rural development
& land reform
Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

Final Master Plan

AGRI-PARK MASTER BUSINESS PLAN

Namakwa District Municipality

Northern Cape Province

MANAGING FOR EXCELLENCE

amissa

Agri-Park Details	
Province:	Northern Cape
District:	Namakwa
Agri-Hub Site:	Springbok, Nama Khoi Local Municipality

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(DRDLR Director SDC PSSC - Northern Cape)

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Three critical success factors have been identified in ensuring that the proposed Agri-Parks are successful in achieving their intended outcomes including that:

a) They must be supported by Provincial Governments and signed off by District Municipalities;

b) District Municipalities, Provincial and National Departments must agree on the commodities to be processed at each of the Agri-Parks; and,

a) All relevant government actors must demonstrate adequate support in implementing the Agri-Parks Policy, especially in terms of water, energy, roads and transport, environmental matters.

List of Abbreviations and Definitions

Abbreviation	Description
AGOA	African Growth and Opportunity Act
AGM	Annual General Meeting
AGRIBEE	Agricultural Black Economic Empowerment
AGRI-SA	Agriculture South Africa
AH	Agri-Hub
AP	Agri-Park
APMBP	Agri-Park Master Business Plan
APAP	Agriculture Policy Action Plan
ARC	Agricultural Research council
BRICS	Brazil, Russia, India, China and South Africa
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organisation
CPA	Communal Property Association
CRDP	Comprehensive Rural Development Programme
CSA	Climate Smart Agriculture
CSIR	Council for Scientific and Industrial Research
DAFF	Department of Agriculture, Forestry and Fisheries
DAMC	District Advisory Management Committee
DAPOTT	District Agri-Parks Task Team
DBSA	Development Bank of Southern Africa
DEA	Department of Environmental Affairs
DFI	Development Finance Institutions
DFS	Development Finance System
DGDS	District Growth Development Strategy
DLRC	District Land Reform Committee
DM	District Municipality
DMA	District Municipal Area
DoE	Department of Energy
DRDLR	Department of Rural Development and Land Reform
DTI	Department of Trade and Industry
EIA	Environment Impact Assessment
EMF	Environmental Management Framework
EU	Expanded Public Works Programme
FAO	Food and Agriculture Organisation
FET	Further Education and Training
FPSU	Farmer Production Support Units
GDP	Gross Domestic Product
GVA	Gross Value Added
GWK	Griekwaland Wes Kooperatiewe
HLM	Hantam Local Municipality
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICT	Information Communications and Technology

Abbreviation	Description
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IPAP	Industrial Policy Action Plan
KLM	Kamiesberg Local Municipality
KHLM	Karoo Hoogland Local Municipality
KMLM	Khai-Ma Local Municipality
LED	Local Economic Development
LM	Local Municipality
LRAD	Land Redistribution for Agricultural Development
LUMS	Land Use Management Strategy
Km	Kilometer
MDG	Millennium Development Goals
MIG	Municipal Infrastructure Grant
MSDF	Municipal Spatial Development Framework
MTSF	Medium Term Strategic Framework
MFMA	Municipal Financial Management Act
M&E	Monitoring and Evaluation
NAAC	National Agri-Parks Advisory Council
NKLM	Nama-Khai Local Municipality
NARYSEC	National Rural Youth Corps Strategy
NAWO	National Agricultural Women Organisation
NCEDA	Northern Cape Economic Development Agency
NCLEDS	Northern Cape Local Economic Development Strategy
NCDLRARD	Northern Cape Department of Land Reform, Agriculture and Rural Development
NCRDS	Northern Cape Rural Development Strategy
NDP	National Development Plan
NGP	National Growth Path
NDA	National Development Agency
NDM	Namakwa District Municipality
NDMSDF	Namakwa District Municipality Spatial Development Framework
NDP	National Development Plan
NEF	National Empowerment Fund
NFSD	National Framework for Sustainable Development
NGO	Non-Governmental Organisation
NGP	New Growth Path
NPO	Non-Profit Organisation
NSSD	National Strategy for Sustainable Development
OECD	Organisation for Economic Co-operation and Development
PAPOTT	Provincial Agri-Parks Task Team
PGDS	Provincial Growth Development Strategy
PSDF	Northern Cape Provincial Spatial Development Framework
PSSC	Provincial Shared Services Center
PIC	Public Investment Corporation

Abbreviation	Description
PLAS	Proactive Land Acquisition Strategy
PPP	Public Private Partnership
RDP	Rural Development Plan
REID	Rural Enterprise and Industrial Development
RETM	Rural Economic Transformation Model
RLM	Richtersveld Local Municipality
RID	Rural Infrastructure and Development
RSA	Republic of South Africa
RUMC	Rural Urban Management Centre
R&D	Research and Development
SALGA	South African Local Government Association
SANRAL	South African National Road Agency Limited
SANSOR	South African National Seed Organisation
SAACTA	Southern African Auditor & Training Certification Authority
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Enterprise
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SLP	Social And Labour Plans
SLAG	Settlement for Land Acquisition Grant
SMME	Small Medium Micro Enterprise
SPLUMA	Spatial Planning And Land Use Management Act
StatsSA	Statistics South Africa
SWOT	Strength, Weakness, Opportunities and Threats
TVET	Technical Vocational Educational and Training
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WHO	World Health Organisation
WTO	World Trade Organisation

