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Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA



agriculture,
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Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

ONE PAGER EXECUTIVE SUMMARIES – AGRI-HUBS as on 6 November 2015



Agri-Hubs identified by the Province



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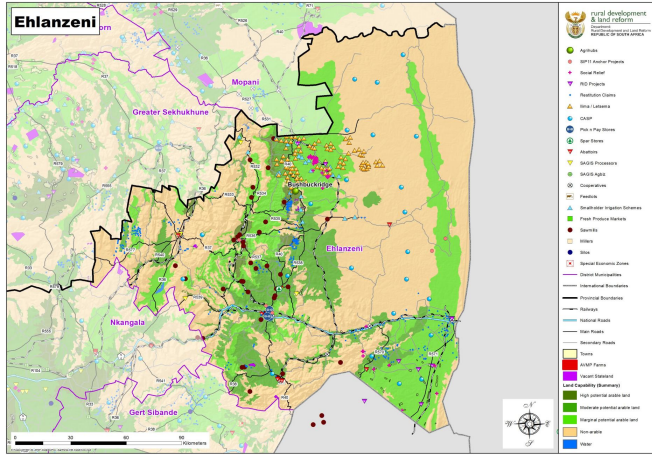
Department:
Agriculture, Rural Development and Land
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MPUMALANGA PROVINCE

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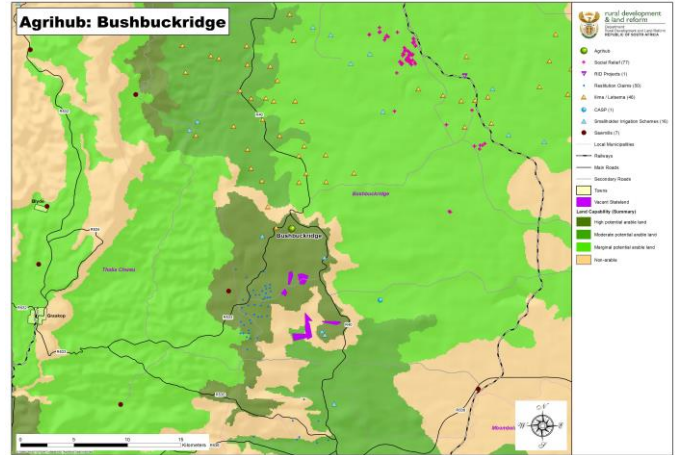
27 PRIORITY DISTRICTS		
PROVINCE	DISTRICT MUNICIPALITY	PROPOSED GATEWAY
Mpumalanga	Ehlanzeni	Bushbuckridge
17 Districts		
PROVINCE	DISTRICT MUNICIPALITY	PROPOSED GATEWAY
Mpumalanga	Gert Sibande	Mkhondo (Piet Retief)
	Nkangala	Kameelpoort A

SECTION 1: 27 PRIORITY DISTRICTS

Ehlanzeni District Municipality



Proposed Agri-Hub: Bushbuckridge



District Context

Total Area: 27 896km². Ehlanzeni District Municipality is one of the three district municipalities that form part of the Mpumalanga province. It is comprised of five local municipalities: Mbombela, Umjindi, Bushbuckridge, Nkomazi and Thaba Chweu. Mbombela (previously Nelspruit) is the capital of Mpumalanga, situated in the Mbombela Local Municipality, which is also the home of the Mpumalanga Provincial Government and, as a result, is the most concentrated economic hub within the province. It features three border gates to both Swaziland and Mozambique (Matsamo, Komatipoort and Mananga border gates) and, therefore, movement of people from neighbouring countries to the district, and from Gauteng to either Swaziland or Mozambique, creates a catalyst for the economic life of the area. Cities/Towns: Barberton, Emoyeni, Entokozweni, Graskop, Hazyview, Kaapschehoop, Kabokweni, Kanyamazane, Komatipoort, Luphisi, Lydenburg, Malalane, Marloth Park, Mashishing, Matsulu, Mbombela, Mpakeni, Msogwaba, Ngodwana, Pilgrim's Rest, Sabie, Sabie Park, Skukuza, Tekwane, White River. Main Economic Sectors: Community services (25%), manufacturing (22%), trade (20%), agriculture (9%), financial and real estate (9%), transport (7%), mining (3%), construction (3%), electricity (2%). Ehlanzeni District Municipality (EDM) is one of three district municipalities in Mpumalanga Province. EDM is located in the north eastern part of Mpumalanga Province, also known as the Lowveld. It is bordered by Mozambique to the east and Swaziland and Gert Sibande District to the south. Nkangala District is located to the West of EDM with the Mopani and Sekhukhune Districts of Limpopo bordering EDM's Northern and North Western boundaries.

