as the dominant region, accounting for 61.4% of total FBT investment in 2023. Over the past decade, investment in the City of Cape Town experienced modest growth, with an annual average growth rate of 0.4%, reflecting its sustained importance as a hub for FBT activities due to its infrastructure, access to ports, and proximity to key markets. The West Coast and Cape Winelands districts collectively accounted for 28.6% of total FBT investments in 2023, further emphasizing their roles as significant contributors to the sector. These districts benefit from their strong agricultural base and proximity to raw materials, which support FBT activities like food processing and packaging.

Table	8.2: FB1	investment	(GFCF) b	ov aeoaraphy.	2013-2023
	0.2		(••••)~	, 2003.00.0	

		2013		2022		2023		10y Annual Growth
		Rm	Share	Rm	Share	Rm	Share	
City	of Cape Town	2 277	55.1%	2 123	60.9%	2 379	61.4%	0.44%
	City of Cape Town	2 277	55.1%	2 123	60.9%	2 379	61.4%	0.44%
We	st Coast	528	12.8%	505	14.5%	572	14.8%	0.81%
	Matzikama	56	1.4%	44	1.3%	48	1.2%	-1.44%
	Cederberg	52	1.3%	55	1.6%	63	1.6%	1.92%
	Bergrivier	70	1.7%	70	2.0%	85	2.2%	1.98%
	Saldanha Bay	189	4.6%	165	4.7%	181	4.7%	-0.41%
	Swartland	161	3.9%	171	4.9%	194	5.0%	1.90%
Ca	pe Winelands	925	22.4%	509	14.6%	533	13.8%	-5.36%
	Witzenberg	96	2.3%	71	2.0%	78	2.0%	-2.06%
	Drakenstein	327	7.9%	165	4.7%	170	4.4%	-6.31%
	Stellenbosch	248	6.0%	127	3.6%	130	3.4%	-6.24%
	Breede Valley	119	2.9%	79	2.3%	85	2.2%	-3.32%
	Langeberg	136	3.3%	68	1.9%	70	1.8%	-6.42%
Ov	erberg	120	2.9%	117	3.4%	132	3.4%	0.98%
	Theewaterskloof	11	0.3%	13	0.4%	15	0.4%	2.82%
	Overstrand	54	1.3%	51	1.5%	58	1.5%	0.77%
	Cape Agulhas	42	1.0%	38	1.1%	42	1.1%	0.01%
	Swellendam	13	0.3%	15	0.4%	17	0.4%	2.91%
Ede	en .	274	6.6%	228	6.5%	254	6.5%	-0.77%
	Kannaland	20	0.5%	11	0.3%	12	0.3%	-5.40%
	Hessequa	18	0.4%	18	0.5%	20	0.5%	1.29%
	Mossel Bay	50	1.2%	37	1.0%	40	1.0%	-2.10%
	George	116	2.8%	102	2.9%	114	3.0%	-0.17%
	Oudtshoorn	46	1.1%	37	1.1%	41	1.1%	-1.11%
	Bitou	7	0.2%	7	0.2%	8	0.2%	1.13%
	Knysna	17	0.4%	16	0.5%	18	0.5%	0.69%
Ce	ntral Karoo	7	0.2%	5	0.1%	6	0.1%	-1.26%
	Laingsburg	0	0.0%	0	0.0%	0	0.0%	-6.32%
	Prince Albert	2	0.0%	1	0.0%	1	0.0%	-0.76%
	Beaufort West	5	0.1%	4	0.1%	4	0.1%	-1.23%
WC		4,131	100.0%	3 488	100.0%	3 876	100.0%	-0.64%
Figure 8.5 highlights investment trends in industries that, while not traditionally classified as "exclusively" agri-processing, incorporate significant agri-processing activities through the transformation of agricultural products. These industries demonstrate the interconnected nature of agricultural value chains with broader manufacturing sectors. In 2023, there were year-on-year increases across two investment types within these industries. Wood and wood products recorded the highest growth at 46%, underscoring the sector's increasing role in value addition, likely driven by demand for sustainable materials and export opportunities. This growth aligns with the rising global interest in renewable resources and the province's abundant forestry resources. Textiles, clothing and leather goods was the other growing investment type with a 7% growth.

On the other hand, paper and paper products experienced a decline of 6%, reflecting possible shifts in market dynamics, such as reduced demand for traditional paper products or challenges in the cost structure of the industry. These trends reveal a mixed picture: while certain sectors within this broader category are thriving, others face challenges, potentially linked to global shifts in consumer demand, technological changes, or competition. The robust performance of wood and wood products highlights the opportunities available when agricultural outputs are integrated into innovative and sustainable industrial applications.

0,8 - 0,7 - 0,0 - 0,											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
U Textiles	0,41	0,38	0,38	0,38	0,36	0,37	0,38	0,30	0,27	0,30	0,32
Wood Products	0,28	0,27	0,28	0,30	0,29	0,36	0,49	0,45	0,43	0,29	0,42
Paper Products	0,70	0,66	0,67	0,69	0,69	0,66	0,60	0,43	0,40	0,55	0,51
Fisheries	0,16	0,16	0,19	0,22	0,30	0,29	0,25	0,31	0,29	0,35	0,35
Forestry	0,13	0,13	0,13	0,14	0,14	0,13	0,12	0,15	0,15	0,18	0,18

Figure 8.5: Investment (CFCF) in WC sectors related to agriculture

Source: (Quantec, 2024b)

Summary points

- Investment in the WC agricultural industry decreased by 1% which led to an investment of R5.6 billion in 2023.
- The largest relative agricultural investment increases in 2023 were 12% in information and communication, followed by transport equipment t (10%) and machinery and other equipment (8%).
- Cape Winelands and West Coast accounted for 58.2% of the province's total agricultural investment.
- Real investment in the WC's FBT sector has increased by 11% in 2023.
- The City of Cape Town in 2023, accounted for the largest share, 61.4%, of the total investment in FBT.

Agricultural Infrastructure

9



9. AGRICULTURAL INFRASTRUCTURE

The distribution of agricultural infrastructure across regions often correlates with the type and intensity of agricultural activities predominant in those areas. As shown in Table 9.1, the Cape Winelands stands out for its extensive agricultural infrastructure, reflecting its long history and focus on high-value farming activities. This region, renowned for its wine production, fruit cultivation, and other intensive agricultural operations, boasts the highest number of homesteads, chicken batteries, and nurseries. The prominence of these facilities highlights the region's well-established agricultural base and its need for specialized infrastructure to support diverse farming activities. Homesteads are indicative of a dense population of farm dwellers and managers, while the abundance of chicken batteries points to significant investment in poultry farming. Similarly, the high number of nurseries underscores the region's emphasis on producing plant materials for both local farming and export markets.