Executive Summary

Report Purpose:

This Agri-Park Master Business Plan has been commissioned by the Department of Rural Development and Land Reform to inform the way forward with the Namakwa District Agri-Park initiative. This Namakwa District Agri-Park Master Plan provides a broad framework to guide the way forward. However, this Agri-Park Master Business Plan must continue to evolve and be viewed as a work in progress (a living document) as additional information comes to light and as the stakeholder engagement process deepens moving forward.

The purpose of the Agri-Park Master Business Plan is to inform the Namakwa District Agri-Park Master Plan proposals regarding priority agri-park agriculture commodities and agri-processing initiatives, required facilities and services, institutional options, and way forward issues regarding planning processes and detailed feasibility analysis.

Namakwa Targeted Commodities:

The Namakwa District Municipality (NDM) has an ocean and land based economy, both with huge potential for growth and sustainable job creation in the district. Apart from this the NDM also has a large number of small scale and emerging farmers and fisher folk dependant on the land and the ocean for a living.

Commodities in the NDM were selected in two categories, namely:

- Main commodities – those commodities that make up a sizable portion of the District and Provincial GDP.
- Support commodities – those commodities produced by small and emerging farmers.

The commodities were selected using the following criteria:

- Input from the District and Local Municipalities;
- Input from the Provincial Department of Agriculture and the Department of Rural Development and Land Reform;
- The impact and possible future impact of the commodity(ies) on the local economy by way of contribution to the GDP and job creation. Commodities with high potential growth and high potential of job creation.
- Commodities produced by small and emerging farmers which could help them achieve economic independence and sustainability and contribute to GDP growth for the district and where they require support in order for this to happen.

Using the criteria as set out above, the main commodities selected for inclusion into the Namakwa Agri-Park are the following:

- Sheep (mutton & wool)
- Grapes (table & raisins)
- Dates

These commodities have excellent investment, value adding, growth, export, wealth creation and job creation potential.

Small and emerging farmers produce a myriad of commodities in the district, without much support normally available to commercial farmers such as access to finance, production inputs, packing / processing facilities and marketing channels. This keeps them anchored in the cycle of dependence and poverty without the means to break out. The Agri-Park of the Namakwa District can change all that for the positive by way of much needed support where most needed through the Agri-Hub and Farmer Production Support Units.

In order for this to be achieved the commodities produced by the small and emerging farmers, even though they might not be main commodities, must be included in the Agri-Park of the Namakwa DM with support services to achieve the aims of rural development and the Agri-Parks.

These support commodities for inclusion into the Namakwa Agri-Park are indicated below:

- Ocean Economy
  - Crayfish
  - Fish
  - Abalone
- Land Economy:
    - Red meat (mutton, goats, beef, pork)
    - Wool / Swakara
    - Lucerne
    - Vegetables (various)
    - Rooibos Tea
    - Essential oils and traditional herbs and medicines

Three Agri-Processing Opportunities

The following **agri-processing opportunities** present exciting opportunities for the Namakwa Agri-Park

- Medium size abattoir for small and large stock at the Agri-Hub in Springbok associated with a feedlot and / or treated wastewater irrigated pastures to round off stock before being slaughtered for the premium meat market. Buying of shares in the existing abattoir(s) should be seriously investigated.
- Feed processing plant (pelleting plant) to formulate animal feed from locally produced lucerne, maize and other ingredients.
- Raisin drying and packing facility.

- Rooibos tea drying, fermentation and packing plant at the Nieuwoudtville FPSU.
- A Rose geranium extraction plant.

Two of these, Rooibos Tea and Rose geranium, are not new projects, but are ones which have over time, and for a variety of reasons, lost the impetus required to fulfil its potential. It is believed that with the right guidance these projects can indeed be viable and sustainable over the long term.

Namakwa Agri-Park Strategy

The Agri-Park strategy is aimed at providing direction and scope for Namakwa DM Agri-Park over the long term, in order to achieve implementation advantages.

The strategy aligns itself to the 14 government priority outcomes, and most importantly **outcome 7 – Vibrant, equitable and sustainable rural communities** and the Agri-Park draft policy framework; which aims to enable the establishment of rural industrial hubs across South Africa to serve as primary vehicles of agrarian transformation and comprehensive rural development in order to:

- enhance agricultural production and efficiency;
- promote household food security and national food sovereignty;
- engender agrarian transformation through rural enterprise development and employment creation; and,
- address the triple challenges of poverty, inequality and unemployment as starkly manifest in rural areas.

