



# STRATEGIC PLAN 2010/11 - 2014/15

# **Department of Agriculture**

## **Strategic Plan**

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**for the  
fiscal years  
2010/11 – 2014/15**

**Western Cape**

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*To obtain additional copies of this document, please contact: Mrs T Smith*

Address: *Muldersvlei Road, Elsenburg*  
Tel: (021) 808 5020  
Fax: (021) 808 5000  
E-mail: [thereses@elsenburg.com](mailto:thereses@elsenburg.com)

*Om nog afskrifte van hierdie dokument te bekom, tree in verbinding met: Mev T Smith*

Adres: *Muldersvleiweg, Elsenburg*  
Tel: (021) 808 5020  
Faks: (021) 808 5000  
e-Pos: [thereses@elsenburg.com](mailto:thereses@elsenburg.com)

*Ukuba ufuna iikopi ezongezelelweyo zolu xwebhu, qhagamshelana: Mrs T Smith*

Idilesi: *Muldersvlei Road, Elsenburg*  
Umnxeba: (021) 808 5020  
Ifekisi: (021) 808 5000  
I-E-Mail: [thereses@elsenburg.com](mailto:thereses@elsenburg.com)

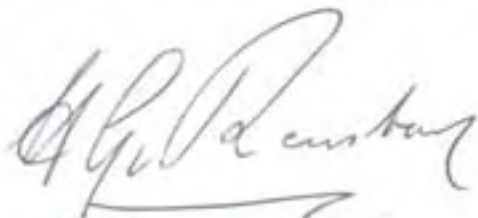
# FOREWORD

It is my responsibility as Minister of Agriculture and Rural Development to ensure that a strategic plan is formulated and acted upon by the Department of Agriculture. This strategic plan will focus our efforts for the next five years, serving as a compass for all projects embarked on but also recognising the Department's constitutional mandate as well as the national priorities. The Department's strategic plan must be in line with the Provincial Government's overriding priorities of combating poverty and promoting opportunities for all through sustained economic growth that will attract and retain skills and through the development of infrastructure.

I am therefore proud to announce that the Department of Agriculture has aligned its strategic plan with the Provincial strategy, and did so through focusing on the following areas: Human capital development; improved market access for all farmers; extension revitalisation programme; rural development; increased agricultural production, and research and technology. I would also like to highlight that the strategic plan of the Department is also embedded in the national Department of Agriculture, Forestry and Fisheries' priorities as well as the Medium Term Strategic Framework of national government. Agriculture is a concurrent constitutional function and therefore the alignment with national and provincial strategies are key drivers of this plan.

I am particularly excited about the renewed focus on research and technology, as this is something that was neglected in recent years and forms the backbone for several priorities identified. The Rural Development key priority has the potential to revive our countryside through renewed investment and job creation but is a transversal provincial priority. My Department will play a significant role through their agricultural development mandate but the challenges to coordinate and implement projects across and with all three spheres of government must be recognised.

I trust that this strategic plan will play a crucial role over the next five years, and result in concrete achievements the Province will be proud of in years to come.



**GERRIT VAN RENSBURG**  
**MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT**



## OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

Was developed by the management of the Western Cape: Department of Agriculture under the guidance of Minister HG Van Rensburg;

Takes into account all the relevant policies, legislation and other mandates for which the Western Cape: Department of Agriculture is responsible;

Accurately reflects the strategic goals and objectives which the Western Cape: Department of Agriculture will endeavour to achieve over the period 2010/11 to 2014/15.

**FJJ HUYSAMER**  
Chief Financial Officer

Signature: \_\_\_\_\_



**(Ms) JS ISAACS**  
Accounting Officer

Signature: \_\_\_\_\_



Approved by:  
**HG VAN RENSBURG**  
Western Cape: Minister of Agriculture and Rural Development

Signature: \_\_\_\_\_



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## Abbreviations

<b>AET</b>	Agricultural Education and Training Strategy
<b>ARC</b>	Agricultural Research Council
<b>ASGISA</b>	Accelerated Shared Growth Initiative for South Africa
<b>BBBEE</b>	Broad Based Black Economic Empowerment
<b>CADIS</b>	Cape Disease Information System
<b>CASP</b>	Comprehensive Agricultural Support Programme
<b>CBOs</b>	Community Based Organisations
<b>CFO</b>	Chief Financial Officer
<b>CIAT</b>	Cape Institute for Agricultural Training
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>COE</b>	Cost of Employees
<b>CRDP</b>	Comprehensive Rural Development Programme
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>DRDLR</b>	Department of Rural Development and Land Reform
<b>EIAs</b>	Environmental Impact Assessment
<b>EPWP</b>	Extended Public Works Programme
<b>ERP</b>	Extension Recovery Programme
<b>EU</b>	European Union
<b>FET</b>	Further Education and Training
<b>FMIP</b>	Financial Management Improvement Plan
<b>GIAMA</b>	Government Immovable Asset Management Act
<b>GIS</b>	Geographic Information Systems
<b>HCDS</b>	Human Capital Development Strategy
<b>HET</b>	Higher Education and Training
<b>IAMP</b>	Immovable Infrastructure Management Plan
<b>IFSSA</b>	Integrated Food Security Strategy of South Africa
<b>IGR</b>	Intergovernmental Relations
<b>IT</b>	Information Technology
<b>LARP</b>	Land and Agrarian Reform Programme
<b>LRAD</b>	Land Redistribution for Agricultural Development
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MDGs</b>	Millennium Development Goals
<b>MMS</b>	Middle Management Service
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>NAFU</b>	National African Farmers Union
<b>NEPAD</b>	New Partnership for African Development
<b>NGOs</b>	Non Governmental Organisations
<b>NQF</b>	National Qualifications Framework
<b>OHS</b>	Occupational Health and Safety

<b>OSD</b>	Occupational Specific Dispensation
<b>PCR</b>	Polymerase Chain Reaction
<b>PDI</b>	Previously Disadvantaged Individual
<b>PFMA</b>	Public Finance Management Act, Act 29 of 1999
<b>PGWC</b>	Provincial Government of the Western Cape
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PSDF</b>	Provincial Spatial Development Framework
<b>QMS</b>	Quality Management System
<b>SAQA</b>	South African Qualifications Authority
<b>SCM</b>	Supply Chain Management
<b>SLAs</b>	Service Level Agreements
<b>SMS</b>	Senior Management Service
<b>SOP</b>	Standard Operating Procedures
<b>TAD</b>	Trans-boundary Animal Diseases
<b>TB</b>	Tuberculosis
<b>TE</b>	Tertiary Education
<b>USAAA</b>	United South African Agricultural Association
<b>WEKUFU</b>	Wes-Kaap Ubumthu Farmers Union
<b>WTO</b>	World Trade Organisation
<b>YPP</b>	Young Professionals Programme

## PART A: STRATEGIC OVERVIEW

### 1 Vision

A united, responsive and prosperous agricultural sector in balance with nature

### 2 Mission

Unlocking the full potential of agriculture to enhance the economic, ecological and social wealth of all the people of the Western Cape through:

- Encouraging sound stakeholder engagements
- Promoting the production of affordable, nutritious, safe and accessible food, fibre and agricultural products
- Ensuring sustainable management of natural resources
- Executing cutting edge and relevant research and technology development
- Developing, retaining and attracting skills and human capital
- Providing a competent and professional extension support service
- Enhancing market access for the entire agricultural sector
- Contributing towards alleviation of poverty and hunger
- Ensuring transparent and effective governance

### 3 Values

- Honesty
- Accountability
- Service excellence
- Good governance
- Commitment

### 4 Legislative and other mandates

#### 4.1 Constitutional mandates

General Constitutional Matters

National Constitution of South Africa (Act 108 of 1996)

The Constitution of the Western Cape (Act 1 of 1998)

In the Constitution (1996) of the Republic of South Africa, an entire Chapter is dedicated to the Bill of Rights of South African citizens. Without going into too much detail, this Bill of rights *inter alia* focus on rights such as:

- Section 24 - 'Everyone has the right to an environment that is protected and not harmful...'
- Section 27 (1) (b) - '...Food, water...'

- Section 29 - '... Education...'

Schedule 4; Part A: Concurrent national and provincial functional areas.

- Agriculture
- Animal control & diseases
- Disaster management
- Environment
- Soil Conservation
- Tourism
- Trade
- Urban & rural development.

Schedule 4; Part B: National & Provincial Government regulates municipal implementation.

- Municipal planning.

Schedule 5; Part A: Exclusive Provincial Competence

- Abattoirs
- Provincial planning
- Veterinary services (excluding regulation of the profession).

Schedule 5; Part B: Province regulates and monitors municipal implementation

- Fencing and fences
- Markets
- Municipal abattoirs

The Constitution (1997) of the Western Cape Province acknowledges the South African Constitution as the supreme law and, in the pre-ambles, put specific emphasis on the recognition of human rights as well as the principles of mutual trust and co-operation.

## 4.2 Legislative mandates

The core functions and mandates of the Department of Agriculture are governed by the following:

Staff matters	Labour Relations Act (Act 66 of 1995) Basic Conditions of Employment Act (Act 75 of 1997) Skills Development Act (Act 97 of 1998) Skills Development Levies Act (Act 9 of 1999) Occupational Health and Safety Act (Act 85 of 1993) Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993) Public Holidays Act (Act 6 of 1994) Government Employees Pension Law (1996) Employment Equity Act (Act 55 of 1998) Public Service Act (Act 103 of 1994) Natural Scientific Professions Act (Act 20 (3) of 2003)
Financial matters	Public Finance Management Act (Act 1 of 1999 as



	<p>amended by Act 29 of 1999)  Division of Revenue Act (Annually)  Western Cape Direct Charges Act (Act 6 of 2000)  Western Cape Appropriation Act (Annually)  Western Cape Finance Act (Annually)  Preferential Procurement Policy Framework Act (Act 5 of 2000)  Companies Act (Act 71 of 2008)  Income Tax Act (1962 – 4th standard)</p>
Administrative matters	<p>Extension of Security of Tenure Act (Act 62 of 1997)  National Archives Act (Act 43 of 1996)  Promotion of Access to Information Act (Act 2 of 2000)  Administrative Justice Act (Act 3 of 2000)  Government Immovable Asset Management Act (Act 19 of 2007)</p>
Agricultural and training matters	<p>Adult Basic Education and Training Act (Act 52 of 2000)  South African Qualifications Act (Act 58 of 1995)  National Education Policy Act (Act 27 of 1996)  Further Education and Training Act (Act 98 of 1998)  General and Further Education and Training Quality Assurance Act (Act 58 of 2001)  Employment of Education and Training Act (Act 76 of 1998)  Conservation of Agricultural Resources Act (Act 43 of 1983)  Subdivision of Agricultural Land Act (Act 70 of 1970)  Land Use Planning Ordinance (Ordinance 15 of 1985)  National Environment Management Act (NEMA) (Act 107 of 1998)  National Disaster Management Act (Act 57 of 2002)  Meat Safety Act (Act 40 of 2000)  Animal Diseases Act (Act 35 of 1984)  Higher Education Act (Act 101 of 1997)  Land Redistribution Policy for Agricultural Development  National Water Act (Act 36 of 1998)  Water Services Act (Act 108 of 1997)  Broad Based Black Economic Empowerment Act (Act 53 of 2003)  Agri-BEE Transformation Charter (Under Act 53 of 2003)  Marketing of Agricultural Products Act (Act 47 of 1996)  Land Reform Act (Act 3 of 1997)  Agricultural Products Standards Act (Act 119 of 1990)  Veterinary and Para-Veterinary Professions Act (Act 19 of 1982)  Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act 36 of 1947)</p>

Cooperatives Act (Act 14 of 2005)  
 Merchandise Marks Act (Act, 17 of 1941)  
 Trade Mark Act (194 of 1993)  
 Trade Practises Act (Act 76 of 1976)  
 The Terrestrial Animal Health Code of the World  
 Organisation for Animal Health (OIE – Office  
 International des Epizooties)  
 The International Code for Laboratory Diagnostic  
 Procedures for Animal Diseases of the World  
 Organisation for Animal Health.  
 The International Sanitary and Phyto Sanitary Code of  
 the World Trade Organisation.  
 Codex Alimentarius of the World Health Organisation  
 (International Code of Food Safety).  
 Medicines Control Act (Act 101 of 1965)

#### 4.3 Policy mandates

- Accelerated Shared Growth Initiative of South Africa (ASGISA)
- The Strategic Plan for South African Agriculture (in a review process)
- Primary Animal Health Care Policy of DAFF
- Higher Education Policy Framework
- Further Education & Training Framework
- National Qualifications Framework(NQF)
- Occupations Qualifications Framework(OQF)
- South African Qualifications Authority (SAQA)
- Norms and Standards for Educators
- Norms and Standards for Agricultural Training Institutes of South Africa
- National Education and Training Strategy for Agriculture and Rural Development in South Africa (2005)
- National Mentorship Framework for the Agricultural Sector
- Norms and Standards for Extension and Advisory Services in Agriculture
- National Articulation Framework for Agricultural training programmes
- National Agricultural Research and Development Strategy
- National Strategic Plan for HIV and AIDS.
- Agricultural and Agribusiness Strategy for the Western Cape
- Land and Agrarian Reform Programme (LARP)
- Settlement Implementation Strategy
- Integrated Food Security and Nutrition Strategy
- Comprehensive Rural Development Programme (CRDP)
- Provincial Growth and Development Strategy
- Provincial Spatial Development Strategy
- Integrated Development Plans of Local Government
- Comprehensive Agricultural Support Programme (CASP)
- Integrated Food Security and Nutrition Programme
- Integrated Food Security Strategy



#### 4.4 Relevant court rulings

Subdivision of Agricultural Land Act (Act 70 of 1970): *Stalwo v/s Wary*: The owner sold portions of undivided agricultural land to be rezoned for industrial purposes. The legality of the contract was contested in court. The High Court ruled that since Sub-division of Agricultural Land Act (Act 70 of 1970) was applicable the contract was not binding. The Appeal Court thereafter set that ruling aside, which raised the question on whether the Sub-division of Agricultural Land Act (Act 70 of 1970) has any status anymore. The Constitutional Court, however, set the Appeal Court ruling aside. Agriculture is a concurrent function and involves all three spheres of government.

#### 4.5 Planned policy initiatives

- Provincial Act on the Register of Farmers and Farm Workers
- Provincial Act on the Registration of Horse Riding schools
- National Act on the Registration of Horse Riding Instructors

The Agricultural Sector is one of the few Sectors in the economy with the ability to absorb large numbers of low-skilled workers; a resource available in abundance at both national and provincial levels. And yet, the number of farm workers in South Africa declined from 841 686 in the first quarter of 2008 to 668 500 in the third quarter of 2009. In the Western Cape the number of farm workers declined from 188 254 in the first quarter of 2008 to 122 656 in the third quarter of 2008. However, the provincial number of farm workers has since recovered to 133 329 in the third quarter of 2009.

In recognition of agriculture's role in labour absorption in rural areas, one of the metrics in Outcome 7 of the Medium Term Strategic Framework developed by the Presidency is to increase the number of workers on commercial farms to 800 000 by 2014. As the Western Cape Province is responsible for close to 20% of the agricultural employment opportunities in the country, it is evident that this Province will also need to make a contribution to this effort. As new agricultural technology is often labour saving (for various reasons) it follows that an effort must be made to investigate labour intensive agricultural industries with the possibility to create both on- and off farm employment opportunities.

One example of an area that could be explored as both an economic and employment opportunity is import replacement of natural rubber. Natural rubber, currently at an annual import value of more than R1.33 billion, is the fourth largest agricultural import in South Africa and cannot be replaced in high quality rubber products such as aircraft and specialised tyres. Yet, it can be replaced by products from arid adapted plants such as guayule or modified dandelions.

Other avenues that exist through which the beneficiation of farm produce can be further explored include:

- a) Physical transformation of the product
  - Cutting
  - Dicing

- Cooking
  - Canning
  - Packaging
  - Pre-packaging, etc.
- b) Adding value to the product
- Tangible values such as an enhanced product (i.e. vitamin enriched)
  - Social values (i.e. labour standards, Fairtrade, etc.)
  - Environmental values (i.e. organic labelling)
  - Climate values (i.e. Carbon footprinting)
  - Animal friendly values (i.e. badger friendly honey)
  - Regional values (i.e. Karoo Lamb), etc.
- c) Marketing the product.
- Off-farm enhancing the value of the product (i.e. promoting it in a supermarket)
  - On-farm enhancing the value of the product (i.e. getting the consumer to come to the farm and experience the product and hopefully he/she will purchase it again. In other words, farm tourism)
  - Integrating the farm in a value chain
  - Become a supplier in an outgrower scheme
  - Differentiating the product through registering an individual or collective mark, etc.

Before these opportunities can be utilised the whole supply chain, from production to refinement, needs to be developed; evidently not a task limited to the Department of Agriculture. During the period of this Strategic Plan the economic and employment potential of various alternative agricultural industries will be investigated and certain selected initiatives embarked upon.

## 5 Situational analysis

### 5.1 Performance environment

#### Agricultural Sector performance

As is the case at a national level, the number of farming units in the Western Cape also declined over the period 2002 to 2007 by 503 units (7.0%). As this rate of decline is not as sharp as the national rate of 12.7%, the Western Cape's share of South Africa's farming units has actually increased over the period.

Although the real value of agricultural production in the Western Cape increased by R603 million to R16.6 billion in 2007, the Province's share of the national gross farm income stayed fairly constant at just over one fifth (20,8%). The Free State is second with 15,0% of gross farming income and KwaZulu-Natal third at 12,7%. Income from horticultural production still remains the most significant contributor to farming income in the Province, albeit that the 2007 share contracted to 46% from the 53% mark it occupied in 2002. It is significant to note that income from animals more than doubled over the same period, while the sales of animal products



declined slightly. Field crops and other farming crops lost some ground over this period. Turning to the rural areas, more than 25% of the economy of the Central Karoo is derived from primary agriculture. This is followed by Overberg (23.7%), West Coast (23.0%) and Cape Winelands (16.3%).

In 1997 the total value of agricultural exports (primary and processed agricultural products combined) from the Western Cape was more than R4.1 billion in current prices. This has increased to more than R16,1 billion in current prices by 2006. In other words, over this ten year period agricultural exports from the Western Cape has increased almost fourfold. This is no mean feat and it is clear that something is being done right somewhere. Over this same period agriculture's share of exports has been fluctuating between 50% (1999) and 38% (2006). This is a clear indication that the agricultural sector remains an important cornerstone in the economy of the Province. The wine industry is probably the one industry in the Western Cape that best succeeded in this regard. While the wine industry of South Africa exported 21 million litres of wine in 1992, this volume increased to more than 312 million litres in 2007. This represents an increase of more than 1 321 percent. Indeed an exemplary case in any person's terms. Some of the smaller industries have also shown significant growth over this period. Export of tea has increased by 857 percent over the ten year period from 1997 to 2006. The exports of spices have similarly increased by 705 percent, meat by 429 percent, vegetable fibres by 341 percent and fruit juices by 225 percent.

It is important to mention that this export success took place in the face of an exceptionally skewed international playing field. The Producer Subsidy Equivalent (PSE) in Switzerland is 68%, 58% in Japan, 33% in the European Union and 16% in the USA. In the case of Australia and South Africa it is 5% and for New Zealand it is 2%. In practice it means that a farmer in Switzerland receives 68% of his/her income in some form of government support. This support can either be in the form of direct payments, specific programmes, some form of subsidies (i.e. input subsidies) or it can be in the form of unrealistically high domestic prices due to import protection (import tariffs or non-tariff barriers). Or, to illustrate this differently, the average cow in the EU receives about two dollars per day in the form of government support while more than half of the world's population lives on less than two dollars a day. It is true that one of the stated objectives of the Doha Round of the WTO negotiations is to tilt this playing field in favour of developing countries. However, what is happening in practice is that for each gain on the tariff front more stringent sanitary and phyto-sanitary measures are being introduced. These measures, often called standards, are quite often not prescribed by governments, but may be so-called private standards (i.e. "food miles", eco friendly and animal welfare). In other words, standards prescribed by some of the major retailers in developed countries, quite often with their knowledge that it may be difficult to be attained by producers in developing countries, are enforced to 'prevent' market access. The only defence available for farmers in the Western Cape is to make sure that these measures and standards are achieved - a task that is quite often experienced as an insurmountable barrier to entry by new entrants to agriculture. The Provincial Government has a significant task in helping farmers in this regard.



The total expenditure on farms declined only slightly from 2002 to 2007 and this decline is significantly less than the decline in expenditure experienced by the rest of South African farms. The result is that the Province's share of farming expenditure increased over the period. Especially significant is that capital expenditure increased in the Province to almost a third of the capital expenditure in the country. Similarly, a quarter of the value of South African agricultural assets can be found in the Province. This holds very specific implications for the resources required for land reform in the Province. As is the case in the rest of South Africa, farming debt has also declined in the Western Cape from more than R11 billion to just over R9 billion. Yet, almost a quarter of South Africa's farming debt can be found in the Western Cape.

In the Western Cape there are currently approximately 11.5 million hectares that are being used for farming. The most productive farming areas are concentrated in the South-Western part of the Province; close to the City of Cape Town. This is also the area where the biggest part of the 349 000 hectares of irrigation (231 732 permanent and the balance temporary) can be found. About 1.85 million hectares are used for dryland agriculture and it is concentrated in two areas of which the one is in along the West Coast and the other borders the Southern Coast of the Province. The balance of the farmland is only suitable for veld grazing.

Although the Western Cape Province is only one of the nine provinces of South Africa, it has already been indicated that it is responsible for 20.8% of the value of agricultural production in South Africa. It follows that the citizens of the Province can be fairly confident in the provincial food security. The 2008 wheat harvest of the Western Cape amounted to 805 000 ton which is roughly equal to one bread per person (man, woman and child) per day. As it is expected that, due to the current high prices of wheat, some marginal land will be brought into production with the result that the harvest is expected to increase to 867 000 ton in 2014. Similarly, during the 2006/07 harvesting season approximately 556 000 tons of apples was produced in the Western Cape; of which close to 234 000 tons were exported. In the same season about 303 000 tons of pears was produced in the Province with more than 141 000 tons being exported. This translates into approximately 118 kg of apples and 65 kg of pears being produced for each citizen of the Province.

Yet, despite this abundance 16.22% of adults in the Western Cape experienced some form of hunger during 2007. This is significantly higher than the average of 15.03% of South Africans that experienced hunger, but less than the percentage of households in the Eastern Cape and the North West Province that indicated some form of hunger. It is significant that Limpopo is the Province in South Africa with the lowest prevalence of hunger, followed by the Northern Cape and Gauteng. It is noteworthy that, as a general rule of thumb, a smaller percentage of children experience hunger than is the case with adults. However, the 12.82% of children in the Western Cape that experience hunger is still more than the 12.16% that answered positive to this question at a national level. At a District level within the Province, hunger is the most severe in the City of Cape Town. 21.22% of adults in the City of Cape Town indicated that they experienced hunger problems during 2007, followed by 8.74% in the Eden and 8.55% in the Cape Winelands districts. It is interesting to note that the least problems with hunger are experienced in the

West Coast (1.40%) and the Central Karoo (1.8%) districts. A similar pattern, albeit less severe, emerges for hunger amongst children in the Western Cape. In the City of Cape Town 15.54% of the children reported some form of hunger followed by the 5.49% and 5.31% in respectively the Cape Winefands and Eden Districts. The West Coast (0.93%) and Central Karoo (1.57%) Districts again reported the lowest occurrence of hunger amongst children. It is evident that it is expected from government to support these individuals through various initiatives, of which food gardens are but one.

This provincial image must be put in juxtaposition to the global picture. For instance, over the period 2001 to 2007 the annual average global consumption of wheat outstripped annual average global production by 13.2 million tons, global rice consumption was more than global rice production by 10.9 million and in the case of coarse grains (including maize) the annual average deficit was 4.5 million tons. It follows that over this period of 2001 to 2007 the world on average annually experiences a deficit of 28.6 million tons in grains. This, despite the fact that globally 800 million people are annually experiencing chronic hunger, even before the recent sharp increases in food prices which increased the number of hungry persons to close to a billion.

The Western Cape is currently officially the home of a population of 5.29 million people and approximately 3.62 million (68%) of these people live in the City of Cape Town. The result is that it is not surprising that the City of Cape Town receives the majority of attention from all role players. Nevertheless, the corollary of this argument is that roughly 1.67 million (32%) of the Province's people live outside the City. The number of farm workers in the Western Cape has declined with close to 34 000 (15%) from 223 175 in 2002 to 189 489 in 2007. Yet, although the Province is responsible for 20.8% of the gross farm income, it is home to almost 24% of the farm workers in the country. This is an indication that farming in the Province is relatively more labour intensive than is the case in the rest of the country. It is further extremely significant to take note of the fact that the majority (26 422) of these jobs that were shed were actually seasonal employment opportunities and only 1 422 (1.5%) of the jobs were full time employment opportunities. It is clear that the real remuneration of farm workers in the Province has remained fairly constant at R2.5 billion over the period 2002 to 2007, but it is interesting to note that the Western Cape Province is responsible for almost a third of the wage package of farm workers in South Africa. As the number of farm workers has declined, it follows that the remuneration per farm worker has increased over this period. The result is also that the remuneration of the average full time farm worker in the Western Cape, at R22 310, is 34,3% higher than the remuneration of the average full time farm worker in South Africa. This relative high share of employment and remuneration provide impetus for the existence of a farm worker sub-programme in the Western Cape. See Annexure B for more details on the performance and challenges of the agricultural sector in the Province and the country.

#### Government sector

In July/August 2008 Government brought together all agricultural stakeholders (Government, the private sector, public entities, agricultural NGOs and CBOs,



agricultural commodity organisations and Farmer Unions) at a national Agri-Consultation Summit at Polokwane in Limpopo to agree on a new implementation framework for agricultural development in South Africa. The national Agri-Consultation Summit made resolutions on the Land and Agrarian Reform Programme's (LARP) pillar: universal access to support services.

The national summit was preceded by provincial Agri-consultation workshops where individual provinces presented pertinent agricultural issues ranging from what has been achieved since 1994 to what requires immediate attention. By December 2008 all provinces finalised their respective implementation plans.

The performance environment of the Department will change in that different configurations of the national departments were proposed and are implemented, and the manner, in which these links will be established, as well as the intergovernmental landscape changes, will most probably relate to more engagements at a national and provincial level. The Forestry and Fisheries part of Department of Agriculture, Forestry and Fisheries (DAFF) begs the question 'How does it integrate into this Department and how will it impact on us?'

The change from the Department of Land Affairs to the Department of Rural Development and Land Reform (DRDLR) calls for us to deliver our services in a more integrated fashion, especially given that rural development is a national and provincial imperative. However, the fact that rural development is an imperative at national and provincial level could also potentially be problematic, especially if the implementation approaches of the two government spheres differ. Given that service delivery is closely linked to the IGR framework, this could potentially generate additional reporting lines and reports, and this could impact on grassroots delivery.

In addition, the new political landscape in the Province will bring its own changes to the departmental agenda with new (additional) key priorities and challenges accompanying the manner in which the modernisation process will be implemented. This will necessitate adaptations within the organisational structure and reprioritisation of departmental budgets in the next 5 years.

Several decisions made over the last 5 years were revisited, and some salient points were discussed at the strategic planning session. In the section below, some of these points that will influence the performance environment of the Department are stated:

1. The Department has considered its own decentralisation process as the modernisation process introduced by the new Cabinet indicated a new way in which the entire Western Cape government will conduct its core business. The outcome of the modernisation process will have a major effect on the services rendered in Programme 1: Administration, i.e. human resource management, communication management and some financial management functions. For this reason, the functions of strategic and corporate communication will be divorced from technical communications (serving our diverse agricultural client base), the latter which will in future be part of the



Sub Programme Information Services of the Programme Technology, Research and Development Services.

2. The communication strategy must be reviewed with the name changes and especially national departmental reconfigurations, but also to promote the Department, ensuring a better image. Attention must be given to new branding (if appropriate), the image of the Department as a government organisation and improved signage of the Department to facilitate the principles of Batho Pele.

Several government agencies are in the process of making some key decisions about the development and upgrading of infrastructure in the Province. Some of these infrastructure decisions will affect the agricultural sector:

1. Toll roads will impact on the bottom-line of farmers as this cost will be added to the production costs;
2. The rail infrastructure is deteriorating, which forces farmers to use road transport which is more expensive than rail transport, but
3. A good harbour in Cape Town and two international airports available makes especially the export driven industries more competitive.

At the National Cabinet Lekgotla (January 2010), the reality of a possible 10% cut in water allocation to agriculture has been confirmed and will undoubtedly further emphasise efficient usage and "more crop from every drop". The Department will be partner to the development and implementation of a Provincial Integrated Water Resource Management Plan to improve agricultural, industrial, commercial and household water use efficiency by 5 – 10% by 2014. The water wise and biodiversity awareness campaign will furthermore be extended to other areas within the Province. Climate change will lead to additional demands on the limited water resources in the Province and the key strategic challenge over the next five years will be to assist farmers, both commercial and emerging, to utilise their agricultural water as efficient as possible.

The protection of agricultural land is important, but a balance must be maintained for economic development in the broadest sense, i.e. land for farming versus land for nature conservation, tourism, urban development, etc. and the concomitant biodiversity concerns.

Agriculture (and ultimately food security) is dependent on the utilisation of the three major natural phenomena (land, water and climate). If any of these three phenomena are threatened, the negative impact reverberates throughout the Province causing food insecurity, in-migration to towns, unemployment and reduced foreign earnings, for example. The strategic targets and desired outcomes of our efforts to minimise the above-mentioned challenges are incorporated in the Strategic Objective "Mainstreaming Sustainability and Optimising Resource-use Efficiency". The Province has experienced a drastic increase in natural disasters during the past three years and the indications are that this trend will continue as the impacts of climate change take effect. Technical assistance to land owners during these disasters is included in the strategic objectives of the Department. Apart from being involved with post disaster mitigation and recovery, it is also necessary to have a pro-active approach towards natural disasters. This will

require risk prevention and reduction measures that have to be incorporated in our Agricultural Disaster Management Strategy. The evaluation of the impact and success of disaster mitigation aid also need to be monitored and evaluated.

Rural development as a major key priority will impact on service delivery as the Province decided to focus on selected areas, which will translate in the reprioritisation of project funds and human resources. Some matters that should be addressed, and which does not necessarily fall within the mandate of the Department are:

1. Communication infrastructure in rural areas is mixed and a possible solution is to enhance broadband access which could create new opportunities,
2. Road infrastructure in certain areas is good, but for the most road infrastructure must be upgraded to support the rural development agenda;
3. A district plan on agricultural rural development should be developed so as to ensure a focussed approach, and
4. Spatial planning regulation may be counterproductive to the aims and objectives of rural development.

Implementation of the Comprehensive Rural Development Programme (CRDP) as a strategic priority within the government's current Medium Term Strategic Framework will require the intensification of capacity building initiatives for the rural agricultural communities and rural youth. This in turn will require a revision of the vocational training programmes offered at especially the decentralised training centres.

The development of human capital remains a priority for this Department and the sector. Partnerships with leading training institutions (in both basic and higher education spheres) in the Western Cape should be forged to address the lack of critical skills in the sector. Of concern are the inadequately prepared students for agricultural higher education from the education system with regard to the subjects of Mathematics and Science. Furthermore, the number of students for agricultural training is under pressure due to their unfavourable matriculation qualifications for studying in an agricultural scientific field. This makes it extremely difficult for the Department to recruit, attract and retain skilled and experience staff. Human Capital Development therefore remains a key priority for the next 5 years.

Several matters, however, remain constant i.e. the increase in land reform beneficiaries and concomitant post-settlement needs, the support services to all farmers in the Province and ensuring that agriculture remains competitive and sustainable. The new key priorities were presented to the provincial Cabinet in line with national and provincial strategic objectives<sup>1</sup> and are:

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<sup>1</sup> Provincial Strategic Objectives:

1. Creation of opportunities for businesses and citizens to grow the economy and employment
2. Improving school education outcomes
3. Increasing access to efficient and safe transport
4. Maximising health outcomes



3. Human Capital Development
4. Market Access for all farmers
5. Increase Agricultural Production
6. Research and Technology
7. Rural Development
8. Revitalisation of Extension

**In conclusion and summary,**

Agriculture must remain competitive (and this is non-negotiable) and a number of matters need attention to support this imperative:

1. Increasing need for research and development and technology transfer, including skills development and targeted training, especially against the background of climate change and its effects on agricultural production,
2. Increasing agricultural productivity through research on yield-increasing or cost-decreasing technologies,
3. Developing of new/expanding on existing local and international markets, market access and marketing,
4. Focussing on niche markets requirements, especially on product differentiation and diversification, i.e. carbon trading, carbon miles, etc.,
5. Acknowledging the reality of multi-functionality of agriculture and the use of it as a strategy,
6. Exploring vertical integration opportunities,
7. Recognising the skewed international support environment (subsidies and financial assistance),
8. Increasing movement from tariffs to non-tariff barriers to protect markets abroad,
9. Increasing competition in the domestic market from producers abroad - very high standards set by importing countries are increasing and becomes a trade prerequisite (i.e. social responsibility, animal welfare/rights, etc.),
10. Recognising the reality of dumping – importation of cheap food and responding to this challenge,
11. Understanding and supporting the export drive in certain industries,
12. Industries striving for higher production and lower input cost to compete in global markets,
13. Increasing competition for scarce natural resources with particular emphasis of water,
14. The optimum usage of the limited agricultural water allocation (to be reduced by 10% in future) to produce an increased yield,

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5. Reducing crime
  6. Optimising human settlement integration
  7. Mainstreaming sustainability and optimising resource-use efficiency
  8. Increasing social cohesion
  9. Alleviating poverty
  10. Clean, value-driven and responsive government



15. More sophisticated and changing markets with higher market access requirements,
16. Intensifying of the need for affordable food against background of increased poverty and high food prices,
17. Competitive attraction, recruitment and retention of specialised and scarce skills required to support provincial strategy, and
18. The promotion of agri-parks in rural areas through support in terms of value adding, beneficiation and agro-processing.