Agriculture

There is only 1 miller in this district, located in Lydenburg (Mashishini) town. There are Millers in Thaba Chewu. There is 100 000 tons of citrus being produced annually in the province, specifically located in the Ehlanzeni district. The major route is the N4 between Mbombela between Komatipoort. Fresh produce market in Nelspruit (Halls Farm Stalls along N4). Ehlanzeni District is characterized by a sub-tropical climate, which makes it an ideally suited location for the cultivation of subtropical, citrus and deciduous fruits such as mangoes, litchis, papaws, bananas, avocados, guavas, granadillas and tomatoes. Nuts, tobacco, wood and vegetables are other crops grown in Ehlanzeni area. Agricultural activities compete with forestry in terms of the resource base. The areas of Nelspruit, White River, Barberton and Bushbuckridge form the second largest citrus producing area in the country. The Barberton area is the largest irrigable area, which produces citrus, cotton, tobacco, wheat and vegetables. Ehlanzeni is also well suited for sugar, livestock and game farming. According to Statistics South Africa's September 2005 labour force survey, Agriculture was the fourth highest formal employer in the province, with 11.5% of the province's formal employment. Employment within agriculture grew by close to 1% between March 2004 and March 2005 and it is hoped that this reversal in the trend of shedding jobs in this industry will continue.

Demographics

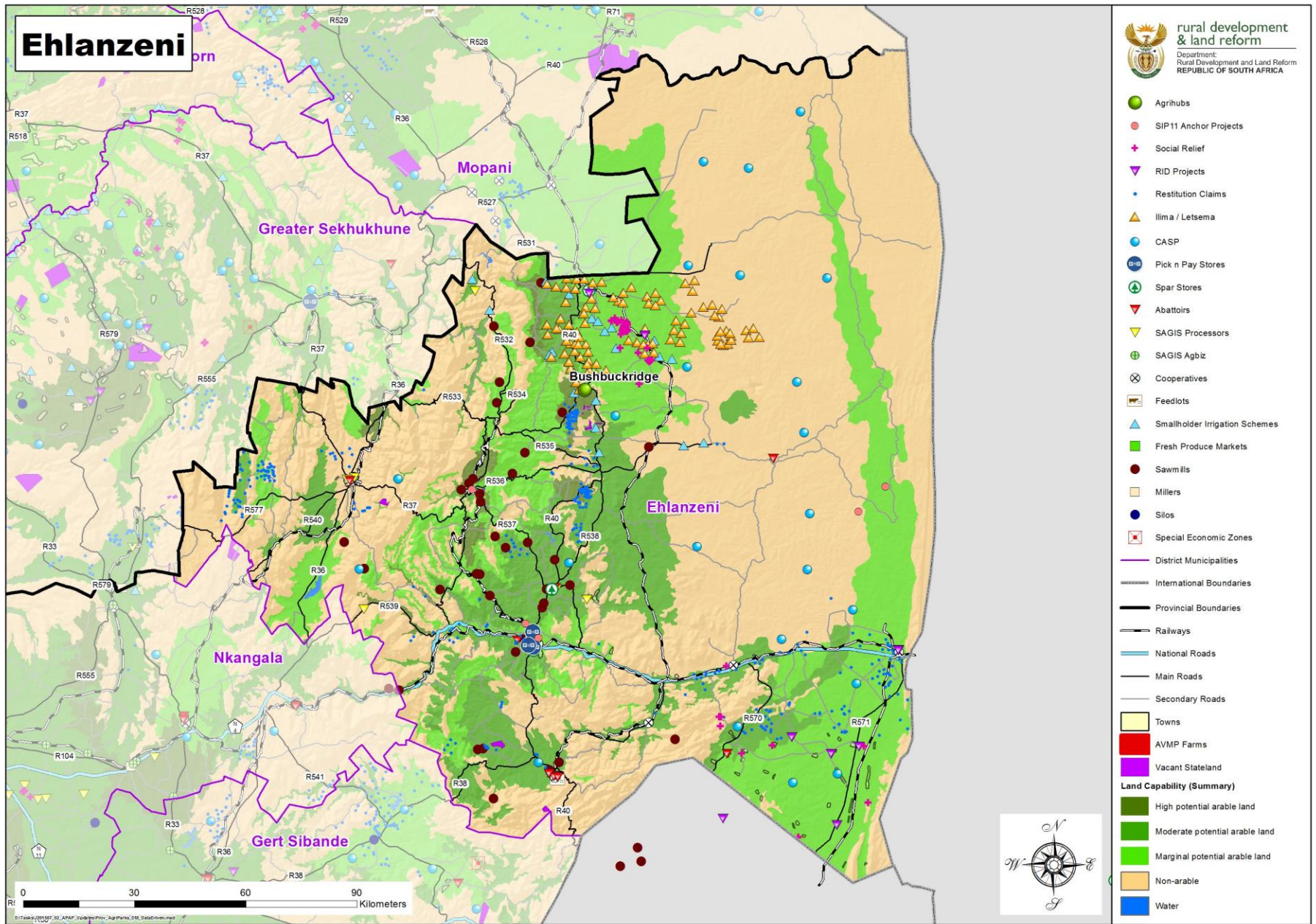
The district has 1 688 615 people and the total number of households is 445087 with an average household size of 3.8 (Census 2011). The Ehlanzeni District has the largest population of the three districts within the Province making up approximately 1.6 million (42%) of the total Mpumalanga population of approximately 4 million people. According to the Provincial Integrated Spatial Framework, Ehlanzeni District has an urbanisation level is 17%. The most urbanized areas in Ehlanzeni District are; Nelspruit, Nsikazi, Barberton, White River and Malelane. Unemployment rate is 34.4% and the percentage of female headed households is 44.1%. 62.4% of the population lies within the 51 to 64 year age group. The African population of Ehlanzeni increased between 2005 and 2010; that is the population grew from 1,447,053 to 1,526,236, although there has been a huge decline of white between 2005 and 2010. The population of Ehlanzeni is also influenced by migration hence we are surrounded by the boarders of Mozambique and Swaziland and the settlement patterns which include diverse factors ranging from previous homeland areas to service centres focused around the resource base or economic hubs.