To achieve this, the following Agri-Park outcome, vision, mission, goals and objectives are proposed for the Namakwa Agri-Park:

- Priority Outcome

Outcome 7	Vibrant, equitable and sustainable rural communities
Outputs	1) Sustainable agrarian reform with a thriving farming sector 2) Improved access to affordable and diverse food 3) Improved rural services to support livelihoods 4) Improved employment and skills development opportunities 5) Enabling institutional environment for sustainable and inclusive growth

- Vision

The Namakwa DM Agri-Park will be a catalyst for rural economic development/industrialisation ensuring development and growth in order to improve the lives of all communities in the district.

- Mission

The Namakwa DM Agri-Park will assist to address the needs of emerging farmers to strengthen their ability to participate in both local and international (where relevant) value chains by coordinating and supporting improved access to capacity development (e.g. farm management) and other support services and facilities (e.g. access to equipment, water, transport, processing, cold and normal storage, packaging and distribution

as well as market information and research) in order to meet the standards and other purchasing requirements of relevant supply chain buyers, thereby helping to retain and create jobs and improve the incomes of emerging farmers and farm workers

- Goal

By 2025 Namakwa DM's rural areas and towns would be transformed into thriving areas in terms of jobs, food security and opportunities to prosper.

To achieve the proposed Agri-Park Goal, the following objectives aligned to the Agri-Park draft policy framework are proposed for the implementation of Namakwa DM Agri-Park:

Objective 1: Transformation and Modernization - To transform and modernise rural area and small towns in Namakwa DM through the development of the Agricultural sector over the next 10 years

Objective 2: Agri-Park Infrastructure Development - To develop an integrated and networked Agri-Park Infrastructure over the next 10 years.

Objective 3: Agri-Park Governance and Management - To enhance agricultural productivity, the Agri-Park is to enable producer ownership of 70% of the equity in Agri-Parks, with the state and commercial interests holding the remaining 30% minority shares and allowing smallholder producers to take full control of Agri-Parks by steadily decreasing state support over a period of ten years. As the Lead Sponsor, the DRDLR must appoint a suitably qualified and experienced Agri-Park Manager who will facilitate the formal establishment of the Agri-Park and its constituent institutional arrangements to ensure that the Agri-Park (at FPSUs and Agri-Hub levels) provides a comprehensive range of Farmer Support Services for farming excellence.

Objective 4: Agri-Park Funding - To facilitate funding, and investment for the development of the Agri-Park over the next 5 years

Objective 5: Agri-Park Farmers and Communities Development: To provide technical support and extension services to Agri-Park beneficiaries over the next 10 years and beyond.

Objective 6: Agri-Park Implementation Capacity - To enhance the capacity and capability of officials responsible for the implementation of the Agri-Parks over the next 3 years.

Agri-Park Infrastructure Plan

An Agri-Park is *not* only physical buildings located in single locations (like ordinary industrial parks) per district *but* it is defined as:

A networked innovation system of: agro-production, processing, logistics, marketing, training and extension services located in District Municipalities. As a network it enables the growth of market-driven commodity value chains and contributes to the achievement of rural economic transformation model(RETM). An AP contains three service collections:

a. Farmer Production Support Unit (FPSU) with a focus on primary production towards *food security*;
b. Agri-Hub (AH); and
c. The Rural Urban Market Centre (RUMC) which may service multiple districts.

The Namakwa DM has an agricultural and ocean economy. It was therefore decided to advise that both of these economies are included into the Agr-Park concept and developed as such. The proposed Agri-Hub and its Farmer Production Support Units are discussed and indicated below.

The sites were proposed for the following reasons:

- The close proximity of small and emerging farmers in close proximity to the hubs and FPSUs;
- The proximity to production of main and support commodities;
- Rural development needs;
- Support for the sites by the DAPOTT, DAMC and local municipalities;
- Approval of sites by the local municipalities.

<u>Agri-Hub – Springbok</u> on a site still to be determined.

This Agri-Hub will support the feeder Farmer Production Support Units from:

- Henkries: 88 km to Springbok - Dates
- Witbank: - Vegetables
- Pella: - Raisins
- Coboop: - Table grapes
- Onseepkans: 211 km to Springbok - Lucerne
- Nieuwoudtville: 311 km to Springbok, 74 km to Vredendal - Rooibos tea (Could feed into the Agri-Hub at Vredendal)

One additional FPSU should be considered in order to serve small and emerging farmers concentrated in the areas noted below:

- Kharkams to serve the small farmers in that area (Leliefontein) that produce sheep, goats, lucerne and medicinal herbs.

The communities at Concordia, Komaggas and Steinkopf are to feed directly into the Agri-Hub at Springbok.

Further notes on the FPSU's are noted below:

- Karoo Hoogland should feed into the the Agri-Park developed in Pixley ka Seme DM due to proximity.
- The Namakwa Irrigation Develoment Plan must be taken into consideration in future developments of the Agri FPSU's and as soon as the plan is revived.