	City of CT	West Coast	Cape Winelands	Overberg	Eden	Central Karoo	WC Total
Airfields	7	57	37	27	31	26	185
Chicken Batteries	358	376	801	138	70	0	1 743
Dams	1 154	5 091	7 230	5 510	9 894	2 613	31 492
Feedlots	2	12	10	19	5	4	52
Homesteads	1 201	13 893	22 960	7 897	6 924	3 159	56 034
Nurseries	30	32	77	32	32	2	205
Piggeries	8	42	17	15	16	1	99
Shade Netting (Ha)	124	4 510	5818	1 079	462	14	12 006
Tunnels (Ha)	10	39	16	3	9	0	77

 Table 9.1: WC Agricultural Production Infrastructure, 2023

Data Source: (SIQ, WCDoA, & OABS, 2024)

The West Coast region is another well-established agricultural area in the WC, with notable infrastructure supporting its diverse farming activities. It has the secondhighest number of homesteads in the province and leads in tunnels, shade nets, and piggeries. Remarkably, the West Coast accounts for almost half of the shade nets in the province, reflecting its significant investment in protective farming techniques to optimise yields in challenging climatic conditions. In contrast, the Central Karoo, known for its vast farm sizes, has the fewest homesteads outside the City of Cape Town, emphasising its low population density. In terms of water infrastructure, Eden leads with the highest number of dams, supporting its irrigation-intensive farming. The region's focus on water-dependent crops and dairy farming is facilitated by this abundance of dams.

Table 9.2 provides a closer look at agricultural processing facilities, illustrating how they align with regional farming activities. For instance, Eden, with its strong dairy farming industry, hosts 45% of the province's dairies and the most dip tanks, essential for livestock health. Cape Winelands dominate in packhouses (54%), wine cellars (69%), and olive cellars (58%), reflecting its emphasis on fruit and wine production. Similarly, the West Coast, with its robust fruit farming, has the second-highest number of packhouses (18%). The Eden district, which has a strong livestock industry, leads with 25% of the province's abattoirs.

The West Coast, particularly the Cederberg area, specializes in tea processing facilities, driven by its renowned Rooibos tea industry. These regional differences underscore the province's diverse agricultural strengths, and the infrastructure investments tailored to support specific sectors.

	City of CT	West Coast	Cape Winelands	Overberg	Eden	Central Karoo	WC Total
Abattoirs	4	17	13	9	19	13	75
Crushpens/Diptanks	65	763	281	441	1 377	381	3 308
Dairies	11	75	49	150	234	1	520
Packhouses	3	209	629	198	91	18	1148
Silos	9	39	15	64	32	5	164
Brewery	25	8	23	9	6	0	71
Distillery	4	2	12	4	3	0	25
Fruit Packers	0	11	42	8	5	1	67
Cool Chain	40	5	10	0	0	0	55
Millers	8	6	6	2	7	0	29
Olive Cellar	3	5	32	4	7	4	55
Wine Cellar	53	59	493	78	31	1	715
Tea Processing	4	96	0	1	3	0	104
Other Facilities	212	49	114	34	66	7	482

Table 9.2: WC Agricultural Processing Infrastructure, 2023

Data Source: (SIQ, WCDoA, & OABS, 2024)

Summary points

- Infrastructure in the WC is closely linked to the dominant agricultural activities in each region, such as fruit farming, wine production, dairy, and sheep farming.
- The Cape Winelands region leads in infrastructure, with the highest number of homesteads, chicken batteries, nurseries, packhouses (54%), wine cellars (69%), and olive cellars (58%), reflecting its prominence in fruit and wine production.
- The West Coast is known for its significant use of tunnels, shade nets (nearly half of the provincial total), and piggeries. The West Coast also hosts most Rooibos tea processing facilities in Cederberg.
- Eden is dominated by dairy farming, with 45% of the province's dairies and the highest number of dip tanks, as well as a focus on irrigation with the most dams.
- The Eden district has a strong livestock industry, and as such it has the most abattoirs (25%).

Domestic Market





10. DOMESTIC MARKET

The number of households in the WC has grown significantly over the past decade, increasing by 28% from 1.6 million in 2013 to 2.1 million in 2023, as illustrated in Figure 10.1. This notable rise in households reflects the region's continued population growth and urbanization trends, driven by factors such as migration, economic opportunities, and natural population increases. Despite this growth in the number of households, the average household size has remained stable at around three members per household over the ten years. In 2023, the total population of the WC was estimated at 7.3 million, aligning with the increase in households. The rise in population, coupled with the steady household size, highlights ongoing housing demand and potential pressure on infrastructure and public services in the province, particularly in urban areas where the bulk of new households are likely concentrated.



Figure 10.1: Number of households and average household size, 2013-2023 Source: (StatsSA, 2024)

The number of households in the WC with monthly expenditures of R10 thousand or more saw a remarkable increase of 110%, rising from 373 thousand in 2013 to 784 thousand in 2023, as shown in Figure 10.2. This growth reflects a significant upward shift in household spending over the past decade. However, between 2022 and 2023, this category experienced only a marginal increase of 0.14%, suggesting that household expenditure growth has slowed, possibly due to inflationary pressures or economic uncertainties.

In contrast, there was a notable rise in lower-income households within the R800– R1,199 expenditure bracket in the previous year. This category grew by 70%, reaching 82 thousand households. This sharp increase in lower-expenditure households could indicate a widening income gap or the economic strain faced by certain sections of the population. Overall, this suggests that while some households have seen rising expenditure, others may be facing financial constraints and downward mobility.





Figure 10.2: Monthly household expenditure, 2013 to 2023

Source: (StatsSA, 2024)

Figure 10.3 shows the prevalence of hunger in the WC categorized as sometimes, often, or always hungry. Between 2017 and 2019, hunger levels among both adults and children were at their lowest, with a smaller proportion of the population reporting hunger. The prevalence of hunger among adults during this time was 12%, while for children, it was around 11%. However, in the post-COVID period, hunger has risen for both groups. For adults, the proportion reporting hunger increased to 15% in 2023, although this remains lower than the 2020 peak of 17%, which reflects the severe economic disruptions caused by the pandemic. Children also experienced a similar rise in hunger levels, with 14% reporting hunger in 2023, up from the pre-pandemic average of 11%. This suggests that while the situation has improved since the peak of the pandemic, lingering economic challenges and inflationary pressures continue to affect food security, particularly for vulnerable households.