## 5.2 Organisational environment

New mandates and changes to existing strategies will have an impact on the operations of the Department. Below a few are mentioned:

1. The expansion of budget from the allocation of national will be a challenge to implement if the equitable share of the Department does not grow in tandem,
2. The rural development mandate and new reconfigured national Department will influence the manner in which the Department operates,
3. The Forestry and Fisheries part of DAFF begs the question 'How does it integrate in to the provincial department and how will it impact on us?',
4. The unique characteristics of the agricultural sector of this Province require unique approaches and could be seen by national as an unwillingness to cooperate and collaborate,
5. **Perception:** Challenge of one department (DAFF) focus on commercial farmers and the other on emerging farmers (DRDLR),
6. The changing landscape for further and higher education i.e. the move and drive to bring FET into HET will influence the roll out of training programmes, and
7. The imminent move towards an emphasis on vocational agricultural training encompassing both FET and HET bands will influence the composition and roll-out of agricultural training programmes.

The definition of the Department's client base and the profile of the two divergent client bases linked to service delivery were once again highlighted, especially with regards to profile of the two clients' bases (one section which varies from illiterate unskilled to semi-skilled, while the other section is primarily highly skilled and trained). The delivery of services in the three official languages remains a challenge. The membership of commercial agricultural unions is still limited to one part of society and declining with the result that they become more assertive and in fact there is a surge of specific interest groups becoming more assertive. The emerging farmers' unions are proliferating (NAFU, WEKUFU, USAAA, etc) and yet, emerging farmers are still largely unrepresented. Farm workers also are largely unrepresented.

The clients of the Department are geographically dispersed and yet, a number of our clients are in urban and peri-urban areas. It also remains a challenge to help a beneficiary to move from being a successful producer to a successful agricultural business person. Clients often have unrealistic expectations of the Department and do not know at which level to address problems and to exacerbate the

situation some of the officials still do not have clarity of the profile of our clients. One of the challenges is to have more interaction with stakeholders.

The success of land reform within the agricultural context is an important focus area for the Department and some matters were highlighted that must be addressed either at policy level or at implementation level:

1. Transferred land is in a process of being re-possessed (revitalisation of these farms),
2. Land reform process has to be fast tracked and more emphasis must be placed on integrated and seamless post settlement support,
3. Promotion of private sector involvement in agricultural development, and
4. The success of emerging farmers is of more importance than the number of farms transferred, and
5. Credible farm plans should be in place.

See annexure A for a profile of the emerging farmers in the Province to highlight the demand for services.

Service delivery challenges within the context of specific key priorities were also highlighted:

1. Extension will be a challenge in the future,
2. Extension in relation to the departmental programmes' mandate and the functions assigned to staff in these programmes, i.e. Technology Research and Development Services, Sustainable Resource Management (e.g. LandCare, Engineering) must be clarified,
3. Transversal authorisations e.g. EIAs and water licenses will impact on the delivery of services,
4. Alignment with other spheres of government e.g. Local Government must be sought and enhanced, and
5. Challenges in relation to agricultural research and development, especially with regard to the ARC, in terms of the agricultural research agenda and mandates.

Given the above matters and in response to the delivery of services to the clients of the Department and the technological and technical needs of staff remains a balance of affordability and availability. Focus areas that will receive attention, are:

1. The revitalisation of extension services,
2. The revitalisation of general services (modernisation),
3. The support for scarce skills development (human capital development),
4. Implementing a set of national norms and standards for agricultural training institutes,
5. Addressing the physical environment (includes our work as agriculturalists) in the district offices (about 62),
6. Rolling out of wireless access to more areas,
7. A good quality database (technically substantiated) that we can draw information from especially for field personnel,



8. Introducing technologies to shorten response period and recognising the dashboard will influence the way we do things,
9. Electronic versus conventional approach to systems and processes (smarter technology),
10. Each district should have a modern matrix manager to make service delivery so much more effective, and
11. Renewed focus on technical communications from our Department, thereby enhancing our visibility and emphasising our impact on grassroots level.

The performance environment undoubtedly impacts on the organisational environment and similar themes emerged when this specific environment was discussed. Quite simply, if improved service delivery is not an imperative, then the improvement of the organisational environment has no meaning.

Therefore the following aspects of the organisational environment were highlighted once again, but the recurring theme was the integration of the departmental programmes to provide clients with appropriate, relevant and timely advice, information and support. There has been substantial improvement over the last 5 years, but to give better effect to value for money, efficiency gains and greater impact at farmers' level, more dedicated efforts must be made over the next 5 years. Below the aspects that must receive attention and will impact on the organisational environment, are listed:

1. Seamless (integrated) programme functioning and the need for more integrated approach to service delivery within the Department. This is of particular importance in the decentralised approach of the Department, with offices located across the entire Province.
2. Greater integration between researchers, extension workers and economists.
3. Lecturers should furthermore ensure that the latest information, emanating from research, is included in their training curricula,
4. Review the approach to research (action research, needs' based research) and technology transfer, especially in support of a knowledge based sector.
5. Benchmarking the Department for best practices and calibrating the outputs versus budget, and
6. Increased focus on monitoring and evaluation.

The modernisation process embarked upon by the new Cabinet will obviously have an impact and effect on the functioning of the Department. Some salient points that were highlighted and will receive attention over the MTEF period:

1. The modernisation process will have an influence on the internal operations of the Department,
2. The process of modernisation may lead to the loss of human interaction,
3. If introduced, the electronic utilisation of systems will be the norm and what is required by the Department to address especially IT unskilled officials,
4. Recruitment and retaining skills might be affected and could lead to a loss of experienced staff, whilst slower recruitment processes could lead to a loss of experienced and fit for purpose applicants, and
5. Decentralisation would have influenced our service delivery environment (services and decisions at the lowest possible level) and the decision to



decentralisation was recalled given the modernisation process. However, the decentralised offices and services will find it difficult to operate within the proposed modernised structure, especially due to the lack of IT reach in some cases and distance from the Head Office.

The effect of climate change on agriculture in the Western Cape will be one of the major determinants of the sustainability of this sector and the competitiveness of its farmers. The Department will develop and implement a Climate Change Response Plan for the sector to mitigate and adapt to climate change. The Department will furthermore actively focus and pursue agricultural practices that will lead to adaptation of specific strategies and mitigation of this phenomenon. The service delivery agenda of the Department will include decision making support with relation to the choice of farming activity, the optimal use of natural resources (water and land), the promotion of conservation agricultural practises and the generation of appropriate and sustainable technologies and information in this regard.

To ensure the rendering of appropriate and relevant information dissemination, the Department has to respond to a number of matters of importance i.e. the impact of climate change, the carbon foot print of the agricultural sector, carbon mileage as the latest non-tariff barrier to export, the food versus fuel debate, the water quality and quantity for the sector, bio-security concerns, the need for alternative energy sources, recycling, the growing importance of disaster mitigation and management and the increase in occurrence of animal diseases linked to climate change.

The human capital base of the Department must received renewed attention, with the attraction of suitable skills and the retention of current staff with knowledge and experience. Below some matters that must receive attention and can and will impact on the Department's ability to fulfil its mandate:

1. There is a fair amount of experience at SMS and MMS level, and how does this get devolved to lower levels,
2. Retention and recruitment of staff is a problem because of the limited number of people available and willing to work for government, and in particular for agriculture as agriculture remains an unattractive pool of careers,
3. The workforce is becoming younger and less experienced, which in turn brings its own challenges,
4. The Public Service Resolutions for OSD for particular technical groupings i.e. Engineers, Engineering Technicians, GIS Technicians and Professionals, Scientists and Scientific Technicians and certain artisans have been approved with effect from 1 July 2009. However, the actual implementation and related administrative processes are still to be concluded and could have a major impact on the budget of the Department.
5. Employees' handbooks (good practice guides and manuals) should be developed to improve institutional capacity building, and
6. The loss of scarce skills and lack of succession plans for key staff members (many a few years away from retiring) will hamper the performance and organisational environments.

As part of the preparation for the next 5 years, certain aspects of managing the Department and ensuring accountability in respect of budget and services, the following matters will receive renewed attention:

1. Clean, well governed and financial sound management of all operations,
2. Intensified and increased governance prescripts,
3. Inverse relation between increased COE and other operational available funds, and
4. The influence of GIAMA (and related Immovable Asset Management Plan) on the infrastructure management and expansion of the Department.

In summary,

Several changes are already envisaged to improve services delivery and thereof performance and the following matters will receive attention:

- Improved interaction and alignment between stakeholders on a senior level will be a challenge because of the limited number of senior managers in the Department,
- Given budgetary constraints, a redefinition of services to farmers and farm workers must be started so that expectations of clients can be managed,
- The full implementation of the Extension Revitalisation Programme (a key priority) must receive dedicated attention, and the definition of extension within the context of the Department must be debated and decided on,
- The need for a more integrated approach to service delivery within the Department will have to receive attention as the expectations of clients are demanding this from all the departmental programmes. Some specific matters were highlighted:
  1. Processes must be streamlined and improved technology must be introduced to support service delivery, to enable the Department to establish a credible baseline (data) in terms of the number of farmers within the Province, production levels, ownership, etc.
  2. Monitoring and evaluating our services to clients more frequently,
  3. Greater integration between researchers, extension workers and economists must be supported,
  4. The concept of action research (and other approaches) to be developed to strengthen the transfer of research information,
  5. Refocus of engineering service delivery,
  6. Staff to understand the vision, mission, and all required processes and procedures and thus frontline staff should be trained on service delivery imperatives, and
  7. Improve coordination at a district level and promote the use of a multi-disciplinary team approach.

### **5.3 Description of the strategic planning process**

The Department is committed to react to stimuli, challenges and demands of both the external and internal environment and to adjust its strategic process accordingly. A new Minister of Agriculture and Rural Development set the broad key priorities for the next five years. In accordance with the presentation of these



priorities, and the sign-off by Cabinet, as well as the MTSF strategic objectives, the stakeholder engagement process and the strategic planning session were planned.

In addition, the Department facilitated, through the Provincial Development Council, the development of an Agriculture and Agri-business Sector Plan, which was endorsed by all 4 social partners. This plan is still relevant for the next 5 years and will influence the implementation of departmental specific programmes and projects as well.

#### Stakeholder engagement process

The Minister invited about 100 stakeholders to respond to the 6 key priorities planned, as well as to identify specific matters that should receive attention over the next 5 years. Some responses were in line with the key priorities and the provincial mandate, whilst other highlighted the needs, but these fell outside of the mandate. It was decided that each stakeholder will get an individual response from the Minister detailing the matters that were incorporated into the Strategic Plan and that will receive attention, and also those matters the Department cannot respond to either because of budgetary constraints or because it fell outside our mandate. The agricultural matters that are within the ambit of national Departments will be sent to these respective Departments.

#### Strategic planning session

A strategic planning session was convened during August 2009 where these issues raised by the stakeholders, the new strategic objectives of the Province and the MTSF strategic objectives were discussed in detail by the broad management of the Department. The broad management of the Department consists of the Minister, the senior managers and middle management.

The vision and mission of the Department were aligned with the new challenges and strategic objectives, as well as with the deployment of the 6 key priorities and the modernisation process initiated by the new Cabinet.

The progress with strategic goals and the need to make adjustments to these goals will be reviewed annually as per the Annual Performance Plan.

A list of stakeholders consulted is attached as Annexure C.

## 6 Strategic goals of the department

<b>Strategic Goal 1</b>	Support the agricultural sector to at least maintain the 20,8% export contribution the Province makes towards the country profile for the next 5 years
<b>Goal statement</b>	The contribution agriculture makes to the economy of the Province is reliant on the ability of the sector to export and earn foreign income. Based on the realisation of income, jobs get created or maintained. It is therefore important for the Department to ensure that the sector is supported to maintain at least the same level of performance. The implication is that specific actions and services to the farmers of the Province need to be provided. Below are some of the key services that must be delivered: <ul style="list-style-type: none"> <li>- Through ensuring the application of Animal Disease Act, 1984 (Act 35 of</li> </ul>



	<p>1984) and Meat Safety Act, 2000 (Act 40 of 2000), the Department will ensure healthy animals, healthy food of animal origin and healthy consumers and through implementation of Zoo-Sanitary and Phytosanitary Standards and export certification, the facilitation of export of animals and animal products will be ensured. Without any of these measures no export of products of animal origin can take place.</p> <ul style="list-style-type: none"> <li>- Render a comprehensive research and technology development service in animal and plant production as well as resource utilisation. This service reflects the needs of farmers and addresses the impact of climate change on the agricultural sector in the Province.</li> <li>- Develop quantitative and qualitative agricultural economic benchmarks at micro and macro level which can be used to provide financial advice to all role-players. Informed decisions ensure that farming remains a profitable business which, in turn is paramount in achieving this strategic goal.</li> <li>- Facilitate access to a comprehensive set of databases, models and relevant statistics.</li> <li>- Attract direct investment in the Agricultural Sector of the Province and support export initiatives by both commercial and emerging farmers.</li> <li>- Ensuring structured agricultural education and training to all participants in the agricultural sector in order to establish a knowledgeable and competitive sector and to implement the Human Capital Development Strategy.</li> </ul>
<b>Justification</b>	<p>The impact of this export role of the Agricultural Sector was recently researched by the Department of Agriculture. It was found that if only a five percent growth in exports of certain selected agricultural products is simulated, the output of the Western Cape economy increased by R432 million. This amount represents three times the value of the initial assumed increase in exports of R136 million, indicating the great extent of the linkages in the Western Cape economy. Furthermore, and in line with the employment creation goal of the both the provincial and national governments, it was found that 22 951 employment years could be created within the economy of which only 9 505 are in the agricultural sector and the balance (13 446) in the non-agricultural sector. As important as the growth and employment effects is the redistributive effects of such a simulated increase in agricultural exports. It was found that the spendable household incomes of the total rural population would increase by 0,83 percent and that of the urban population by 0,24 percent. More significantly, there appears to be a very significant redistribution of wealth from white and Asian rural households (whose household income increased by 0,43%) to coloured and black rural households (1,54% increase in household income). It is evident that the opposite is also true. A decline in agricultural exports would have the inverse impact. For this reason it is important to maintain the Province's Agricultural Export status through the interventions mentioned above.</p>
<b>Links</b>	<p>Provincial strategic objective: Creation of opportunities for businesses and citizens to grow the economy and employment  National outcome: Decent employment through inclusive economic growth; vibrant, equitable, sustainable rural communities contributing towards food security for all and an efficient, competitive and responsive economic infrastructure network.  Acceleration of growth and broadening economic participation in the agricultural sector which the strategic goal seeks to achieve is based on the priorities of various policies including ASGISA and BBBEE (Act No. 53 of 2003).  The Competitiveness Goal of both the Strategic Plan for the South African Agricultural Sector as well as the Agricultural and Agribusiness Strategy for the Western Cape Province.</p>
<b>Strategic Goal 2</b>	<p>Ensure that at least 60% of all agricultural land reform projects in the Province are successful over the next 5 years</p>
<b>Goal statement</b>	<p>Without a successful land reform intervention in South Africa the social, political and economic sustainability of our country will be under severe threat. The successful models of those ones tested and tried over the last 15 years must now be implemented to ensure the establishment of successful small holder and black commercial farmers. The Department must therefore respond by rendering</p> <ul style="list-style-type: none"> <li>- a full service of technical, economic and scientific information</li> </ul>

	<p>dissemination to farmers and agricultural stakeholders.</p> <ul style="list-style-type: none"> <li>- support to farmers through different agricultural development programmes, quality aftercare services (which include extension and advice, training) and using the various tools including financial record keeping systems, typical farm models, enterprise budgets, etc. to enhance the agricultural business development of land reform beneficiaries and projects.</li> </ul> <p>New and commercial farmers must actively contribute to the agricultural economy by strengthening food security, contribute to the value of both agricultural production as well as agricultural exports and they should benefit from and contributing to rural development initiatives. It follows that this goal is closely linked to Strategic Goal 1 and these two goals should in no way be considered to be at cross purposes: Agriculture remains a business.</p> <p>It is important to ensure economic participation of the emerging and commercial sectors at all levels of the value chain. This is achieved through integration of emerging farmers into the mainstream agriculture, identifying market and business opportunities, ensuring access to market information and facilitating contractual agreements with various markets. Also, ensuring effective governance and institutional strengthening of existing businesses while facilitating the establishment of new ones through provision of support on development of agricultural cooperatives is also one of the focus areas to achieve this goal. The latter is mainly to encourage collective bargaining and for increased volumes for successful uptake of market opportunities.</p>
<b>Justification</b>	<p>It is a fact that the Agricultural Sector is responsible for food security of South Africans (and in particular in the Province) and this must be achieved within the constraint of finite resources such as land and water Other constraints on new farmers include: difficulties in accessing markets, access to land, the acquisition of skills and managerial expertise, access to appropriate technology, the poor quality of the business infrastructure in poverty stricken areas, and in some cases the quality of our extension services. These challenges can only be overcome through effective support services with specific reference to the development of appropriate technology, the transfer of such technology (formal and informal training as well as extension) as well regulatory and financial support.</p>
<b>Links</b>	<p>Agricultural support services cannot be delivered in isolation and without partners hence, the linkages to internal departmental programmes, other provincial and national departments, stakeholder groups and commodity bodies. The purpose is to create an environment, including the availability of capital and the presence of a plethora of quality supply firms and services that encourages new farmers and minimises the costs associated with getting from idea to product as well as a culture that appreciates entrepreneurial risk taking, forgives failure, and celebrates success.</p> <p>Provincial strategic objective: Creation of opportunities for businesses and citizens to grow the economy and employment</p> <p>National outcome: Decent employment through inclusive economic growth and vibrant, equitable, sustainable rural communities contributing towards food security for all.</p> <p>The Strategic Plan for the South African Agricultural Sector as well as the Agricultural and Agribusiness Strategy of the Western Cape Province place specific emphasis on successful land reform as an imperative.</p>
<b>Strategic Goal 3</b>	<p>Collaborate with farmers and industries to support the sector to increase agricultural production (primary provincial commodities) by at least 10% over the next 10 years</p>
<b>Goal statement</b>	<p>Without the production of food there can be no food security at either macro or household level. As the global and national populations are both still in a growth phase and questions can be raised on the global availability of food, special emphasis must be placed on the production of sufficient food. Furthermore, it must be kept in mind that the price movement from export to import parity have a price implication of up to 50%. It is clearly that this will have a negative impact on the affordability of food at household level and subsequently the achievement of the MDG goals. The food crisis in 2007 and 2008 highlighted the vulnerability of the country as well as households. The challenge is to ensure that land reform beneficiaries contribute towards this strategic goal so that the land redistribution not only addresses redress but also agricultural production.</p> <p>Population growth combined with the concomitant reduction in the available water as</p>



	well as the expected change in the world's climate, the need to be innovative and creative in food production becomes imperative. Research and development form the basic foundation towards realising food production, but also employment opportunities for lower skilled persons.
<b>Justification</b>	The agricultural sector of the Western Cape is one of the drivers of the economy, especially in the rural areas of the Province. Increased production (and therefore lower production cost of food) of the agricultural sector of a developing nation may lead to the ready availability of food and foreign exchange earnings. This will not only lead to a better nurtured (and thus a more productive) rural population, but also the resulting higher levels of rural income will lead to both public and private capital formation and will result in the development of a rural market for the industrial sector. The expansion of the industrial sector will lead to new job opportunities for which the agricultural sector is supposed to release labour. Due to the unique income elasticity of demand in developing countries, this in turn will again lead to increased demand for agricultural products, and therefore the start of a new cycle or, in other words, an upwards spiral of economic growth. It is therefore clear that production increases in the agricultural sector can play an important catalytic role.
<b>Links</b>	Provincial strategic objective: Creation of opportunities for businesses and citizens to grow the economy and employment National outcome: Decent employment through inclusive economic growth and vibrant, equitable, sustainable rural communities contributing towards food security for all. The Strategic Plan for the South African Agricultural Sector as well as the Agricultural and Agribusiness Strategy of the Western Cape Province implicitly address the need of an increase in food production.

<b>Strategic Goal 4</b>	Protect, enhance and promote the use of our natural resources in a sustainable manner (within the constraints of climate change) to ensure food security.
<b>Goal statement</b>	Agriculture (and ultimately food security) is dependent on the utilisation of the three major natural phenomena (land, water and climate). If any of these three phenomena are threatened, the negative impact reverberates throughout the Province causing food insecurity, in-migration to towns, unemployment and reduced foreign earnings. The effect of climate change on agriculture in the Western Cape will be one of the major determinants of the sustainability of this sector and the competitiveness of its farmers. The service delivery agenda of the Department will include decision making support with relation to the choice of farming activity, the optimal use of natural resources (water and land), the promotion of conservation agricultural practises and the generation of appropriate and sustainable technologies and information in this regard. The Province has experienced a drastic increase in natural disasters during the past three years and the indications are that this trend will continue as the impacts of climate change take effect. Apart from being involved with post disaster mitigation and recovery, it is also necessary to have a pro-active approach towards natural disasters.
<b>Justification</b>	Sustainable utilisation development of our scarce natural resources is required to ensure competitiveness of the sector and the optimisation of the natural resource base, which is finite. Sustainable resource management is the core for a productive agricultural sector, which can ensure food security for the Province.
<b>Links</b>	Provincial strategic objective: Mainstreaming Sustainability and Optimising Resource-use Efficiency National outcome: Protect and enhance our environmental assets and natural resources LandCare South Africa is guided by international conventions to which the South African Government is party and signatory. These include the Convention on Wetlands of International Importance (RAMSAR), the Convention to Combat Desertification, and the Convention on Biological Diversity and the Framework Convention on Climate Change. Links with international programmes such as NEPAD (forum of the African LandCare Network), Man and the Biosphere, World Convention to Combat Desertification and Biodiversity Protection are relevant. The mandate is provided through the Sub-Division of Agricultural Land Act (Act 70 of 1970), the Land Use Planning Ordinance (Ordinance 15 of 1985) and the National Environment Management Act (Act 107 of 1996).



<b>Strategic Goal 5</b>	The socio-economic development of two rural nodes.
<b>Goal statement</b>	<p>The Government of the Western Cape envisions a Province where, in the rural areas:</p> <ul style="list-style-type: none"> <li>a) Poverty and food shortages will be halved in selected areas by 2015;</li> <li>b) Women, children, the aged and people with disabilities are empowered and come into their own;</li> <li>c) Rural areas are developed sustainably;</li> <li>d) Unemployment can be systematically addressed;</li> <li>e) Environmental stability is assured; and</li> <li>f) HIV/Aids infection and TB levels have been reduced considerably.</li> </ul> <p>It is evident that the vision for rural areas cannot be achieved at once, but that a systematic approach needs to be followed. For this reason two pilot areas will be selected and the economic potential, human needs and agricultural capacity will be used as filters to determine the appropriate areas.</p>
<b>Justification</b>	<p>It is true that, of the 5,29 million people of the Western Cape Province, approximately 3,62 million (68%) lives in the City of Cape Town. Nevertheless, the corollary of this argument is that roughly 1,67 million (32%) of the Province's people live outside the City. For this reason rural development is an extremely important objective of the Provincial Cabinet for the next 5 years. According to Joseph Stiglitz, well-known development economist and winner of the Nobel Prize, development is not about helping a few people to get rich, but it is about transforming societies, improving the lives of the poor, enabling everyone to have a chance at success and access to health care and education. It follows that rural development can never be mono-dimensional, but that it must be multi-dimensional (broad based, human centred, economic focussed). This, in turn, implies that rural development can never be the sole domain of a single organ of state (or even a specific sphere of government), but that it must be a truly intergovernmental effort.</p>
<b>Links</b>	<p>Provincial strategic objective: Creation of opportunities for businesses and citizens to grow the economy and employment</p> <p>National outcome: Decent employment through inclusive economic growth; vibrant, equitable, sustainable rural communities contributing towards food security for all and an efficient, competitive and responsive economic infrastructure network.</p>

## PART B: STRATEGIC OBJECTIVES

Programme	Sub-programme
1. Administration	1.1. Office of the MEC 1.2. Senior Management 1.3. Corporate Services 1.4. Financial Management 1.5. Communication Services
2. Sustainable Resource Management	2.1. Engineering Services 2.2. Land Care 2.3. Land Use Management
3. Farmer Support and Development	3.1. Farmer Settlement 3.2. Extension and Advisory Services 3.3. Food Security 3.4. Casidra (Pty) Ltd 3.5. Farm Worker Development
4. Veterinary Services	4.1. Animal Health 4.2. Export Control 4.3. Veterinary Public Health 4.4. Veterinary Laboratory Services
5. Technology Research and Development Services	5.1. Research 5.2. Information Services 5.3. Infrastructure Support Services
6. Agricultural Economics	6.1. Agri-Business Development and Support 6.2. Macroeconomics and Statistics
7. Structured Agricultural Training	7.1. Tertiary Education 7.2. Further Education and Training (FET) 7.3. Quality Assurance 7.4. Training Administration and Support

## 7 Programme 1: Administration

### 7.1 Programme Purpose

The purpose of this Programme is to provide leadership, guidance and administrative financial support in order to enable the line programmes to fulfil their mandate through service delivery in the Province.

Note:

*The Modernisation Programme, which is in an advanced stage, proposes the shift of the Human Resources (excluding the Departments of Health and Education), Internal Audit and Enterprise Risk Management functions to a shared Corporate Services within the Department of the Premier from 1 April 2010. Therefore the strategic objectives and performance indicators relating to these functions are only reflected in the Strategic and Annual Performance Plans of the Department of the Premier. The financial implications of the function shift will be finalised during the 2010/11 Adjusted Estimates process once all of the HR and other related issues have been finalised.*



## 7.2 Sub-Programme 1.4: Financial Management (CFO Component)

### Sub-Programme Purpose

This sub-programme provides effective and efficient financial administrative services to the Department through the following components:

1. Financial Accounting
2. Management Accounting
3. Internal Control
4. Supply Chain Management
5. Transport fleet service.

## 7.3 Strategic objectives

<b>Strategic Objective 1</b>	Institutionalise an effective Financial Management Improvement Programme (FMIP)
<b>Objective statement</b>	Institutionalise an effective Financial Management Improvement Programme (FMIP) by: <ul style="list-style-type: none"> <li>• Implementing a capacitation framework for finance staff</li> <li>• Implementing a recruitment strategy to reduce the vacancy rate to less than 5 per cent for finance staff and less than 3 per cent for SCM staff.</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• 75 % of FMIP framework implemented</li> <li>• 8% of finance staff</li> <li>• 6% of SCM staff</li> </ul>
<b>Justification</b>	This strategic objective attempts to improvement financial management and place it on a sound footing to ensure that the required competencies are identified and plans are made to address the required skills over the medium to longer term. This objective also entails the recruitment, selection, development and retention of suitably qualified finance and supply chain management staff.
<b>Links</b>	<ul style="list-style-type: none"> <li>• PFMA</li> <li>• PPPFA</li> <li>• Treasury Regulations</li> <li>• Provincial Treasury instructions</li> <li>• Accounting Officer System</li> <li>• Financial and SCM Delegations</li> <li>• All governance prescripts</li> </ul>
<b>Strategic Objective 2</b>	Deliver a fully effective financial accounting function to the Department
<b>Objective statement</b>	Deliver a fully effective financial accounting function to: <ul style="list-style-type: none"> <li>• Ensure clean audit reports by reducing the number of matters of emphasis;</li> <li>• Complete and maintain asset register;</li> <li>• Reduce the number of days taken to pay creditors.</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• 2 matters of emphasis</li> <li>• Minimum prescript asset register</li> <li>• 40 days</li> </ul>
<b>Justification</b>	<ul style="list-style-type: none"> <li>• Progress towards clean audit reports</li> <li>• Systematic reduction in the number of matters of emphasis</li> </ul>

	<ul style="list-style-type: none"> <li>• Percentage accuracy or completeness of Asset register</li> <li>• Reduction in the number of days after having received invoice for paying creditors</li> </ul>
<b>Links</b>	<ul style="list-style-type: none"> <li>• PFMA</li> <li>• PPPFA</li> <li>• Treasury Regulations</li> <li>• Provincial Treasury Instructions</li> <li>• Accounting Officer System</li> <li>• Financial and SCM Delegations</li> <li>• All governance prescripts</li> </ul>

<b>Strategic Objective 3</b>	Promote efficient financial resource use
<b>Objective statement</b>	Promote efficient financial resource use by implementing a financial efficiency programme for the Department.
<b>Baseline</b>	No efficiency plan. No AO delegations.
<b>Justification</b>	This strategic objective ensures that the department develop, implement, refine and maintain (depending on status quo) of an efficiency plan, a supply chain management plan and develop a consistent set of Accounting Officers delegations and setting up an M&E framework.
<b>Links</b>	<ul style="list-style-type: none"> <li>• PFMA</li> <li>• PPPFA</li> <li>• Treasury Regulations</li> <li>• Provincial Treasury Instructions</li> <li>• Accounting Officer System</li> <li>• Financial and SCM Delegations</li> <li>• All governance prescripts</li> </ul>

<b>Strategic Objective 4</b>	Raise SCM to a level 3+
<b>Objective statement</b>	Raise SCM to a level 3+ by implementing a Supply Chain Management: <ul style="list-style-type: none"> <li>• Policy;</li> <li>• A responsive procurement plan;</li> <li>• An Accounting Officer's System of delegations;</li> <li>• An effective monitoring and evaluation system for SCM.</li> </ul>
<b>Baseline</b>	• 2 to 3
<b>Justification</b>	This strategic objective ensures that the department develop, implement, refine and maintain (depending on status quo) of an efficiency plan, a supply chain management plan and develop a consistent set of Accounting Officers delegations and setting up an M&E framework.
<b>Links</b>	<ul style="list-style-type: none"> <li>• PFMA</li> <li>• PPPFA</li> <li>• Treasury Regulations</li> <li>• Provincial Treasury Instructions</li> <li>• Accounting Officer System</li> <li>• Financial and SCM Delegations</li> <li>• All governance prescripts</li> </ul>

#### 7.4 Resource considerations

The challenge is to retain and appoint suitably qualified financial and supply chain personnel.



## **7.5 Risk management**

The following risks have been identified that requires specific actions from the sub-programme:

Risk 1: Not all processes are documented which can lead to irregular, unauthorised, and fruitless and wasteful expenditure and other inefficiencies.

Response 1: Document processes, train users and appoint suitably qualified and experienced people.

## **8 Programme 2: Sustainable Resource Management**

### **8.1 Programme Purpose**

The purpose of this Programme is to provide sustainable resource management solutions and methodologies through the provision of agricultural engineering and LandCare services, pro-active communication, facilitation and implementation of projects as well as technology transfer to our clients and partners. The engineering services provided to our clients aim to support the sector to increase agricultural production, support the agricultural sector to at least maintain the export contribution the Province make towards the country profile, to contribute towards ensuring that at least 60% of all agricultural land reform projects in the Province are successful over the next 5 years and to protect, enhance and promote the use of our natural resources in a sustainable manner (within the constraints of climate change) to ensure food security.

The effect of climate change on agriculture in the Western Cape will be one of the major determinants of the sustainability of the natural resource base, the agricultural sector and the competitiveness of its farmers. Water is a scarce resource in our Province and is one of the limiting factors to agricultural development and therefore one of the strategic goals and objectives of the Programme is to promote the optimal and efficient use of agricultural water.

The Programme is also responsible for the implementation and management of disaster aid schemes. The Province has experienced a drastic increase in natural disasters during the past three years and the indications are that this trend will continue as the impacts of climate change take effect. Technical assistance to land owners during these disasters is included in the strategic objectives of the Department.

### **8.2 Sub-Programme 2.1: Engineering Services**

#### **Sub-Programme Purpose**

This sub-programme provides engineering services to both commercial and emerging farmers as well as to other departmental Programmes that demand engineering support for their respective projects. These engineering services can be summarised as follows: agriculture water support, mechanisation planning and

support of conservation farming through an adaptive research approach, animal housing, handling and waste management facilities, on-farm value adding, soil conservation and infrastructure designs and agricultural disaster management.