No Aqua Farmer Production Support Units have been identified. It is however believed that the fisher folk of Hondeklip Bay and Port Nolloth should be supported. It is therefore recommended that an Aqua FPSU specifically for the fisher folk should be established at these two locations to support the small crayfish, abalone and fish industries.

The Rural Urban Market Centre Unit (RUMC) has three main purposes:

- Linking and contracting rural (AH's and FPSU's), urban and international markets through contracts.
- Acts as a holding-facility, releasing produce to urban markets based on seasonal trends.
- Provides market intelligence and information feedback, to the AH and FPSU, using the latest information and communication technologies.

The site for Namakwa RUMC has not been confirmed. It is however proposed that instead of establishing a separate facility, that the RUMC be located at Springbok, the site of the Agri-hub. This RUMC can connect to Cape Town through the proposed shared RUMC of the West Coast, Cape Winelands and Overberg DM's to be placed at Stellenbosch.

Agri-Hub Implementation Plan

The Agri-Park implementation will continue to evolve as new developments unfold. It will be important for implementation to take place in as coordinated a manner as possible and therefore the pending appointment of a District Agri-Park Manager will assist in this regard and provide a key focal point for all stakeholders to interact with.

This 10 year Agri-Park Master Plan implementation plan therefore contains the following:

- Agri-Park Critical Success Factors based on international experience;
- Agri-Park Implementation monitoring plan to guide the monitoring of the Agri-Park (it will be critical for stakeholders to agree on key indicators to be monitored and for regular progress reports on these indicators to be presented and discuss at the Agri-Park stakeholder meetings such as the DAPOTT and DAMC))
- Agri-Park Risk Management Plan: it will be critical for key risk managers to be identified and who are responsible to implementing actions to mitigate the key risks facing the successful implementation and operation of the Agri-Park.
- Agri 10 Park High Level 10 year implementation plan to provide an indication of the phased implementation approach; and
- Agri-Park Strategic Partnership Framework to provide an indication of the wide range of partnerships that will need to be explored facilitated and defined to ensure the successful operation of the Agri-Park.

Way Forward and Next Steps

This master plan will be taken forward by the District Municipality that will facilitate its ongoing evolution and implementation with a wide range of partners and support organizations.

A number of specific feasibility studies, consultation and further research will now be required during the course of 2016 to further detail the Agri-Park and processing opportunities, including the identification of possible implementation partners and facility planning requirements.

Chapter One: Introduction and Background

1.1. Introduction

The Department of Rural Development and Land Reform (DRDLR) commissioned Camissa Institute of Human Performance and Managing for Excellence to develop an **Agri-Park Master Business Plan (APMBP)** aligned to its Agri-Park model and the main agricultural commodity value chain (s) in the **Namakwa District Municipality (NDM) in the Northern Cape Province** of South Africa.

1.1.1. Project Scope and objectives

Camissa and Managing for Excellence was expected to:

a) Develop a **Namakwa District Municipality** Master Agri-Park Business Plan, aligning the Agri-Park model developed by the DRDLR and the dominant Commodity Value Chain (s) in the specific district.

b) Develop the APMBP in line with the commodities in the respective:
   1. Farmer Production Support Units (FPSU) linked to farmers and farming areas;
   2. Agri-Hub and feeder FPSUs; and
   3. Rural Urban Market Centre (RUMC) and linkages with Agri-Hubs and FPSUs.

c) The APMBP must highlight existing and possible new agro-processing initiatives, possible synergies and linkages based on market analysis and financial viability.
   1. **Three possible agro-processing business opportunities** must be identified
   2. An **institutional/organisational plan** must be developed showing how existing farmer support organisations, support services (private and public sector) and farmers will be linked to the Agri-Park model

d) Consider during the development of the APMBP, but not limited to:
   1. Review all existing documentation available in terms of status quo information, maps and reports for the district under consideration this would include social, economic, and institutional matters
   2. To work with the district identified representatives and the DRDLR provincial office to develop APMBP aligned to the Agri-Park model.
   3. To utilise tools developed by the DRDLR and CSIR. Identify the dominant commodity value chains through liaison with the district and local municipalities and the following should be considered:
      i. Socio-economic viability and sustainability:
      ii. SWOT analysis that includes legal, environmental, financial and technical analysis
      iii. Identify current agro-processing initiatives and possible synergies, linkages and opportunities to buy into existing businesses.