Figure 10.3: Prevalence of Hunger in the WC, 2013-2023

Source: (StatsSA, 2024)

From 2013 to 2023, the headline inflation in the WC mirrored the trends seen at the national level, with both showing a relatively consistent upward trajectory, barring specific periods of divergence. As shown in Figure 10.4, the WC inflation followed the national inflation closely, particularly in the years leading up to 2016. However, a significant divergence occurred between 2016 and 2020, largely driven by the region's severe droughts, which had a substantial impact on local agricultural

production and the supply of related goods. The drought conditions led to increased food prices, particularly for staple items like grains, vegetables, and livestock products, which are heavily produced in the region. This caused inflation in the WC to outpace national inflation during these years, as the local supply shortage directly impacted food prices.

From 2022 to 2023, both the WC and national inflation rates experienced a downward trend. This was partly due to the stabilization of key sectors like agriculture, where the effects of the drought had lessened, and production levels had recovered. Furthermore, the reduction in inflation for items in the selected food basket, such as bread and cereals, was an important indicator of this shift. The stabilization of food prices, coupled with other macroeconomic factors, contributed to the easing of inflationary pressures in the latter part of the review period. This downward trend reflects broader economic stabilization after the COVID-19 disruptions and the return of favourable conditions in agricultural production, both nationally and within the WC.



Figure 10.4: National and provincial inflation (CPI), 2013-2023 Source: (StatsSA, 2024)

Figure 10.5 illustrates the inflation rates for various categories within the WC in 2023. The headline inflation rate for the WC was 6.2%, a decrease of 0.4% compared to the previous year, indicating a slight easing in overall price pressures. However, food inflation was significantly higher, reaching 10.4%, while non-alcoholic beverages experienced inflation of 9.6%, and alcoholic beverages saw an increase of 7.3%. These figures reflect the broader trend of food price inflation outpacing other goods and services in the province.

Several factors contributed to the elevated food inflation in 2023. The ongoing global geopolitical challenges, particularly the Russia-Ukraine war, severely disrupted the supply of cereal grains, a staple component of the food basket. The war created supply chain disruptions and increased global commodity prices, which, in turn, influenced local food prices. Additionally, macroeconomic factors such as exchange rates and fluctuations in commodity markets further exacerbated food inflation. Weather-related factors also played a role, with droughts and irregular weather patterns affecting the availability of certain crops, leading to higher prices.

Another significant contributor to food price inflation was the outbreak of Avian Influenza (AI), which affected poultry production in South Africa. The culling of many chickens due to the disease sharply reduced the supply of poultry meat and eggs in the local market, driving up prices for these essential food items. However, as these geopolitical events and animal diseases become less frequent, the local food supply is expected to improve, leading to a reduction in inflationary pressures on food prices. This would provide relief to households, easing the financial burden caused by higher food costs in recent years.



Figure 10.5: WC food, beverage inflation (CPI), 2013-2023

Source: (StatsSA, 2024)

The fluctuations in transport inflation between 2013 and 2023 in the WC are largely driven by a combination of local microeconomic and global macroeconomic factors. Key contributors include changes in fuel supply and demand, the purchasing power of consumers, exchange rate fluctuations, and geopolitical events. Transport had two negative inflation figures in the past ten years in the WC, in 2015, when there was a surplus supply of oil in the global market (Stocker, Baffes, & Vorisek, 2018), and in 2020 when the Covid-19 pandemic decreased the demand for fuel by a significant amount of economies in the world. Global disruption in the global oil market and supply can also be viewed in terms of farm input prices such as for fertiliser, where it is used as the bi-product to produce fertiliser used in agricultural on-farm primary production.

Oil prices decreased by great margins from mid-2014 and early 2015, influenced by the surplus supply of oil from United States (US) oil production, changing OPEC (Organization of the Petroleum Exporting Countries) policies, the decline in geopolitical issues and decreased demand for oil from mid-2015 and early 2016 (Stocker, Baffes, & Vorisek, 2018).

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The transport inflation moved from 17.7% in 2022 to 4.3% in 2023 in the WC. In 2023, the average price of crude oil prices was 15% lower than the average price in 2022 (NAMC, 2024).

Table 10.1 below highlights the price movements of certain agricultural products of the past five years. Meat prices for Beef and sheep have shown a decrease in prices from 2022 to 2023. Beef came down by 6.8% and mutton by almost 12%. Pork and chicken on the other hand became more expensive by 33% on average for pork and about 35% for chicken meat. The SAFEX price of wheat also dropped by almost 15% from the previous year. Oranges and Naartjies had a price increase of about 27% and 26% respectively from 2022 to 2023. Potatoes had a major jump in price from the previous year by almost 76%. As in the previous year, onions once again had a price increase of almost 50%. Apart from plums that cost almost 93% more than the previous year, fresh poultry has over the last 5 years risen the most on average by 12.5%.