### 8.3 Strategic objectives

<b>Strategic Objective 1</b>	To promote the optimal and efficient use of agricultural water
<b>Objective statement</b>	Water is a scarce resource in our Province and is one of the limiting factors to agricultural development.
<b>Baseline</b>	Number of agricultural engineering initiatives and consultations (220)
<b>Justification</b>	The increased demand from all sectors (non-agricultural users included) for the limited available water will decrease the water allocation of agriculture in future. The effect of climate change on agriculture in the Western Cape will be one of the major determinants of the sustainability of the natural resource base, the agricultural sector and the competitiveness of its farmers.
<b>Links</b>	The National Water Act (Act 36 of 1996) and the Water Conservation and Water Demand Management Strategy Irrigation industry standards on irrigation water quality and quantity requirements

<b>Strategic Objective 2</b>	To render a mechanisation planning service and to promote conservation agriculture
<b>Objective statement</b>	Mechanisation planning and the change to conservation agriculture can lead to reduced input costs and more sustainable farming.
<b>Baseline</b>	25 projects per year
<b>Justification</b>	Mechanisation cost is a major part of input cost for farmers. Mechanisation planning to determine the optimum size and type of equipment can reduce these costs. Similarly can conservation agriculture, which includes minimum tillage, lead to a dramatic reduction in mechanisation cost and thus increase the financial viability of the enterprise. Reduced mechanisation will lead to less CO <sub>2</sub> emissions both from tractors and the soil and will contribute towards reducing the carbon footprint of agriculture.
<b>Links</b>	Water and soil conservation Sustainable resource utilisation Reducing carbon footprint Contribute towards limiting global warming and thus climate change Increased economical viability of farming enterprises Increase in agricultural production and sustainability

<b>Strategic Objective 3</b>	To render a planning and engineering design service for on-farm value adding
<b>Objective statement</b>	Increase economic viability of farming enterprises by adding value to agricultural products on the farm
<b>Baseline</b>	10 projects per year
<b>Justification</b>	Value adding to agricultural products often provides a higher income than the production of the products itself. Value adding increases the farming income and therefore the economic viability for emerging and commercial farmers.
<b>Links</b>	Rural development Increase in job creation



	Increase in agricultural production Increase in farmers' income
<b>Strategic Objective 4</b>	To render a planning and engineering design service for farm structures, animal housing, animal handling and animal waste management
<b>Objective statement</b>	Suitable customer specific facilities increase animal health and production and also prevent pollution of the natural resources
<b>Baseline</b>	30 project per year
<b>Justification</b>	Scientifically designed animal husbandry requires specialised planned and designed animal housing and handling facilities. Similarly specialised facilities are required for waste management and to prevent pollution of our natural resources.
<b>Links</b>	Sustainable resource utilisation Reducing carbon footprint Contribute towards limiting global warming and thus climate change Increased economical viability of farming enterprises Increase in agricultural production and sustainability
<b>Strategic Objective 5</b>	To render a specialist planning and engineering design service for river bank erosion protection structures
<b>Objective statement</b>	The recent increase of flood events caused major river bank erosion and the planning and design of structures to prevent further erosion and to reinstate river banks requires specialised engineering skills and expertise in river hydraulics and hydrology.
<b>Baseline</b>	20 projects per year
<b>Justification</b>	Various factors play a role in river hydraulics and the erosion protection structures are required to prevent the further loss of valuable agricultural land and existing developments, and to create an environment where the river banks can be reinstated through natural processes. It also contains the flow of the river and ultimately ensures water for crop and animal production.
<b>Links</b>	Sustainable resource management and utilisation Sustained agricultural production Sustained job opportunities (labour intensive construction methods) Conservation of Agricultural Resources Act (Act 43 of 1983), LandCare Grant Framework connects to the Division of Revenue Act (annually), National Environment Management Act (Act 107 of 1998)
<b>Strategic Objective 6</b>	To provide a disaster management service to our clients
<b>Objective statement</b>	The increase in agricultural disasters requires special attention with regards to disaster prevention, mitigation, rehabilitation and to create awareness.
<b>Baseline</b>	Farmers in the Province, depending on the affected areas and farmers
<b>Justification</b>	During the last few years the Western Cape experienced a number of disasters that lead to millions of rand of agricultural damages. The management of rehabilitation with disaster aid grants as well as the prevention of disaster damages requires full time attention and expertise.
<b>Links</b>	Sustainable natural resource management and utilisation Conservation of Agricultural Resources Act (Act 43 of 1983), LandCare Grant Framework connects to the Division of Revenue Act (Annually), National Environment Management Act (Act 107 of 1998)

#### **8.4 Resource considerations**

The challenge is to retain scarce skills (engineers and engineering technicians) in the Programme and to attract suitable candidates in scarce skills disciplines at head office and in the different district municipality offices of the Department. Only four engineers are currently employed by the Department. Posts for engineers and engineering technicians often have to be advertised three times, with very limited suitably qualified applications being received. The appointment of technical staff in the regions has started but is presently hampered by the shortage of equitable share funding.

Specific attention is required to enable the Department to attract candidates for engineering positions. The current human capital development initiatives to address scarce skills and to promote agricultural careers will be enhanced - thus bringing youth into agriculture and specifically into agricultural engineering. Through the bursary scheme students, at various levels of study, currently receive financial aid and some of them will be retained within the Department and the target is to support at least 30 students over the next 5 years.

#### **8.5 Risk management**

The following risks have been identified that requires specific actions from the sub-programme:

Risk 1: There is growing and increased pressure on the finite and limited available water resources both in terms of the quantity and quality of water for agricultural use and production.

Response 2: Initiatives to promote the efficient and optimal use of agricultural water will be expanded in collaboration with water sector partners and stakeholders by means of infrastructure development, technology development and information dissemination and liaison efforts to find integrated and balanced solutions.

Risk 2: Inability to recruit and retain adequately trained technical personnel for the Department in fields identified as scarce and critical skills. Service delivery may be negatively impacted as a result of the lack of succession planning due to skills shortages and limited equitable share funding.

Response 2: Change perception that Agriculture is restricted to and about farming (primary agriculture) only and thus does not offer other career opportunities. Increase the number of bursaries offered to engineering students. Engage all avenues to attract and appoint suitably qualified personnel.

#### **8.6 Sub-Programme 2.2: Landcare**

##### **Sub-Programme Purpose**

LandCare is a national movement aimed at restoring sustainability to land and water management in both rural and urban areas and to improve biodiversity planning, management and conservation. It encompasses Integrated Sustainable Natural Resource Management where the primary causes of natural resource



decline are recognised and addressed. LandCare is community based and community led and seeks to achieve sustainable livelihoods through capacity building and related strategies.

## 8.7 Strategic objectives

<b>Strategic Objective 1</b>	The conservation of the natural agricultural resources
<b>Objective statement</b>	The sustainable management and utilisation of our natural resources requires full time attention and expertise. Awareness creation amongst all land users is required.
<b>Baseline</b>	Farmers in the Province but within the specific conditional framework
<b>Justification</b>	LandCare is a national movement aimed at restoring sustainability to land and water management in both rural and urban areas. It encompasses Integrated Sustainable Natural Resource Management where the primary causes of natural resource decline are recognised and addressed. LandCare is also aimed at improving biodiversity planning, management and conservation.
<b>Links</b>	Sustainable natural resource management and utilisation Conservation of Agricultural Resources Act (Act 43 of 1983), LandCare Grant Framework connects to the Division of Revenue Act (Annually), National Environment Management Act (Act 107 of 1998)
<b>Strategic Objective 2</b>	To implement LandCare projects
<b>Objective statement</b>	LandCare projects service all land users in the Western Cape and are focussed on water saving, water quality and capacity building of communities and LRAD beneficiaries and other previously disadvantaged communities and environmental degraded areas.
<b>Baseline</b>	25 projects per year
<b>Justification</b>	Resource conservation projects are carried out according to the regulations of the Conservation of Agricultural Resources Act, 43 of 1983. This includes the planning, survey, design and control of works (including disaster relief works) to prevent the degradation of agricultural resources and proposing sustainable utilisation of the resources.
<b>Links</b>	Conservation of Agricultural Resources Act (Act 43 of 1983), LandCare Grant Framework connects to the Division of Revenue Act (Annually), National Environment Management Act (Act 107 of 1998)
<b>Strategic Objective 3</b>	To implement LandCare Area Wide planning
<b>Objective statement</b>	LandCare Area Wide planning is required to ensure holistic planning greater than farm level in conjunction with other natural resource service providers.
<b>Baseline</b>	10 projects per year
<b>Justification</b>	The area wide planning projects strives to sustain and improve environmental health through a natural resource management approach that integrates locally driven initiatives. It is an integrated community based natural resource management project, which integrates service providers to pro-actively plan an area together with the community and set up a future desired and sustainable plan of that area.
<b>Links</b>	Conservation of Agricultural Resources Act (Act 43 of 1983), National Environment Management Act (Act 107 of 1998)

## **8.8 Resource considerations**

The challenge is to retain scarce skills (engineering technicians) in the sub-programme and to attract suitable candidates in scarce skills disciplines at head office and in the different district municipality offices of the Department. Posts for engineering technicians often have to be advertised three times, with very limited suitably qualified applications being received. The appointment of technical staff in the regions has started but is presently hampered by the shortage of equitable share funding.

Specific attention is required to enable the Department to attract candidates for engineering technician positions. It will also be necessary to enhance current human capital development initiatives to address scarce skills and to promote agricultural careers - thus bringing youth into agriculture. Through the bursary scheme 10 students, at various levels of study to obtain Engineering Technician qualifications, currently receive financial aid and hopefully some of them will be retained within the Department. Through our learnership programme we also try to attract young students to the Department and then assist them with financial and technical support in their studies.

## **8.9 Risk management**

The following risks have been identified that requires specific actions from the sub-programme:

Risk 1: Inability to perform normal day-to-day operations as a result of the Department having to respond to man-made and natural disasters

Response 1: Unplanned events are dealt with through effective programme management in order to re-prioritise activities and reallocate highly motivated officials.

Risk 2: Service delivery may be negatively impacted as a result of the lack of succession planning due to skills shortages and limited equitable share funding.

Response 2: A dedicated official allocated to train and mentor interns and bursary students at a newly purpose developed training facility at Worcester.

Risk 3: Environmental resource degradation due to increased demands by all sectors on our natural resources

Response 3: Apply and advocate LandCare principles in collaboration with relevant working groups and stakeholders including awareness training of youth through the Junior LandCare programme.

## **8.10 Sub-Programme 2.3: Land Use Management**

### **Sub-Programme Purpose**

The function of the sub-programme: Land Use Management is to provide comments on the applications for the sub-division and/or rezoning of agricultural land. The land and water resources in the Western Cape have always been under pressure to be developed for uses other than agricultural development. The



prevention of fragmentation of agricultural land strategy is aimed at protecting prime and unique agricultural land and water resources against sub-division into uneconomical units and rezoning into development uses other than agricultural. This activity links with the pro-active planning of an area in the area wide planning strategy.

Applications are evaluated in terms of the Subdivision of Agricultural Land Act 70 of 1970 and the Land Use Planning Ordinance 15 of 1985, taking also into account the Provincial Spatial Development Framework (PSDF) and the accredited Spatial Development Frameworks of municipalities.

### 8.11 Strategic objectives

<b>Strategic Objective 1</b>	Provide comments on subdivision and rezoning of agricultural land applications
<b>Objective statement</b>	Land Use Management is mandated to prevent the fragmentation of agricultural land by providing comments on applications for subdivision and rezoning of agricultural land to the relevant authorities such as the Department of Agriculture, Forestry and Fisheries, the Department of Environmental Affairs and municipalities on the recommended land use.
<b>Baseline</b>	800 applications per year
<b>Justification</b>	The protection of agricultural land and natural resources for productive purposes, taking into account conservation imperatives
<b>Links</b>	The mandate is provided through the Sub-Division of Agricultural Land Act (Act 70 of 1970), the Land Use Planning Ordinance (Ordinance 15 of 1985) and the National Environment Management Act (Act 107 of 1998)

### 8.12 Resource considerations

The challenge is to attract and retain engineering technicians (scarce skills) in the sub-programme and to attract suitable candidates in scarce skills disciplines for bursaries. Special applied knowledge is required to provide comments on applications for subdivision and rezoning that can only be obtained through years of service within the Department.

A work study has been requested to determine the posts required to deal with the increased number of applications received for comment annually. An increase in equitable share funding will be necessary to appoint and train staff in this specific discipline to ensure sustained service to our clients.

### 8.13 Risk management

The following risks have been identified that requires specific actions from the sub-programme:

Risk 1: Pressure to retain land for agricultural produce versus land for other uses;  
Response 1: The Programme will continue to lobby against unsustainable land use practices and to retain high potential agricultural land for agricultural production.

Risk 2: Service delivery may be negatively impacted as a result of the lack of succession planning due to skills shortages and limited equitable share funding. An increased number of applications have to be dealt with annually that require more staff and funding.

Response 2: A work study exercise is underway to determine the number of posts and organisational structure required to deal with the increase number of applications. An official was transferred to this sub-programme to be trained in order to ensure succession planning.

## 9 Programme 3: Farmer Support and Development

### 9.1 Programme Purpose

In order to achieve the developmental objective of the Department over the next five year period, the purpose of the Programme: Farmer Support and Development will be:

- To ensure a sustainable support mechanism for new and established farmers (including land reform beneficiaries and farm workers).
- To measure the impact of interventions as delivered by the Programme.
- To leverage investment from the private sector and commodity groupings.
- To ensure quality and standards of service and advise to farmers.
- To ensure we assist municipalities and other government departments with the implementation of food gardens for communities and households.

### 9.2 Sub-Programme 3.1: Farmer Settlement

Agrarian transformation demands that provincial Department provides frameworks to ensure the delivery of support services in a collaborated way (especially to land reform beneficiaries). This will include subsistence, small holding and commercial projects.

#### Sub-Programme Purpose

The purpose of this sub-programme will be to ensure a collaborative approach to deliver comprehensive agricultural support to agrarian reform projects.

### 9.3 Strategic objectives

<b>Strategic Objective 1</b>	<b>Agrarian</b> reform facilitated with agricultural support
<b>Objective statement</b>	To facilitate and provide agricultural settlement support to <b>agrarian reform</b> beneficiaries
<b>Baseline</b>	A recent study indicated that 54% of land reform projects were successful leaving 46% of such enterprises struggling to survive as a result of various external and internal factors. Currently government support provided to land reform projects is not multi-disciplinary, nor integrated.
<b>Justification</b>	Misalignment of government support programmes, rate of land delivery and timely agricultural support in settling land reform beneficiaries are key challenges.



<b>Links</b>	Provision of agricultural settlement support will ultimately enhance production and sustainability of <b>agrarian reform</b> and therefore contribute to rural development.
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#### 9.4 Resource considerations

Due to challenges faced in the agrarian reform process particularly, beneficiary or project selection and the clear lack of knowledge and skills within beneficiary groups, it will become imperative to develop an improved screening process. In line with the Medium Term Strategic Framework, National Outcomes 1, 5 and 7 the programme will facilitate the establishment of a project screening unit to maintain objectivity in the approval process for Comprehensive Agricultural Support Programme funding. This unit will assess factors relating to the economic viability and the available skills and capacity of agrarian reform project beneficiaries to ensure that sustainability of such farming enterprises is thoroughly checked.

Skills audits of agrarian reform beneficiary groups will be a focal point to assist in early detection of training needs and additional capacity. This process will be undertaken through the Extension Recovery Programme with the aim of providing training to beneficiaries as part of the settlement process.

Linkages with commodity groups will be facilitated to promote technical skills transfer, links to commodity networks, with emphasis on market access and to create opportunities for mentorship and coaching of new farmers.

A firm co-operative approach will be taken to strengthen collaborative and focussed support by the department's programmes specifically for agrarian reform beneficiaries.

#### 9.5 Risk management

**Risk 1:** Misalignment of land delivery, agricultural support services and available funding remain a challenge.

**Response 1:** As land delivery falls outside of the Department's mandate the sub-programme will continue to lobby for the review of policy and frameworks governing implementation.

**Risk 2:** Large groups accessing land through agrarian reform programmes often lead to challenges in business management, subsequent conflict and ultimate financial vulnerability of agrarian reform farms.

**Response 2:** The sub-programme will continue to advocate the review of the Land Reform Policy. This will be taken up with the Department of Land Affairs and Rural Development and the sub-programme will engage the beneficiaries more intensively regarding the planning process of their business entity.

**Risk 3:** Selection and capacity of agrarian reform beneficiaries are core factors that contribute to the success or failure of farming enterprises.

**Response 3:** Government counterparts will be engaged on collaborative efforts to facilitate improved screening and skills audits to inform the approval process.

## 9.6 Sub-Programme 3.2: Extension and Advisory Services

It is of utmost importance that policy makers do not ignore the concerns of extension officers if farmers are to benefit from them. The implications are that the basic needs of extension staff should be met to enable them to interact effectively with farmers and provide needed information, which is a critical ingredient to augment higher productivity. Therefore it becomes imperative that the revitalisation of extension services is given priority.

### Sub-Programme Purpose

The purpose of this sub-programme is to ensure that the quality and quantity of extension services are improved in order to better the production rate, the quality and safety of agricultural commodities.

## 9.7 Strategic objectives

<b>Strategic Objective 1</b>	To ensure farmers become successful business enterprises by increasing the production of agricultural produce for the domestic and international markets
<b>Objective statement</b>	<p>Firstly to provide extension and advisory services to farmers by ensuring the following by the sub-programme:</p> <ul style="list-style-type: none"> <li>• The recruitment of new extension personnel;</li> <li>• The training and up-skilling of extension staff; and</li> <li>• To provide extension staff with all the tools to enable them to deliver the best possible advice and services to all our clients.</li> </ul> <p>Secondly, to ensure we interact with commodity groups to ensure the implementation of a successful mentorship system that interlinks with the Department's extension.</p>
<b>Baseline</b>	The Department had 22 extension officers in 2003/04 and currently has 81 employed in the 6 districts, serving a total of 5 660 emerging and 6 682 commercial farmers. Parallel to this, the CASP conditional grant increased in the same period from R13m to R47m.
<b>Justification</b>	There are many extension and mentorship programmes available to new farmers. The Master Mentorship Programme and other initiatives have attempted to address the problem by instituting mentorship programmes specifically targeting problem areas such as accounting, record keeping, marketing, selling, operations and planning. However, these programmes have not met with much success due to deficiency in implementation and capacity problems. Hence, the success of projects is largely dependent on the skills and knowledge of beneficiaries.
<b>Links</b>	Linking with other principal programmes, national departments, other provincial departments and sector bodies

## 9.8 Resource considerations

Given the finalisation of the Norms and Standards for Extension and Advisory Staff in Agriculture the National Department of Agriculture, Forestry and Fisheries introduced an initiative namely, the Extension Recovery Programme (ERP) to focus on improving the image of extension services. The key focus areas of the ERP are:

1. Recruitment,



2. Training and bursaries.
3. Information and Communication Technology.
4. Visibility and Accountability.
5. Improved image and professionalism.

To this end the Department will focus on extension services and implement technologies and systems to evaluate and monitor the quality and impact of our interventions. The necessary financial and human resources to facilitate this will therefore be allocated accordingly.

Furthermore the Department will spend resources on the strengthening of mentorship in the Province by ensuring that the sub-programme focuses on a collaborative approach through service level agreements (SLAs) with commodity groups regarding the roll-out and implementation of mentorship initiatives.

## **9.9 Risk management**

Risk 1: The development of an early warning system to ensure timely intervention by extension officers

Response 1: The implementation of an electronic site visit reporting system will improve information and feedback from projects. These monthly site visit reports will be utilised as an early warning system. Warnings will be addressed through regular meetings and project evaluations which will be implemented to steer prompt intervention.

Risk 2: The fact that land reform beneficiaries and new farmers do not have the appropriate skills to make a success of their farming ventures

Response 2: Adequate skills audits must inform the training programme for beneficiaries and link mentors to these projects to support the beneficiaries.

Risk 3: The lack of business network and markets

Response 3: Liaise with the programme Agricultural Economics to link projects to markets. Furthermore link projects with commodity groups to better the chances to market access.

## **9.10 Sub-Programme 3.3: Food Security**

The responsibility of government to assist the poor to become self sufficient in the production of food has become more important in the light of the world food price hikes and the global economic down turn. The medium term measures are targeting safety nets in order to alleviate the impact of high food prices on vulnerable groups whilst the long term measures are focused on safeguarding household and national food security.

The primary focus is to feed the hungry and therefore this sub-programme must explore the following interventions:

- Food gardens (community and households), including schools, churches and community centres
- Emergency feeding schemes (food parcels)
- Food production on government land, commonage land and research farms.

It is also imperative that, while government attempts to feed the hungry, it must simultaneously focus on the production of food for tomorrow. This can be achieved by urgently allocating more resources to the following:

- Research
- Extension services
- Training.

### Sub-Programme Purpose

The purpose of this sub-programme is to ensure food security for the vulnerable as identified by stakeholder partners such as the municipalities and other government Departments.

### 9.11 Strategic objectives

<b>Strategic Objective 1</b>	To assist and provide vulnerable communities and households with the means to produce their own food and to increase their accessibility to safe and healthy food
<b>Objective statement</b>	Implement food security initiatives for communities, households, schools and churches in line with the Integrated Food Security Strategy in areas identified as poverty nodes.
<b>Baseline</b>	The recent food gardens survey showed that there were 535 food gardens funded by various provincial Departments in the Province. The study further revealed that some are dormant due to a shortage of input. The Department will therefore endeavour to rehabilitate such gardens. In addition, efforts will be focussed on the delivery of the household food production programme to enable households produce their own food.
<b>Justification</b>	There has been a global trend towards higher food prices and South Africa is following suit. This has led to local people being trapped into food insecurity. In line with the Integrated Food Security Strategy of South Africa (IFSSA) and Millennium Development Goals (MDGs) government at both national and provincial levels has to intervene by coming up with immediate intervention measures (short, medium and long term) in order to respond to this challenge.
<b>Links</b>	Linking with other principal programmes, national departments, other provincial departments and local governments

### 9.12 Resource considerations

To implement food security projects to combat the global trend of higher food prices will require innovative ways of delivering many quality gardens at a fast rate whilst covering a wide geographic area. This necessitates financial and human resources and therefore it is important to design a "food basket" product that will be flexible enough to be implemented throughout the province whilst taking into account extreme climatologically, spatial and community challenges that may occur.

Secondly, the sub-programme will focus on strengthening relations with municipalities and other provincial Departments in the delivery of food security projects to ensure correct targeting of clients. There is however, a need to monitor and evaluate the food security initiatives.



### 9.13 Risk management

Risk 1: Limited water resources - due to the economies of scale, most of the food security projects rely on municipal water for irrigation.

Response 1: Investigation will be conducted on the use of alternative water for irrigation.

Risk 2: Access to land is a major problem, mainly in urban settings.

Response 2: The intergovernmental task team on food security will be replicated in all the Districts to unlock the land question through collaboration with relevant stakeholders.

Risk 3: Abandonment of projects - there is a tendency to abandon projects as clients diversify their livelihood activities.

Response 3: The Department will align the food security programme to ensure that people receive other kinds of support while waiting for their produce.

Risk 4: Poor identification of vulnerable groups could affect the achievement of the goal of this sub-programme.

Response 4: The indigent registers of Municipalities will be used in targeting clients.

### 9.14 Sub-Programme 3.4: Casidra (Pty) Ltd

There is growing evidence that the costs of institutional failure are often felt most by the poorest in society because institutional structures are powerful determinants of individual and group behaviour.

However, within a highly turbulent and unpredictable changing environment we need institutions that are more agile and flexible and that can adapt easily.

To reach our objectives to redefine the way that government does business a conscious and deliberate attempt must be made to improve bureaucracy in order to attain the departmental goals. Casidra is perfectly placed to fulfil this role.

#### Sub-Programme Purpose

The purpose of Casidra is to assist the Department to implement their mandate of rural and agrarian development by focussing on the physical infrastructure implementation of agricultural projects and programmes and in some cases link to the management of government owned farms to ensure their sustainability.

### 9.15 Strategic objectives

<b>Strategic Objective 1</b>	To assist the department to increase the production of farmers and ensure sustainable livelihood of the poor
<b>Objective statement</b>	Provide infrastructure to farmers to improve production and subsistence farmers and household to improve they livelihoods.
<b>Baseline</b>	During 2009/10 Casidra assisted the Programme with infrastructure and implementation for 118 projects. It is envisaged that Casidra will

	assist the Programme in future in terms of planning and implementation of all infrastructure projects.
<b>Justification</b>	The fact that extension staff can focus on extension and the agency acts as infrastructure project managers has clearly improved the rate of delivery and the quality.
<b>Links</b>	Links with sector bodies and agri-businesses

## 9.16 Resource considerations

The funding of the core business and operation of the Agency is dependent on the continued transfer payment made by the Department, and also the availability of the conditional grants.

## 9.17 Risk management

Risk 1: Misconception of the role of Casidra

Response 1: Improve communication and ensure we co-brand the Agency.

Risk 2: Alignment of reporting on performance

Response 2: Ensure we collectively plan and use the same reporting system.

## 9.18 Sub-Programme 3.5: Farm Worker Development

Farm workers are a very important group of vulnerable citizens that for a very long time did not receive justified support and attention from government Departments and structures. Dedicated funding, specifically for farm worker development is probably one of the major reasons why such development and support was not given. The Cabinet tasked the Department of Agriculture to take responsibility for the development of farm workers in cooperation with other Departments and role players.

### Sub-Programme Purpose

The purpose of the sub-programme is to improve the quality of life of farm workers by facilitating the provision of social awareness campaigns, skills training opportunities to farm workers and farm worker communities and coordinating the involvement of different government Departments.

## 9.19 Strategic objectives

<b>Strategic Objective 1</b>	To facilitate the development of skills for farm workers
<b>Objective statement</b>	To enhance the image and the social-economic conditions of farm workers by providing them with life skills to improve their quality of life.
<b>Baseline</b>	The Western Cape has approximately 189 000 farm workers and is home to almost 24% of the farm workers in the country. This is an indication that farming in the Province is relatively more labour intensive than is the case in the rest of the country. Geographically the Western Cape Province farm activities are very large and diverse and therefore it is important to uplift and assist our farm workers on



	all levels.
<b>Justification</b>	In general farm workers are isolated from the main stream social interaction and do not have regular access to life skills training. Furthermore, in most cases they lack the awareness of the dangers of substance abuse and the effects it may have on the breakdown of the social fabric in their communities. It is therefore essential to build pride amongst farm workers as they contribute towards the success of the sector.
<b>Links</b>	Linking with other programmes within the Department, other government departments as well as stakeholder groups through the Intergovernmental Committee on Farm Worker Development to encourage them to assist with farm worker development on a broader base.

## 9.20 Resource considerations

Due to limited budget availability for farm worker development, the sub-programme will rely strongly on partners such as the Cape Institute for Agricultural Training (CIAT) and various NGOs to assist with the provision of skills development and capacity building opportunities across the Province.

In order to address farm worker issues across the Province an organisational structure consisting of one Community Development Officer in each district has been put in place to enable assistance to farm workers specifically. These officials also aid farm workers with general enquiries related to social grants, housing, etc. by operating a referral system to other government departments. In light of the great geographical spread of the Province and fact that it has approximately 189 000 farm workers and only one dedicated official per district, the sub-programme will maintain strong partnerships with government departments in the various districts, while the Intergovernmental Committee will address broader social needs on a provincial level.

## 9.21 Risk management

**Risk 1:** Farm workers are faced with severe social problems, including alcohol and drug abuse which contributes to farm worker evictions.

**Response 1:** Closer cooperation will be sought with the Department of the Premier and the Department of Social Development to ensure the implementation of the Mini Drug Master Plan and the roll out of more awareness campaigns across the Province.

**Risk 2:** Illiteracy and lack of life skills are hampering the empowerment of farm workers.

**Response 2:** Rectifying this situation will require partnerships to be formed and improved cooperation and initiatives for the promotion of education, training, skills and life skills development in farm worker communities amongst all stakeholders and government departments.

**Risk 3:** Budget constraints to roll out more programmes focussed on farm worker development remains an obstacle that limits more effective service delivery to this core group.

Response 3: As the current budget does not meet the social upliftment demand for farm workers the sub-programme will have to continue to prioritise project funding allocations according to set criteria determined within the Programme.

## 10 Programme 4: Veterinary Services

### 10.1 Programme Purpose

The objectives of the Programme is to ensure healthy animals, safety of meat and meat products for the consumers and facilitate animal trade through credible export certification of animal and animal products in the Western Cape by application of the Animal Diseases Act, 1984 (Act 35 of 1984) and Meat Safety Act, 2000 (Act no. 40 of 2000). Support is also provided to emerging farmers to enhance primary animal production by optimising animal health.

### 10.2 Sub-Programme 4.1: Animal Health

#### Sub-Programme Purpose

The purpose of the sub-programme: Animal Health is to improve animal health in the Province.

### 10.3 Strategic objectives

<b>Strategic Objective 1</b>	Prevention and control of animal diseases
<b>Objective statement</b>	Provision of quality primary animal health care services and effective detection and control of animal diseases to improve animal health and production and facilitate the export of animals and their products
<b>Baseline</b>	Manageable levels of animal disease occurrence and negligible occurrence of zoonotic diseases. The absence of any serious trade or sensitive animal disease in the Western Cape.
<b>Justification</b>	The shortage of private veterinarians in rural areas and the economic circumstances of emerging farmers require inputs by Veterinary Services to ensure healthy animals and effective animal production. To maintain export markets trading partners require zoo-sanitary guarantees which are based on disease surveillance and export certification by Veterinary Services according to international norms and standards. Veterinary Services also have a regulatory mandate to control various animal diseases listed in the Animal Diseases Act, 1984 (Act 35 of 1984).
<b>Links</b>	The key priority areas of human capital development, market access for all farmers, increased agricultural production, food security and rural development are all supported by this objective.

### 10.4 Resource considerations

Only basic extension and primary animal health care services can be provided by the current staff complement and budget. It is envisaged that these services be extended to reach the majority of new farmers. In the short to medium term the utilisation of existing private practising veterinarians by means of contractual clinical service delivery to animal production projects and emerging livestock



farming enterprises will be instituted and developed. This could involve Casidra as the implementation agency.

## 10.5 Risk management

**Risk 1:** Difficulty in attracting suitable applicants for vacant technical and professional Veterinary and Para-Veterinary posts

**Response 1:** Bursaries have been awarded to students who are contractually bound to work for the department for a specified period on completion of their studies. Mentorship, internship and school holiday work experience is offered to students to expose them to public service thus enticing them to opt for public service as an employer of choice.

**Risk 2:** Disease outbreaks and emergence of trade sensitive, trans-boundary animal diseases [TAD] affecting export and trade of animals and animal products

**Response 2:** Continuous and frequent surveillance programmes ensure that disease occurrences are identified early and appropriate control measures implemented to arrest disease spread and ultimately eradicate them.

## 10.6 Sub-Programme 4.2: Export Control

### Sub-Programme Purpose

The purpose of the sub-programme is to promote, facilitate, and maintain international market access for products of animal origin from within the Province through provision of control measures and guarantees including risk assessment and export certification in order to provide sanitary and phytosanitary guarantees required by the importing countries.

## 10.7 Strategic objectives

<b>Strategic Objective 1</b>	To provide sanitary and phytosanitary control measures and export certification in order to promote and facilitate the exportation of products of animal origin
<b>Objective statement</b>	The sub-programme promotes, facilitates, and maintains international market access for products of animal origin through provision of sanitary and phytosanitary control measures and guarantees, including risk assessment and health certification in order to facilitate the exportation of animals and animal products.
<b>Baseline</b>	The sub-programme is currently managing 117 registered export establishments of which seven of them are European Union (EU) approved. Five international audits conducted between 2005 and 2009 with favourable outcomes indicate a good track record of the sub-programme.
<b>Justification</b>	International food safety requirements prescribe that sanitary and phytosanitary guarantees are pre-requisites in the international trade of animals and animal products.
<b>Links</b>	Enhancing market access for the entire agriculture sector

## 10.8 Resource considerations

Attention will be given to retention of skills and expertise of staff in the sub-programme. Full implementation of the structure resulting from the last work study and filling of the vacant posts will be considered.

## 10.9 Risk management

Risk 1: Exports not following the appropriate certification process and this may ultimately result in the credibility of the export certification being compromised.

Response 1: Officials regularly attend refresher courses on certification and certifying officials are frequently subjected to frequent audits [regular and unannounced random]. Shortcomings are thus timely identified and corrective measures promptly implemented.

Risk 2: Difficulties in complying with rapidly changing international standards and requirements (both the producer and Programme) hampering the export of animal products

Response 2: An official tasked to frequently monitor standards and requirements of our trading partners and update departmental officials of any changes as they occur. Training and corrective measures are thus implemented to comply.

## 10.10 Sub-Programme 4.3: Veterinary Public Health

### Sub-Programme Purpose

The purpose of the sub-programme: Veterinary Public Health is to ensure the production of safe meat.

## 10.11 Strategic objectives

<b>Strategic Objective 1</b>	To ensure the safety of meat and meat products through the implementation of the Meat Safety Act (Act 40 of 2000), the Animal Diseases Act (Act 35 of 1984) and other relevant legislation.\
<b>Objective statement</b>	The provision of safe meat to the consumer through monitoring of veterinary public health risks and to promote, regulate and monitor the implementation of effective hygiene management practices at abattoirs.
<b>Baseline</b>	Minimise the possibilities of disease transmission to humans via meat.
<b>Justification</b>	All meat intended for human and animal consumption must be processed through a registered abattoir and the meat must be approved by a veterinarian or meat inspector before it may enter the market. Increased rural animal production from emerging farmers will result in increased demand for proper slaughter facilities.
<b>Links</b>	The key priority areas of human capital development, market access for all farmers, increased agricultural production and rural development are all supported by this objective.



## 10.12 Resource considerations

The strengthening of the sub-programme will have to be taken into consideration with special emphasis on additional veterinary and meat inspector posts, to provide an effective service and to ensure safe meat to all consumers.

## 10.13 Risk management

Risk 1: The risk of (i) zoonotic diseases transmission due to the consumption of uninspected meat from animals not slaughtered at a registered abattoir (ii) food poisoning and parasitic diseases.