1.1.2. Methodology and Approach

To deliver on the project scope and objectives the service provider applied a methodology and approach based on secondary information analysis and primary information gathering through engagements with targeted stakeholders. The development of this APMBP followed steps outlined below:

Step One	• Project inception and consultations
Step Two	• Provincial and Municipal engagements
Step Three	• Information gathering and Analysis
Step Four	• Development and compilation of the analysis report
Step Five	• Analysis Report inputs gathering exercises (further engagements and consultations)
Step Six	• Review and finalisation of the analysis report
Step Seven	• Development of Agri-Park Master Business Plan
Step Eight	• Agri-Park Master Business Plan inputs gathering exercises (further engagements and consultations)
Step Nine	• Review and finalisation of the Agri-Park Master Business Plan
Step Ten	• Project Closure

1.1.3. The Agri-Park Master Business Plan

This APMBP draws on the findings, recommendations and conclusions of the Situational Analysis report (see annexure A) for the **NDM** which was part of phase 1 for the drafting of this APMBP. In terms of the above definition the APMBP for the **NDM** can be described as an operational network of agriculturally driven production, contracts and value adding business interventions, spatially situated at carefully selected/chosen Agri-Hub (AH) site, Farmer Production Support Units (FPSUs) sites and Rural Urban Marketing Centre (RUMC) site to provide technical support and assistance to Black smallholder and emerging commercial farmers.

The AH, FPSUs and RUMC are also selected/chosen to facilitate the movement of agricultural outputs to consumers and fits a specific typology to match its objective, leading to the clustering and location of smallholder and emerging farmers with the focus on enhancing their access to physical, economic and social capital, production inputs, agricultural outputs, finance, markets, extension services, education and training and organisation opportunities.

This APMBP is anchored on sound principles of sustainable development (people, planet and profit), financial viability and business management and governance as these are the foundation of sustainable Agri-Parks and inclusive agricultural and rural economic growth and development.

1.1.4. Instruction for reading Agri-Park Master Business Plan

Chapter 1:	Introduces the APMBP project scope and methodology used, and also outlines a background to the Agri-Park concept and to this Master Plan
Chapter 2:	Provides a summary of the situational analysis conducted to inform the Master Plan with emphasis on dominant commodity analysis, District Agri-Park, SWOT, and findings and conclusions.
Chapter 3:	Drawing from chapter two analyses, this chapter proposes the District Agri-Park Strategy aligned to the provincial agriculture and district priorities for the establishment of the Agri-Park across the Local Municipalities.
Chapter 4:	Provides the physical and spatial context in which the District Agri-Park Master Plan can be situated, as a connection point within the different spatial locations.
Chapter 5:	Looks towards the implementation of the District Agri-Park Master Business Plan.

1.2. Background and Context

Most rural areas in South Africa face the triple structural challenges of unemployment, poverty and inequality as can be attested by the profiling of Comprehensive Rural Development Programme sites by the DRDLR in the 27 priority districts in South Africa. This is an unwanted economic legacy of the apartheid state that still haunts us. This is most aptly evident in the crisis of rural underdevelopment, underutilisation and unsustainable use of productive land (including redistributed and state-owned land), the plight of Black small-scale and emerging farmers across the country.

The overall purpose of rural development is to improve the quality of life of rural households, enhancing food security through a broader base of rural industrial and agricultural production and exploiting the varied economic potential of each rural district municipality. In response to the above, the Department developed the Agri-Park concept for South Africa as one of the potential strategies to address the issues of rural poverty, unemployment and inequality.

Agri-Parks as a concept is new in South Africa though it is practiced in other parts of the world. The concept draws on existing models from countries such as Mexico, India, Netherlands, amongst others and experience and empirical evidence from these countries show that Agri-Parks offer a viable solution in addressing social and economic inequalities, unemployment and poverty by promoting agro-industrialisation within small-scale farming and emerging commercial farming sectors, thus ensuring that the escalated land distribution, more

inclusive restitution and strengthen land rights are accompanied by equitable, efficient and well-planned land and agricultural development. The first draft version of the Agri-Parks Policy (2015) defines an Agri-Park as:

An Agri-Park is a networked innovation system of agro-production, processing, logistics, marketing, training and extension services located in District Municipalities. As a network it enables the growth of market-driven commodity value chains and contributes to the achievement of rural economic transformation.

The draft Agri-Park Policy was developed to address issues such as underdevelopment, hunger, poverty, joblessness, lack of basic services, and the challenges faced by small-farmers and emerging commercial farmers in terms of limited access to physical, economic and social capital, production inputs, finance, markets, extension services, education and training and organisation opportunities. The DRDLR recognizes that significant economic growth points do exist in rural areas of South Africa which remains under-exploited or unexploited. The DRDLR further recognizes that the current agricultural production and business is maintained in some rural areas and leveraged to address the growth of small-scale farmers and emerging commercial farmers in the agricultural sector and by doing so attend to the development of the rural areas is such a way that we narrow the gap between the industrial side of some rural economies and the currently underdeveloped, underutilised and unsustainable rural component.

The Agri-Parks model seeks to strengthen existing and create new partnerships within all three spheres of government, the private sector and civil society.