	Annu	Annual % Change in Average Prices 5					
	2019	2020	2021	2022	2023	Average	
WC CPI: Headline	4,6%	3,7%	4,6%	6,2%	5,8%	-2,4%	
WC CPI: Food & Beverages	3,6%	2,6%	4,9%	5,8%	7,9%	-3,5%	
Beef: Class A2/A3	-5,2%	4,8%	13,1%	13,8%	-9,0%	3,1%	
Beef: Class AB2/AB3	-5,3%	5,2%	13,7%	11,7%	-7,9%	3,1%	
Beef: Class B2/B3	-7,3%	7,8%	15,0%	11,3%	-8,4%	3,2%	
Beef: Class C2/C3	-7,5%	6,9%	11,9%	7,1%	-1,9%	3,0%	
Mutton: Class A2/A3	-9,1%	21,7%	7,3%	6,7%	-9,0%	2,9%	
Mutton: Class AB2/AB3	-10,1%	18,7%	16,4%	3,7%	-7,7%	3,5%	
Mutton: Class B2/B3	-13,7%	17,0%	15,0%	6,4%	-15,7%	0,8%	
Mutton: Class C2/C3	-12,4%	21,3%	14,2%	5,0%	-15,5%	1,5%	
Pork: Bacon	5,9%	6,7%	13,4%	-12,3%	39,0%	9,3%	
Pork: Pork	10,4%	3,1%	11,4%	-7,6%	29,7%	8,8%	
Pork: Sausage	10,3%	-6,1%	24,2%	-8,7%	43,6%	11,0%	
Pork: Average	6,3%	6,8%	13,0%	-11,6%	33,0%	8,6%	
Poultry: Frozen Class A	4,2%	0,3%	18,1%	0,0%	37,1%	11,1%	
Poultry: Fresh	15,8%	0,8%	16,0%	0,2%	33,0%	12,5%	
Wheat: Kansas City (Winter)	-9,2%	-0,8%	-9,7%	13,1%	-5,4%	-2,7%	
Wheat: Minneapolis (Spring)	-9,2%	-0,8%	-9,7%	12,8%	-11,8%	-4,1%	
Wheat: Safex	8,7%	19,0%	6,8%	21,9%	-14,8%	7,5%	
Lemons	-10,8%	6,9%	-1,7%	-15,8%	17,8%	-1,4%	
Oranges	-2,2%	17,0%	20,6%	-10,4%	27,2%	9,5%	

 Table 10.1: Market Price Performance of Selected Agricultural Products, 2019-2023

Naartjies	40,1%	-6,1%	25,5%	-22,0%	25,7%	10,1%
Apples	-3,6%	2,6%	-1,8%	-0,6%	23,8%	3,6%
Pears	3,4%	5,5%	3,7%	-6,3%	22,0%	5,3%
Plums	44,7%	-11,9%	-4,1%	-11,6%	92,7%	15,8%
Peaches	-9,1%	29,5%	-23,6%	20,1%	-7,5%	0,0%
Strawberries	14,7%	-6,0%	7,6%	6,9%	4,3%	5,3%
Table Grapes	19,2%	-6,5%	-5,1%	6,3%	42,5%	9,9%
Onions	-8,1%	26,9%	-20,2%	39,2%	49,1%	14,1%
Potatoes	-10,4%	20,5%	-0,3%	-13,4%	76,4%	10,5%
Tomatoes	2,3%	8,4%	35,5%	-14,3%	7,3%	6,7%

Source: (WCDoA, 2024c)



Summary points

- WC's households increased by 28%, from 1.6 million in 2013 to 2.1 million in 2023 and the average household size remained stable at 3 members.
- Households with monthly expenditures of R10 thousand or more grew by 110% over the decade but slowed to a marginal increase of 0.14% in 2023. Meanwhile, lower-income households in the R800–R1199 expenditure bracket rose sharply by 70%, reflecting growing income inequality.
- Hunger levels for adults and children increased post-COVID, with 15% of adults and 14% of children reporting hunger in 2023. While better than the pandemic peak, persistent food insecurity reflects lingering economic challenges.
- WC headline inflation decreased to 6.2% in 2023, down from 6.6% in 2022. Food inflation (10.4%) remained high due to geopolitical issues, animal diseases, and macroeconomic factors, while transport inflation dropped significantly to 4.3% due to declining crude oil prices.
- From 2022 to 2023, meat prices for beef and mutton decreased by 6.8% and 12%, respectively. In contrast, pork and chicken prices rose by 33% and 35%.
- Fresh produce like potatoes and onions saw substantial price hikes of 76% and 50%, respectively, driven by supply constraints.

Agri-Tourism

Mr Jacques Murdoch Mr Tshepo Morokong

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11. AGRI-TOURISM

Agri-tourism includes a variety of activities that tourists can enjoy at the farms. The scope of agri-tourism overlaps with several other tourism subsectors including ecotourism, rural tourism, wildlife/hunting tourism, adventure tourism, geo-tourism, cultural and heritage tourism, and wine tourism (Van Zyl, 2019). Agri-tourism activities and attractions can be organised into five main categories: outdoor recreation, educational experiences, entertainment, hospitality services, and direct sales on the farm (Bernardo & Leatherman, 2004).

Table 11.1, below outlines the WC agri-tourism infrastructure and its concentration among the six districts in the province. The most prevalent agritourism activity is providing accommodation, with over 1150 farms offering to lodge to tourists. This represents a significant portion of agritourism activities, reflecting the growing demand for farm-based stays. Restaurants and conference venues are the second most common agritourism feature, with each having 482 facilities located on farms, and conference are used for various events.

	City of CT	West Coast	Cape Winelands	Overberg	Eden	Central Karoo	WC Total
4x4 Facilities	5	32	19	15	28	48	147
Accommodation	51	162	443	221	145	129	1 151
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

Table 11.1: WC Agri-tourism Infrastructure, 2023

Data Source: (WCDoA, 2018)

Agri-tourism is an important source of additional income and job opportunities for many farms, contributing to the diversification of agricultural activities. Hiking and mountain biking are also highly popular activities in the province, with numerous farms offering trails and outdoor experiences to attract visitors.

The Cape Winelands region stands out as the most active in terms of agritourism, accounting for nearly 38% of the province's total farm accommodations, 53% of restaurant facilities, and 53% of farm-based restaurants. This region's popularity is largely driven by its renowned vineyards, scenic landscapes, and proximity to urban centres.

The Overberg region is particularly favoured by hiking and mountain biking enthusiasts, with the largest number of hiking trails in the province, providing ample opportunities for outdoor tourism. Agritourism has become an essential component of the region's economic activity, supplemented by traditional farming while enhancing local economies through tourism. The WC is known as the prime global tourism destination and the major producer of wine in the country. A number of regions in the province contribute wine tourism by route and these include Durbanville, Franschhoek and Stellenbosch, Agulhas and Elgin among others.



Summary points

- Farm-based lodging is the most popular agritourism activity, with over 1150 farms offering accommodation for tourists.
- Hosting events is the second most popular activity, with 482 farms operating conference facilities.
- The Cape Winelands dominate agritourism, hosting 43% of farm accommodations, and 53% of conference centres and restaurants.
- The Overberg region stands out for outdoor recreation, boasting the most hiking trails and mountain biking routes.



Ms Vanessa Barends-Jones Mr Tshepo Morokong

12. WATER

South Africa is a water-scarce country, with much of its water resources concentrated in just a few regions. Droughts have become more frequent and intense in recent years due to climate change, putting immense pressure on water availability (Igamba, 2022). Several significant challenges are being faced by the South African water sector, many of which are interlinked. These issues range from water scarcity and ageing infrastructure to pollution and the consequences of climate change, which have far-reaching implications for the country's economy, public health, and social stability (Nkatha, 2024).