Response 1: Food safety division capacitated to be able to serve registered abattoirs. Secondly awareness campaigns are frequently rolled out to inform public of danger associated with consumption of uninspected meat not slaughtered at approved abattoirs.

Risk 2: Proper handling of condemned material inside and outside the abattoir may result in unsafe meat reaching the human food chain or the animal food chain.

Response 2: Abattoir owners sensitised of the risk and material safely destroyed or accredited service providers contracted.

Risk 3: Failure to inspect sterilisation plants timely may result in a delay in the registration process with possible negative effects on exports.

Response 3: Planned inspections / audits and increased capacity of the programme will ensure that delays are eliminated.

## 10.14 Sub-Programme 4.4: Veterinary Laboratory Services

### Sub-Programme Purpose

The purpose of the sub-programme: Veterinary Laboratory is to ensure effective diagnosis of animal diseases and conditions.

## 10.15 Strategic objectives

<b>Strategic Objective 1</b>	Render an efficient and appropriate veterinary diagnostic service
<b>Objective statement</b>	To render diagnostic, laboratory and investigative services that will generate data to back the control and epidemiological studies of animal diseases and maintain food safety and security
<b>Baseline</b>	Accurate diagnosis of animal diseases and conditions to minimise production losses and diseases transmission within the animal population, and zoonotic diseases to humans
<b>Justification</b>	The provincial veterinary laboratories support the definitive diagnosis of animal diseases and conditions to enable the province to maintain a healthy animal population and effective animal production; to meet the requirements for the production of safe food; that facilitates the export certification of animals and animal products. Through correct diagnosis, animal diseases can be controlled according to the Animal Diseases Act of 1984 (Act 35 of 1984). Bacteriological monitoring of abattoir and food samples will assure the public of access to safe and wholesome food in accordance with the Meat Safety Act of 2000 (Act 40 of 2000). Accurate diagnosis of surveillance samples facilitates

	access of animals and animal products to export markets by guaranteeing zoo-sanitary requirements. The diagnosis of zoonotic diseases plays an important role in the maintenance of public health.
<b>Links</b>	The key priority areas of human capital development, market access for all farmers, the increase in agricultural production, research and technology and rural development.

## 10.16 Resource considerations

Basic disease diagnosis is done at the satellite veterinary laboratory in Beaufort West with more advanced diagnostic procedures being done at the Provincial Veterinary Laboratory in Stellenbosch. Diagnostic procedures have been expanded with the establishment of the PCR facility.

## 10.17 Risk management

Risk 1: Difficulty in attracting suitable applicants for technical and professional vacant Veterinary and Para-Veterinary posts.

Response 1: Bursaries have been awarded to students who are contractually bound to work for the department for a specified period on completion of their studies. Mentorship, internship and school holiday work experience is offered to students to expose them to public service thus entice them opt for public service as an employer of choice.

Risk 2: The maintenance, servicing and calibration of the equipment not adequately performed resulting in integrity problems with diagnostic testing and OHS [Occupational Health and safety] issues.

Response 2: Fulltime Quality Assurance Official has been employed to implement and maintain Quality Management system [QMS].

Risk 3: Pathogens that can cause serious animal disease outbreaks escaping from the confines of facilities of Veterinary Laboratory Services

Response 3: Implementation and monitoring compliance of Standard Operating Procedures [SOP] as part of Quality Management system [QMS].

Risk 4: The use of test procedures which have not being validated and verified may lead to incorrect results.

Response 4: Implementation of Quality management system [QMS] will ensure that tests and tests results are validated and verified.

# 11 Programme 5: Technology, Research and Development Services

## 11.1 Programme Purpose

The purpose of this Programme is the rendering of agricultural research and development services in animal production, plant production and resource utilisation and the dissemination of research and technical information to all stakeholders in the agricultural sector.



## 11.2 Sub-Programme 5.1: Research

### Sub-Programme Purpose

The purpose of this sub-programme is to conduct, facilitate and co-ordinate agricultural research; to develop/adapt and or transfer appropriate technology to clients and to participate in multi-disciplinary agricultural development projects.

### 11.3 Strategic objectives

<b>Strategic Objective 1</b>	Conduct agricultural research and technology development.
<b>Objective statement</b>	To conduct cutting-edge research and technology development in the fields of animal production, plant production and resource utilisation
<b>Baseline</b>	Eighty one research projects conducted and needs identified through stakeholder engagements (commodity organisations and farmers' unions as baseline).
<b>Justification</b>	This objective will contribute to increase agricultural production and sustained competitiveness of all farmers. Also to support CASP and land reform beneficiaries' projects through the CASP and Ilima/Letsema conditional grants.
<b>Links</b>	This objective will contribute to new cutting-edge technology and increased profitability of farmers. Six National Outcomes and three Provincial Strategic Objectives Agriculture and Agri-business Sector Plan National Agricultural Research and Development Strategy National Strategic Plan for South African Agriculture Relevant commodity plans

<b>Strategic Objective 2</b>	Engage with stakeholders to determine relevant research needs.
<b>Objective statement</b>	To expand the engagement with stakeholders and industry organisations to determine relevant and problem-focussed research needs
<b>Baseline</b>	Eleven commodity groups engaged with to determine research needs.
<b>Justification</b>	This objective will contribute to a focused and demand-driven portfolio of research in support of the increase in agricultural production. In line with national and provincial plans as detailed above.
<b>Links</b>	This objective will contribute to increased production of farmers by identifying relevant research needs. Six National Outcomes and three Provincial Strategic Objectives Agriculture and Agri-business Sector Plan National Strategic Plan for South African Agriculture National Agricultural Research and Development Strategy Relevant commodity plans.

<b>Strategic Objective 3</b>	Increase mitigation and adaptation options against climate change for farmers.
<b>Objective statement</b>	To develop and expand on the mitigation and adaptation options

	against climate change for farmers
<b>Baseline</b>	Current agricultural production patterns (based on soil suitability, water availability and quality and climatic conditions).
<b>Justification</b>	This objective will contribute to sustainable farming practises against the challenges of climate change.
<b>Links</b>	This objective will contribute to increased, sustainable and competitive agricultural production for farmers Agriculture and Agri-business Sector Plan. Six National Outcomes and three Provincial Strategic Objectives (of which the Strategic Objective "Mainstreaming sustainability and optimising resource-use efficiency" is the most important in this regard). National Strategic Plan for South African Agriculture National Agricultural Research and Development Strategy Relevant commodity plans National and provincial climate change strategies and action plans

#### 11.4 Resource considerations

Resource considerations for this sub-programme include the following:

- Limited funding for the present research portfolio and subsequent inability to respond to all research needs of stakeholders and agricultural industries
- Limited funding to acquire new equipment of pivotal importance to research, for example harvesters, laboratory equipment, etc.
- Limited funding for new areas of research and technology, i.e. climate change research (development of new crops/alternative practises, etc.), game farming, etc.
- No funding to support external research projects of importance to agriculture in the Western Cape
- Lack of successors and subsequently succession plans in some areas of research as the senior researcher/specialist is reaching retirement age. However, the human capacity development programmes of the Department (internship, learnership, pre-YPP and YPP programmes) are actively supported and suitable candidates accommodated within the Programme. Furthermore, links with tertiary institutions secure post-graduate students and applicable projects to be executed to the benefit of both parties.

#### 11.5 Risk management

Risk 1: Inability to recruit and retain adequately trained research and technical personnel in fields identified as scarce and critical skills.

Response 1: A concerted effort of human capacity building and career pathing for employees and potential employees will be embarked upon. In this regard the internship, pre-YPP and YPP programmes of the Department is utilised to its fullest. The implementation of the attraction and retention policy and the Occupational Specific Dispensation (OSD) for technicians and scientists will be implemented to minimise this risk and to secure a career path to our core scientific and technical team.

Risk 2: The increased pressure on the availability of water for agricultural use for on-farm research trials remains a challenge.



Response 2: A water management plan for each research farm will be compiled, including an emergency water supply plan for especially the livestock of the Programme.

Risk 3: Unexpected increases in the price of agricultural inputs will impact negatively on the budget.

Response 3: Procurement of fertiliser, seed and animal feed will be executed in a pro-active manner in order to circumvent price increases. However, higher cost will put pressure on the budget available for this and reprioritising of the budget will be inevitable.

Risk 4: Uncertainty around the parameters of climate change could result in uncertainty to an appropriate response to climate change.

Response 4: Adaptation and mitigation strategies will be compiled to circumvent the effects of climate change on our research efforts. Also refer to Risk 2 above. Furthermore, applied research on climate change related topics, the promotion of efficient water use and sustainable farming practises will be implemented.

Risk 5: Poor interaction and integration between and within departmental programmes could seriously hamper outputs and service delivery to our clients.

Response 5: Alignment of the interrelations between the different programmes will be implemented. Focussed actions of collaboration will be supported and expanded on.

## 11.6 Sub-Programme 5.2: Information Services

### Sub-Programme Purpose

The purpose of this sub-programme is to co-ordinate the development and dissemination of information to clients, including the development and utilisation of various information systems (e.g. GIS).

### 11.7 Strategic objectives

<b>Strategic Objective 1</b>	Increase access to scientific and technical information on agricultural production practises to farmers and clients.
<b>Objective statement</b>	To expand access to appropriately packaged information emanating from research to farmers and clients and to improve on the technical communication effort of the Department
<b>Baseline</b>	Commodity organisations Farmers (commercial and emerging) database CADIS
<b>Justification</b>	This objective will contribute to the continuous adoption of new cutting edge technology by farmers and ensure the visibility of the Department with focused technical communications.
<b>Links</b>	This objective will contribute to the improvement of production practises and decision making of farmers. Six National Outcomes and three Provincial Strategic Objectives Agriculture and Agri-business Sector Plan National Strategic Plan for South African Agriculture National Agricultural Research and Development Strategy Relevant commodity plans

## 11.8 Resource considerations

Resource considerations for this sub-programme include the following:

- A conduit from the research effort to the information dissemination effort should be secured.
- Interactions with stakeholders in determining their information needs are pivotal to the success of this sub-programme and the effectiveness of the scientific and technical communication strategy of the Department.

## 11.9 Risk management

Risk 1: Uncertainty around the parameters of climate change could result in uncertainty to an appropriate response to climate change.

Response 1: Adaptation and mitigation strategies will be compiled to circumvent the effects of climate change on our research effort. The dissemination of information from these efforts will have to be communicated to all stakeholders.

Risk 2: Lack of data and information management could hamper access to information for packaging.

Response 2: A concerted effort to manage data and information will be implemented in order to ensure that information gets disseminated to stakeholders.

Risk 3: Poor interaction and integration between and within departmental programmes, especially between the Programme Technology, Research and Development Services and the Farmer Support and Development Programme, could seriously hamper outputs, especially with regard to technology transfer.

Response 3: Alignment of the interrelations between the different programmes will be implemented. Focussed actions of collaboration will be supported and expanded on and joint projects on technology transfer will be embarked upon.

Risk 4: Inability to reach the client and his needs due to the nature of information packed and technology transferred.

Response 4: Packaging of research information will be communicated with extension officers in order to determine the nature of the information needed, as well as the format of packaging preferred by the different clients.

Risk 5: Slow adoption rate of technology transferred to clients, resulting in a lower than expected increase in agricultural production.

Response 5: Concerted efforts will be made to implement more walk-and-talks in order for clients to visually see the results of our research efforts, as well as the inclusion of economic analyses to indicate the higher output-lower input advantages of our research information.



## 11.10 Sub-Programme 5.3: Infrastructure Support Services

### Sub-Programme Purpose

The purpose of this sub-programme is to provide and maintain infrastructure and facilities on our research farms for the line function to perform their research and other functions.

## 11.11 Strategic objectives

<b>Strategic Objective 1</b>	Increase the on-farm infrastructure support to the research effort and departmental services.
<b>Objective statement</b>	To maintain and expand the on-farm infrastructure support to the internal and external clients of the department
<b>Baseline</b>	Seven research farms currently available for this purpose
<b>Justification</b>	This objective will contribute to a well-supported research and service delivery effort of the department.
<b>Links</b>	This objective will contribute to the improvement of the research portfolio of the department in an attempt to increase agricultural production. Six National Outcomes and three Provincial Strategic Objectives Agriculture and Agri-business Sector Plan National Strategic Plan for South African Agriculture National Agricultural Research and Development Strategy Relevant commodity plans

## 11.12 Resource considerations

Resource considerations for this sub-programme include the following:

- Limited funding to maintain the existing infrastructure.
- Limited funding to expand on the existing infrastructure and to renew equipment (i.e. tractors).
- Interaction with the Department of Public Works and Transport with relation to the User Asset Management Plan and associated budget needs could hamper service delivery.
- The effect of climate change will have a marked influence on the conditions on our research farms and climate and water availability will be pivotal factors in the research efforts on-farm.

## 11.13 Risk management

Risk 1: The increased pressure on the availability of water for agricultural use for on-farm research trials remains a challenge.

Response 1: A water management plan for each research farm will be compiled, including an emergency water supply plan for especially the livestock of the Programme.

Risk 2: Unexpected increases in the price of agricultural inputs will impact negatively on the budget.

Response 2: Procurement of fertiliser, seed and animal feed will be executed in a pro-active manner in order to circumvent price increases. However, higher

cost will put pressure on the budget available for this and reprioritising of the budget will be inevitable.

Risk 3: Uncertainty around the parameters of climate change could result in uncertainty to an appropriate response to climate change.

Response 3: Adaptation and mitigation strategies will be compiled to circumvent the effects of climate change on our research efforts. Also refer to Risk 1 above. Furthermore, applied research on climate change related topics, the promotion of efficient water use and sustainable farming practises will be supported and implemented on research farm level.

Risk 4: The lack of compliance with occupational health and safety standards could hamper service delivery.

Response 4: The Programme will stay abreast to comply with OHS standards and staff will be appropriately trained to circumvent any risks in this regard.

Risk 5: The inability to maintain and expand on existing infrastructure could hamper service delivery.

Response 5: The assessment of current and future infrastructure needs and improved coordination between our Department and the Department of Transport and Public Works, will ensure a focussed maintenance plan which could be implemented. However, this will be largely dependent on the availability of sufficient funds.

## **12 Programme 6: Agricultural Economics**

### **12.1 Programme Purpose**

The purpose of Programme: Agricultural Economics is to provide timely and relevant agricultural economic support to internal and external clients in order to ensure sustainable agricultural development and rural development. The Department's clients expect of this Programme to provide advice and support ranging from farm level to sector level based on sound scientific principles and research.

### **12.2 Sub-Programme 6.1: Agri-Business Development and Support**

#### **Sub-Programme Purpose**

The main purpose of sub-programme: Agri-Business Development and Support is to enhance competitiveness of the agricultural sector through provision of agribusiness support including entrepreneurial development, marketing services, value adding, production economics and resource economics.

### **12.3 Strategic objectives**

<b>Strategic Objective 1</b>	Expand the marketing support capacity to agribusinesses, emerging and/ or groups farmers.
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<b>Objective statement</b>	This would be achieved by conducting research, supporting initiatives aimed at improved market access at industry and farm level and by empowering historically disadvantaged agricultural enterprises to respond competitively to market opportunities through capacity building and facilitation of market access linkages
<b>Baseline</b>	35 emerging farmers annually
<b>Justification</b>	<p>Providing market support to farmers is definitely a prerequisite to the development and success of their businesses. The legacy of the past policies continues to constrain especially historically disadvantaged farmers by isolating them and limiting their access to skills, resources and business opportunities.</p> <p>On the international front the Doha Round of the WTO negotiations is dancing to the tune of the developed countries. Even though there seem to be tariff reductions, what is happening in practice is that for each gain on the tariff front more stringent sanitary and phytosanitary measures are being introduced. These measures are often not prescribed by governments instead are private standards that are prescribed by major retailers (i.e. "food miles", eco friendly and animal welfare etc).</p> <p>These are difficult to be attained by producers in developing countries and are enforced to 'prevent' market access. The only defence available for farmers in the Western Cape is to make sure that these measures and standards are achieved - a task that is quite often experienced as an insurmountable barrier to entry by new entrants to agriculture. The Provincial Government has a significant task in helping farmers in this regard.</p> <p>This will then ensure that one of the department's goals to support the current contribution amounting to 20.8% of agricultural exports is achieved. Hence the department has market access as the key priority areas for the next five years. The objective is also in line with one of the department's goals to ensure that at least 60% of all agricultural land reform projects in the Province are successful over the next 5 years.</p>
<b>Links</b>	<p>Market access is one of the key priorities for the Department for the next five years. Successful market access linkages will ensure broadened access and participation in the economy (ASGISA, BBBEE (Act 53 of 2003), Land Reform) and hence an opportunity for all in the Western Cape. Ensuring market access for farmers is also one of the main objectives of the Marketing of Agricultural Products Act, of 1996 (Act 47 of 1996).</p> <p>Furthermore, the strategic objective is linked to the provincial strategic objective 1: Creation of Opportunities for Businesses and Citizens to grow the Economy and Employment in particular policy priority 2 i.e. Rural Development under theme 3: Agricultural exports. At a national level this translates to the outcome 'Decent Work Opportunities through inclusive Economic Growth'. The objective is also in cognisance of the Agriculture and Agribusiness strategy especially theme, market identification and development.</p>
<b>Strategic Objective 2</b>	Give agricultural economics advice with regard to financial support, marketing information, market facilitation and cooperative development.
<b>Objective statement</b>	Give support to agricultural businesses with regard to access to financial support, market information, market facilitation, cooperative development and assistance with financial record keeping.
<b>Baseline</b>	12 projects fully supported per annum
<b>Justification</b>	The importance of bringing emerging farmers into the mainstream farming economy in South Africa cannot be overstated. Assisting farmers with production loans and assistance on financial record keeping systems to better manage their farms is even more important

	<p>as agriculture is viewed as a catalyst especially for rural development. Also, market information is key in making informed business decisions. In addition, some barriers to entry of emerging producers can be overcome through collective action approaches. One of these barriers to entry includes inability to consistently supply and/or meet the required volumes of the markets. Collective action models with specific emphasis to cooperative development also contribute to improved bargaining power i.e. better prices for their produce and inputs used in the production process. This support to farmers and or producers therefore will assist businesses to take advantage of global and local opportunities.</p>
<b>Links</b>	<p>For farm business to make informed decisions they have to have access to relevant and up to date market information. Access to financial advice and resources will lead farm business profitability and better management. This will therefore contribute to sustainable Land Reform which is linked to shared and accelerated growth and also Broad Based Black Economic Empowerment. This objective also contributes to the MTSF priority of speeding up growth and transforming the economy to create decent work and sustainable livelihoods. Development of cooperatives is envisaged to lead to more entrepreneurs and will therefore lead to job creation which is supported by the Cooperatives Act (Act 14 of 2005). This will also ensure the achievement of the objectives of the Marketing of Agricultural Products Act, of 1996 (Act 47 of 1996). Furthermore, at provincial level, the objective is linked to strategic objective 1: Creation of Opportunities for Businesses and Citizens to grow the Economy and Employment in particular policy priority 1: enabling business environment and policy priority 2 i.e. rural development.</p>

<b>Strategic Objective 3</b>	To develop a representative set of enterprise budgets using Micro Combud computerised model for different environmental, management, geographic and ownership combinations.
<b>Objective statement</b>	Develop a representative set of enterprise budgets using Micro Combud computerised model for different environmental, management, geographic and ownership combinations.
<b>Baseline</b>	10 new budgets and 30 updated per annum
<b>Justification</b>	The budgeting process provides basic source of information for decision making. This assists farmers to answer economic questions regarding the business profitability of their operations. Support to commercial and small holder farmers will continue to remain a focus of the department because of the need to maintain the current rate of exports of agricultural produce. This is also in line with one of the department's goal to ensure that at least 60% of all agricultural land reform projects in the Province are successful over the next 5 years.
<b>Links</b>	In order to ensure broadened access and participation [ASGISA, BBEE (Act 53 Of 2003), Land Reform] and hence an opportunity for all in the Western Cape, agricultural business like any business have to be profitable. Furthermore, at provincial level, the objective is linked to strategic objective 1: Creation of Opportunities for Businesses and Citizens to grow the Economy and Employment in particular policy priority 1: enabling business environment and policy priority 2 i.e. rural development.

<b>Strategic Objective 4</b>	To do the ex ante economic / financial evaluation of business plans/studies in order to ensure their viability
<b>Objective statement</b>	Evaluation of business plans will ensure sound decision making about the envisaged project/business.
<b>Baseline</b>	5 comprehensive business plans or studies
<b>Justification</b>	Business plans and or viability studies enables project members to take a realistic look at both the positive and negative aspects of the opportunity. In other words the information is useful for decision



	making and an important tool before investments are made. This support therefore will assist businesses to take advantage of global and local opportunities.
<b>Links</b>	Proper viability studies and analysis will contribute to informed decisions being made especially regarding land reform projects and or future investments. This is therefore linked to shared and accelerated growth and also Broad Based Black Economic Empowerment. Furthermore, at provincial level, the objective is linked to strategic objective 1: Creation of Opportunities for Businesses and Citizens to grow the Economy and Employment in particular policy priority 1: enabling business environment and policy priority 2 i.e. rural development. The related outcome at national level is decent work opportunities.
<b>Strategic Objective 5</b>	Disseminate research results to facilitate the uptake of marketing opportunities with specific emphasis on resource poor farmers.
<b>Objective statement</b>	To inform the emerging farmers with the relevant and timely market information in order to enhance their decision making, in terms of what to produce, where to sell and at what price.
<b>Baseline</b>	8 reports per annum
<b>Justification</b>	Very few emerging farmers participate in the commercial markets due to a lack of access to market information and understanding of how the market operates. The inability to access agricultural marketing information has denied most emerging farmers the opportunity to effectively plan and market their produce. Furthermore, lack of access to market information by farmers is one of the contributing factors that inhibit the capacity for market identification and opportunities. As a result, the majority of emerging farmers are still trapped in vicious cycle of producing without guaranteed markets. To curb the above challenges, the development of usable market information is crucial for the emerging farmers in order to get informed of market requirements, market channels and prices and trends in the markets.
<b>Links</b>	Providing market information to the emerging farmers is definitely a prerequisite to the development and the success of these farmers. In order to ensure that equity targets sought through Land Reform are met, it is of importance to ensure that emerging farmers' products do reach the market place and hence part of the economic mainstream thereafter. In addition, the strategic objective is linked to the provincial strategic objective 1: Creation of Opportunities for Businesses and Citizens to grow the Economy and Employment in particular policy priority 2 i.e. rural development under theme 3: agricultural exports. At a national level this translates to the outcome 'Decent Work Opportunities through inclusive Economic Growth'. The objective is also in cognisance of the Agriculture and Agribusiness strategy especially theme, market identification and development.
<b>Strategic Objective 6</b>	Increase investment in the agriculture and agribusiness sector.
<b>Objective statement</b>	Increase investment in the agriculture and agribusiness sector through investment targeting, promotion, facilitation, business retention and expansion.
<b>Baseline</b>	Investment into the sector to the value of R150 000 000.
<b>Justification</b>	The size of the regional market and the distance from major domestic and international markets necessitate that the province proactively markets the province, its comparative and competitive advantages and products through investment promotion, export promotion and market access support within the sectors. Where agriculture is concerned, it is the mainstay of the economy in the rural areas of the Western Cape, but the sector was hit hard by disinvestments in the recent past. Therefore attracting investment into these areas will have positive spin offs and especially with regard to employment creation.

<b>Links</b>	<p>Attracting investment into agriculture and agribusiness is aligned with the strategic objectives of the millennium development goals. Also, attraction of investment articulates directly with the Local Economic Development Plans of the rural municipalities. One of the envisaged outcomes of this is the generation of broad-based income growth and creation of wealth in rural areas and to the rest of the economy. Increasing investment is one of the expected outcomes of the Agriculture and Agribusiness Strategy that was agreed upon by the four social partners (Government, Business, Labour and Civil Society). The objective is also linked to provincial strategic objective 1: Creation of Opportunities for Businesses and Citizens to grow the Economy and Employment in particular policy priority 1 i.e. enabling business environment. At national level this translates to the outcome 'Decent Work Opportunities through inclusive Economic Growth'.</p>
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## 12.4 Resource considerations

The sub-programme: Agribusiness Development and Support has an approved establishment of 30 positions, of which 14 are currently funded. A new structure for the sub-programme in the 2009/10 financial year aimed at realigning the activities of the programme and in ensuring that the scarce resources are utilised where demand exist. This was also to ensure succession in key critical positions in order to ensure continuity of the work and services provided by the Programme. The increase in number of beneficiaries from land reform has created a greater demand for services at a regional level. The new personnel structure allows for expansion, and therefore to be able to achieve the desired outcomes of the departmental, provincial and national strategic goals a need exist to expand this capacity over the next few years if funding permits. This additional capacity and also taking into consideration the locality of our clients will result in an increase in staff, subsistence and travel costs. During the 2009/10 financial year, funding was received to establish the Agriculture and Agribusiness Investment Unit but future plans are to maintain such a unit. In addition, the current collaborative initiatives with various institutions and departments need to be strengthened and maintained and this also needs funding. Resources for the next five years will be devoted into ensuring establishment of a one-stop shop for market intelligence which is more in line with strategic objective 1: Creation of Opportunities for Businesses and Citizens to grow the economy more specifically in reducing red tape as the expected result is the reduction in time used to acquire information. It should also be noted that the past few years have been characterised by unexpected increases in the compensation of employees and this will continue to put budgets under pressure.

## 12.5 Risk management

Some issues that have been identified as risks for the sub-programme include the following:

Risk 1: Improper needs identification and assessment could lead to irrelevant, duplicated or non-priority research conducted, which will waste scarce resources both in terms of personnel and funds. Economists should consult with other researchers and recent sources of literature to determine the availability of recent research and the latest methods used. Prioritisation of research should be formalised as part of a prioritisation process whereby topics are linked to national and provincial priorities.



Response 1: All projects are presented to the project committee for relevance, scientific soundness. Project results submitted for presentation at conferences, in other words go through a peer evaluation process.

Risk 2: Financial information contained in business plans may be incorrectly analysed resulting in inappropriate recommendations being made. Incomplete financial information may lead to delays in analysis because additional information needs to be sourced from consultants.

Response 2: Officials undergo training and especially on financial evaluations and related. Also a process has been developed of receiving and submitting business plans. Guidelines implemented of minimum requirements of different information and proofs that should accompany a business plan. In the event that a business plan does not comply with the requirements, the plans are returned back for completion.

Risk 3: Export opportunities may be jeopardised as a result of a lack of commitment by the identified candidates (emerging farmers) during and after undertaking an overseas trip.

Response 3: Farmers to undergo a strict selection criteria and should sign a participatory agreement to participate in the programme.

Risk 4: Loss of data, which at times could be irreplaceable, implies wasted human resources and funds and often leaves gaps in data which can only be filled by duplicating previous efforts.

Response 4: Data backups and security issues are managed through IT.

Risk 5: Improper dissemination strategies such as poor feedback, information not appropriately packaged and information not reaching the intended target groups will hamper the provision of agribusiness support to clients.

Response 5: Efforts are made to identify the requirements of target groups in order to package information appropriately (surveys through use of questionnaires). A distribution strategy developed to ensure proper dissemination of information.

## 12.6 Sub-Programme 6.2: Macro-economics and Statistics

### Sub-Programme Purpose

To promote effective decision making in the agriculture and agribusiness sector through provision of macro-economic and statistical information on the performance of the agricultural sector.

### 12.7 Strategic objectives

<b>Strategic Objective 1</b>	To respond effectively to information requests
<b>Objective statement</b>	To monitor and evaluate all economic and statistical data requests received and responded to and to disseminate agricultural statistics to selected target groups through appropriate channels. The population of an enquiry database which keeps accurate records of all enquiries received and responded to.
<b>Baseline</b>	Responding to approximately 160 enquiries per annum

<b>Justification</b>	<p>The availability of this database will expand knowledge on data needs of clients as well as the types of clients of Programme: Agricultural Economics.</p> <p>The availability and effective dissemination of agricultural data expands the knowledge base of internal and external clients and informs decision-making.</p>
<b>Links</b>	<p>The databases developed and populated at the Department should adhere to the Promotion of Access to Information Act (Act 2 of 2000). The selected variables are informed by client needs, which also include internal demands for data that can track progress with policy implementation.</p> <p>All databases should be demand-driven focusing on national, provincial and programme directives as well as direct clients needs. Both the core and complementary strategies of DAFF should provide guidance, which are supplemented by provincial and departmental strategies as indicated. An analysis of clients' requests should provide evidence of and direction for strategy and database performance. The data and analysis therefore has an indirect impact on the strategic objectives of the Provincial Government of the Western Cape e.g. maximising economic and employment growth and sustainability and also maximising sustainable resource management and use.</p>

<b>Strategic Objective 2</b>	To support sound decision-making based on scientific information
<b>Objective statement</b>	To supply role players with information to base political, economic and strategic decisions on through sector level analysis. Areas of economic research include policy, resource, impact and situation analysis, and industry projections; while outputs can be in the form of reports, pamphlets, articles, presentations or scheduled publications.
<b>Baseline</b>	18 disseminated outputs per annum
<b>Justification</b>	Economic analyses contribute to enable role players to make better informed decisions because decisions should be based on sound qualitative and quantitative information.
<b>Links</b>	Economic analysis supports the Department's key priority of an increase in production by improving the agricultural sector's competitiveness through strategic direction. In turn, this contributes towards the national and provincial objective of rural development. Research also contributed towards or measures progress with speeding up growth and transforming the economy to create decent work and sustainable livelihoods, which is the main economic research priority of the MTSF stemming from the national electoral mandate priority of rural development, food security and land reform. Research topics are also informed by the Agricultural and Agribusiness Sector Strategy. The analysis also contributes towards the strategic objectives of the PGWC in the areas of mainstreaming sustainability and optimising resource-use efficiency, as well as the environmental economy.

## 12.8 Resource considerations

The sub-programme: Macro Economics and Statistics have an approved establishment of 19 positions, of which 12 are currently funded. A new structure for the sub-programme in the 2009/10 financial year aimed at realigning the activities of the Programme and in ensuring that the scarce resources are utilised where demand exist. This was also to ensure succession in key critical positions in order to ensure continuity of the work and services provided by the programme. The various policy priorities, including the LARP priorities, have created a greater demand for baseline information to track progress in reaching policy objectives.



The Resource Economics research has also moved from Sub-programme 6.1 to Sub-programme 6.2 and additional positions were created in this regard to cover research on land, labour and water resources where demand for information is increasing as a result of emphasis on climate change and hence water management and environmental economy. The growing need for data and or information to conduct analysis to inform decision making will put pressure onto the current resources of the sub-programme. Resources in the sub-programme will be devoted into driving the Farm Register initiative for the Province. For efficiency gains, potential exist to collaborate with other institutions and programmes within the department.

## 12.9 Risk management

Some issues that have been identified as risks for the Sub-programme: Macro Economics and Statistics include the following:

Risk 1: Improper needs identification and assessment could lead to irrelevant, duplicated or non-priority research conducted, which will waste scarce resources both in terms of personnel and funds. Economists should consult with other researchers and recent sources of literature to determine the availability of recent research and the latest methods used. Prioritisation of research should be formalised as part of a prioritisation process whereby topics are linked to national and provincial priorities.

Response 1: All projects are presented to the project committee for relevance, scientific soundness. Project results submitted for presentation at conferences, in other words go through a peer evaluation process.

Risk 2: Inefficient database security may give access to unauthorised people thereby losing confidential data which may negatively influence relations with participating clients.

Response 2: Efforts will be made to ensure that confidential data is password protected and only predetermined employees have access to the information and processes of handling confidential data will be clarified with employees.

Risk 3: Stakeholder relations that are adversely affected may jeopardise current and future cooperation.

Response 3: Employees receive guidance with regard to professional work ethic and more formal processes of engagement where necessary.

Risk 4: Improper dissemination strategies such as poor feedback, information not appropriately packaged and information not reaching the intended target groups will hamper the provision of agribusiness support to clients.

Response 4: Efforts are made to identify the requirements of target groups in order to package information appropriately (surveys through use of questionnaires). A distribution strategy developed to ensure proper dissemination of information.

Risk 5: Unavailability and unreliability of relevant data prevents accurate databases and analysis, or leads to gaps in data that should have been available to respond to information requests.

Response 5: Proactive requests for data from sources of data are done where possible and this involves stakeholder engagement. Where data can be sourced from primary sources, surveys are conducted to ensure that data becomes available, e.g. starting to source baseline data to track progress with policy priorities and deliverables.

## 13 Programme 7: Structured Agricultural Training

### 13.1 Programme Purpose

The purpose of Programme: Structured Agricultural Training is to facilitate and provide education and training in line with the Agricultural Education and Training Strategy (AET) to all participants in the agricultural sector in the Western Cape in order to establish a knowledgeable, prosperous and competitive sector and to implement the Human Capital Development Strategy of the Department for the sector in the Province.

### 13.2 Sub-Programme 7.1: Tertiary Education

#### Sub-Programme Purpose

Provide accredited formal and non-formal education and training on post grade 12 level (NQF level 5 and above) to anybody who qualifies and has the desire to obtain a qualification.