1.2.1. Agri-Park Model

The **draft Agri-Park Policy outcome** is to establish Agri-Parks in all of South Africa's District Municipalities that will kick start the **Rural Economic Transformation** for these rural regions. This policy outcome is to be realised through the implementation of the Agri-Park Model that is driven by the principles outlined in figure 1. The five principles are:

1) Targeted Commodity(ies) Producers

A District Municipality, based on its **agricultural comparative advantage** will target one or more commodities. The targeted commodity is the first primary contributing driver for social and economic development of a District Municipality and local farmers. The producers or farmers are to be provided with support in order for their produce to move from their respective farm gate (point A) to consumer plate and/or finished products (point B) linked to the commodity value chain.

a. **Market**: The farmers or producers primary outputs is supplied to FPSU and/or local community markets

2) Farmer Production Support Unit

At locally based and accessible FPSU, the farmers are provided with production, technical and infrastructure support. The farmers aggregated farmers output is supplied to the linked Agri-Hub.

b. **Market**: The FPSU supplies primary and/or processed farmers produce to the local community market, Agro-processers (at the Agri-Hub) and RUMC.

3) Agri-Hub

The farmers produce (input) is processed in large scale at the Agri-Hub. The Agri-Hub also provides quality production support services to the farmers including product development and improvement (i.e. Innovation, Research and Development) and links the farmers to the targeted commodity value chain.

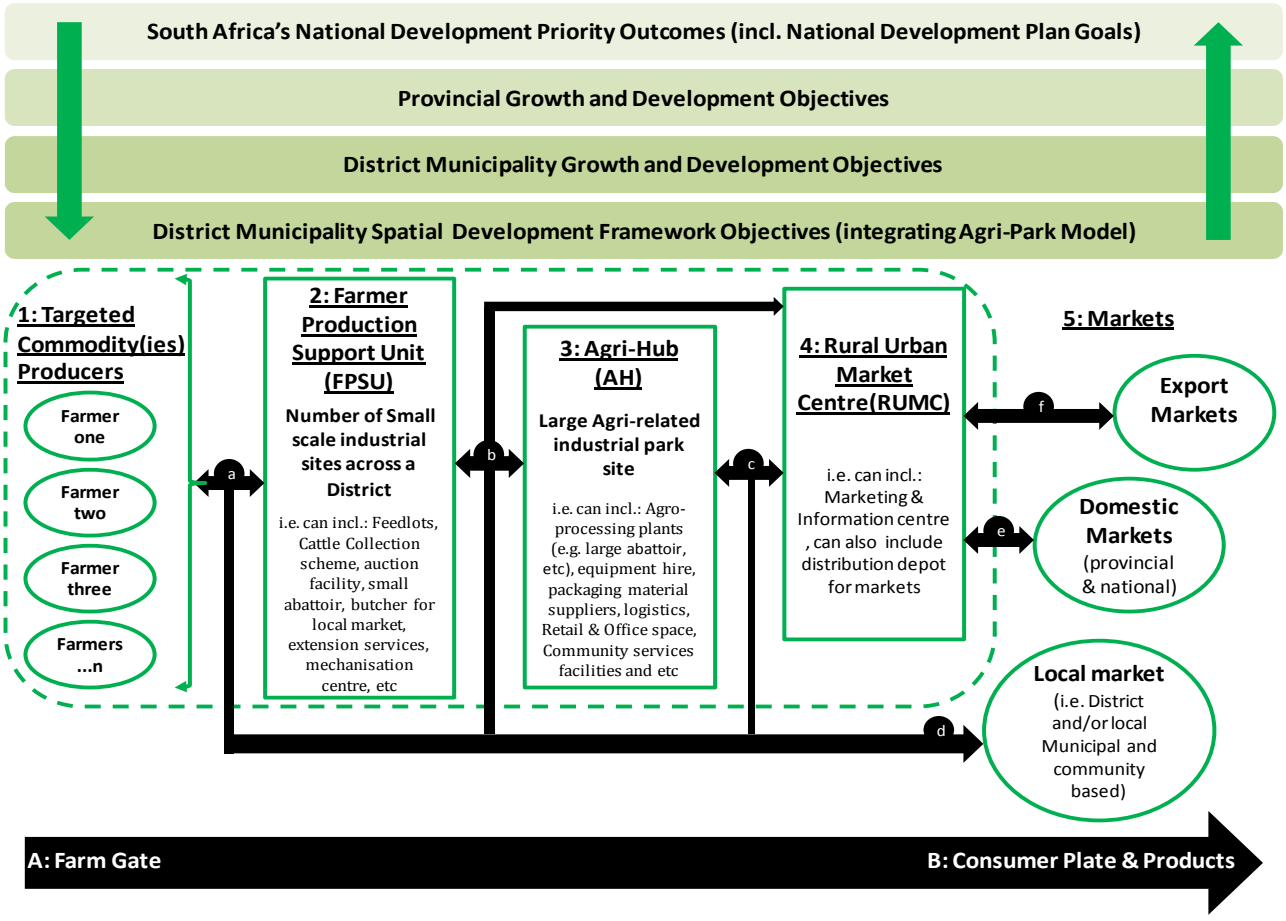
c. **Market**: The Agri-Hub mainly suppliers agro-processed products through the RUMC and local market.

4) RUMC

The RUMC functions as a marketing and distribution channel for primary products from FPSU and processed products from the Agri-Hub. The RUMC is also an information nerve centre for the Agri-Park and facilitates for information flow between the market and producers.

d. **Market**: The RUMC is a market access facilitator for both domestic and export markets.