This section of the report provides an update on dam levels in the WC, with a focus on the water management areas (WMAs) within the province, and raw water tariffs. There are nine water management areas in the country, and the four located in the WC Province are the Gouritz, Breede, Berg and Olifants Water Management Areas (WMA's). These four are grouped as Berg-Olifant WMA and Breede-Gouritz WMA as can be seen in Figure 12.1.



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

The summary of major dams in the WC, as provided in Table 12.1, highlights the province's water storage capacity and the fluctuations in water levels over the past four years. The six major dams in the WC have a combined storage capacity of 898,221 mega-litres (ML). The storage levels from 2020 to 2023 have shown variability, with the storage percentage consistently below 100%.

- 2021 marked the highest storage level at 98.1%, indicating relatively good water availability.
- 2022 experienced the lowest storage level at 72.9%, a significant decline that may have been attributed to drought conditions and reduced rainfall during that period.
- The current storage level for 2023 stands at 93.4%, still lower than in 2020 and 2021, but showing an improvement over the previous year.

These figures suggest that while the water situation in 2023 has improved compared to 2022, the WC remains vulnerable to fluctuations in water availability, especially as drought conditions continue to affect the region's water resources. The fluctuating storage percentages underscore the need for effective water management strategies to ensure sustainable water use in the province.

Dam	Capacity (MI)	% Full 2023	% Full 2022	% Full 2021	% Full 2020
Berg River	130,010	97.1	89.2	100.2	98.1
Steenbras Lower	33,517	88.9	75.6	90.8	92.9
Steenbras Upper	31,767	94.8	89.0	102.5	84.0
Theewaterskloof	480,188	92.0	70.8	99.6	98.1
Voelvlei	164,095	93.0	58.3	95.4	93.0
Wemmershoek	58,644	100.0	85.1	91.1	97.3
Total stored	898,221	839,350	654,956	881,326	866,130
% Storage		93.4%	72.9 %	98 .1%	96.4%

Table 12.1: WC Major Dams – Capacity and Storage

Source: (City of Cape Town, 2024)

Table 12.2 provides an overview of the minor dams in the WC, which collectively have a total storage capacity of 4 377 Mega litres (ML). The water storage levels for these dams from 2020 to 2023 reveal a pattern of variability, similar to that of the major dams in the province. In 2021, the highest storage level was recorded at 82%, reflecting a relatively stable water situation for that year. In contrast, 2022 saw a significant drop, with only 55.9% of the water storage capacity filled, indicating a considerable water shortage that likely resulted from drought conditions or reduced rainfall. The current storage level in 2023 has improved to 77.4%, yet it remains below the levels seen in 2020 and 2021, showing that the water situation in the minor dams is still not fully recovered. These trends highlight the ongoing challenge of managing water resources in the region, especially in the face of fluctuating rainfall patterns and the increasing frequency of droughts. The storage levels of the minor dams, while improving in 2023, underscore the continued need for careful water management to ensure reliable water availability for both agricultural and domestic use in the WC.

Dam	Capacity (MI)	% Full 2023	% Full 2022	% Full 2021	% Full 2020
Alexandra (Table Mountain)	126	61.4	60.0	61.1	69.8
De Villiers (Table Mountain)	243	98.3	85.3	54.0	86.6
Hely-Hutchinson (Table Mountain)	925	72.5	36.8	87.4	68.9
Kleinplaats (Simon's Town)	1,368	80.6	52.5	93.6	95.8
Land-en-Zeezicht (Helderberg)	451	92.0	77.5	97.9	95.5
Lewis Gay (Simon's Town)	182	78.5	67.3	74.2	86.1
Victoria (Table Mountain)	128	92.0	87.5	101.2	97.3
Woodhead (Table Mountain)	954	69.5	57.2	66.2	64.7
Total stored	4 377	3 388	2 449	3 589	3 526
% Storage		77.4%	55.9%	82.0%	80.6%

Tab	ble	12.2:	WC	Minor	Dams	– Capacity	y and	Storage
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Source: (City of Cape Town, 2024)

Figure 12.2 indicates the WC and national average raw water tariffs charged for domestic & industry, irrigation and forestry for the period 2016 to 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 (NIWIS, 2024).



Figure 12.2: WC Raw Water Tariffs and National Average (2016 – 2023) Source: (NIWIS, 2024)

In South Africa, dam inspections are mandated to occur every five years to ensure safety and proper maintenance. This requirement gained significant attention following the recent incident near Malmesbury in the WC, where the collapse of three dams led to devastating flooding, damaging 107 homes and impacting the livelihoods of many residents. The importance of timely and thorough inspections was underscored by this event, as inadequate maintenance and oversight contributed to the disaster (Phaliso, 2024).

Despite this, compliance with the dam inspection regulations is notably low across various sectors. Municipalities, which are responsible for managing many local water resources, have a concerning low compliance rate of just 24%, as highlighted in Table 12.3. The agriculture sector, which also relies heavily on water infrastructure such as dams for irrigation, fares similarly poorly, with a compliance rate of 26%. These figures indicate significant gaps in regulatory adherence, posing risks to public safety, environmental sustainability, and agricultural productivity, especially in regions prone to extreme weather events like droughts and flooding. Addressing these compliance issues is critical to preventing future disasters and safeguarding both communities and agricultural operations.

Institution*	Number of dams Owned	Compliance Rate
DWS	286	41%
Municipalities	217	24%
Agriculture	1481	26%
Water Boards	97	46%
Mines & Industry	240	40%

Table 12.3: Compliance Levels of Dam Owners

Source: (Phaliso, 2024)

* Please note that this excludes the unregistered dams

Dam safety is not only neglected by low compliance rates but also due to a shortage of approved dam inspectors. DWS currently only has four approved dam inspectors permanently employed. In SA there are only 101 professional inspectors registered and 60% of these individuals are over the age of 60 (Phaliso, 2024). The reason for the low compliance can also be due to the last mentioned issue, as these inspectors (the law requires them to be approved professionals) must prepare the safety reports for the dams every five years. This can be very costly. Using DWS as an example, in November 2022, there was a safety evaluation backlog of 474 reports, which dated back to April 2018. The backlog had risen to 518 in February 2023 when a plan was established on how to address the backlog. This year, 2024, a service provider was appointed to review and evaluate 42 reports for 2018/19, and it cost R917 000. The backlog of 476 was estimated to cost approximately R7.1 million over the next two to three years (Phaliso, 2024).