Analysis

The Province identified Bushbuckridge as the best location for an Agri-hub for the following reasons:

- Bushbuckridge is an EDD district gateway
- There are many RID, social relief and many small holder irrigation scheme projects in the area
- The proximity to rural villages which may provide a suitable workforce to maintain the Agri-hub
- The high to very high agricultural potential of the Bushbuckridge area makes it very suitable for the establishment of an Agri-hub
- There are many social relief projects to the north east of Bushbuckridge town
- There are a few Ilima Letsema projects to the north of Bushbuckridge town
- The area is generally very well known for citrus and banana plantations
- There are many CASP Ilima Letsema 2015-16 projects to the north of Bushbuckridge town
- There are many Restitution claims to the south of the proposed location
- There are many small holder irrigation projects surrounding Bushbuckridge town
- There are land care projects to the north and east of the proposed location

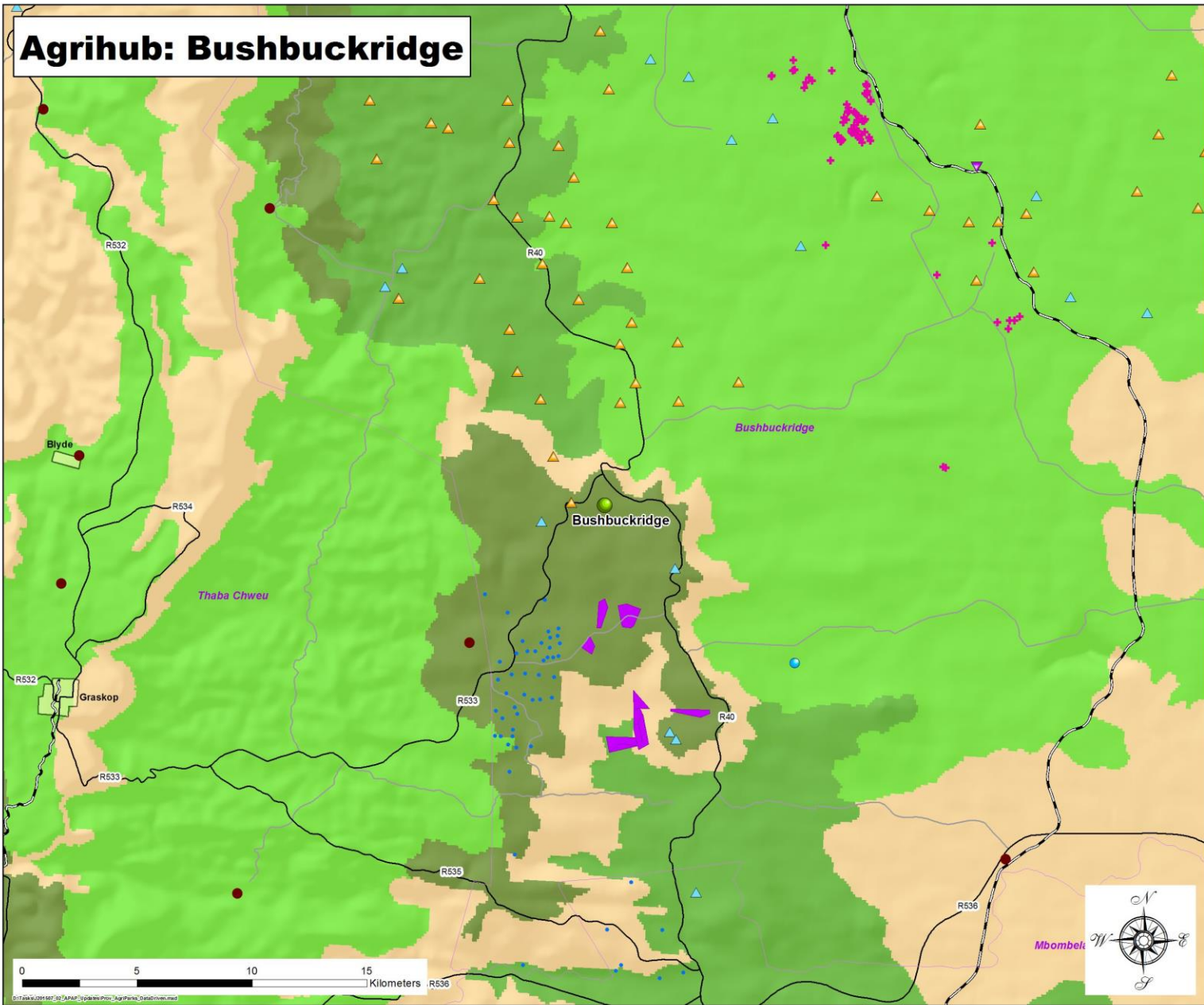
	<ul style="list-style-type: none">• Road connectivity may be poor based on actual road surface conditions
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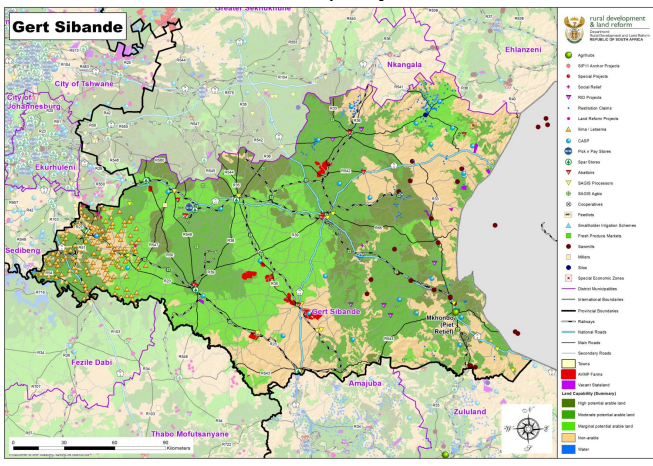
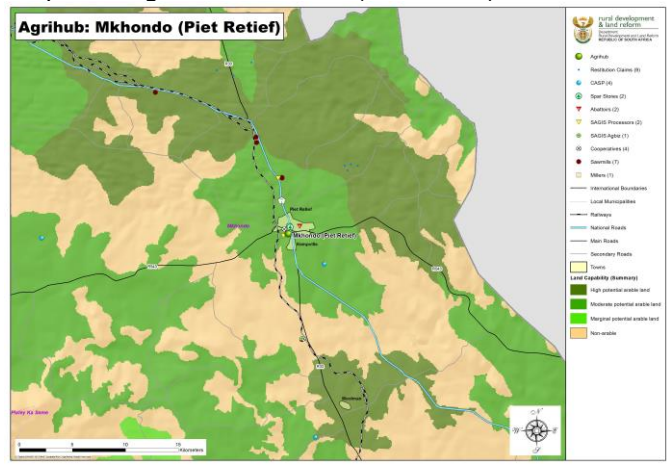
Agrihub: Bushbuckridge