Figure 1: Adapted Agri-Park Model



5) Markets

Sustainable markets are essential to the success of the Agri-Park. The markets include (d) local municipality or community based market; (e) domestic markets provides a foundation for export market; and (f) export markets contributes to farmers and agro-processing competiveness, and foreign currency earnings for local economies.

1.2.2. Agri-Park Institutional Framework

Table 1 Agri-Park Institutional Framework

Levels of Sphere of Government	Agri-Park Task Team		Agri-Park Committee		Agri-Park Aligned Land Reform	
	Name	**Mandate**	**Name**	**Mandate**	**Name**	**Mandate**
National	NAPOTT	Strategic management and oversight on the roll out of the Agri-parks program Monitor progress against the business and project plans Assist with resolving any blockages at district and provincial level	National Agri-Park Advisory Council	National Agri-Parks Advisory Council (NAAC) will provide oversight to the functionality of the District Agri-Parks Management Councils (DAMCs), organize markets, both domestically and internationally, control the quality of products, and provide advice to the political authority.		
Provincial	PAPOTT	Provincial Operations management: implementation Provide technical support and guidance for planning and implementation Identify projects that contribute to agri-parks business plan and to compile a provincial project register Monitor implementation Report to National Operations Team				
District	DAPOTT	District operations management implementation Provide technical support and guidance for implementation Oversight of the implementation of the district plan Coordinate relevant	DAMC	The DAMC will act primarily as the voice of key stakeholders in the relevant districts and will leverage support for the Agri-Park developments. It will therefore not consist of government representatives but	DLRC	The overall aim of the DLRCs is to facilitate the protection, promotion, provision and fulfillment of the rights, and responsibilities, in the management of district land

Levels of Sphere of Government	Agri-Park Task Team		Agri-Park Committee		Agri-Park Aligned Land Reform	
	Name	**Mandate**	**Name**	**Mandate**	**Name**	**Mandate**
		stakeholders as per plan Manage expenditure against business plan Identify district projects that contribute to the agri-parks business plan and to compile a district project register Report to provincial operations task team		will interface with various structures at provincial and district level to provide advice and support. It will also act as an independent watchdog in relation to the development of the Agri-Park.		ownership and use that is consistent with South Africa's Constitution.

Chapter Two: Namakwa Agri-Park Commodities

Refer to the Namakwa District Municipality Situation Analysis

The Namakwa District Municipality (NDM) has an ocean and land based economy, both with huge potential for growth and sustainable job creation in the district. Apart from this the NDM also has a large number of small scale and emerging farmers on commonage and in the TRANCAA areas as well as fisher folk dependant on the land and the ocean for a living.

Commodities in the NDM were selected in two categories, namely:

- Main commodities – those commodities that make up a sizable portion of the District and Provincial GDP and with growth potential.
- Support commodities – those commodities produced by small and emerging farmers.

The commodities were selected using the following criteria:

- Input from the District and Local Municipalities;
- Input from the Provincial Department of Agriculture and the Department of Rural Development and Land Reform;
- The impact and possible future impact of the commodity(ies) on the local economy by way of contribution to the GDP and job creation. Commodities with high potential growth and high potential of job creation.
- Commodities produced by small and emerging farmers which could help them achieve economic independence and sustainability and contribute to GDP growth for the district and where they require support in order for this to happen.

The commodities of importance in the Namakwa District Municipality have been identified in the Situation Analysis as:

- Ocean Economy:
    - Abalone (farmed)
    - Crayfish
    - Fish
- Land Economy:
    - Small stock (Sheep, goats, wool)
    - Table grapes / Raisins
    - Vegetables
    - Rooibos Tea
    - Lucerne

Commodities produced / harvested by small and emerging farmers and fisher folk have been identified as:

- Ocean Economy
    - Crayfish
    - Fish
- Land Economy:
    - Red meat (mutton, goats, beef, pork)
    - Wool / Swakara
    - Lucerne
    - Vegetables (various)
    - Rooibos Tea
    - Essential oils and traditional herbs and medicines

2.1. Main Commodities

Using the criteria as set out above, the main commodities selected for inclusion into the Namakwa Agri-Park are the following:

- Sheep (mutton & wool)
- Grapes (table & raisins)
- Dates

These commodities have excellent investment, value adding, growth, export, wealth creation and job creation potential.

2.1.1. Sheep (meat, wool, skins - swakara)

Approximately 80 per cent of South Africa's land is used for agriculture and subsistence farming, but only 12 per cent thereof being arable. Grazing therefore dominates agricultural land usage. This is especially true of the Northern Cape, as only 2 per cent of land in the Northern Cape is used for crop farming, mainly under the Orange River Valley and Vaalharts Irrigation scheme. The remaining 98 per cent is used for stock farming, including beef cattle, sheep, goats, and increasingly, game farming.