Summary Points

- The storage percentages for major and minor dams in 2023 remain lower than the previous years and at less than 100% for the period Under review.
- National water tariffs on average have marginally increased during the same period
- The water tariffs by the CMAs in the WC are still higher than the national average tariffs.
- The dam safety reports have a low compliance rate. Municipalities (24%) and the agriculture sector (26%) are amongst the worst compliance offenders.
- Compliance can be low due to the shortage of approved dam safety inspectors in SA and the cost associated with it, especially if there is a backlog.

Special Focus: Climate Change in the Western Cape

Prof Stephanie Midgley

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13. SPECIAL FOCUS: CLIMATE CHANGE IN THE WESTERN CAPE

The WC Province is increasingly grappling with complex climate-related disasters. While individual extreme events cannot be directly linked to climate change, long-term climatic changes are contributing to more frequent and intense disasters with escalating physical and economic impacts (IPCC, 2021; Bezner Kerr et al., 2022). The agricultural sector is the economic and social backbone of rural districts in this province and bears the brunt of extreme weather. Mediterranean-climate regions such as the WC are particularly vulnerable to a changing climate (Cramer et al., 2018; del Pozo et al., 2019).

The province is characterized by strong climatic gradients of temperature and rainfall driven by differences in topography, ocean influences, and several interacting climate processes occurring at time scales ranging from days to decades. Thus, the region encompasses several somewhat independent climate zones (Wolski et al., 2020) supporting a highly diverse agricultural sector. For the assessment of historic and future climate across the province as part of the SmartAgri Project (Midgley et al., 2016a, 2016b), the WC Department of Agriculture (WCDoA) has spatially demarcated 23 SmartAgri zones (Figure 13.1) based on Relatively Homogeneous Farming Areas, land use, production potential, elevation and bioregions.



Figure 13.1: WC SmartAgri zones and the six clusters used to summarise future climate projections.

Sources: (Midgley et al., 2016a,b; Jack et al., 2022)

13.1 CLIMATE CHANGE PROJECTIONS AND OUTLOOK

Climate projections for the region indicate continued significant warming over the next few decades across all SmartAgri zones (Jack et al., 2022). Projected increases in mean temperature are in the region of 1°C to more than 2.5°C by 2060 compared to the recent past (1981-2010). Greater increases are expected further from the coast, and milder increases along the southern coast. The number of hot days (> 30°C) are projected to increase by between five (coastal zones) and > 30 days (inland zones) per year.

Projected changes in rainfall are less certain than for temperature. Some climate models indicate only a small reduction in annual rainfall across the province, while others project as much as a 20% reduction regionally, with greater reductions (up to 40%) possible in certain zones. Increases in summer rainfall in those zones receiving more rainfall in the warm season are projected by some models, but others project very strong decreases, so that even the direction of rainfall change is highly uncertain in these zones. Rainfall reductions are likely mostly associated with less rainfall per event rather than fewer events. However, the duration of dry spells (consecutive dry days) may increase significantly. There is also a likelihood of increases in extreme high rainfall under certain conditions and in certain seasons that can lead to local flash flooding. Possible changes in high-impact extreme weather such as hail, snow and strong wind are still poorly understood.

Droughts, as determined by Standardised Precipitation Index (SPI) and Standardised Precipitation Evaporation Index (SPEI), are projected to become more frequent towards the mid- to late-century, especially when the effects of increased temperature-driven evaporation are included. Over large parts of the province, a 1in-10-year drought event (current climate) could shift towards a 1-in-2-year event (five events per decade) by mid-century. Overall, decreasing rainfall should be expected in most areas and even when rainfall decreases are not projected, or do not manifest, increasing temperatures will almost certainly bring significant water balance challenges to agriculture (Jack et al., 2022).

Table 13.1 provides a high-level summary of the projected climate changes and the expected outlook for the 23 SmartAgri zones, clustered into six sub-regions as shown in Figure 13.1 (Jack et al., 2022). A critical determinant of the outlook is the availability of reliable and diverse sources or water for irrigation and other agricultural uses, and

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the size and state of water-related storage and distribution infrastructure. In some of the warmest zones, heat stress may surpass thresholds for crops, animals and human activity at certain times. Other critical determinants are the availability and viability (e.g. profitability, market access, consumer acceptance) of heat- and droughtresilient crops and animals, improved soil health through restoration and conservation agriculture practices, the adaptive capacity of decision-makers and agri-workers, including access to financial and other resources, integrated sectoral and spatial planning, and greater collaboration and partnerships between role players (Midgley et al., 2016a).

SmartAgri Zones	Main commodities	Future climate	Outlook (ca. 2050)					
		projections (ca. 2050)						
	1. Cederb	erg to Sandveld						
5. Cederberg	Wheat, oats, barley, rooibos,	Moderate to strong	Increasingly marginal for					
8. Hardeveld/ Sandveld- north	wine and table grapes, citrus, potatoes, tomatoes.	warming along the West Coast.	agriculture where surface and groundwater are					
10. Knersvlakte	Sheep, cattle, goats.	Strong warming towards the north and towards	is experienced.					
16. Olifants irrigation		the interior. Strong rainfall reductions, more so towards the interior.	Olifants River irrigation zone remains viable if water remains sufficiently available (river, canals).					
2. Cape Town to Bokkeveld								
 Bokkeveld Cape Town- Winelands Hex Piketberg Rooikaroo-Aurora Sandveld-south Swartland 	Wheat, oats, canola, rooibos, fynbos flowers, potatoes, onions, pome fruit, stone fruit, citrus, wine and table grapes, vegetables, olives, berries, herbs/essential oils, lucerne/medics. Sheep, cattle, dairy, broilers, egg layers, pigs.	Moderate warming in the south and along the coast. Strong warming in Piketberg-Rooi Karoo and the interior (Bokkeveld). Strong drying, more so towards the interior (Bokkeveld).	Remains high for irrigated crops if water remains sufficiently available (rivers, dams, groundwater). Increasingly marginal for rainfed crops in drier areas. Increasing yield variability. Becomes marginal where excessive heat is experienced. Loss of chill accumulation will affect certain deciduous crops.					