### 13.3 Strategic objectives

<b>Strategic Objective 1</b>	Offering of accredited needs driven training at tertiary education (TE) level
<b>Objective statement</b>	To ensure that accredited training programmes and modules are offered to all the registered students of the various agricultural tertiary education streams
<b>Baseline</b>	400 students annually registered in the following programme offerings: B. Agric, Diploma, Higher Certificate or Certificate in Equine Studies.
<b>Justification</b>	The Province is experiencing a need for knowledgeable agriculturalists and a shortage of critical skills and scarce skills in the agricultural sector. Hence the need to train and educate 400 students (primarily the youth) annually in higher education to bridge this skills gap but recognising the limitations of the mandate of the Department.
<b>Links</b>	Human capital development is a strategic priority for both the country and the province. The response of the Department together with stakeholders and partners to the call to prioritise human capital development in the sector has been the development of the national AET Strategy and the Human Capital Development Strategy for Agriculture (HCDS) on provincial level. The HCDS is an effort to address AET holistically in a manner that engages all role-players to develop and maintain an effective and well coordinated AET that is



	<p>integrated at all levels and responding appropriately to South African Agriculture, and in particular the Western Cape Agriculture.</p> <p>Implementation of the Comprehensive Rural Development Programme (CRDP) as a strategic priority within the government's current Medium Term Strategic Framework has as its ultimate vision the creation of vibrant and sustainable rural communities through a coordinated and integrated broad-based agrarian transformation, strategically increasing rural development and an improved land reform programme. This will require the intensification of capacity building initiatives for the rural agricultural communities and rural youth.</p> <p>The offering of structured education and training programmes not only seeks to train prospective farmers and agriculturalists and empowering the youth in agriculture, but also seeks to contribute to strengthening of the extension and advisory services of the Department.</p>
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### 13.4 Resource considerations

The sub-programme: TE currently employs 31 lecturers of which six are faculty managers as well as, one is the wine maker, one is the cellar manager, one the cellar technologist, one assistant wine maker and the other one a technical trainer - therefore there is only 21 actual full time lecturers. The former but one, has a 30% lecturing responsibility. The 31 lecturers are supported by 4 administrative and support staff and 41 farming support staff, all based at the main campus at Elsenburg. It is envisaged that the full time lecturing staff component will increase marginally to about 25 fulltime lecturers over the next 5 years, mainly through filling of vacant posts on the establishment. No significant increase in administration and support staff is foreseen but strengthening of the middle management echelon is a dire need.

It is expected that the expenditure on salaries will increase in accordance with the filling of vacancies and inflationary adjustments. Expenditure on goods and services is expected to increase by approximately 50% over the next 5 years, mainly due to maintenance and operational requirements of the practical training facilities. Additional funding (if available) will be used to upgrade and expand practical facilities to ensure a high standard of practical training.

### 13.5 Risk management

The following risks have been identified that require specific attention from the sub-programme:

Risk 1: The current student system may not be able to accommodate an increase in student numbers as a result of the student system being outdated. May result in not being able to register and maintain student records.

Response 1: The option of expanding the database of the current system will be investigated and upgraded if possible. Data of B. Agric students will be transferred directly onto the system of the University of Stellenbosch.

Risk 2: Loss of accreditation (loss of recognition as training service provider) if quality standards are not maintained.

Response 2: A proper system for internal and external evaluation of all programmes will be implemented. All programmes will be registered with the appropriate national quality assurance bodies. Alignment of self evaluation and internal assessment criteria to external assessment criteria

Risk 3: Losing professional staff to other Programmes, Departments and the industry having a negative effect on service delivery and staff morale.

Response 3: Job descriptions of all lecturing staff will be reviewed and re-evaluated. Lobbying for an occupational specific dispensation for lecturing staff will be intensified.

Risk 4: The successful roll-out of the Human Capital Development Strategy may be hindered by fiscal limitations, especially around bursaries available to previously disadvantaged and financially challenged students.

Response 4: A means-based bursary programme will be implemented. Financial assistance from private sector and industries will be sourced. Participation of students studying at Agricultural Colleges in the National Student Financial Aid Scheme will be promoted on the highest levels.

## 13.6 Sub-Programme 7.2: Further Education and Training (FET)

### Sub-Programme Purpose

Provide formal and non-formal training within the provisions of NQF levels 1 to 4 through structured training programmes to all agricultural participants with the emphasis on developing farmers and farm workers.

## 13.7 Strategic objectives

<b>Strategic Objective 1</b>	Offering of accredited needs driven training on FET level.
<b>Objective statement</b>	To ensure that skills training modules and accredited learnership programmes at NQF levels 1 to 4 are provided to the intended target group within the FET band.
<b>Baseline</b>	Approximately 70 learners on learnership programmes and 1 300 beneficiaries (emerging, smallholder-and commercial farmers and farmers) of skills training modules annually.
<b>Justification</b>	Previously excluded communities and individuals must be integrated into the mainstream agricultural sector. This can only be done by ensuring that the training is accessible to all sections of the population and which will assist in achieving the broad goals of poverty alleviation, wealth creation and accelerated growth in the Province and the country. Skills development of the farm worker and expanding emerging farmers will be pivotal to the success and sustainability of the land reform programme. Resourcing of decentralised training centres is central to the achievement of this objective.
<b>Links</b>	Human capital development is a strategic priority for both the country and the Province. The response of the Department together with stakeholders and partners to the call to prioritise human capital development in the sector has been the development of the national AET Strategy and the Human Capital Development Strategy for



	<p>Agriculture (HCDS) on provincial level. The HCDS is an effort to address AET holistically in a manner that engages all role players to develop and maintain an effective and well coordinated AET that is integrated at all levels and responding appropriately to South African Agriculture, and in particular the Western Cape Agriculture.</p> <p>Previously disadvantaged communities (including farm workers), and in particular women and the disabled, continue to have poor access to quality AET. This is a result of various barriers, including affordability, admission requirements, physical distance from training centres, literacy and numeracy, and language of instruction. The offering of quality accredited needs driven training of FET level on a decentralised basis seeks to address these challenges and to support AgriBEE. Strengthening of industry partnerships, as well as inter-departmental collaboration with relevant units will contribute to the achievement of this objective.</p> <p>Implementation of the Comprehensive Rural Development Programme (CRDP) as a strategic priority within the government's current Medium Term Strategic Framework has as its ultimate vision the creation of vibrant and sustainable rural communities through a coordinated and integrated broad-based agrarian transformation, strategically increasing rural development and an improved land reform programme. This will require the intensification of capacity building initiatives for the rural agricultural communities and rural youth, especially with regard to the programmes offered at the decentralised training centres.</p>
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### 13.8 Resource considerations

The sub-programme: FET currently employs 10 lecturing staff, supported by 17 administrative and support staff based at the main campus at Elsenburg and 4 decentralised training centres across the Province. It is envisaged that the lecturing staff component will increase from 10 to approximately 18 lecturing staff members over the next 5 years, due to the placement of lecturing staff at the decentralised training centres and filling of vacancies on the establishment. No significant increase in administration and support staff is foreseen.

It is expected that the expenditure on salaries will increase in accordance with the filling of vacancies and inflationary adjustments. Expenditure on goods and services is expected to increase by approximately 50% over the next 5 years, mainly due to maintenance, operational requirements of the decentralised training centres. Additional funding will be required to provide hostel accommodation at the Elsenburg campus and Oudtshoorn FET Centre, whereas suitable office space and accommodation have become a priority at the Clanwilliam training centre.

### 13.9 Risk management

The following risks have been identified that require specific attention from the sub-programme:

Risk 1: Loss of accreditation (loss of recognition as training service provider) if quality standards are not maintained.

Response 1: A proper system for internal and external evaluation of all programmes will be implemented. All programmes will be registered with the

appropriate national quality assurance bodies. Alignment of self evaluation and internal assessment criteria to external assessment criteria

Risk 2: Losing professional staff to other Programmes, Departments and the industry having a negative effect on service delivery and staff morale.

Response 2: A proper system for internal and external evaluation of all programmes will be implemented. All programmes will be registered with the appropriate national quality assurance bodies and self evaluation and internal assessment criteria will be aligned to external assessment criteria.

Risk 3: Posts remains vacant for long periods of time due to the problems being experienced in attracting suitable staff, especially in the fields of scarce and critical skills.

Response 3: Recruitment of beneficiaries of the Departmental bursary programme (scarce and critical skills) and young professional persons (YPP's). Recruitment of suitable candidates through head-hunting if so required.

Risk 4: Departmental capacity outgrown by an increased demand for structured training, with the Department not being able to adequately address an increase in a demand for services as departmental capacity is not increased at the same rate as the demand for services.

Response 4: Forge stronger links with other training providers and stakeholders through the Provincial Agricultural Education and Training Forum. Prioritise training needs and outsource training if so required.

Risk 5: Training delivery negatively influenced by an increase in operational costs (costs of fertilisers, fuel and other materials necessary at practical facilities and maintenance of vineyards, orchards, vegetable tunnels, etc).

Response 5: Expansion of experiential learning, increased stakeholder involvement and placement of students at accredited employers for a specific period of practical training.

### 13.10 Sub-Programme 7.3: Quality Assurance

#### Sub-Programme Purpose

Ensure that all training is accredited and fulfil the prescribed and required quality assurance standards.

### 13.11 Strategic objectives

<b>Strategic Objective 1</b>	To ensure that training programmes fulfil the prescribed required academic standards
<b>Objective statement</b>	To ensure that accredited programmes meet the prescribed quality assurance norms and standards
<b>Baseline</b>	All 4 academic programmes in TE and 4 learnership programmes in FET accredited and quality assured.
<b>Justification</b>	In general, formal AET is very poorly controlled, both in terms of curriculum content and qualifications of educators, while the informal is to a large extent untested in terms of quality. To ensure that students obtain recognised training and qualifications it is imperative that the programmes must be accredited by the



	relevant quality standards bodies. Accreditation is important for the Cape Institute of Agricultural Training since it will not be able to provide training if it is not an accredited training provider.
<b>Links</b>	Accreditation of AET programmes and forging partnerships with tertiary institutions and other training providers will ensure quality training offerings, which will lead to credible qualifications in the open market.

### 13.12 Resource considerations

The sub-programme: Quality Assurance is a new sub-programme which will be fully established during the next 5 years. It is envisaged that this component will consist of 3 staff members, with approximately 90% of expenditure towards salaries and staff costs.

### 13.13 Risk management

Risk 1: Loss of accreditation (loss of recognition as training service provider) if quality standards are not maintained.

Response 1: A proper system for internal and external evaluation of all programmes will be implemented. All programmes will be registered with the appropriate national quality assurance bodies. Alignment of self evaluation and internal assessment criteria to external assessment criteria

Risk 2: A lack of appropriately resourced quality assurance unit and suitably qualified persons to verify and align internal quality assurance processes

Response 2: Systematic increase in budget allocation and recruitment of suitably qualified staff. The establishment of an internal Quality Assurance Unit has become critical to ensure compliance with quality assurance prescripts.

Risk 3: Training programmes not demand led/relevant to sector needs and results in loss of credibility of training service provider.

Response 3: Regular needs assessments and assessment of training impact of different training programmes over time.

### 13.14 Sub-Programme 7.4: Training Administration and Support

#### Sub-Programme Purpose

Render a general administrative and training support service.

### 13.15 Strategic objectives

<b>Strategic Objective 1</b>	To render a comprehensive and effective training administration and support service to line function
<b>Objective statement</b>	Provide an all inclusive and effective administration and support service and operational processes to Structured Agricultural Training that includes a cost effective supply chain management service and vehicle transport of high quality.
<b>Baseline</b>	Serving of the 3 sub-programmes of Structured Agricultural

	Training optimally.
<b>Justification</b>	Administrative support to focus on functional operational tasks, whereas other key personnel, i.e. lecturing staff can focus on the delivery of training and education to clients.
<b>Links</b>	Sound administrative and support services provides for a more effective and efficient operations and it's strengthen collaboration and support amongst the various sub-programmes.

### 13.16 Resource considerations

The sub-programme: Training Administration and Support currently employs 42 staff members providing food, cleaning, messenger and general administration services at the student hostels and the central administration building on the CIAT campus. A moderate increase in the number of general administration and support staff is envisaged for the next 5 years, whilst hostel staff is expected to increase more significantly to keep up with increase in student numbers at the CIAT.

It is envisaged that the budgetary requirements of the sub-programme: Training and Administration will increase by at least 60% over the next 5 years. The most significant increases are expected to be for staff salaries and goods and services. Expenditure on goods and services will primarily be attributed to expenses on general operations, maintenance of assets and meals for students residing in hostels at Elsenburg.

### 13.17 Risk management

The following risks have been identified that require specific attention from the sub-programme:

**Risk 1:** Employees and students working in agricultural environment are at risk of injury or harm to health. This may result in possible legal actions instigated against the department (punitive damages, workmen's compensation), negatively affects service delivery and reputation of the Department.

**Response 1:** Exert strict discipline in workshops, vineyards, orchards, etc. by supervisors and lecturers. Develop video material sensitising staff and students of potential risks involved in training environment.

**Risk 2:** Department exposed to legal litigation as well as damaging publicity caused by students and parents (mostly due to failure of unsuccessful studies).

**Response 2:** Strict adherence to well-documented policies, rules and regulations for all programmes offered at the institute.

**Risk 3:** Unauthorised access to examination papers and other confidential information by students

**Response 3:** Exercise strict control over movement and access of students to administration buildings and certain areas in buildings.



## PART C: LINKS TO OTHER PLANS

### 14 Links to the long-term infrastructure and other capital plans

There are four long-term infrastructure plans which will be included in more detail in the Immovable Infrastructure Asset Management Plan (IAMP) which will be annexed to the Departmental Annual Performance Plan when assessments, cost projections and timeframes are complete, namely:

1. A complete Campus Plan of the current Higher and Tertiary Education institutions at Elsenburg.
2. A complete revaluation and planning of the current Wine Cellar in use.
3. Planning and construction of a complete research facility away from the main office block at Elsenburg.
4. A complete upgrade of the current auditorium and conference facility.

### 15 Conditional grants<sup>2</sup>

<b>Name of grant</b>	Comprehensive Agricultural Support Programme
<b>Purpose</b>	To expand the provision of agricultural support services, and promote and facilitate agricultural development by targeting subsistence, emerging and commercial farmers.
<b>Performance indicator</b>	<ul style="list-style-type: none"> <li>• Infrastructure provided, i.e. fences, boreholes, dairy parlours, packing sheds, etc.</li> <li>• Training of farmers in need thereof</li> <li>• Provision of visible, fit for purpose extension</li> </ul>
<b>Continuation</b>	To be continued for the duration of the period it will take to settle previously disadvantaged farmers until the national target of 30% black farmers on previously white owned land has been reached – at least to 2013.
<b>Motivation</b>	PDI empowerment to change the face of agriculture

<b>Name of grant</b>	Ilima/Letsema
<b>Purpose</b>	To assist vulnerable South African farming communities to achieve an increase in agricultural production
<b>Performance indicator</b>	<ul style="list-style-type: none"> <li>• Increased hectares planted</li> <li>• Increased yield per unit within agricultural development corridors</li> <li>• Increase of entrepreneurs supported</li> <li>• Number of newly established infrastructure</li> <li>• Increased hectares rehabilitated.</li> </ul>
<b>Continuation</b>	To be continued for the duration of the period it will take to settle previously disadvantaged farmers until the national target of 30% black farmers on previously white owned land has been reached – at least to 2013.
<b>Motivation</b>	PDI empowerment to change the face of agriculture

<b>Name of grant</b>	Land Care
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• To enhance a sustainable conservation of natural resources through a community-based, participatory approach</li> </ul>

<sup>2</sup> Note that DAFF has indicated that the different conditional grants will be consolidated into one conditional grant, called Comprehensive Assistance Support Programme. When exactly this would happen, is dependent on the national Treasury process for 2010/11.

	<ul style="list-style-type: none"> <li>To create job opportunities through the Expanded Public Works Programme (EPWP)</li> <li>To improve food security within the previously disadvantaged communities</li> </ul>
<b>Performance indicator</b>	<ul style="list-style-type: none"> <li>Junior Care management implemented</li> <li>Veld Care management implemented</li> <li>Water Care management implemented</li> <li>Soil Care management implemented</li> </ul>
<b>Continuation</b>	To be continued until at least 2011/12
<b>Motivation</b>	To optimise productivity and sustainable use of natural resources

## 16 Public entities

Name of public entity	Mandate	Outputs	Current annual budget (R thousand)	Date of next evaluation
Casidra (Pty) Ltd	Agricultural and economic development within a rural and land reform context	Implementation of infrastructure projects for emerging farmers	138 360	Projects at least quarterly evaluated. Institution annually evaluated by its Board.

## 17 Public-private partnerships

None to be entered into.



## **A profile of the subsistence and small holder farmers in the Western Cape**

### **Western Cape Emerging Farmers:**

A comprehensive survey on the status of Emerging Farming in the Western Cape was launched in 2007 by the Department. This survey determined the spatial status of farms, the demographics of emerging farmers and the diverse set of agricultural enterprises this subsector farms with. The results of this survey were important to the Department not only from a data benchmarking perspective, but also from a resources allocation, farming support and focused policy-making perspective.

CASP funding was used to outsource this survey and the Departments of Agriculture and Land Affairs, various NGOs, and municipalities were all participants in this study. The process entailed the identification of subjects, the design of a database and questionnaire, the physical visits to sites, the recording of GPS co-ordinates, the capturing of the data and the design of queries and the final analysis of data before disseminating it to approved clients.

Emerging farmers were identified as those farmers who farmed on at least one hectare of land and/or who had at least one large animal unit. The survey showed that the Western Cape had 5 660 emerging farmers with the City of Cape Town having 186 farmers, Cape Winelands having 1 606 farmers, Central Karoo having 384 farmers, Eden having 952 farmers, the Overberg having 654 farmers and the West Coast boasting some 1 878 emerging farmers. GIS maps produced by the Department showed the spatial distribution of emerging farmers and also allowed for some spatial analysis regarding farming types, training courses received and needed, and enterprise types farmed with. These maps are all available at the Department and are invaluable when follow-up surveys' results are produced to follow structural changes to be tracked and qualified.

The survey also showed that some 31% or 1 699 of the emerging farmers were of the female gender and that 60% farmed part-time. It was extremely interesting and valuable to notes that these farmers also employed farm workers – in fact 388 full-time and 2 715 seasonal farm workers! From a production side, it was determined that 27 hectares of organic produce were farmed with and that 2 162 hectares were under irrigation of which most occurred in the Cape Winelands. The Overberg had the most dryland production areas. Some 211 ostriches, 3 385 cattle, 9 5751 sheep, 7 516 pigs and 6 658 goats were found on these emerging farmland. As expected, the Central Karoo has the biggest area under emerging farmland (47 515 hectares), followed by Overberg (13 599 ha), West Coast (12 614 ha), Eden (6 562 ha), Cape Winelands (2 383 ha) and City of Cape Town (1 135 ha). Most of the land rented was municipal land – Cape Winelands, Central Karoo, Eden and Overberg. Rented land in the City of Cape Town district is mostly privately and government owned, whilst most of the land in the West Coast are church-owned.

This survey opened up a new dimension in agricultural service delivery as for the first time the emerging farming sector was qualified and quantified. It is envisaged that this survey will be tri-annually updated so as to determine structural and regional changes

which are necessary for effective service delivery and for rational policy making at all levels.

### **Western Cape Food Gardens:**

The Department of Agriculture: Western Cape launched a comprehensive survey in May 2008 in order to source baseline data and information regarding the status of food gardens in the Province. A single-page questionnaire was developed which made it both simple for the interviewer as well as the interviewee. One of the important aspects was the determination of the spatial aspect of these food gardens so as to enable spatial analysis of these gardens. Another was to get detailed data on the age, gender and disability status of participants in food gardens in the Western Cape. In summary data was gathered on the spatial status, demographics, food garden sizes, enterprise types and production systems, markets and institutions involved.

The questionnaires were disseminated to extension officers who are decentralised across the Province. All food gardens from the various institutions/departments were identified and interviews were set up. Questionnaires were filled in and waypoints with the aid of selected GPS (Global Positioning System) instruments were determined and captured digitally in the Elsenburg GIS (Global Information System). The first phase of the field work took some six weeks as GPS-training, questionnaire briefing and physical visits took longer than anticipated.

The data capturing phase took an additional six weeks as data capturers had to receive training in certain aspects such as the converting of land area into hectares and to ensure GPS points (waypoints) are digitally captured. During the data capturing phase, a managerial interface was created in order to track progress as well as blatant discrepancies that may have developed. All gaps and problematic data were identified and questionnaires were sent back twice for data updating.

A total of 535 food gardens were identified in the Western Cape with 32,5% and 15,5% respectively in the Central Karoo and City of Cape Town district municipalities. These food gardens covered some 1 230,73 hectares in total with 32,6% of the area found in the Overberg. The number of beneficiaries provided some interesting results. A total of 8 769 people benefit from these food gardens with 23,1% (or 2 024) residing in the City of Cape Town. Some 50,3% of beneficiaries were male whilst 47,8% and 1,9% were female and disabled respectively. The analysis of the age structure also showed some interesting results as 47,7% of the beneficiaries were 18 years or younger with 4,5% older than 60 years.

The survey also allowed for the identification of training needs and training already received. Here it was interesting to note that all local district municipalities indicated a need for crop, financial, administrative and infrastructural training. For example, 70,7% of the food garden operators in the Central Karoo indicated a need for training in crop production while 73,3% of food garden operators in the Cape Winelands indicated a need for financial and administrative training. The fact that these food gardens indicated that they have in fact received some crop production training, stresses the importance of continued training in this field.



The Department of Agriculture was involved in 86,9% of the food gardens followed by the Departments of Social Development (23,7%), Land Affairs (10,8%), Health (8,4%), Education (8,0%) and Economic Development and Tourism (1,5%). On the production side on average some 61,2% of the food gardens were regarded as 'active', with 30,2% and 8,6% as 'semi-active' and 'dormant'. Only 46,0% of the food gardens in the Central Karoo were found as being 'active' which is problematic as this generally is a poverty stricken rural area. The area with the highest percentage of 'dormant' food gardens is the Cape Winelands with 16,7% identified as having this status. Most of the food gardens produce for own consumption. In fact, 58,4% do just this with only 8,0% producing for formal markets. Once again, 98,8% of the Central Karoo food gardens indicated that they produce for own consumption. In contrast, 27,9% of food gardens in the Cape Winelands produce for formal markets.

Vegetable production remains the most important category of food produced. The City of Cape Town produces mostly spinach, cabbage, lettuce and beetroot with the Cape Winelands producing cabbage, onions and strawberries. The Central Karoo indicated that spinach, beetroot, carrots, onions and some beans are produced. Eden indicated spinach, cabbage, carrots, potatoes, onions and sweet potatoes with the Overberg producing cabbage, beetroot, carrots, potatoes, onions, beans and sweet potatoes. Finally the West Coast food gardens had quite a diverse set of produce being spinach, cabbage, beetroot, carrots, potatoes, onions, beans and sweet potatoes. Not surprisingly these food garden beneficiaries needed continued cropping advice.

A total of 1 973 sheep, 559 cattle, 1 275 pigs, 2 391 goats, 14 163 chickens and 488 other poultry were indicated to be at present on the food gardens. Most of the sheep, goats and cattle were found on West Coast food gardens, with pigs in large numbers in the City of Cape Town, Cape Winelands and Overberg. All of the areas indicated a chicken presence with the smallest numbers found in the Central Karoo and West Coast local district municipalities. The City of Cape Town had the biggest number of chickens (12 113) which is indicative of both formal and semi-formal markets available.

It was found that 48,2% of all food gardens had sufficient fencing with 34,5% using irrigation methods to enhance food production. Just less than ten percent had access to a shed and only 7,9% had some form of livestock housing on their premises.

This survey realised some valuable insights into food gardening in the Western Cape which allows for spatial analysis. For the first time data is available which allows for benchmarking and future trend analysis. The utilisation of the GIS tool proves invaluable when social, environmental and economic overlays are needed to untap previously unknown information.



Annexure A1

# WESTERN CAPE

## Department of Agriculture

*Shaping a  
future for  
agriculture*

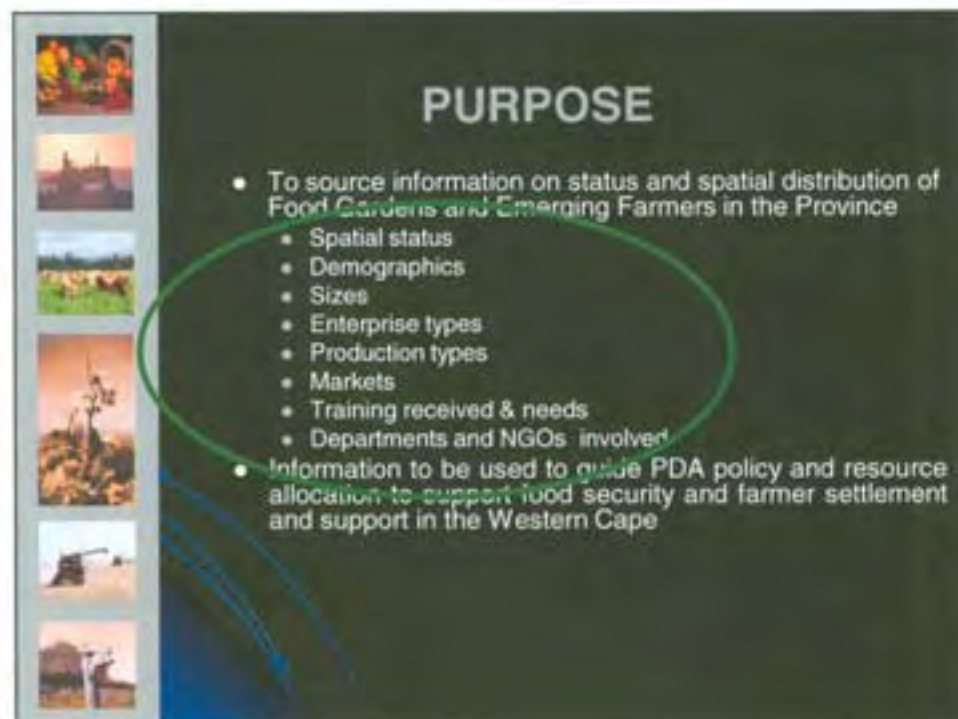
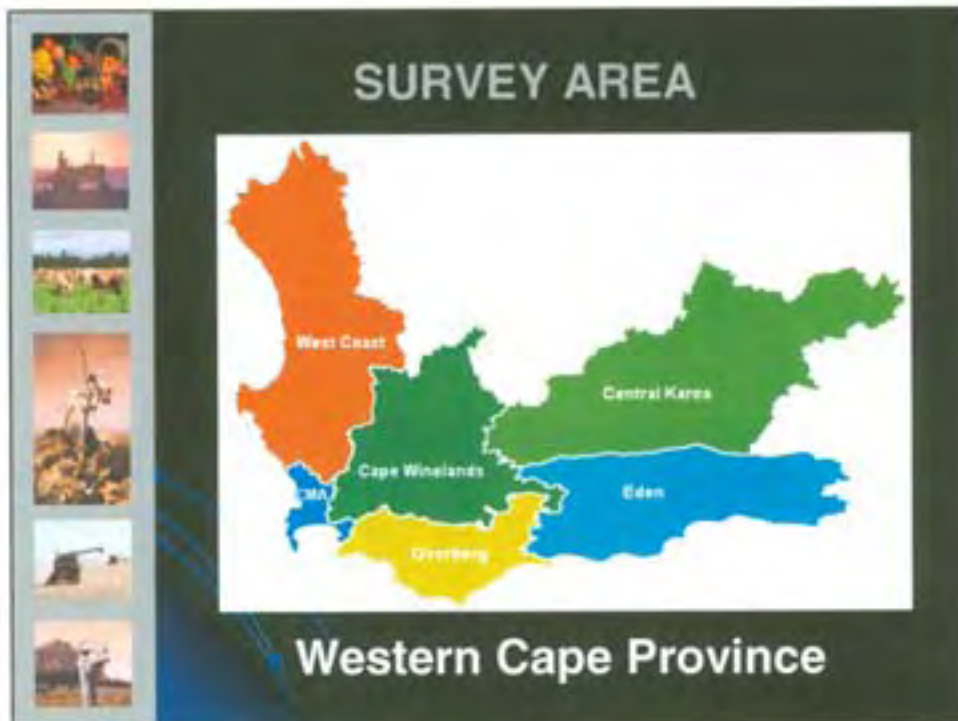


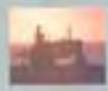
## STATUS OF FOOD GARDENS AND EMERGING FARMERS

### WESTERN CAPE

September 2009







## METHODOLOGY

### All inclusive survey

Identify subjects  
Appointments made and directions obtained  
Interviews with contact person for group conducted  
Questionnaires completed  
GPS co-ordinates of farm/food garden recorded

### Data Captured and analysed

Design Database and Questionnaire  
Data captured in Database  
Queries designed and data analysed  
Data integrity cross-checked

### Data verified

Missing data captured and populated in Database

### Manage Database (*Agricultural Economics*)

To be updated by *FSD*



## ASSUMPTIONS

- **Food Gardens:**
  - Individual gardens <1ha
  - <1 LAU
- **Emerging Farmers**
  - Land area >1ha
  - >1 LAU





# FOOD GARDENS



## EXECUTIVE SUMMARY

- Number of Food Gardens

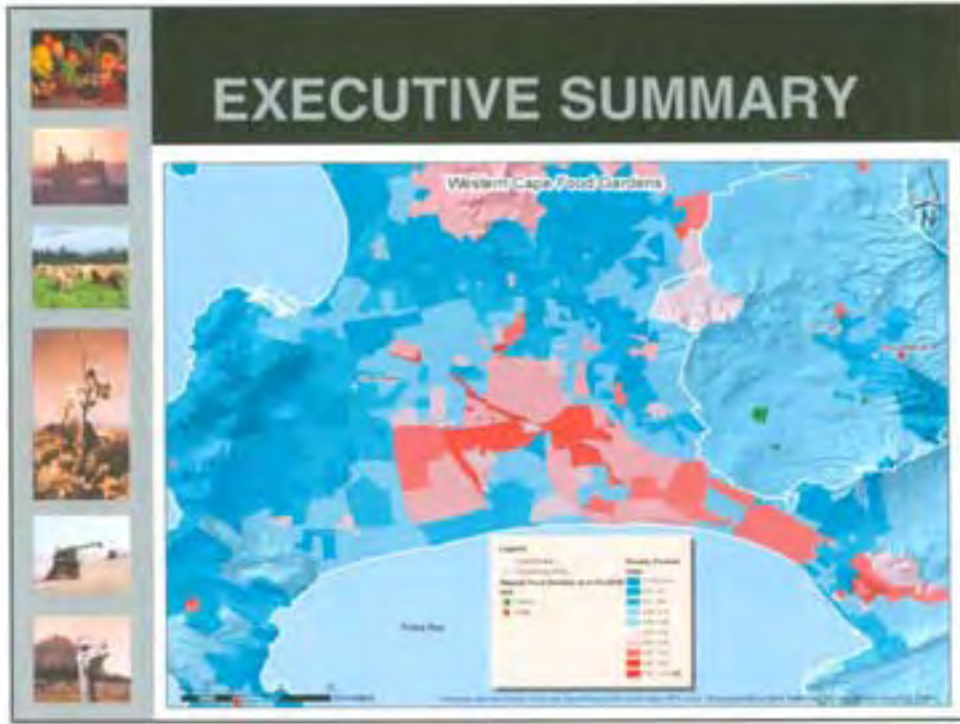
District	Total	Percentage
City of Cape Town	83	15.5%
Cape Winelands	30	5.6%
Central Karoo	174	32.5%
Eden	71	13.3%
Overberg	96	17.9%
West Coast	69	12.9%
Unknown	12*	2.2%
<b>Total</b>	<b>535</b>	<b>100.0%</b>

\* To be updated & corrected

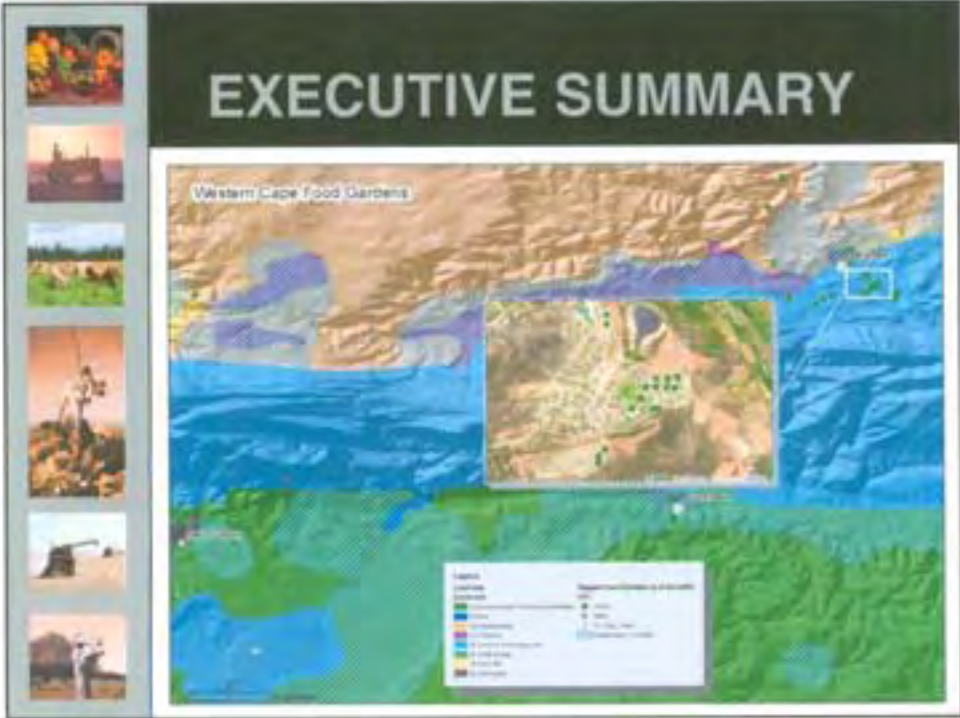














## EXECUTIVE SUMMARY

- Hectares of Food Gardens

District	Total	Percentage
City of Cape Town	118.82	9.7%
Cape Winelands	389.89	31.7%
Central Karoo	0.23*	0.0%*
Eden	54.69	4.4%
Overberg	401.35	32.6%
West Coast	249.14	20.2%
Unknown	16.61	1.3%
<b>Total</b>	<b>1 230.73</b>	<b>100,0%</b>