- Agrihub
- + Social Relief (77)
- ▼ RID Projects (1)
- Restitution Claims (50)
- ▲ Ilima / Letsema (46)
- CASP (1)
- ▲ Smallholder Irrigation Schemes (16)
- Sawmills (7)
- Local Municipalities
- Railways
- Main Roads
- Secondary Roads
- Towns
- Vacant State Land
- Land Capability (Summary)**
- High potential arable land
- Moderate potential arable land
- Marginal potential arable land
- Non-arable



SECTION 2: 17 DISTRICTS

<p>Gert Sibande District Municipality</p> 	<p>Proposed Agri-Hub: Mkhondo (Piet Retief)</p> 
<p>District Context</p> <p>Total Area: 31 841km². Gert Sibande District Municipality is located in the Mpumalanga province and is comprised of seven local municipalities: Govan Mbeki, Chief Albert Luthuli, Msukaligwa, Dipaleseng, Mkhondo, Lekwa and Dr Pixley ka Isaka Seme. It is the largest of the three districts in the Mpumalanga province. Highways that pass through Gert Sibande District Municipality include the N11, which goes through to the N2 in KwaZulu-Natal, the N17 from Gauteng passing through to Swaziland, and the N3 from Gauteng to KwaZulu-Natal. Cities/Towns: Amersfoort, Amsterdam, Balfour, Bethal, Breyten, Carolina, Charl Cilliers, Chrissiesmeer, Davel, Ekulindeni, Embalenhle, Empuluzi, Ermelo, Evander, Greylingstad, Grootvlei, Kinross, Leandra, Lothair, Morgenzon, Perdekop, Secunda, Standerton, Trichardt, Volksrust, Wakkerstroom, eManzana, eMkhondo (previously Piet Retief). Main Economic Sectors: Manufacturing (35%), mining (14.1%), community services (12.3%), finance (11.5%), trade (9.6%), transport (7.3%), agriculture (4.7%), construction (2.1%).</p> <p>GSDM is demarcated as DC30 as per the Municipal Demarcation Board, and is one of the three (3) District Municipalities that constitute Mpumalanga Province. The District Municipality is bordered by the Ekurhuleni Metropolitan Municipality to the west and Sedibeng District Municipality to the south-west respectively, and Thabo Mofutsanyane District Municipality to the south-east. The Ehlanzeni District Municipality is located to the north-east and Nkangala District Municipality to the north, while the Amajuba and Zululand District Municipalities in KwaZulu-Natal Province are located to the south-east, and Swaziland to the east. Spatially Gert Sibande District Municipality is the largest of the three Districts in Mpumalanga Province at 31 841 km², covering 40% of the Mpumalanga Province's land mass. The western portion of the District mostly comprises typical Highveld vegetation and climate, with the eastern end of the District being more mountainous and characterised by extensive forestry and rural settlements and tribal villages in the north-east in the Albert Luthuli Local Municipality near the Oshoek Border Post with Swaziland.</p>	<p>Demographics</p> <p>The Gert Sibande district has the smallest population size in the province with a population of about 1 043 194 in 2011 which makes up to 26% of the province's population. The total number of households is 273,490. The District consists of 7 local municipalities, with Govan Mbeki and Albert Luthuli local municipalities having the largest population of 294,538 and 186,010, respectively. Dipaleseng municipality has the smallest population size of only 42,390 persons. The high population concentration in Govan Mbeki might be the result of economic activities which are taking place in the area. The activities include mining which attract many people seeking jobs. Only 27.93% of the population in GSDM has matric and only 9.14% have the higher education. In 1996, Lekwa recorded the lowest unemployment rate at 24 per cent while Chief Albert Luthuli had the highest unemployment at 52 per cent. There has been tremendous improvement in the employment figures in Chief Albert Luthuli, going from the highest unemployment rate in 1996 to fourth highest in 2011 at 35.41%. Albert Luthuli and Govan Mbeki are the only two municipalities whose unemployment figures in 2011 are better than the 1996 figures. 63.9% of the population lies within the 15 to 64 year age group. Unemployment rate is at 29.7%, which is one of the better readings in South Africa. The average household size is 3.7 with 38.8% of households being headed by females.</p>
<p>Agriculture</p> <p>GSDM is a rich agricultural hub, with different agricultural products being exported from the District in raw form and brought back as finished product. The District would in future therefore like to conduct a study on the viability of establishing a fresh produce market within</p>	<p>Analysis</p> <p>Based on the analysis done by the Province it was decided that Mkhondo (Piet Retief) town is to be the best location for the establishment of the Agri-hub for the following reasons:</p> <ul style="list-style-type: none"> • It is an EDD district gateway