Table 13.1: Summary of main agricultural commodities and future climate projections

	3. Breede	e to Rúens-west	
 Breede Grabouw- Villiersdorp- Franschhoek Rûens-west 	Wheat, oats, barley, canola, wine grapes, stone fruit, pome fruit, olives, berries, lucerne/medics. Dairy, sheep, cattle, broilers, egg layers.	Moderate warming in the south and along the coast. Moderate to strong warming in the interior (Breede Valley). Moderate to strong drying, more so towards the interior (Breede Valley).	Remains high for irrigated crops if water remains sufficiently available (rivers, dams, groundwater). Remains good for rainfed crops but with increasing yield variability. Becomes marginal where excessive heat is experienced. Loss of chill accumulation will affect certain deciduous crops.
	4. Rúens-east to Ta	nkwa-Van Wyksdorp	
13. Montagu-Barrydale 19. Rûens-east 23. Tankwa-van Wyksdorp	Wheat, barley, canola, oats, wine grapes, stone fruit, pome fruit, citrus, olives, lucerne/medics. Sheep, cattle, goats, dairy, pigs, ostriches.	Moderate warming in the south and along the coast. Strong warming in the interior (western Little Karoo to Tankwa).	Remains high for irrigated crops if water remains sufficiently available (rivers, dams, groundwater). Outlook for rainfed crops depends on rainfall changes.
		Moderate drying, but possibly with more summer rainfall.	Becomes marginal where excessive heat is experienced. Loss of chill accumulation will affect certain deciduous crops.
	5. Mossel Bay	y to Outeniqua	
2. Bo-Langkloof- Outeniqua 7. GrootBrak-Plett 14. MosselBay- Herbertsdale	Wheat, barley, canola, oats, pome fruit, hops, macadamia nuts, avocado, vegetables, berries, lucerne/medics, planted pastures. Cattle, dairy, sheep, ostriches, goats, egg layers, pigs.	Moderate to strong warming along the coast with stronger warming towards the interior (Bo-Langkloof- Outeniqua). Moderate drying along the coast, with an unclear signal towards the interior.	Increasingly marginal for agriculture where rainfall extremes (drought, flood) and excessive heat are experienced. Outlook for crops depends on rainfall shifts and availability of storage capacity.

6. Little Karoo to Nelspoort								
11. Коџр	Wheat, olives, almonds,	Moderate to strong	In the south (Little Karoo)					
12. Little Karoo	vegetables, vegetable seed, wine grapes, stone	warming in the south (Little Karoo).	the outlook remains moderately high but					
15. Nelspoort	fruit, tobacco, lucerne/medics.	Very strong warming towards the northern	depends on rainfall shifts and water infrastructure.					
	Sheep, ostriches, cattle, dairy, goats, pigs, game.	interior (Central Karoo). Unclear signal for rainfall changes. Both drying and wetting indicated in the north (Central Karoo). Possibly more summer rainfall.	Becomes marginal where excessive heat is experienced especially in the interior Central Karoo.					

Sources: (Midgley et al., 2016b, Jack et al., 2022)

13.2 IMPACTS OF RECENT CLIMATE DISASTERS

Over more than a decade (2011-2024), agricultural disasters have become more frequent, often occurring simultaneously or consecutively, especially in the last few years (Figure 13.2). The historically well-known hazards such as floods, droughts and fires have become more frequent and intense, including the multi-year "Day Zero" drought (Wolski et al., 2020; Jack et al., 2022) and extreme high rainfall in 2023-2024. Climate scientists have calculated a significant contribution of climate change to these events (Otto et al., 2018). New hazards have emerged that have caused disruptions and economic damages, particularly linked to pests (e.g. locusts) and animal, crop and human diseases. Biosecurity threats have various drivers but warming and changes in rainfall and humidity linked to climate change are adding to the list. There is great concern around the rising threat of extreme high temperatures and heat waves which have started to exert an impact.

Disasters	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Floods	X	Х	Х	Х					Х	х	X	X	X	X
Drought					Х	Х	X	X	X	Х	X	X	Х	
Fire						Х	X	X	X	X	X			X
Heatwaves												X	Х	X
Avian Flu	Х	Х					X				X	X	Х	
Pests (Locusts etc.)						Х		X	X		X	X	Х	X
Hail damage					Х						X		Х	X
COVID19										X	X	x		
Animal diseases											X	x	Х	X
Power failure														X

Figure 13.2: Timeline of agricultural disasters in the WC.

Source: (WCDoA Disaster Risk Reduction Sub-Programme).

The province is experiencing a growing cost of the damages caused by these disasters. The numbers presented in the following figures and tables only capture the immediate physical costs of "mopping up operations" such as repairing critical infrastructure and removing debris and large sediment deposits in rivers after flooding. There are longer-term costs that have not been quantified, including the replacement of perennial vineyards and fruit orchards (droughts, floods, fires) and on-farm infrastructure such as sheds and pumps (floods, fires), and nursing catchments back to health (meaning their ability to provide essential ecosystem services such as flow regulation and water quality).

Figure 13.3 (A) presents the amount and share of expenditure by the national and provincial (WCDoA) government relating to drought and flood damages in agricultural landscapes in the period 2017/18 to 2022/23. Other expenditures relating to fire and locusts, boreholes, and contributions to the disaster fund are shown in Figure 13.3 (B). Total expenditure was around R830 million.



Figure 13.3: Disaster expenditure by National and Provincial Government for the WC agricultural sector

Source: (WCDoA Disaster Risk Reduction Sub-Programme, n.d)

Following a return to "normal" rainfall after the "Day Zero" drought, two years of several exceptionally high rainfall events (though not necessarily high annual rainfall) followed in 2023/24 to 2024/25. Table 13.2 presents the estimated agricultural damages ensuing from these events.

The floods in June 2023 mostly affected the Cape Winelands and West Coast District Municipalities. Damages totalling around R1 billion were associated with crop losses and sediment deposition in fields, damages to natural resources (riverbanks and systems, soil erosion) and damages to infrastructure (irrigation equipment, fencing, roads). The loss of income to seasonal agricultural workers was estimated at R18.7 million. In September 2023, severe damages totalling around R2.3 billion were experienced in the Overberg, Cape Winelands, and Garden Route District Municipalities (Table 13.2). Rainfall records were not only widely broken but were sometimes double or triple the previous record for that time of year. Three more extreme rainfall events were recorded from April to July 2024, with damages totalling over R2.8 billion.