\* To be updated & corrected



## EXECUTIVE SUMMARY

- Number of Beneficiaries

District	Total	Percentage
City of Cape Town	2 024	23.1%
Cape Winelands	535	6.1%
Central Karoo	507	5.8%
Eden	1 849	21.1%
Overberg	2 009	22.9%
West Coast	1 658	18.9%
Unknown	187	2.1%
<b>Total</b>	<b>8 769</b>	<b>100,0%</b>

\* To be updated & corrected





# EXECUTIVE SUMMARY

- Analysis of Beneficiaries

Age Category	Male	Female	Disabled	Total	%
<18 years	2 001	2 076	102	4 179	47.7%
18 – 35 years	1 284	933	30	2 247	25.6%
35 – 60 years	918	1 001	29	1 948	22.2%
>60 years	204	184	7	395	4.5%
<b>Total</b>	<b>4 407</b>	<b>4 194</b>	<b>168</b>	<b>8 769</b>	<b>100%</b>
<b>Percentage</b>	<b>50.3%</b>	<b>47.8%</b>	<b>1.9%</b>	<b>100%</b>	

\* Disabled figures excluded within sex ratios



# EXECUTIVE SUMMARY

## TRAINING REQUIRED

District	Live stock	Crop	Financial	Admin	Infra structure
City of Cape Town	28,9%	53,0%	56,6%	55,4%	38,6%
Cape Winelands	13,3%	60,0%	66,7%	73,3%	66,7%
Central Karoo	1,1%	70,7%	0,6%	0,6%	12,6%
Eden	2,8%	38,0%	38,0%	29,6%	38,0%
Overberg	17,7%	26,0%	34,4%	35,4%	35,4%
West Coast	39,1%	47,8%	42,0%	40,6%	34,8%



# EXECUTIVE SUMMARY

## TRAINING RECEIVED

District	Live stock	Crop	Financial	Admin	Infra structure
City of Cape Town	8,4%	62,7%	30,1%	9,6%	2,4%
Cape Winelands	3,3%	33,3%	30,0%	13,3%	20,0%
Central Karoo	0,0%	9,0%	0,0%	0,0%	0,6%
Eden	21, 1%	56,3%	18,3%	7,0%	1,4%
Overberg	16,7%	30,2%	16,7%	13,5%	2,1%
West Coast	20,3%	49,3%	23,2%	21,7%	15,9%



# EXECUTIVE SUMMARY

- Departments involved

Departments	Percentage
Agriculture	86,9%
Health	8,4%
Education	8,0%
Land Affairs	10,8%
Social Development	23,7%
Economic Development and Tourism	1,5%
Other	40,7%





## EXECUTIVE SUMMARY

- Production

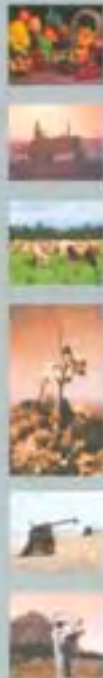
District	Active (%)	Semi-active (%)	Dormant (%)
City of Cape Town	49,4%	42,2%	8,4%
Cape Winelands	60,0%	23,3%	16,7%
Central Karoo	46,0%	48,3%	5,7%
Eden	83,1%	12,7%	4,2%
Overberg	78,1%	15,6%	6,3%
West Coast	50,7%	39,1%	10,1%
<b>AVERAGE STATUS</b>	<b>61,2%</b>	<b>30,2%</b>	<b>8,6%</b>



## EXECUTIVE SUMMARY

- Infrastructure

District	Fenced (%)	Irrigated (%)	Shed (%)	Animal Housing (%)
City of Cape Town	58.7	28.9	9.9	2.5
Cape Winelands	37.0	54.3	8.7	0.0
Central Karoo	58.8	21.4	0.0	19.8
Eden	44.0	34.8	14.9	6.4
Overberg	48.6	29.9	13.6	7.9
West Coast	42.3	37.4	9.8	10.6
<b>Average</b>	<b>48.2%</b>	<b>34.5%</b>	<b>9.5%</b>	<b>7.9%</b>



## EXECUTIVE SUMMARY

### • Markets

District	Formal (%)	Informal (%)	Own Consumption (%)
City of Cape Town	2.4	48.8	48.8
Cape Winelands	27.9	37.7	34.4
Central Karoo	0.0	1.2	98.8
Eden	3.7	39.3	57.0
Overberg	7.1	36.5	56.4
West Coast	6.9	37.9	55.2
<b>Average</b>	<b>8.0%</b>	<b>33.6%</b>	<b>58.4%</b>



## EXECUTIVE SUMMARY

### • Crops

District/Enterprise	City of Cape Town	Cape Wine-lands	Central Karoo	Eden	Over-berg	West Coast
Spinach	32.0%		0.7%	3.2%		1.6%
Cabbage	18.5%	24.1%	49.6%	6.3%	12.2%	16.1%
Vegetables	15.2%	51.7%		98.7%	24.4%	3.2%
Beetroot	2.5%		27.3%		9.8%	1.6%
Carrots	10.1%		15.8%	3.2%	3.7%	4.6%
Potatoes	6.3%			15.9%	0.7%	29.6%
Onions		3.4%	2.9%	4.8%	22.0%	17.7%
Lettuce	5.1%					
Strawberries		6.9%				
Beans			2.2%		6.1%	8.1%
Sweet Potatoes				1.6%	1.2%	4.8%





# EXECUTIVE SUMMARY

- Livestock

District	Sheep	Cattle	Pigs	Goats	Chickens	Fowls
City of Cape Town	4	16	397	48	12 113	69
Cape Winelands	20	35	140		153	
Central Karoo					48	419
Eden		151	118	270	668	
Overberg	33	75	406	17	1 071	
West Coast	1 916	282	214	2 056	110	
<b>TOTAL</b>	<b>1 973</b>	<b>559</b>	<b>1 275</b>	<b>2 391</b>	<b>14 163</b>	<b>488</b>



# EMERGING FARMERS



# EXECUTIVE SUMMARY

- Results:

District	Total	Individual Farmers	Group Members
City of Cape Town	186	3	183
Cape Winelands	1 606	14	1 592
Central Karoo	384	7	377
Eden	952	32	920
Overberg	654	30	624
West Coast	1 878	8	1 870
Total	5 660	94	5 566

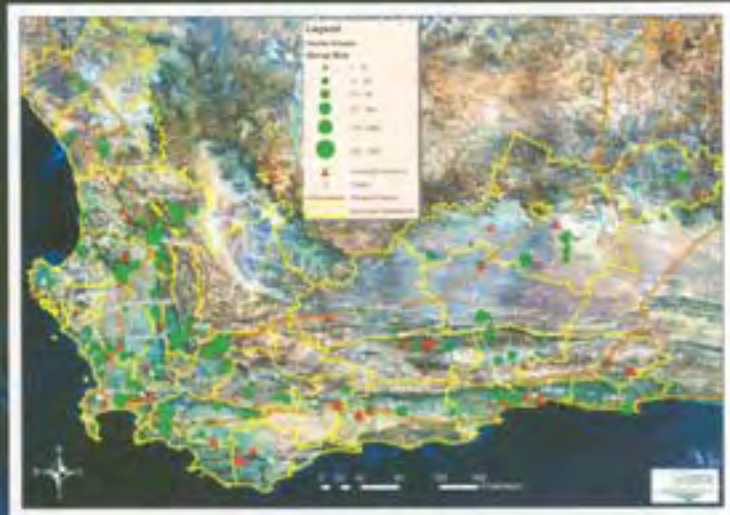
Map 1: Distribution of Emergent Farmers & Emergent Farming Groups



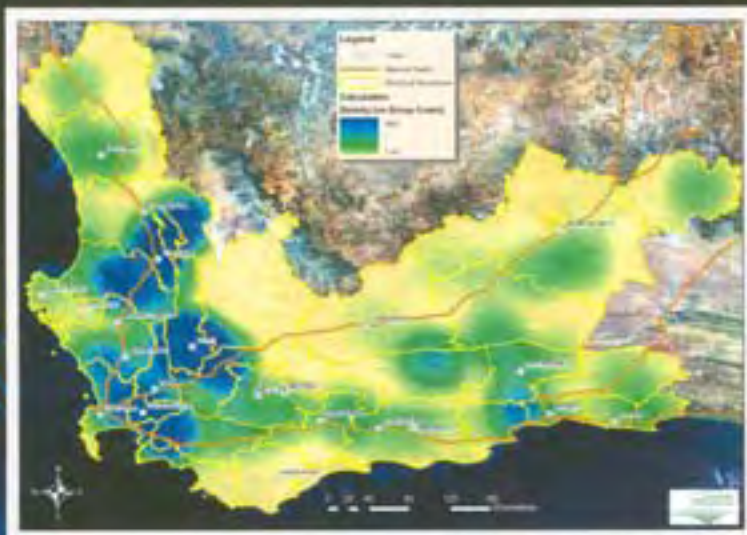




Map 2: Distribution of Emergent Farmers, with Size of Emergent Farming Groups Indicated

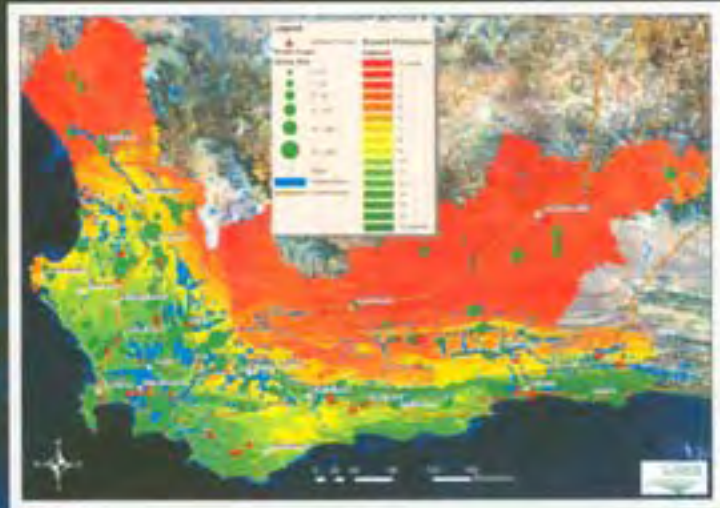


Map 3: Density of Spatial Distribution of Emergent Farmers





Map 4: Distribution of Emergent Farmers and Groups in relation to Agricultural Potential and Irrigated Areas



## EXECUTIVE SUMMARY

- **Results:**
  - Total number of farmers 5 660
  - Number of female farmers 1 699 (31%)
  - Part-time farmers 60%
  - Number of dependents 3 407\*
  - Full-time Farm Workers 388
  - Seasonal Farm Workers 2 715





## EXECUTIVE SUMMARY

### • Results:

AREA	Ha	Farmers	AV Farm size (Median)	
Cape Town	1 135	186	140,3	(8,2)
Cape Winelands	2 383	1 606	48,4	(25,0)
Central Karoo	47 515	384	2 350,0	(2 500,0)
Eden	6 562	952	75,9	(10,0)
Overberg	13 599	654	279,8	(86,0)
West Coast	12 614	1 878	147,7	(4,0)
<b>TOTAL</b>	<b>83 808</b>	<b>5 660</b>	<b>302,3</b>	<b>(16,0)</b>



## EXECUTIVE SUMMARY

### • Results:

#### • Production statistics

- 27 ha Organic (20ha in Eden)
- 2 162 ha Irrigation (Winelands)
- 1 918 ha Dryland (Overberg)
- 211 ostriches [ 107] (92,4% Eden)
- 3 385 cattle [7 895] (35,7% Overberg)
- 9 751 sheep [6 588] (40,6% Central Karoo)
- 7 516 pigs [6 963] (29,7% Eden)
- 6 658 goats [6 816] (40,8% West Coast)



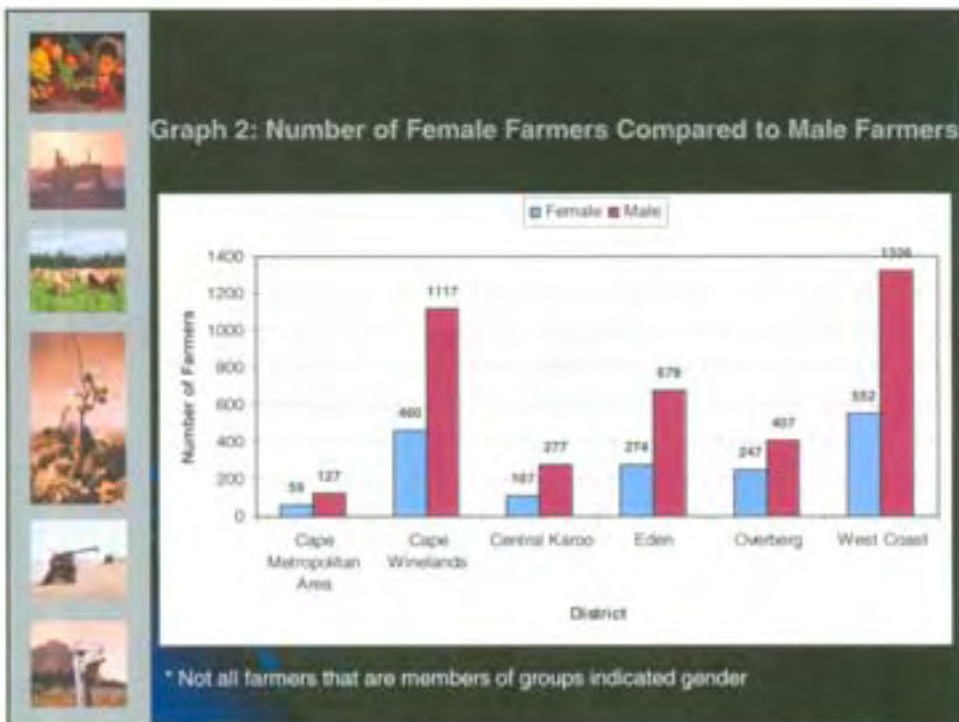
## WAY FORWARD

- It is recommended that database
  - be updated at regular 3 year intervals
  - database be expanded to include a survey of all farmers in the Western Cape
- Updates could *inter alia* facilitate
  - the monitoring of the land reform progress
  - the identification of trends to allow the Department to act pro-actively in providing a supportive service
  - the identification of reasons for successes / failures of land reform
- Full dataset of all farmers in Western Cape would facilitate the establishment of a baseline against which the progress of land reform could be monitored



## RESULTS



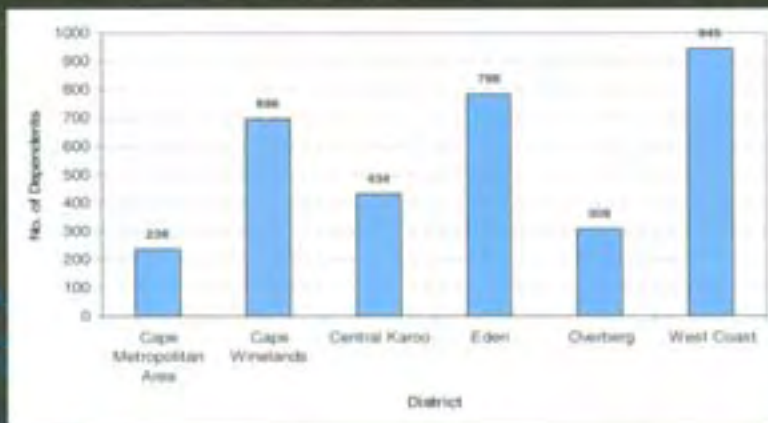




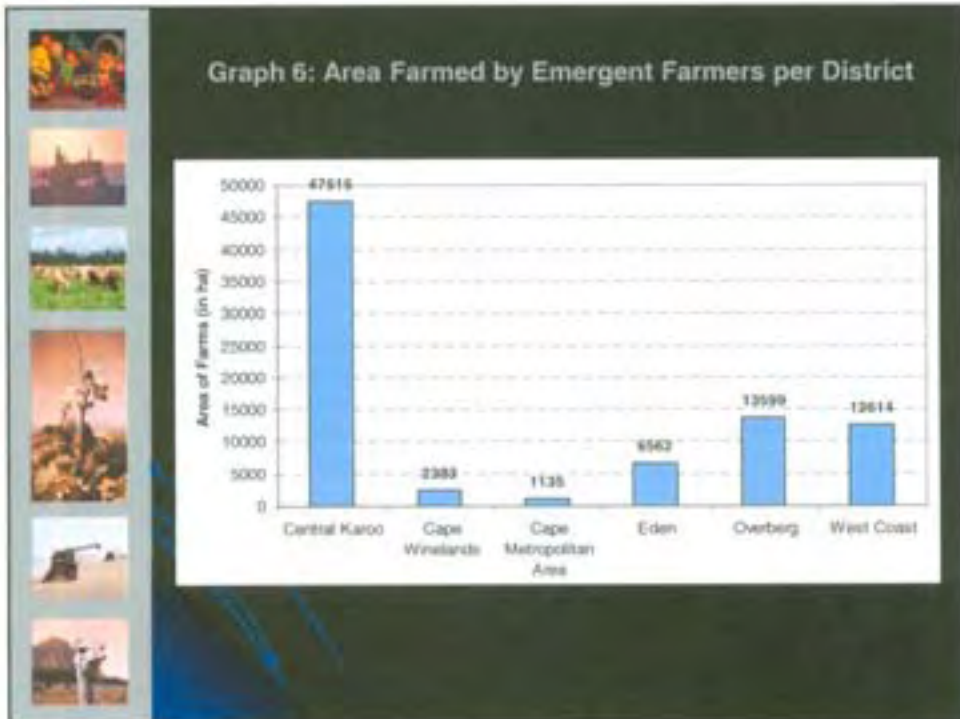
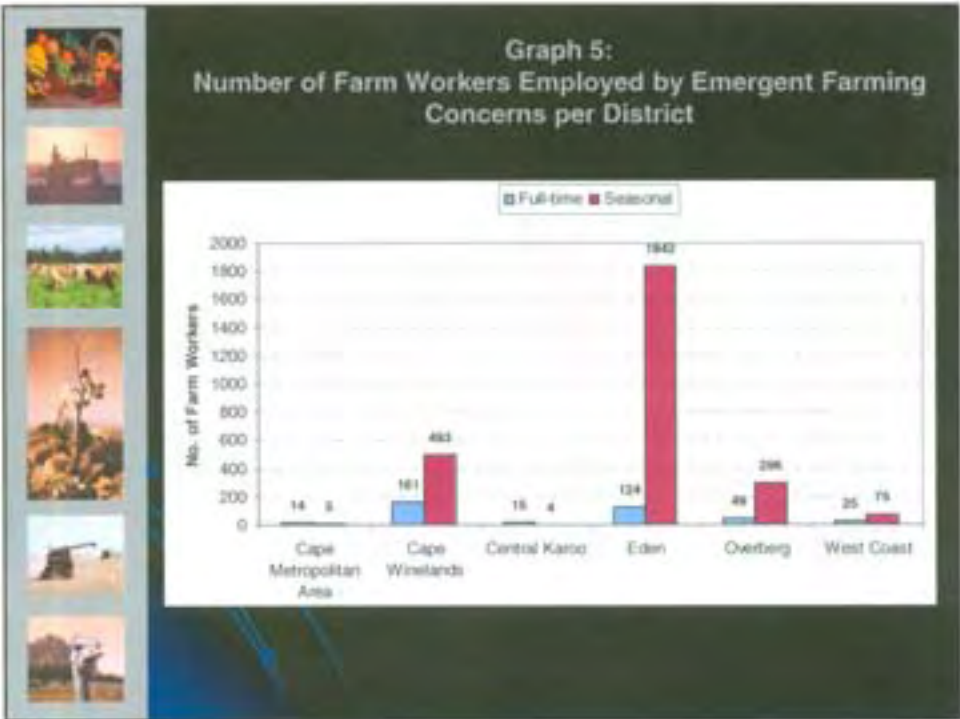
Graph 3: Part-time versus Full-time Employment of Members



Graph 4: Number of Dependents of Emergent Farming Concerns

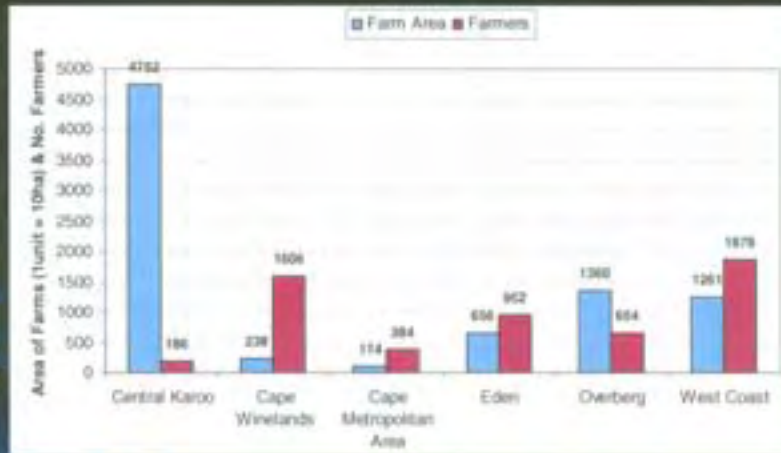




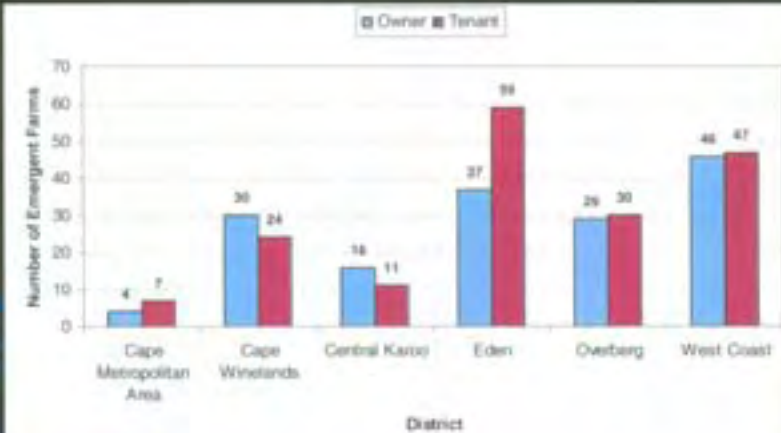




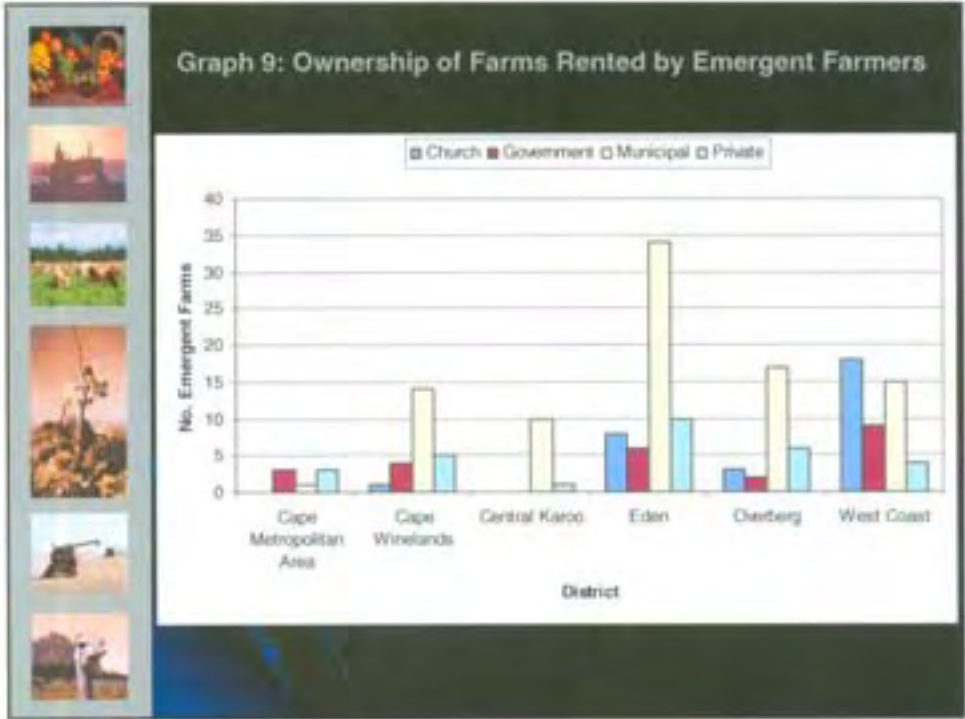
**Graph 7: Area Farmed by Emergent Farmers per District versus Number of Farmers**



**Graph 8: Number of Farms Owned vs Rented by Emergent Farmers**

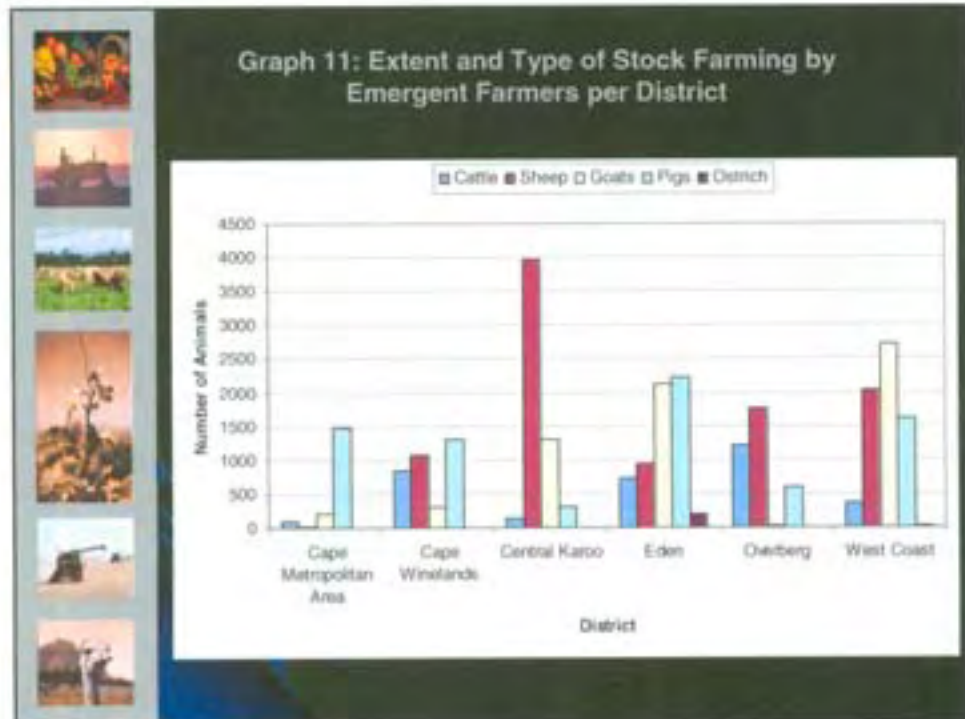
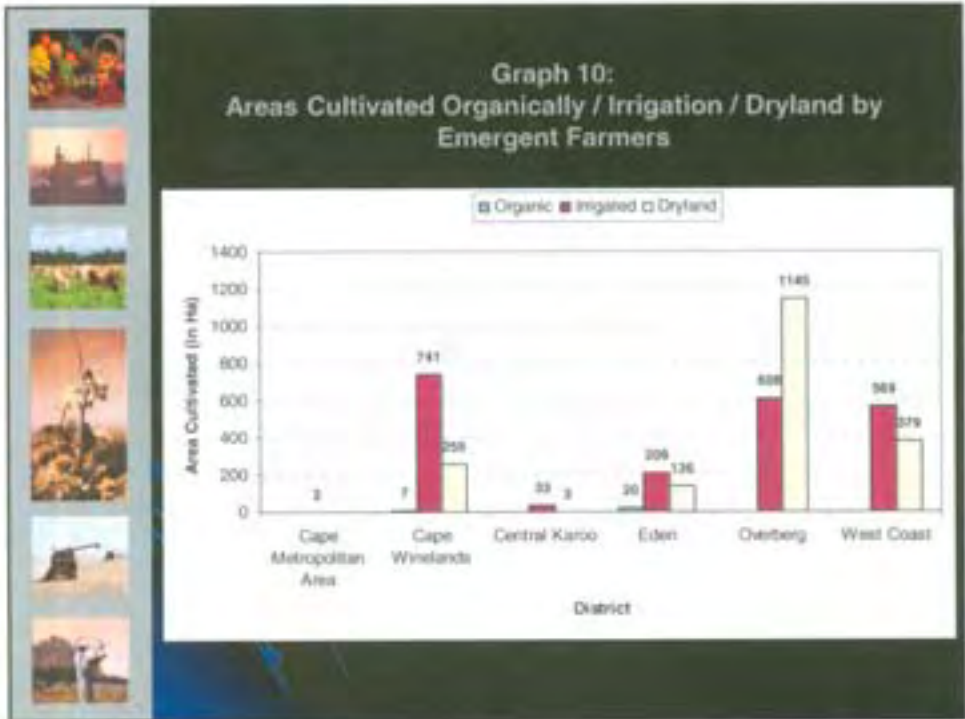






### Table: Ownership of Farms Rented by Emergent Farmers

District	Church	State	Municipal	Private
Cape Metropolitan Area	-	43%	14%	43%
Cape Winelands	4%	17%	56%	21%
Central Karoo	-	-	91%	9%
Eden	14%	10%	59%	26%
Overberg	11%	7%	61%	21%
West Coast	39%	20%	33%	9%





## Performance Environment

### 1. AN OVERVIEW OF THE AGRICULTURAL ECONOMY OF THE WESTERN CAPE PROVINCE

#### 1.1 Introduction

Mainstay of the provincial and rural economy or a declining sector? The goose that lays the golden egg or the stronghold of worker exploitation? Showcase of black economic empowerment or the last bastion of apartheid? Bane of nature or prime source of renewable energy and carbon sink? Which of these statements, regularly made from various platforms and in the press, describes the agricultural sector best?

Perversely, all of them have got some ring of the truth in it. The purpose of this document will not be to provide a judgment on these statements, but rather to highlight the issues and complexity in the Agricultural Sector. After all, it is exactly these complexities, issues and contradictions that make this such an interesting and lively Sector.

The aim of the first part of this document will be to provide some background on the Agricultural Sector in the Western Cape. This will be followed by a discussion of the issues that makes the Agricultural Sector such a lively area for debate. In the final part of the document some conclusions will be provided.

#### 1.2 The Structure of the Agricultural Sector of the Western Cape

This section of the document will provide an overview of the Agricultural Sector of South Africa and then, more specifically, the Western Cape Province. The focus will initially fall on structural changes within the Agricultural Sector. This will be followed by an overview of farming units in the Province, both commercial and developing. In the next part the situation regarding the number of farm workers will be discussed and in the final part of this section some general aspects will be highlighted.

#### 1.3 The South African Agricultural Sector

The 2007 Agricultural Census provides extremely valuable illumination on certain structural changes that are taking place in South African Agriculture. It is clear from the information in Table 1 that the number of units in commercial farming has declined from close to 58 000 in 1993 to just less than 40 000 in 2007. This decline of close to 18 000 (31%) of farming units are often used to argue that "we have lost close to 20 000 farmers". However, it is important to note that a farming unit is defined as a piece of land, or pieces of land irrespective if it is adjacent or not, farmed as a single unit. Another piece of information must be brought into the argument here in that the number of owners and/or family members involved has increased from just more than 46 000 to close to 48 000 over the period 2002 to 2007 (albeit the number declined since 1993). This increase is a clear indication that a process of consolidation in farms are taking place and that the average farm

size has in all probability increased over time. This trend of increasing economies of scale is not unique to South Africa, but quite common across the globe.

**Table 1: South African commercial Agricultural Sector at a glance**

ITEM	DATA FROM VARIOUS CENSUSES		
	2007	2002	1993
Farming units (numbers)	39 982	45 818	57 980
Gross farming income (nominal values)	R79,5 bil	R53,3 bil	R19,bil
Gross farm income (2007 values <sup>1</sup> )	R79,5 bil	R66,3 bil	R46,0 bil
Employees' remuneration (nominal values)	R8,6 bil	R6,2 bil	R367,6 mil
Employees' remuneration (2007 values <sup>1</sup> )	R8,6 bil	R7,7 bil	R861,9 mil
Owners and/or unpaid family members	47 978	46 026	68 647
Paid employees (numbers)	796 806	940 820	1 093 265
Expenditure (nominal values)	R54,0 bil	R45,0 bil	R16,4 bil
Expenditure (2007 values <sup>1</sup> )	R54,0 bil	R56,0 bil	R38,4 bil
Capital expenditure (nominal values)	R3,5 bil	R2,9 bil	R2,1 bil
Capital expenditure (2007 values <sup>1</sup> )	R3, 5 bil	R3,7 bil	R4,9 bil
Market value of assets (nominal values)	R178,6 bil	R98,4 bil	R66,9 bil
Market value of assets (2007 values <sup>1</sup> )	R178,6 bil	R122,4 bil	R156,9 bil
Farming debt (nominal values)	R37,1 bil	R30,9 bil	R15,3
Farming debt (2007 values <sup>1</sup> )	R37,1 bil	R38,4 bil	R35,9 bil
Expenditure & Purchases as % of GFI	74,7%	78,9%	72,9%
Farming Debt as % of GFI	46,6%	57,9%	78,0%
Debt as % of assets	20,8%	31,4%	22,9%

Source: Census (2007); Abstract (2008)

Note <sup>1</sup> Conversion from nominal to real values based on CPI in the Abstract 2008

At the same time the number of farm workers has also steadily decreased with almost 300 000 (27%) people from close to 1,1 million farm workers in 1993 to about 800 000 workers in 2007. Half (144 000; 15%) of these workers left the Sector over the period 2002 to 2007. It must be remembered that this number include both permanent and casual labour. Despite the employment opportunities lost in the Agricultural Sector, remuneration of farm workers (the employee bill to farmers) has increased substantially over this period. In real terms (i.e. if the effect of inflation is removed) the total remuneration has increased by R7,7 billion (899%) over the full period of 1993 to 2007 and R882 million (11%) over the period 2002 to 2007. This initial sharp increase can probably be ascribed to the effect of the minimum wage dispensation.