its jurisdictional area to take advantage of the opportunities that emanate in the value chain of agriculture, e.g. storage, warehousing, packaging, transportation, etc. The District has realised that the whole agricultural value chain and the benefits emanating from there are not benefiting communities within its jurisdictional area. In order to turn that around, it is important to derive methods to retain most of the economic benefits therein. The viability study on the Fresh Produce Market will go a long way in establishing the potential that exist in this area. Areas like Standerton, Ermelo, Bethal and Piet Retief are strong in agricultural activities varying between crops and livestock farming. Gert Sibande (13.5 per cent) employed more than the provincial agriculture (11.3 per cent) in 2010. Agriculture GVA is at 4.6% of the Province's total GVA. Mkhondo and Dipaleseng were the main employment providers of agriculture and private households with their respective shares of 28.7% and 11.4%. Msukaligwa employed the largest share of individuals in agriculture (24.2 per cent) and Mkhondo (24.2%). Dipaleseng (28.5%) and Mkhondo (28.7%) dominate the agricultural employment areas in the district.

Key areas for intervention to facilitate growth and job creation in the agricultural sector include:

- Massive drive on infrastructure development
- Massive drive in skills development.
- Comprehensive support to small-scale farmers and agri-businesses.
- Fast-track the settlement of the outstanding land claims.
- Optimal utilisation of resituated and distributed land.
- Increase acquisition of agricultural land for the previously disadvantaged.
- Revisit current legislation to create balanced development in areas of competition between mining and farming.
- Assistance (technical, material and finance) to identified Agricultural co-operatives in traditional areas as well as the establishment of the fresh produce market in the District
- create 300 000 jobs in the Agriculture smallholder schemes
- create 145 000 jobs in agro-processing by 2030.

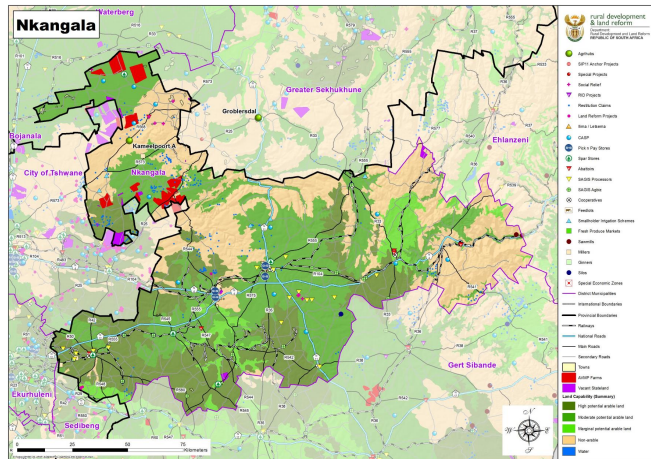
Key areas for intervention to facilitate growth and job creation in the agricultural sector include:

- Massive drive on infrastructure development. This includes, among other things: dams, irrigation, farm roads, silos, pack houses, mechanisation, electricity and infrastructure for agro-processing.
- Massive drive in skills development.
- Comprehensive support to small-scale farmers and agri-businesses.
- Increase acquisition of agricultural land for the previously disadvantaged.
- a Biofuels plant for Gert Sibande is specified in the Municipal IDP document under MTSF strategic elements