Table 13.2: Estimated agricultural damages (in Rand) resulting from extreme rainfall and flooding in the WC.

Month/Year	Agricultural damage (R' Million)
Mar-23	56
Jun-23	1 000
Sep-23	2 300
Apr-24	142
Jun-24	182
Jul-24	2 500

Source: (WCDoA Disaster Risk Reduction Sub-Programme, n.d)

The WCDoA has responded by providing financial support to affected farming communities via the local Water Use Association or Irrigation Board (Table 13.3). The funds will be used to repair the ecological infrastructure of catchments that supply water to agriculture and implement measures to mitigate future flood damage. Given the projected drier future, water security is critically important for the sector going forward, and to safeguard livelihoods and communities that depend on agriculture.

Table 13.3: Financial transfers (in Rand) to Water Use Associations / Irrigation Boards in the WC to support recovery from flood damages in river systems

Water Use Association / Irrigation Board	District	Transfers (R) 2023/2024	Transfers (R) 2024/2025
Citrusdal WUA	West Coast		13 200 000
Lower Olifants River WUA	West Coast	1 000 000	4 000 000
Worcester East WUA	Cape Winelands	920 000	990 000
Wolseley WUA	Cape Winelands	920 000	560 000
Berg River WUA	Cape Winelands	3 500 000	3 200 000
Central Breede WUA	Cape Winelands	3 500 000	2 700 000
Groenland WUA	Cape Winelands		2 000 000
Hex Valley WUA	Cape Winelands	500 000	
Bossiesveld IB	Cape Winelands	1 920 000	
Zandrift WUA	Cape Winelands	740 000	
Zonderend WUA	Overberg	7 000 000	6 600 000
Farmers Support	All Districts		4 750 000
TOTAL:		20 000 000	38 000 000

Source: (WCDoA Disaster Risk Reduction Sub-Programme, n.d)

13.3 CONCLUSION

The wider social and political environment, and multiple interacting stresses, make disaster risk reduction and management very complex. Public-private and intergovernmental partnerships and collaboration are essential approaches to preparing for a higher-risk future. The WCDoA is working closely with farmers, businesses, commodity organisations, provincial and district disaster management centres, municipalities and water user associations when responding to, and planning for more frequent extreme weather patterns due to climate change. The SmartAgri plan (Midgley et al., 2016a) provides a blueprint for priorities and actions.

Summary points

- The climate of the WC is already changing and is increasing the frequency, intensity and types of disasters that impact agriculture.
- The outlook varies by SmartAgri zone across the province and is strongly associated with water resources and infrastructure.
- Severe damages amounting to several billion Rand have occurred in the sector in the last decade due primarily to droughts and floods.
- Following the floods in 2023-2024, the WCDoA provided financial support to farming communities via water user associations and irrigation boards.
- There is an increased urgency to work collaboratively and implement climate change response plans, to prepare for further climate shifts across the province.
Conclusion and Policy **14** Recommendations



14. CONCLUSION AND RECOMMENDATIONS

The WC agri-sector demonstrates resilience and growth amidst complex challenges. The sector contributes significantly to the province's economy, with agricultural output reaching R25.6 billion in 2023 and agri-exports rising to R66.9 billion. Notable strengths include robust production in Cape Winelands and the West Coast, steady investment in agriculture and agri-processing, and a growing agritourism industry. However, concerns such as high food inflation, income inequality, climate change impacts, and water resource challenges persist. Declining youth and agri-processing employment, coupled with low dam safety compliance, signal structural vulnerabilities. It is evident from the analysis that the impacts of climate change on the WC's agriculture sector are profound and multifaceted. The increasing frequency and severity of droughts and floods pose significant challenges to agricultural productivity and sustainability. The WCDoA's proactive approach, including financial support and collaboration with various stakeholders, highlights the necessity of adaptive and resilient strategies in mitigating these challenges.

14.1 POLICY RECOMMENDATIONS

To effectively address the complex interplay of social, political, and environmental factors in disaster risk reduction and management, the following policy recommendations should be considered:

Driving Inclusive Economic Growth:

Promote and encourage rural economic development by investing in agri-processing hubs and providing targeted support for small-scale farmers to enhance their market access. Strengthen youth involvement in agriculture through skills training and mentorship programs. Increase awareness about the importance of agriculture and available support in the industry.

Strategic Investment and Trade Diversification for Enhanced Growth:

Promote value-added agri-processing to boost export competitiveness and create jobs. Diversify export markets and strengthen trade partnerships to mitigate geopolitical risks.

Strengthening Public-Private Partnerships and collaborations:

Promote cooperation among government, private sector, and non-governmental organizations to improve the allocation of resources and execution of climate resilience projects. As well as for the effective implementation of the AAMP.

Investment in Water Infrastructure:

Given the critical role of water resources, there should be increased investment in sustainable water management systems. This includes the development and maintenance of dams, irrigation systems, and water recycling technologies. Efforts should be made to accelerate dam safety compliance (by increasing the availability of certified inspectors and reducing inspection costs). Additionally, investment in innovative irrigation technologies is essential.

Social Protection and Food Security:

Tackle rising hunger levels through increased agricultural production and improvement on efficiencies along the agricultural value chains. Also supporting urban agriculture initiatives and community-based food production and distribution programs.

Enhancing Early Warning Systems:

Developing and deploying advanced early warning systems can significantly reduce the impacts of extreme weather events by delivering timely and precise information to farmers and communities.

Promoting Climate-Smart Agriculture:

Implementing climate-smart agricultural practices such as increased efficiencies of water use, crop diversification, conservation agriculture, and ensuring functional ecosystem processes in farmed areas can significantly improve resilience against climate variability and promote sustainable land use.

Strengthening Research and Development:

Investing in research to develop new and adapted technological practices suitable to the region's specific climatic conditions can significantly improve the agricultural sector's ability to adapt. Enhancing the flow of information among producers, extension officers, and researchers is crucial in tackling shared challenges within the industry.

Supporting Farmers' Education and Training:

Offering ongoing education and training programs to farmers and other key stakeholders across the agricultural value chain on climate adaptation strategies and sustainable practices can effectively respond to and manage the impacts of climate change.

Agritourism Development:

To attract a wider range of demographics, we should expand and diversify agritourism offerings. Additionally, enhance marketing efforts to promote the province as a leading agritourism destination.







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