In 2007 the gross income received from farming in South Africa was close to R80 billion which, in real terms, is close to R14 billion more than in 2002. The increase since 1993 was a stunning 73%. Strangely enough, real expenditure has actually declined by R2 billion (3,5%) over the five years from 2002 to 2007. This combination of less farm workers and lower input costs is a clear indication that the South African Agricultural Sector has become more efficient in transforming inputs into food and fibre. However, of concern is the fact that the real capital



expenditure on farms has declined by more than R1,3 billion (27,4%) since 1993. This may hold negative implications for the long term sustainability of the Agricultural Sector and it will have a negative effect on the rest of the rural economy.

The source of this income is visually represented in Figure 1. It is clear that the sale of animals and animal products still remains the most important source of income for the commercial Agricultural Sector of South Africa. To tell the truth, it is the source of more than half of farming income in South Africa. During 2007 horticultural products has surpassed field crops as the second most important earner of income. This trend may be at the core of the argument that South Africa has become a net importer of food in volume terms: South African export farming is moving away from low value, bulky commodities and toward high value, low volume products. Of concern is the steady decline in revenue-share from other products over time. As the post-fordist era of the national and global economy strengthens, one would actually expect alternative enterprises to become more important.

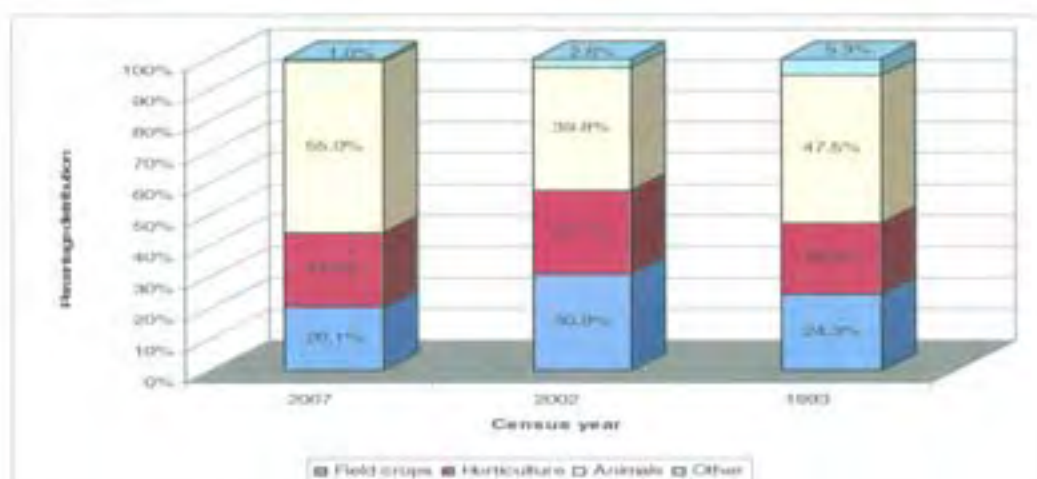


Figure 1: The Changing structure of South African Agriculture

Source: Census (2007)

There is just one word of caution in interpreting this information. One should remember that the farm-gate price of agricultural commodities is used. **This means that income received from value added products (i.e. wine, cheese, processed meats) are not taken into account, but rather the price of the unprocessed product (i.e. wine-grapes, milk, live animals).** If the value of value added were included a substantially different picture could emerge.

The real market value of assets in farming has increased substantially by R56 billion (46%) from 2002 to 2007. This increase in the real market value is driven by the demand for certain farming assets and one can argue that an asset is worth only as much as which somebody else is prepared to pay for it. Nevertheless, this increase in value quite often complicates efforts to broaden the ownership base in the Agricultural Sector. As farming debt declined by R1,3 billion (3,3%) over the same period, one could expect that the net position of farmers would improve over this period. This expectation is corroborated by the fact that debt as a percentage

of assets declined from more than 31% in 2002 to just less than 21% in 2007. This is exceptionally good news as 30% debt is on the border of being high in the Agricultural Sector. Although these indicators worsened over the period 1993 to 2002, the 2007 position remains more positive than the 1993 picture.

#### 1.4 The Western Cape Agricultural Sector

In the previous Section an interesting picture of the South African Agricultural Sector has emerged. In Table 2 some of the main descriptive elements of the Western Cape Agricultural Sector are provided. This information is from the same source as the national information with one major difference. During the 1993 Census the Western Cape Province did not yet exist and the borders of the Development Region A differed substantially from the borders of the subsequent Western Cape. It follows that one can only draw a comparison between the information in the 2002 and 2007 Agricultural Censuses.

As is the case at a national level, the number of farming units also declined over the period 2002 to 2007 by 503 units (7,0%). As this rate of decline is not as sharp as the national 12,7%, the Western Cape's share of South Africa's farming units actually increased over the period.

**Table 2: The Western Cape Commercial Agricultural Sector at a glance (2007 values)**

	2007		2002 <sup>1</sup>	
	Western Cape	WC % of RSA	Western Cape	WC % of RSA
Farming units	6 682	16,7	7 185	15,7
Gross farm income	R16,6 billion	20,84	R15,9 billion	20,87
Field crops	R1,47 billion	9,2	R1,9 billion	7,9
Horticulture	R7,8 billion	40,8	R8,6 billion	42,0
Animals	R7,2 billion	15,1	R4,7 billion	15,5
Other	R123 million	15,6	R807 million	40,2
Total expenditure	R13,0 billion	20,6	R13,3 billion	15,7
Capital expenditure	R1,1 billion	32,0	R0,98 billion	23,2
Value of assets	R44,6 billion	25,0	R40,0 billion	28,3
Farming debt	R9,1 billion	24,4	R11,4 billion	25,7
Debt as % of GFI	54,7%	117,2%	71,1%	122,9%
Debt % of assets	20,3%	97,8%	28,4%	90,6%

Source: Census (2007); Census (2002); Abstract (2008)

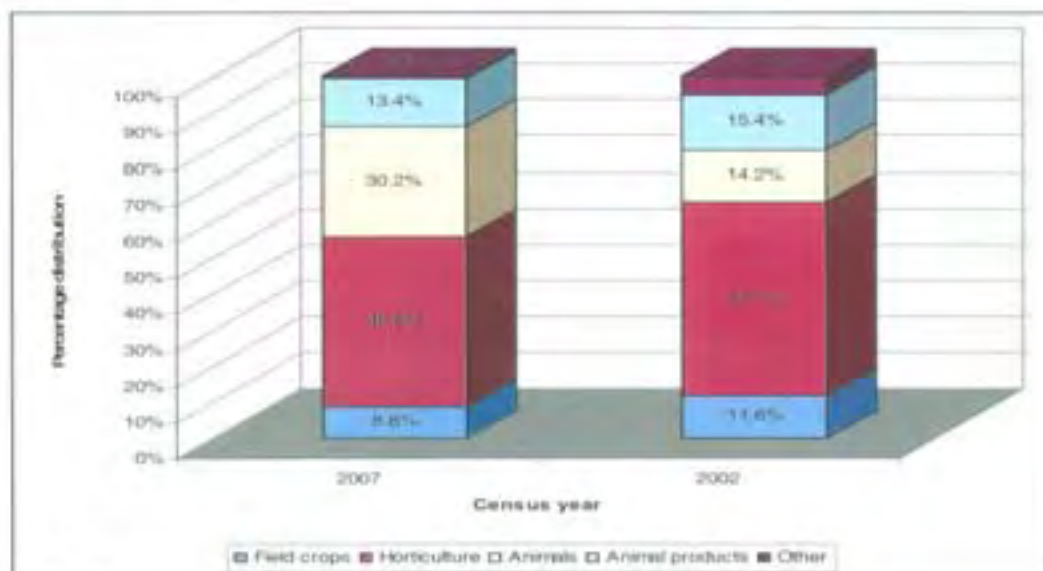
Note<sup>1</sup> Conversion from nominal to real values based on CPI in the Abstract 2008

Although the real value of agricultural production in the Western Cape increased by R603 million to R16,6 billion in 2007, the Province's share of the national gross farm income stayed fairly constant at just over one fifth (20,8%). The Free State is second with 15,0% of gross farming income and KwaZulu-Natal third at 12,7%. The information in Figure 2 indicates that income from horticultural production



still remains the most significant contributor to farming income in the Province, albeit that the 2007 share contracted from the 50% mark it occupied in 2002. It is significant to note that income from animals more than doubled over the same period while the sales of animal products declined slightly. Field crops and other farming crops lost some ground over this period. Turning to the rural areas, Quantec (2008) informs us that more than 25% of the economy of the Central Karoo is derived from primary agriculture. This is followed by Overberg (23,7%), West Coast (23,0%) and Cape Winelands (16,3%).

The total expenditure on farms declined only slightly from 2002 to 2007 and this decline is significantly less than the decline in expenditure experienced by the rest of South African farms. The result is that the Province's share of farming expenditure increased over the period. Especially significant is that capital expenditure increased in the Province to almost a third of the capital expenditure in the country. Similarly, a quarter of the value of South African agricultural assets can be found in the Province. This holds very specific implications for the resources required for land reform in the Province. As is the case in the rest of South Africa, farming debt has also declined in the Western Cape from more than R11 billion to just over R9 billion. Yet, almost a quarter of South Africa's farming debt can be found in the Western Cape.



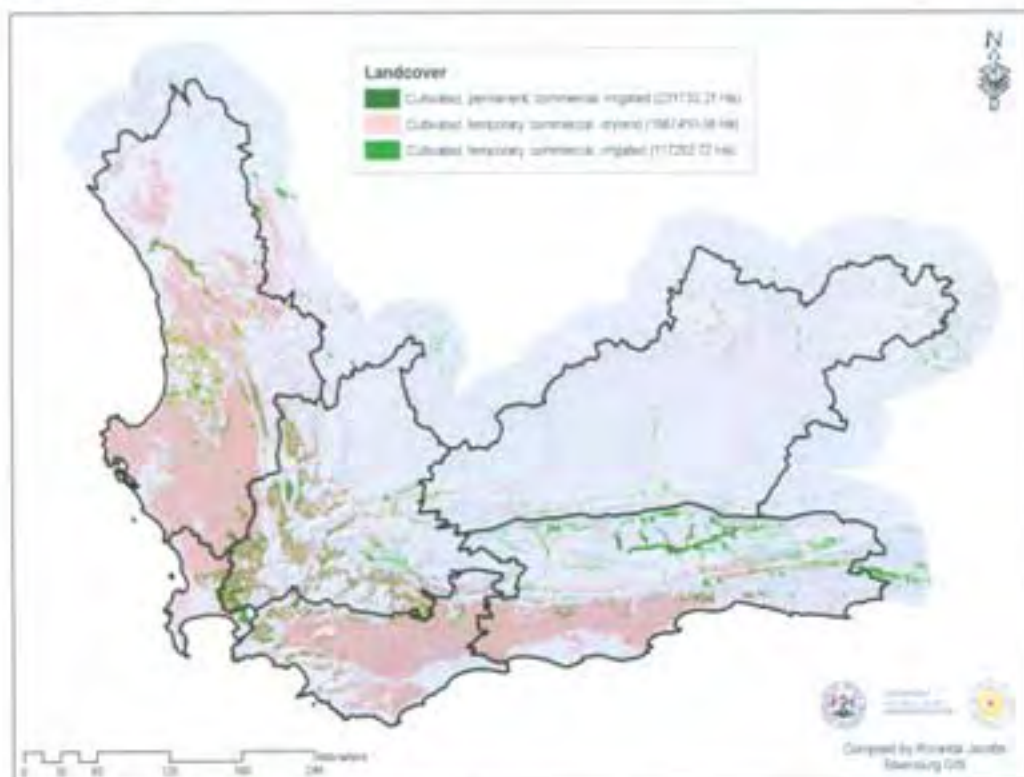
**Figure 2: The Changing structure of Western Cape Agriculture**

Source: Census (2007) & Census (2002)

Although the Western Cape Province is only one of the nine provinces of South Africa, it has already been indicated that it is responsible for 20,8% of the value of agricultural production in South Africa (Census, 2007). It follows that the citizens of the Province can be fairly confident in the provincial food security. The distribution of the resources, the foundation of agricultural production, is provided in Figure 3. In the Western Cape there are currently approximately 11,5 million hectares that are being used for farming. The most productive farming areas are concentrated in the South-Western part of the Province; close to the City of Cape Town. This is also the area where the biggest part of the 349 000

hectares of irrigation (231 732 permanent and the balance temporary) can be found. About 1,85 million hectares are used for dryland agriculture and it is concentrated in two areas of which the one is in along the West Coast and the other borders the Southern Coast of the Province. The balance of the farmland is only suitable for veldt grazing.

The 2008 wheat harvest of the Western Cape amounted to 805 000 ton. As, it is expected that, due to the current high prices of wheat, some marginal land will be brought into production with the result that the harvest is expected to increase to 867 000 ton in 2014 (BFAP, 2008). This currently amounts to approximately 171 kg of wheat per citizen of the Province which is significantly higher than the South African per capita wheat consumption of 58,6 kg (OECD/FAO, 2008). Similarly, during the 2006/07 harvesting season approximately 556 000 tons of apples was produced in the Western Cape; of which close to 234 000 tons were exported. In the same season about 303 000 tons of pears was produced in the Province with more than 141 000 tons being exported (OABS, 2008). This translates into approximately 118 kg of apples and 65 kg of pears being produced for each citizen of the Province.



**Figure 3: The land use patterns of the Western Cape**  
Source: Jacobs (2008)

Yet, at a national level the state of household food security is a little different. Although South Africa is a net exporter of fruit and vegetables, only 196g of fruits and vegetables per person per day is available on average at household level (rural: 141g per person per day; urban: 256g per person per day) while the World Health Organisation recommend at least 400g per day (Mauder & Meaker, 2007).



Some final facts on the Agricultural Sector of the Western Cape that can be kept in mind include:

- The Western Cape is a coastal Province and removed by a transport disadvantage from the main economic hub of the rest of the country. It follows that the Province is relatively more exposed to international trade than the rest of the country.
- The Western Cape has 10.6% of the total area of South Africa (Census 2002).
- Yet, 16.6% of the arable area and 16.9% of the permanent crops of South Africa is situated in this Province (Census 2002).
- The volume of certified wine produced has reached 330.2 million litres in 2006, an increase of 1 382% over 1985 (SAWIS 2007).
- The Western Cape is the only Province in South Africa where the average urban black person earns a lower income than the average rural black person. This has very distinct implications for government strategy (Troskie, 2001).

### 1.5 The average farm in the Western Cape: Commercial and resource poor

It is now appropriate to turn from the macro-economic or Sector perspective and to focus on farm-level information. According to the data in Figure 4, it is clear that 51.1% of farms in South Africa have a gross income of less than R300 000 per year. At the other side of the spectrum only 1,5% (673) of the farms have an income of more than R10 million per year. It follows that the perception of substantial wealth accruing to individual farmers is open for debate. It would be interesting to evaluate the data of the 2007 Agricultural Census to see the extent to which this situation has changed. Although the preliminary data from the 2007 Agricultural Census has been released during March 2009, the data with the appropriate resolution to answer this question will only be released during the last quarter of 2009.

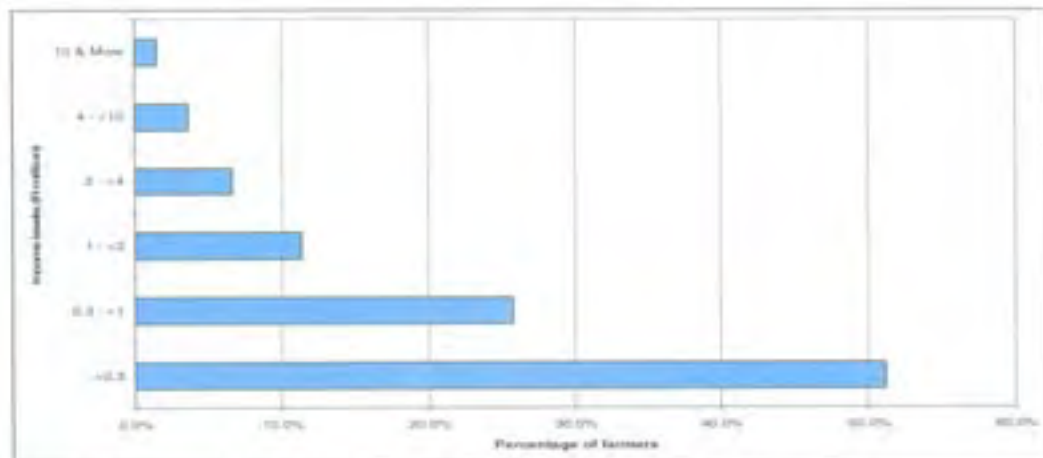


Figure 4: Gross Income levels in South African Agriculture  
Source: Agricultural Census 2002

This situation has got very specific implications for the AgriBEE Charter (2008) released on 20 March 2008. According to Section 2.6 of this Charter any enterprise with a 5 year moving average turnover of less than R5 million is considered to be an Exempted Micro Enterprise (EME) and is automatically deemed to have a BEE level of Level 4. It follows that, according to the Census data, more than 44 000 farms (95%) is EME. That leaves less than 5% of the farms in the next category (between R5 and R35 million turnover) of Qualifying Small Enterprises (AgriQSE) and only a handful that is confronted with the full seven elements of the AgriBEE Charter.

The situation on the average commercial farm in the Western Cape is presented in Table 3. However, before we proceed it is important to caution the reader to treat averages with care. As an average is the midpoint in a data set, it may hide substantial variance on both sides of this midpoint or even obscure the mode, modus or certain peaks in the dataset. Furthermore, it will also hide differences between various regions in the Province.

Nevertheless, the average farm in the Western Cape has an annual income of almost R2,5 million and expenditures of just below R2 million. Both figures are substantially higher than the real figures for 2002, and it is also clear that the average farm in the Western Cape has income and expenditure of almost a quarter higher than the average South African farm. Nevertheless, the real farming income on the average Gauteng farm (R3,1 million), KZN farm (R2,8 million) an Mpumalanga farm (R2,7 million) is higher than the case of the average Western Cape farm. As could be expected real expenditure on these farms is also higher than in Western Cape. Nevertheless, the average capital expenditure per farm in the Western Cape has increased by 165% over the period. The result is that the capital expenditure in the Western Cape is now almost double the capital expenditure on the average South African farm and R53 000 (46%) higher than capital expenditure on its closest rival, Gauteng.

**Table 3: The average farm in the Western Cape (2007 values)**

	2007		2002 <sup>1</sup>	
	West Cape	WC % RSA	West Cape	WC % RSA
Gross income/farm	R2,48 million	124,7	R2,22 million	133,1
Total expenditure	R1,95 million	123,4	R1, 86 million	131,7
Capital expenditure	R169 000	191,5	R64 000	147,7
Income-Expenditure	R535 000	129,3	R365 000	140,5
Assets/farm	R6,7million	149,5	R5,6 million	180,5
Debt/farm	R1,4 million	146,2	R1,6 million	163,5
Asset ratio/farm	4,8	102,3	3,19	110,4

Source: Census (2007); Census (2002); Abstract (2008)

Note<sup>1</sup> Conversion from nominal to real values based on CPI in the Abstract 2008

At the same time the real margin between income and expenditure has increased by R170 000 (47%) to R535 000 over the five years from 2002. However, from a



cautionary perspective please take note that this expenditure does not include salaries, wages or returns to the owner.

The market value of assets on the average Western Cape farm was R6,7 million in 2007. This is an increase of more than R1 million in real values since 2002. At the same time the debt per farm has decreased by R200 000 with the result that most farms in the Western Cape are in a healthier financial situation in 2007 than it was in 2002. It is also significant to note that the assets and debt of the average Western Cape farm is almost 50% higher than its average South African counterpart and 23% higher than its closest rival, Mpumalanga. This fact should be considered while planning land reform projects.

This then naturally leads us from the commercial part of the Agricultural Sector to the emerging part of it. A visual representation of the Emerging Farmer Database (2007) of the Western Cape Department of Agriculture is presented in Figure 5.

According to this Database there are currently approximately 5 660 emerging farmers, who actively farms on more than one hectare of land or owns more than one large stock unit, in the Province. These farmers employ more than 388 permanent and 2 715 part time farm workers. About 31% of these farmers are female.

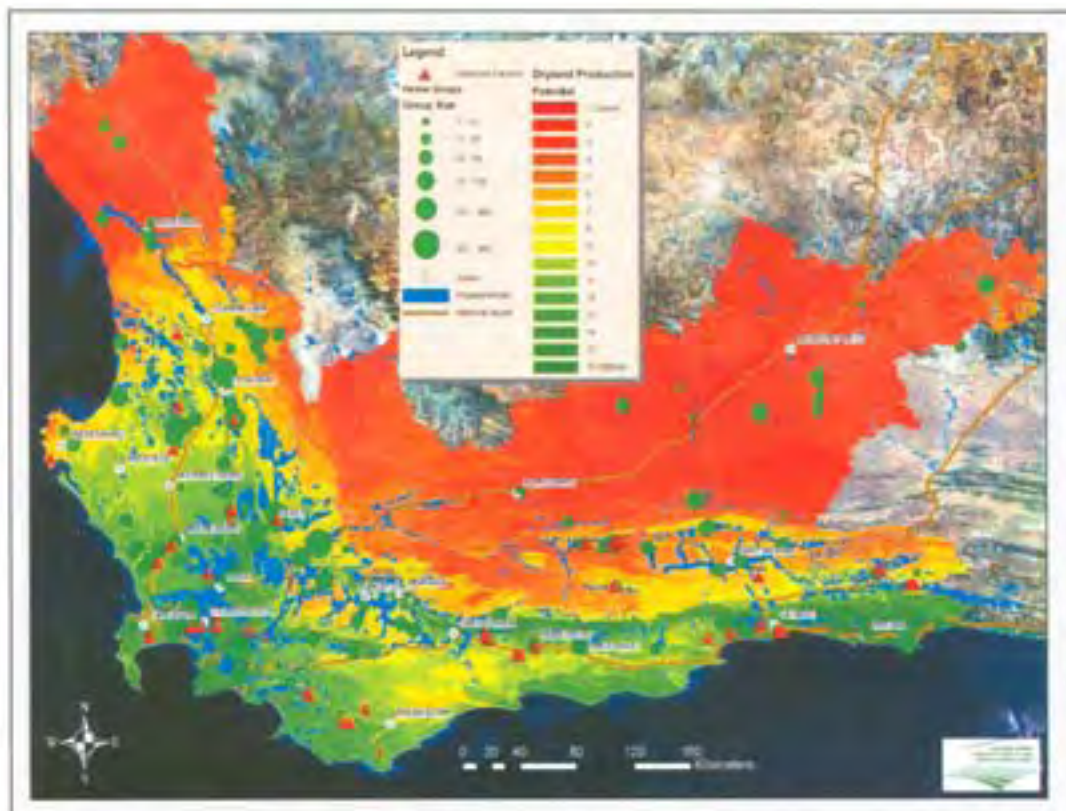


Figure 5: Distribution of emerging farmers in the Western Cape  
Source: Emerging Farmer Database (2007)

## 1.6 Agricultural Employment in the Western Cape

The number of farm workers in the Western Cape has declined by close to 34 000 (15%) over the period 2002 to 2007 (see Table 4). Yet, although the Province is responsible for 20,8% of the gross farm income, it is home to almost 24% of the farm workers in the country.

**Table 4: Labour in the Western Cape Commercial Agricultural Sector (2007 values)**

	2007		2002 <sup>1</sup>	
	West Cape	WC % RSA	West Cape	WC % RSA
Employees	189 489	23,8	223 175	23,7
Full time	90 943	21,1	92 365	20,2
Seasonal	98 546	27,0	124 968	27,2
Remuneration	R2,5 billion	29,2	R2,4 billion	27,5
Full time	R2,0 billion	28,3	R2,0 billion	26,3
Seasonal	R485 million	33,7	R475 million	34,4
Annual remuneration	R13 270	122,8	R10 997	116,0
Full time	R22 310	134,3	R21 421	130,1
Seasonal	R4 920	125,0	R3 806	126,5

Source: Census (2007); Census (2002); Abstract (2008)

Note<sup>1</sup> Conversion from nominal to real values based on CPI in the Abstract 2008

This is an indication that farming in the Province is relatively more labour intensive than is the case in the rest of the country. **It is further extremely significant to take note of the fact that the majority (26 422) of these jobs that were shed were actually seasonal employment opportunities and only 1 422 (1,5%) of the jobs were full time employment opportunities.**

This decline in the number of farm workers is fairly consistent with the expectation that agriculture's share of the labour market is steadily declining. According to the information in Figure 6, the number of employment opportunities in the economy of the Western Cape has declined from close to 2 million in 1997 to less than 1,85 million in 2004. Although the number of employment opportunities has since increased to 1,92 million, it is still 60 000 less than at its highest level. Over the same period agriculture's share of the workforce has declined from 12,0% in 1995 to 9,4% in 2007.



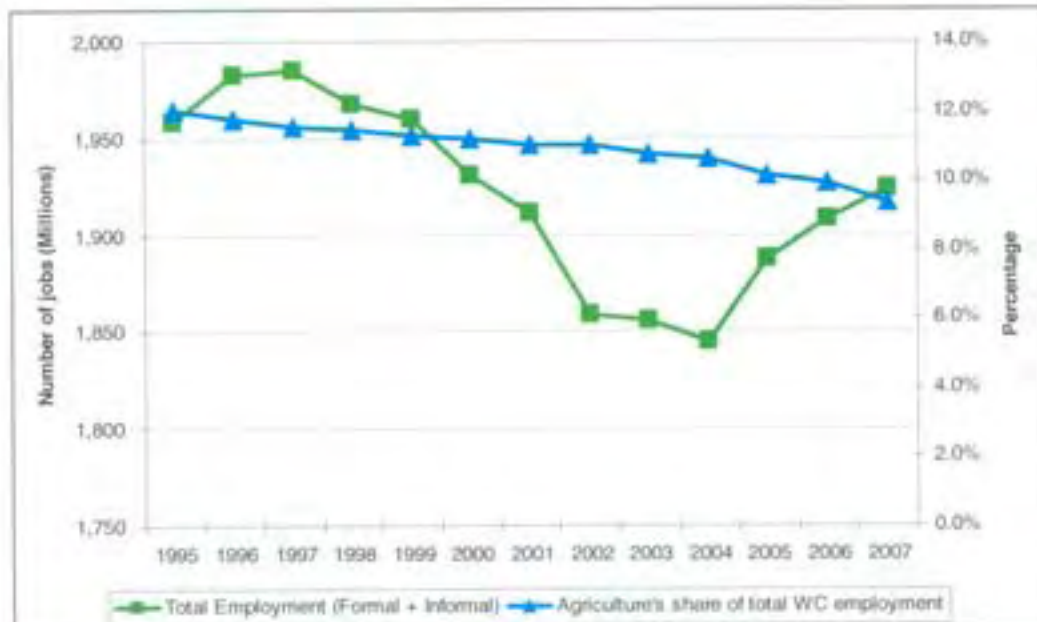


Figure 6: The Changing structure of Western Cape Agriculture  
Source: Quantec 2009

To return to the information in Table 4, it is clear that the remuneration of farm workers in the Province has remained fairly constant at R2,5 billion over the period 2002 to 2007, but it is interesting to note that the Western Cape Province is responsible for almost a third of the wage package of farm workers. As the number of farm workers has declined, the remuneration per farm worker has also increased over this period. **The result is also that the remuneration of the average full time farm worker in the Western Cape, at R22 310, is 34,3% higher than the remuneration of the average full time farm worker in South Africa.** This relative high share of employment and remuneration provide impetus for the existence of a farm worker sub-programme in the Western Cape. Nevertheless, it is interesting to note that the average full time farm worker in Gauteng earns R930 per year (4,2%) more than his/her Western Cape counterpart and the average Gauteng casual farm worker R2 890 (58,8%) more than in the Western Cape. This is probably the result of the closer proximity of a relatively more competitive urban labour market in Gauteng.

It can be argued that people involved in farming is not only limited to being either a farmer or a farm worker. Quite a number of people are actually only partially involved in farming activities with the objective of adding to their income from elsewhere. This question led the Department of Agriculture to investigate the number of people dependant on farming in the Western Cape. Some of these results are presented in Table 5.

**Table 5: Number of people in the Western Cape in 2005 who earns more than 50% of their household income from farming activities**

District	Whites	African	Coloured	Asian	Total
City of Cape Town	0	22 009	3 355	0	25 364
West Coast	2 891	3 312	30 268	578	37 049
Cape Winelands	9 082	18 255	98 540	0	125 877
Overberg	5 627	9 200	31 054	0	45 880
Eden	937	3 877	33 162	0	37 977
Central Karoo	537	160	7 873	0	8 570
<b>Total</b>	<b>19 073</b>	<b>56 814</b>	<b>204 252</b>	<b>578</b>	<b>280 717</b>

Source: Bhanisi (2007)

Bhanisi (2007) asked the question of how many households are dependent on farming (either as a farmer, wage earner or producer for own consumption) for more than 50% of their income. This would exclude people living in rural areas but whose main source of income is either remittances (private or public) from outside the Agricultural Sector or people who have another source of income. From this analysis it is clear that approximately 280 000 people in the Western Cape is dependant for more than 50% of their income from farming. The majority of these people are living in the Cape Winelands (125 877) or are Coloured (204 252).

Finally, it must be remembered that agriculture does not only have a direct role as employment creator, but also have a strong linkage effect. For instance, Berning and Nowers (2001) investigated the effect of 11 000 ML of water being transferred from agricultural use to urban use. In this instance the case study involved water being transferred from the Palmiet scheme to the City of Cape Town. In addition to the Province losing R726 million in economic activities, it would also loose 4 441 employment opportunities. Almost more important is the fact that only 1 685 of these employment opportunities were agricultural jobs and the remainder were in the rest of the economy. However, it was also found that if 11 000 ML of water were saved, the economy of the Western Cape gains the same amount of income and employment opportunities and the coloured and black low income households gain the most.

### 1.7 Issues and Trends in the Agricultural Sector of the Western Cape

The previous section provided an overview of the current status of the Agricultural Sector of the Western Cape Province. But what are the issues and trends that are influencing the Agricultural Sector? In this section an attempt will be made to address some of these issues, and then only partially. The scope of this document does not allow all issues and all complexities to be addressed.

### 1.8 The Secular Decline of the Agricultural Sector

The Agricultural Sector of the Western Cape is one of the drivers of the economy, especially in the rural areas of the Province. Increased productivity (and therefore



lower production cost of food) in the Agricultural Sector of a developing nation may lead to the ready availability of food and foreign exchange earnings. This will not only lead to a better nurtured (and thus a more productive) rural population, but also the resulting higher levels of rural income will lead to both public and private capital formation and will result in the development of a rural market for the industrial sector. **The expansion of the industrial sector will lead to new job opportunities for which the Agricultural Sector is supposed to release labour.** Due to the unique income elasticity of demand in developing countries, this in turn will again lead to increased demand for agricultural products, and therefore the start of a new cycle or, in other words, an upwards spiral of economic growth. It is therefore clear that productivity in the Agricultural Sector can play an important catalytic role (Johnston and Mellor, 1961).

Nevertheless, the data in Figure 7 clearly indicates that Agriculture's share has decreased from a high of 10.3 percent in 1967 to a low of 2.7 percent in 2005. How does this decline correspond with Agriculture's development role?



Although the data in Figure 7 is for a much shorter time series, a similar trend is evident in the Western Cape Province. In this Province Agriculture's share of the provincial economy has declined from a high of 5.28 percent in 1999 to the current level of 4.29 in 2005.

The argument is often heard that, because the agricultural sector's share of the economy is declining, the sector as a whole should be negated. This is a very dangerous argument, because it negates the so-called "secular decline of agriculture" observation already made by Johnston and Mellor (1961) in the 1960's. In short, this argument maintains that the relative size of the agricultural sector in comparison with the rest of the economy should shrink over time as the economy grows. The reasoning is that, as an economy develops, the secondary and tertiary sectors of the economy develop faster than the primary (i.e. agricultural) sectors of the economy because the latter has more prominent physical constraints. However, although the relative size of agriculture shrinks, the absolute size of agriculture increases both in terms of volume and value of production. Hand in hand with this the importance of agriculture increases through

the role of agriculture as provider of food, earner of foreign exchange, reservoir of manpower, creation of private and public capital and as a source as well as market for industrial production.