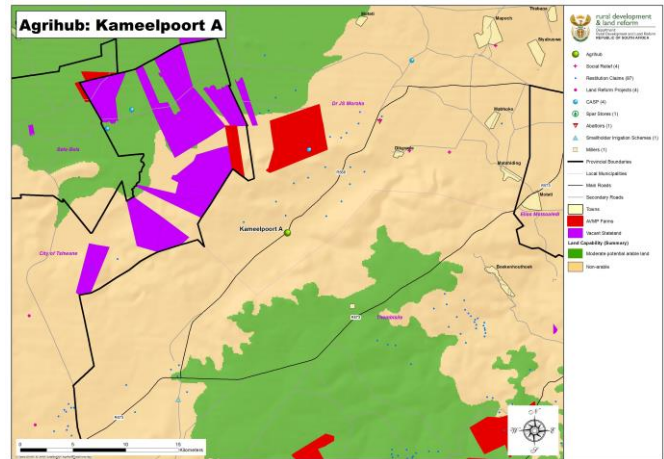
The District Municipality in partnership with the Mpumalanga Department of Agriculture (District Offices) and the Agricultural Colleges in the various Local Municipalities need to forge Agricultural Development Initiatives to establish a centre for Sustainable Development of the sector within the Gert Sibande District Municipality.

- It is surrounded by the poorest wards (PIMD)
- Good road and railway connectivity (N2)
- Close to a CRDP project to the north of the location
- Land capability is moderate to good
- State land parcels to the north and west which are far located from Mkhondo town
- There are PLAS projects, Land Care, CASP, Land Reform project, 2 SPAR food stores at the location
- There is also a miller and 3 cooperatives at the location
- There should be sufficient water supply available in the form of rivers near the location
- There are a few CASP 15-16 projects surrounding Mkhondo town
- There are RID projects to the west of the proposed location
- There are 3 Cooperatives in Mkhondo town
- Surrounded by poorest wards (PIMD)

Nkangala District Municipality



Proposed Agri-Hub: Kameelpoort A



District Context

Total Area: 16 758km². Nkangala District Municipality is a Category C municipality found in the Mpumalanga province. It is comprised of six local municipalities: Victor Khanye (previously Delmas), Emalahleni, Steve Tshwete (previously Middelburg), Emakhazeni, Thembisile Hani, and Dr JS Moroka. The district's headquarters are in Middelburg (Steve Tshwete Local Municipality). It is also responsible for the Mdala District Management Area. Nkangala is at the economic hub of Mpumalanga, and is rich in minerals and natural resources. A strength of the district is the Maputo Corridor, which brings increased potential for economic growth and tourism development. The proximity to Gauteng opens up opportunities to a larger market, which is of benefit to the district's agricultural and manufacturing sectors. The further potential inherent in exporting goods provides opportunities that need to be investigated. Cities/Towns: Delmas, Dullstroom, Emgwenya (previously Waterval Boven), Hendrina, Kriel, KwaMhlanga, Mdala Nature Reserve, Middelburg, Ogies, Phola, Pullens Hope, Rietkuil, eMakhazeni, eMalahleni, eNtokozweni (previously Machadodorp). Main Economic Sectors: Mining, manufacturing, energy, agriculture

Nkangala District Municipality (DC31) is one of the three (3) District Municipalities in Mpumalanga Province. The headquarters of Nkangala District Municipality are in Middelburg (Steve Tshwete Local Municipality). The District Municipality is composed of six (6) Local Municipalities: namely; Victor Khanye Local Municipality (MP 311), Emalahleni Local Municipality (MP 312), Steve Tshwete Local Municipality (MP 313), Emakhazeni Local Municipality (MP 314), Thembisile Hani Local Municipality (MP 315) and Dr JS Moroka Local Municipality (MP 316). The area of the district covers a total area of approximately 16,892 square kilometres.