Figure 7: The Value of Agricultural Production at constant 2000 prices as well as Agriculture's share in the Western Cape Province

Source: Quantec (2008)

This argument is supported by the data in both Figure 7 as well as Figure 8. This data indicates that the real value of agricultural output in South Africa has increased from R1 billion in 1965 to more than R91 billion in 2006. In the case of the Western Cape the real value of agricultural production has increased from R11.3 billion in 1995 to R13.5 billion in 2004 with a peak of R14.6 billion in 2003. This clearly supports the argument that, although agriculture's share of the economy may be declining, the absolute value of agriculture has increased substantially over the period. Due to the limited resources available for farming, this is also an indication that the Agricultural Sector has become more efficient. This argument will be built upon later in the document, but for the moment see Figure 14.

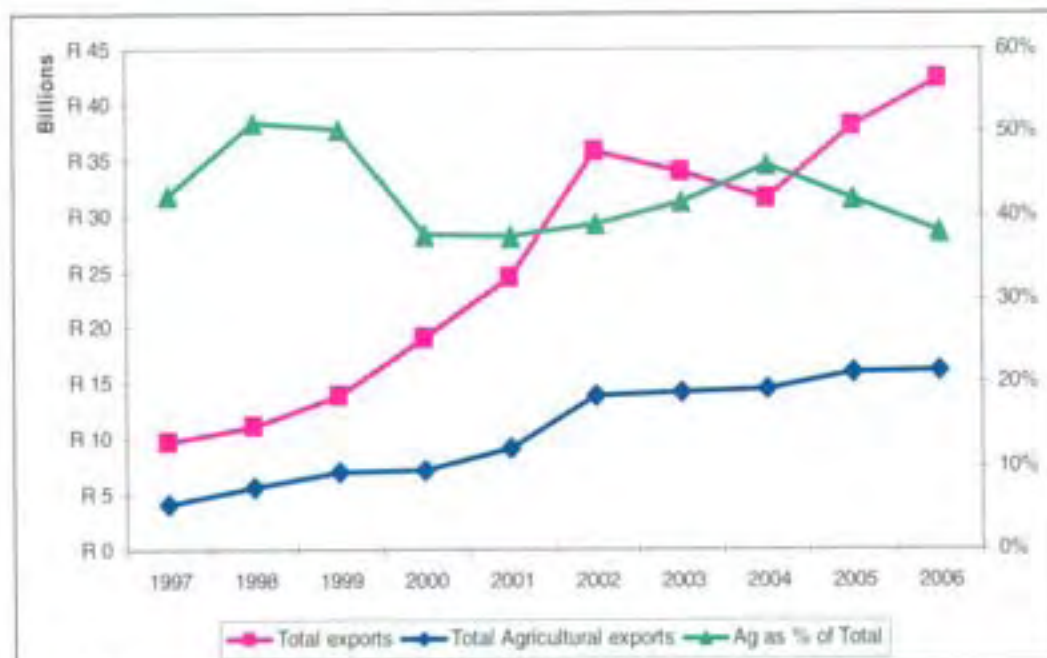
It follows that if agriculture's share to GDP of a country increases it is usually a sign of serious economic problems. In South Africa's history agriculture's share of the economy only grew during the late 80's when sanctions really started to have an impact and the economy experienced negative annual growth rates of up to 4%. After all, do we want to compare ourselves to Singapore (where agriculture is 0.1% of the economy), Luxembourg (0.5%), USA (0.9%), UK (1%), Germany (2.8%), or rather to Myanmar (60%), Guinea-Bissau (59%), Congo (58%) or the Central African Republic (55%).



The question should not be what agriculture's share of the economy is, but it should rather be what measures to take to allow agriculture to grow in absolute terms. One (easy) avenue that does exist is to follow the example of some developed nations and to provide subsidies, import tariffs, export credits and various other forms of incentives and guarantees. However, over the longer term these measures tend to become capitalised in land prices and leads to structural problems. In addition such measures would be against our international commitments to the WTO as well as the Cairns Group and it is not viable within the context of the domestic social and economic realities.

### 1.9 Agricultural exports from the Western Cape Province

It was argued in Section 1.1.4 that the Western Cape is a coastal Province. This would mean, in practice, that the Western Cape is relatively more exposed to international trade than land locked provinces. The result is that coastal provinces should be more "fit" to engage with international competition. It is clear from the data in Figure 8 that the Agricultural Sector of the Western Cape is succeeding extremely well in facing this international competition.



**Figure 8: Agricultural exports (current prices) from the Western Cape Province**  
 Source: Quantec (2008)

In 1997 the total value of agricultural exports (primary and processed agricultural products combined) from the Western Cape was more than R4,1 billion in current prices. This has increased to more than 16.1 billion in current prices by 2006. In other words, over this ten year period agricultural exports from the Western Cape has increased almost fourfold. This is no mean feat and it is clear that something is being done right somewhere. Over this same period agriculture's share of exports has been fluctuating between 50% (1999) and 38% (2006). This is a clear

indication that the Agricultural Sector remains an important cornerstone in the economy of the Province.

It is also clear from the information in Figure 8 that total exports from the Province are growing at a faster rate than agricultural exports. However, it was argued in Section 1.1.8 that this is no reason for alarm, but actually an indication of a healthy economy as long as agricultural exports are increasing in absolute terms.

The wine industry is probably the one industry in the Western Cape that best succeeded in this regard. In Figure 9 the extent to which this industry grabbed the opportunities offered by the “new” South Africa is clearly illustrated.



**Figure 9: The volume of wine exports from South Africa**  
Source: SAWIS (2008)

While the Wine Industry of South Africa exported 21 million litres of wine in 1992, this volume increased to more than 312 million litres in 2007. This represents an increase of more than 1 321 percent. Indeed an exemplary case in any person’s terms.

What is also significant is that it is not only the actual volume of exports that has increased, but also the share of the harvest that is being exported. This table also indicates that only 5,2 percent of the crop was exported in 1992. This increased to close to 45 percent in 2005. In other words, it was not only certain enterprises in the industry that became more export orientated, but the whole industry that actually shifted its focus to the export market. In other words, it became more adapt at operating in the international environment.

The growth in the value of exports over the shorter period of 1997 to 2006 is presented in Table 6. It is significant to note that, according to the Quantec (2008)



data, the Citrus industry was in 1997 only a shadow (1%) of its current presence. In the intervening period the value of exports in this industry have grown from R26 million in 1997 to R2.5 billion in 2006.

**Table 6: Export growth (current prices) in some of the biggest Agricultural Industries of the Western Cape Province**

Industry	Value of exports (R million)		Percentage	
	1997	2006	1997 of 2006	Growth over period
Citrus	R 26	R 2 500	1%	9 426%
Beer & wines	R 647	R 3 913	17%	505%
Grapes	R 636	R 1 796	35%	183%
Apples & pears	R 654	R 1 364	48%	109%
Preserved fruit	R 649	R 953	68%	47%

Source: Quantec (2008)

Some of the other major industries have also significantly increased its export presence. For instance, the Table Grape industry has almost tripled its export value to close to R1,8 billion while Apples and Pears doubled to R1,36 billion.

Some of the smaller industries have also shown significant growth over this period. Export of tea has increased by 857 percent over the ten year period from 1997 to 2006. The exports of spices have similarly increased by 705 percent, meat by 429 percent, vegetable fibres by 341 percent and fruit juices by 225 percent (Quantec, 2008). It follows that, in addition to deepening its export performance in its existing export focused industries, the Agricultural Sector has also broadened its export base by including hitherto neglected industries.

The impact of this export role of the Agricultural Sector was recently research by the Department of Agriculture. It was found that if only a five percent growth in exports of certain selected agricultural products is simulated, the output of the Western Cape economy increased by R432 million. This amount represents three times the value of the initial assumed increase in exports of R136 million, indicating the great extent of the linkages in the Western Cape economy. Furthermore, and in line with the employment creation goal of the Provincial Growth and Development Strategy (PGDS), it was found that 22 951 employment years could be created within the economy of which only 9 505 are in the agricultural sector and the balance (13 446) in the non-agricultural sector. As important as the growth and employment effects is, is the redistributive effects (another goal of the PGDS) of such a simulated increase in agricultural exports. It was found that the spendable household incomes of the total rural population would increase by 0,83 percent and that of the urban population by 0,24 percent. More significantly, there appears to be a very significant redistribution of wealth from white and Asian rural households (whose household income increased by 0,43%) to coloured and black rural households (1,54% increase in household income) (Punt & McDonald, 2002).

One point of critique often brought against this type of research is the observation that an increase in employment is found while in the "real world" the Agricultural Sector is shedding jobs (see the discussion in Section 1.1.6). The answer is fairly simple in that the whole purpose of creating simulations of reality (in other words, models) is to simplify reality. Reality is too interconnected for the human mind to grasp its full complexity. These models then allow us to isolate one variable and manipulate it while keeping all else constant (the so-called *ceteris paribus* condition). It follows that in the real world all else did not stay constant. Some of the other variables did change with the result that the Agricultural Sector did suffer a net loss of employment opportunities. However this loss would have been much more prominent if it were not for the significant export growth of the Agricultural Sector in the Province.

### 1.10 The Western Cape compared to the other Provinces of South Africa

The Western Cape Province remains the mainstay of the South African Agricultural Sector. Figure 10 clearly indicates that the Agricultural Sector in the Western Cape Province is responsible for 21,4 percent of the total value of agricultural production in South Africa. Its closest rival is the Free State Province with 14,5 percent and the KwaZulu-Natal Province with 13,2 percent of the value of agricultural production.

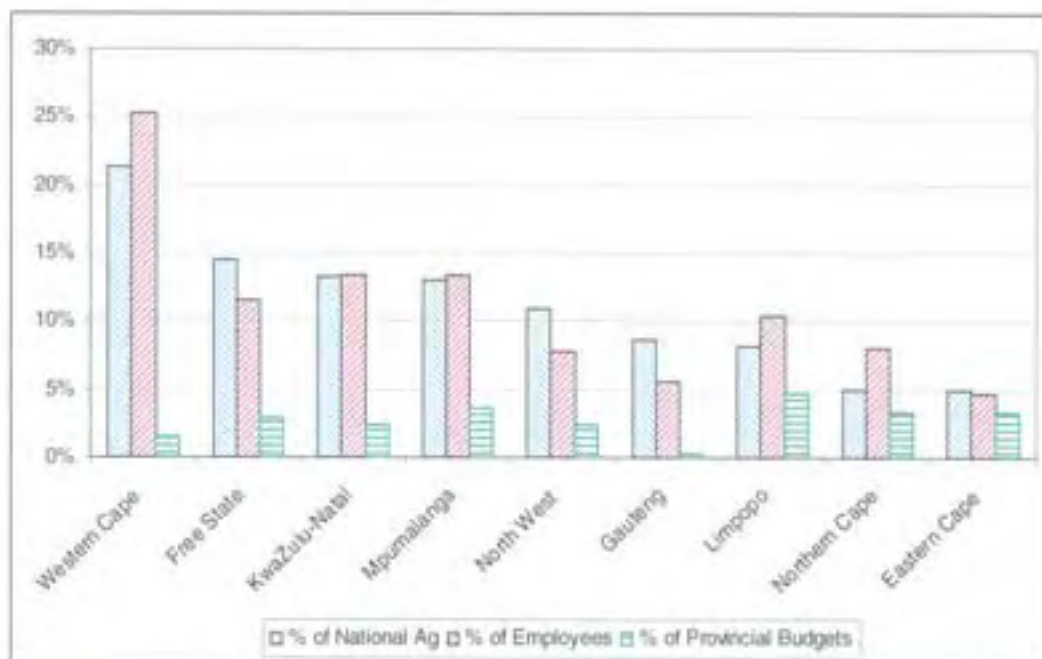


Figure 10: Agriculture in the Western Cape Province in comparison to those of the other nine provinces

Source: Agricultural Survey (2006)  
Expenditure Review (2006)

The same Figure 10 also indicates that the Province provide employment for more than a quarter (25,2%) of the farm workers of South Africa. In this instance KwaZulu-Natal (13,4%) provide the second most employment opportunities followed by Mpumalanga (13,3%) and the Free State (11,6%).



Yet, the annual Expenditure Review (2006) released by the National Treasury reveals that the agricultural budget of the Western Cape Province was only R254 million in the 2006/07 financial years. This should be compared to the R870 million allocated for agriculture to the smallest Agricultural Sector in South Africa, that of the Eastern Cape. It is significant that the Limpopo Province, with an agricultural allocation of more than R1 billion in the 2006/07 financial year, has got the third smallest Agricultural Sector in the country.

### 1.11 Rise in food prices

During the first three months of 2008 the international nominal prices of all major food commodities reached their highest level in 50 years and real prices (i.e. – inflation taken into account) were the highest in nearly 30 years. These high levels is the result of an eight percent increase in the food price index during 2006, followed by another 24 percent in 2007 and, during the first three months of 2008, it rose by a mighty 53 percent compared to the same period in 2007. This trend was led by sharp increases in the price of vegetable oils which increased by 97 percent over the same period, followed by grains (87%), dairy products (58%) and rice (46%) (FAO, 2008).

As South Africa has an open agricultural economy the Consumer Price Index of Food (CPI-Food) has risen by 17,8% from July 2007 to July 2008 with the result that South Africa is currently experiencing the highest rate of food inflation since January 2003. Especially worrying is the fact that the prices of certain staple foods increased by 39,95% (white bread), 38,3% (brown bread) and 38,08% (cabbage) while cooking oil, often used in poorer communities, even increased by 99,1% over the period. Rural consumers, where food is being produced, paid on average R1,04 per item more for monitored products than urban consumers (NAMC, 2008). Similarly, the SAFEX spot price of wheat has increased from the low of R1 235 per ton on 25 February 2005 to a high of R4 298 on 26 March 2008 (GSA, 2009). This is a significant increase of close to 250 percent over this three year period. See Figure 11 for an illustration of this phenomenon.



Figure 11: Nominal values of the daily SAFEX spot price for Wheat from 3 January 2005 to 26 March 2008

Source: GSA (2009)

These price increases can *inter alia* be ascribed to the global supply and demand situation of agricultural commodities, adverse weather conditions, changes in the consumption patterns in especially the developing world and alternative uses for farm products. For instance, it is reported in OECD/FAO (2007) that over the period 2001 to 2007 the annual average global consumption of wheat outstripped annual average global production by 13.2 million tons, global rice consumption was more than global rice production by 10.9 million and in the case of coarse grains (including maize) the annual average deficit was 4.5 million tons. It follows that over this period of 2001 to 2007 the world on average annually experiences a deficit of 28.6 million tons in grains. This, despite the fact that globally 800 million people are annually experiencing chronic hunger, even before the recent sharp increases in food prices (FAO, 2008). It is true that most models predict surplus food production in the immediate future. For instance, the OECD/FAO (2007) predicts an annual global surplus of grain production over consumption for the period 2010 to 2016 ranging between 2.8 to 8.7 million tons. Nevertheless, the question can be asked to what extent adverse and unexpected weather conditions can accurately be predicted to be modelled.

Research done at the Food and Agricultural Policy Research Institute (FAPRI) in the USA has confirmed the expectation that the current rise in food prices is not a short term anomaly, but rather the symptoms of a trend break. The Bureau for Food and Agricultural Policy (BFAP) has translated these results for South African conditions by using an econometric model calibrated to local conditions. The results are provided in Figure 12. The data in this figure explains the sharp hike in annual average commodity prices from R1 523 per ton in 2006 to R3 788 in 2008 (Note that this data is annual averages and the data in Figure 11 is daily prices). More significant is the expectation that the price for wheat will remain on an upwards trend towards 2014. This sharp increase in the incentive structure will



have an impact on the area dedicated to wheat production. However, due to the fact that a larger number of viable alternative farming enterprises exist in the summer rainfall area than in the winter rainfall area (and thus more prominent substitution effects), as well as more stable production conditions in the winter rainfall areas, it appears as if producers in the summer rainfall areas would respond more rapidly to these price incentives.



**Figure 12: Price and planting trends for wheat in South Africa**  
Source: BFAP (2008)

As a result, and in a renewed effort to address the plight of those that find it difficult to find sufficient sustenance, the Heads of States (or their representatives) of 186 countries met from 4 to 6 June 2008 in Rome and re-affirmed the global commitment to halve the number of undernourished people in the world by 2015 while at the same time ensure that sufficient food is available over the longer term. Furthermore, they reiterated their view that food should not be used as an instrument for political or economic pressure. In order to reach these targets, they agreed on measures to respond to immediate pressures while at the same time putting measures in place to substantially enhance food production and trade over the short and long term (FAO, 2008b).

Of special concern is the impact of these price increases on the poor. Households in South Africa are being divided into ten LSM (LSM = Life Style Measure) groups for analytical purposes. In LSM 1 (the poorest group) people spend about seventy percent of their available cash on food while in LSM 10 the expenditure is approximately ten percent of available cash (BFAP, 2007). It follows that the poorest in our society is the group that is the most severely affected by the increases in food prices.

It follows that a two-pronged approach is necessary for the Western Cape. On the one hand it is important to ensure adequate domestic supply of food (over the long term) while, at the same time, the plight of those that currently cannot afford food are being addressed (short term interventions). In order to address this problem, a range of specific interventions has been launched by the Provincial Government of the Western Cape with agricultural interventions shown in Table 7. According to this information it is clear that 1 177 individuals, of whom 555 are women, 415 are younger than 35 and 70 persons are disabled, were supported to start food gardens in 2008/09. As this data does not include the families of the participants nor the individuals that benefitted indirectly from the food gardens, these 1 177 individuals benefitted directly from these gardens.

**Table 7: Distribution of additional persons who benefitted from food gardens in the Western Cape Province during 2008/09**

District	Men	Women	Youth	Disabled	Total
City of Cape Town	48	121	36	13	169
West Coast	48	28	13	6	76
Cape Winelands	237	222	133	8	459
Overberg	93	120	161	41	213
Eden	34	20	7	0	54
Central Karoo	162	44	65	2	206
<b>Total</b>	<b>622</b>	<b>555</b>	<b>415</b>	<b>70</b>	<b>1 177</b>

Source: WCPDA, 2009

Education is responsible for providing nutrition support to children in schools through the school nutrition programmes. It also has school based food gardens. The information in Table 8 informs us of the number and distribution of additional learners who benefitted from the expansion of the school feeding scheme. Please take note that these 100 815 individuals can all considered to be youth or younger.



**Table 8: Distribution of additional persons who benefitted from school nutrition in the Western Cape Province during 2008/09**

Education District	LEARNERS		
	Additional	Existing	Total
City Central	13 706	12 556	26 262
City East	14 267	38 510	52 777
City North	20 745	24 484	45 229
City South	-1 588	39 838	38 250
Cape Winelands	23 144	43 733	66 877
Overberg	21 679	0	21 679
Eden and Central Karoo	22 806	35 851	58 657
West Coast	-13 944	38 500	24 556
<b>Total</b>	<b>100 815</b>	<b>233 472</b>	<b>334 287</b>

Source: WCDE, 2009

### 1.12 Putting the squeeze on farming

The information in Figure 13 provides an interesting perspective on the farming environment. On the one hand the deflated producer price index declined from a high of 234 in 1974 to a low of 143 in 1999. Subsequent changes in the price environment did result in some upward momentum in producer prices to the high of 202 in 2007

However, this is only one side of the coin. The other side reflects the changes in input prices used in farming. By scrutinising the deflated Input Price Index in Figure 13 it becomes clear that it increases from a low of 116 in 1971 to the high of 181 in 2007. Incidentally, the rapid increases in the Producer Price Index in 2000 to 2003 and since 2005 have been offset by similar increases in the Input Price Index. The point is that the area between the Indexes has consistently been under threat. Just a note of caution. We are working with Indexes and as the index reference point is arbitrary, it is no use to try and find an intercept between the two functions.



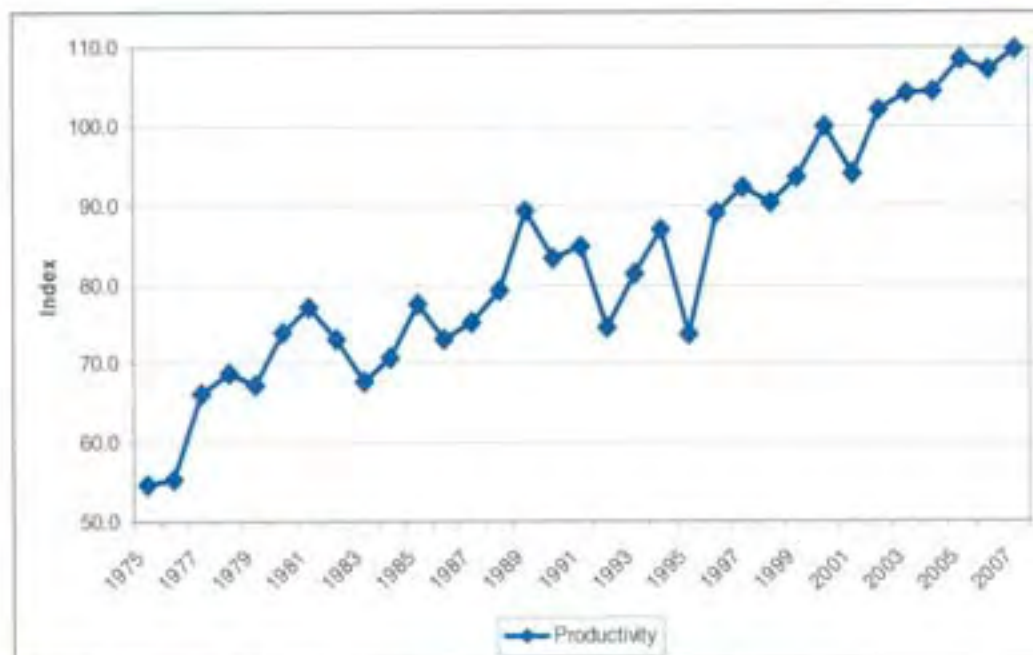
**Figure 13: The Cost / Price pincher for South African Agriculture**  
 Source: Abstract (2008)

The information in Figure 14 provides an inkling of how farmers reacted to this situation. The index of the volume of food production in South Africa as increased from 54.6 in 1974 to 109.8. As the farming areas has remained fixed (or actually declined due to urban encroaching), it is clear that the rate at which inputs is transformed into food has increased substantially over this period. In other words, farmers have become more efficient.

In order to understand the situation, it is necessary to explain Cochran's Treadmill Theory (See Cochran, 1958). As we all know the price of a product and the volume sold is derived from the intersect between the demand and supply functions. In the case of agricultural commodities, both the supply and demand function is relatively inelastic or, in layman's terms, rather vertical. In practice this means that both consumers and producers are relatively slow to respond to price changes. In the case of the former it is because food is one of the "sanitary conditions" of Maslow and Herzberg or, "man must eat". In the case of the latter it is because there is already a lot of sunken cost in farming and exit strategies are not without its own costs. After all, you can do very little with an apple tree other than producing apples.

New agricultural technology is usually either yield increase or cost decreasing. It follows that any new technology in farming will result in the movement of the supply function of the appropriate commodity to the right. Only the early adopters of the technology will reap the benefits as any substantial adoption of the technology will lead to a decline in the price that producers receive. The result is that, in order to survive financially, the next set of technology need to be adopted by farmers. The same set of benefits will accrue to the early adopters. Due to the fact that farmers need to be at the forefront of the technology to survive (they need to run flat-out just to stand still), this theory has been coined the Treadmill Theory.





**Figure 14: The index of food production in South African Agriculture**  
 Source: Abstract (2008)

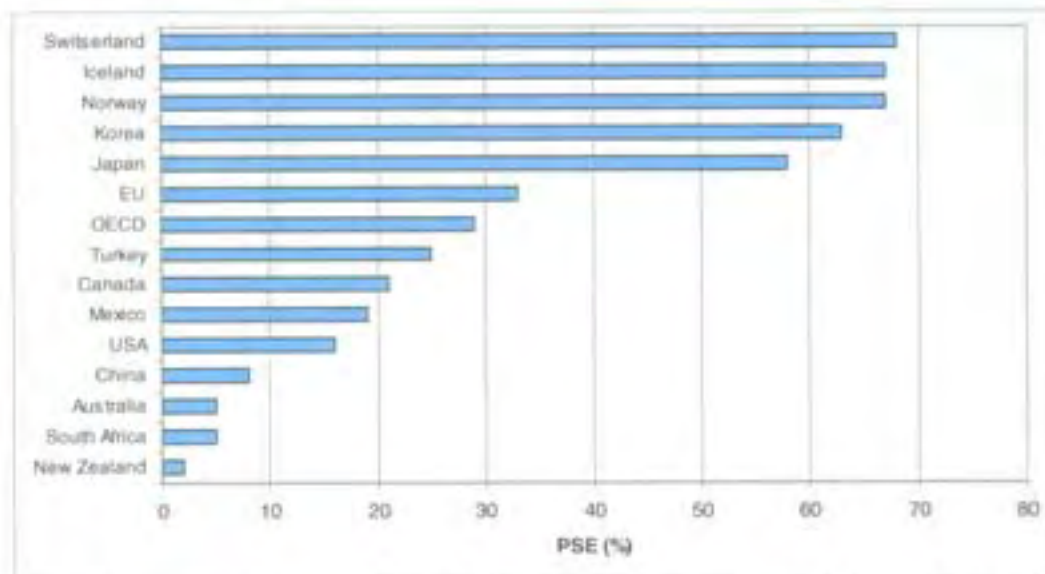
It is not wise to stop the development and adaptation of any new technology. On the one hand the more competitive prices are usually given through to the consumers (depending on the institutional arrangements in the industry). The other side of the coin is that domestic producers are not alone in the race and it has already been argued that our economy is fairly open. It follows that if South African farmers do not operate at the international cutting edge of technology, they will lose their competitive advantage. Recent research by the Department of Agriculture (Provide, 2006) has supported this hypothesis. It was found that if domestic agricultural productivity changes hand in hand with international productivity (i.e. technological change), then net employment gains would result in the South African economy even if employment in certain industries may decline. However, if changes in South African agricultural productivity lag behind the international scene, then the Agricultural Sector as well as the South African economy would show a net shedding of jobs.

### 1.13 How smooth is the international playing field?

This then brings us back to the international interface. We already discussed the Agricultural Sector's export success in Section 1.1.9 and in the previous section the domestic squeeze on commodity prices with the resulting need to stay at the cutting edge of farming technology. In Figure 15 an indication of the evenness of the international playing field is provided.

According to the data in this Figure the Producer Subsidy Equivalent (PSE) in Switzerland is 68%, 58% in Japan, 33% in the European Union and 16% in the USA. In the case of Australia and South Africa it is 5% and for New Zealand it is 2%. In practice it means that a farmer in Switzerland receives 68% of his/her

income in some form of government support. This support can either be in the form of direct payments, specific programmes, some form of subsidies (i.e. input subsidies) or it can be in the form of unrealistically high domestic prices due to import protection (import tariffs or non-tariff barriers). Or, to illustrate this differently, the average cow in the EU receives about two dollars per day in the form of government support while more than half of the world's population lives on less than two dollars a day.



**Figure 15: The Producer Subsidy Equivalents as a percentage of farming income in selected countries**

Source: OECD (2006)

However, these high levels of government support do not mean that South African farmers should throw their hands in the air in despair. Fortunately, the most highly subsidised countries are in the Northern Hemisphere with the result that the production seasons are out of synchronisation. Furthermore, some of our most severe competition comes from farmers in countries with similar or even lower subsidy levels than is the case in South Africa. Shown in the Figure are Australia and New Zealand, but other countries in a similar position but not shown include Argentina, Chile, Brazil and all African countries.

The difference in support levels between industries in South Africa is shown in Figure 16. It is clear that the Sugar industry receives the highest level of support at 23.2% of producer income, followed by sheep meat (13.1%), milk (7.7%) and maize (7.6%). As the support to all other industries is actually lower than the average PSE for South Africa, this is an indication of the substantial distorting effect of the Sugar Industry.

On the other side of the spectrum industries such as Eggs (-1.6%) and Poultry (-0.8%) are actually taxed. In the case of the Western Cape, it is only sheep meat and milk that receives support levels that is significantly higher than average. The support to all other farming industries prominent in the Western Cape is significant lower than the average for the Agricultural Sector in South Africa.



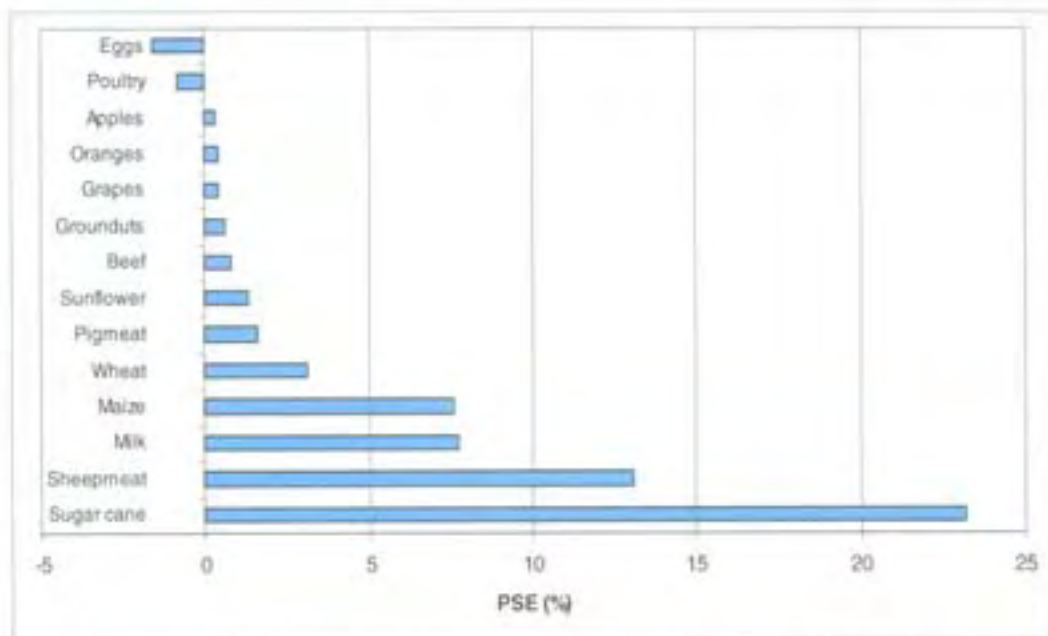


Figure 16: The Producer Subsidy Equivalents as a percentage of farming income for selected industries in South Africa

Source: OECD (2006)

#### 1.14 Conclusion

It was clearly show in this document that the Agricultural Sector of the Western Cape Province is an extremely important part of the economy of the Western Cape Province. This is not only true for the rural part of the Provincial economy, but also for its international interface (exports). It is clear that it is increasingly well integrated into the international economy and is continuously becoming more efficient at transforming inputs into food and fibre.

Yes agriculture is beauty and beast, bane and saviour. However, it remains the most interesting and satisfying sector of the economy.

## Annexure C

SECTOR	ORGANISATION
Agri-Business	Cape Agri (Pty) Ltd
	Sentraal Suid Karoo Ltd
	Moorreesburg Koringboere (Pty) Ltd
	Agri Mega
Animals	SA Ostrich Business Chamber
	Western Cape Ostrich Producer
	Cape Pig Producers
	Southern African Poultry Association
Fruit	Canning Fruit Producers' Association
	Citrus Growers Association (WC)
	Dried Fruit Technical Services
	Fresh Produce Exporters' Forum
	Deciduous Fruit Producers' Trust
	South African Table Grape Industry
	SA Fruit & Vegetable Cannery Association
Grain	Grain SA (Western Cape)
Meat	Red Meat Producers Organisation
Milk	Milk Producers Organisations
Tea, Oil & Flowers	Rooibostee Vereniging
	South African Protea Producers & Exporters Association
Vegetable-Potatoes	Potatoes SA
Wine	Vinpro
	SALBA - SA Liquor Brand Owners Association
	South African Wine Industry Information & Systems
	Wynkelders SA
	Winetech
	Wine Industry Development Trust
	Distell
	Wine Cellars South Africa
Wool & Mohair	Mohair SA
	National Wool Growers Association
Government	Department of Community Safety
	Department of Cultural Affairs and Sport
	Department of Education



	Department of Economic Development and Tourism
	Department of Environmental Affairs and Development Planning
	Department of Health
	Department of Local Government and Housing
	Provincial Treasury
	Department of Social Development
	Department of Transport and Public Works
	National Department of Agriculture, Forestry and Fisheries
	National Department of Rural Development and Land Reform
Non Governmental Organisations	Women on Farms
	Surplus People's Project
	Southern Cape Land Committee
	AgriTrain
	SA Agri Academy
	Cape Women's Forum
	Koue Bokkeveld Training Centre
	Vineyard Academy
	Black Association for the Wine & Spirit Industry
	Centre for Rural and Legal Studies
	Winetech
Org Labour- Civil Society	Food & Allied Workers Union
	Civil Society
	Rudnet
	Farm Workers Association
Organised Agriculture	Agri Western Cape
	United South African Agricultural Association
	Stellebosch Association of Farm Worker Development
	National Agricultural Farmers Union
Public Entities	Casidra (Pty) Ltd
	Western Cape Trade and Promotion Agency (WESGRO)
	CapeNature
	Provincial Development Council
	ARC Infruitec-Nietvoorbij
Tertiary Education	University of Stellenbosch
	Nelson Mandela Metropolitan University

Secondary Education	Boland Agricultural School
	Oakdale Agricultural School