Agriculture

The agriculture sector is an important economic activity in the Nkangala District, which should be protected and promoted through the development of supplementary activities such as agri-processing. In the southern regions of the extensive farming, specifically in the form of crop farming is promoted. Extensive cattle and game farming is also promoted in the northern regions. Intensive agriculture is promoted along the N4 and N12 Corridors, to capitalise on the access to markets at local and regional level. The Agricultural Sector was the main employment provider in Victor Khanye with a significant share of 30.8 % in 2011. The northwestern regions of the District are characterised by subsistence farming and rural residential uses. The

Demographics

The Nkangala DM has 1308129 people according to Census 2011, with 356911 households. With 1.35 million people living in Nkangala, the District Municipality housed 2.6% of South Africa's total population in 2012. Between 2002 and 2012 the population growth averaged 2.07% per annum which is close to double the growth rate of South Africa as a whole (1.28%). Compared to Mpumalanga's average annual growth rate (1.31%), Nkangala's population has grown at a close to double rate of 2.07%. When compared to other regions, Nkangala District Municipality with a total population of 1.35 million or 32.7% of the total population in Mpumalanga ranked second in 2012. The ranking in terms of size compared to the other regions of Nkangala remained the same between 2002 and 2012. In terms of its share, it was in 2012 (32.7%) significantly larger compared to what it was in 2002 (30.4%). When looking at the average annual growth rate, it is noted that Nkangala ranked highest (relative to its peers in terms of growth) with an average annual growth rate of 2.1% between 2002 and 2012. When looking at the population forecast of Nkangala District Municipality shows an estimated average annual growth rate of 2.1% from 2012 with 1.35 million people which is estimated to increase to 1.5 million people in 2017. Unemployment rate is at 30% with average household size of 3.5. 66.5% of the total population lies within the 15 to 64 year age group. 36.2% of all households are headed by females. The population growth rate increased by about 2% between the period 2001 and 2007. The black population formed the bulk of the District's population with 90.9 percent, followed by the White population with 7.8 %. The majority of the population in the District is situated in Emalahleni Local Municipality (MP312), which accounts for 35.4% of the population of the District and 11.9% of the provincial population. Emakhazeni Local Municipality has the smallest population percentage in the District, with only 2.6% of the District's population and 0.9% of the provincial population living there. The main poverty concentration exists in the Dr. JS Moroka and Thembisile Municipalities.

Analysis

Based on the analysis done by the Province they identified Kameelpoort A to be the best location for an Agri-hub for the following reasons:

- It is not an EDD District gateway
- Land capability is poor
- There are potential vacant state land parcels to the north of the location
- There are Restitution Claims to the north of the location
- There are AVMP farms to the north and south of the proposed location
- The road connectivity is fair but may be poor due to actual road

<p>initiation of community farming projects is necessary to enhance the agricultural sector in this area and to address the high poverty levels. Sector interventions include integrate current small-scale/emerging farmers into the commercial farming arena through the provision of training and support in terms of access to funding, and introducing the idea of forming cooperatives, inter alia, implement small-scale/emerging farmer crop growing, animal farming, forestry projects, promote the use of less water intensive techniques, in the interest of sustainability, by making an appropriate brochure available and/or offering community training. Catalytic project interventions include Organic Cotton Farming: to create organic cotton farming incubators to assist small-scale/emerging farmers in each feasible Local Municipality in Nkangala. Bio-fuel Input Farming: create bio-fuel input farming incubators to promote the development of sustainable input sources and contribute towards the formation of a bio-fuel value chain linked to input refiners. Medicinal Plant Farming: create community nursery incubator projects that supply plants to households wishing to grow their own medicinal plants, and companies producing medicinal plant products. The proposed Agro-processing project involves cultivating, harvesting and processing essential oils in Nkangala that will supplement the existing agricultural/agro-processing activities. The town of Middelburg has been selected to be home to one of the seven Ethanol factories to be erected. For commercial production, trial areas of approximately 200 plants each with selected cultivars to determine quality and yields before planting on a large scale will be identified. A total of 24 hectares will be established with these cultivars during the 2nd phase of the project.</p>	<p>surface conditions</p> <ul style="list-style-type: none"> • There should be good surface water available from rivers • Enterprise areas include: cattle, maize, wheat, tobacco, peanuts, cotton and citrus • There are CRDP sites to the south and north of the proposed location • Location is surrounded by the poorest wards (PIMD) • There are a few CASP 15-16 projects to the north of the proposed location • The proposed location is surrounded by 3 EDD gateways: Groblersdal, Bela Bela and Tshwane (note: Groblersdal has also been selected as a location for an Agri-hub)
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