Despite having a comparative advantage in red meat production, with 70% of its land being suitable for livestock production, South Africa remains a net importer. The NDM's red meat industry is made up mostly of sheep as only 4% of South Africa's cattle are found in the Northern Cape. The Northern Cape however has the second largest number of sheep at 25% of the national total. Sheep are kept mostly for wool and meat production, and is a focal point of agricultural production in the NDM. To a lesser degree is wool processed in the NDM, but rather exported to the Eastern Cape where majority of processing in the country takes place.

Goat meat is not very popular among the broader South African population. While it is a delicacy to some, to others it is used for traditional purposes. Furthermore, there are negative perceptions and prejudices around the consumption of goat's meat. South Africa is therefore a net exporter of goat meat and by-products, mainly to Angola. A current drive to market the product is underway as well as to explore agro-processing possibilities.

Wool is produced extensively throughout South Africa as well as Namibia and Lesotho. The Merino clip dominates wool production, and mainly apparel wool is produced locally. The Northern Cape contributed 12 % of the national produce in 2010/2011.

Skins, hides and leather are produced in South Africa as a by-product of the following animals, except for ostriches, which are bred for its skin.

In South Africa the following are the main categories:

- Bovine (cattle) hide : dominates the supply of leather
- Sheep skin : produced with or without wool for the export market
- Pig skin : not widely available as it is sold with skin
- Goat and kid skin leather: Low supply as it is mostly processed in the informal sector.
- Ostrich skins: ostrich is mainly bred for its skin, with meat becoming a by-product. While the Karoo is the ostrich capital of the world, ostrich breeding also happens in the Northern Cape.
- Wild animal skins: wild animals like elephants and buffalo are the main sources of leather
- Reptile skins: Crocodiles and snakes are bred for their skins [1]

Thus far, data has indicated the huge economic potential of the NDM in terms of agricultural cultivation. It has also revealed that there are products outside the scope of the NDP & APAP which show potential for growth – dates are a case in point.

Mutton

Porters Five-Forces Model is used as an analysis model for the assessment of the mutton industry in South Africa as indicated below:

Table 2 Porters Five Force Analysis for Sheep

PORTER'S FIVE FORCE ANALYSIS	
Supplier Power	**Bargaining power of supplier (sheep producers) is low:** • The sheep producers are price takers and are not in a position to determine or manipulate any process or the market Producers in the red meat industry are rational decision makers reacting to market and climate conditions
Buyer Power	**Buyers have high bargaining power:** • Demand for sheep is largely influenced by consumer consumption pattern, customer preferences, social appetite and beliefs • The farmer is largely dependent on the consumer The consumer buying decision is driven by income level, debt situation and the price he/she is willing to pay
Rivalry	**Intensity of Rivalry and competition is high:** • The intense rivalry is a result of market forces, low margins and the globalisation of the meat trade, e.g. the issue of AGOA, South Africa has ignored US concerns about blocking US beef, chicken and pork imports for years. The compliance of South Africa to AGOA will result in more competition for the sheep producers in South Africa versus the USA producers. • The sheep supply chain has become more and more vertically integrated • The abattoir industry has increased tremendously and in most cases the public can buy carcases directly from abattoir without going the wholesalers. Abattoirs are divided into: o Those linked to the feedlot sector and the wholesale sector (classified as A and B abattoirs) o Those owned by municipalities Those owned by farmers and SMMEs (classified as C,D and E class abattoirs)
Threat of Substitution	**Threat of substitution is high:** • The pressure from substitute products is competitive and threatens the sheep industry • Other meats such as beef, pork and chicken compete for a slice of the same consumer's rand • Consumers continuously substitute one meat product to for another based on social appetite, financial position and prevailing market prices

	Chicken is on the increase and is bigger than the total consumption of red meat.
Threat of New Entrants	Commercial and other durable barriers exist as it pertains to entry into the market. In addition, there exist tariff barriers (these may include quotas, specific tariffs and entry price systems, ad valorem tariffs) and non-tariff barriers (these may include product standards, sanitary and phyto-sanitary standards, food health and safety issues, food labelling and packaging, product certification procedures, quality assurance and other standards and grades). An increasing amount of new entry threats to production is therefore not a heightened risk to the mutton industry.

As it pertains to pursuing increased investment in the sheep industry in the Namakwa DM, the following strengths, weaknesses, opportunities and threats can be identified

Strengths

- Sheep farming represents a high labour multiplier industry
- Mutton serves as an important and healthy source of protein

Weaknesses

- Data regarding quantities and values of lamb and sheep imports is limited
- Inability to compete with red meat producing countries like the US and Australia. Additionally, cheap meat imports flood South African markets, having a destabilising effect on commercial and small scale farmers
- Smaller abattoirs do not comply with the Meat, Health and Safety Acts
- Phytosanitary issues
- Lack of infrastructure, particularly for the use of emerging farmers in rural and peri-urban areas
- Veterinary services in South Africa are uncoordinated and insufficient

Opportunities

- The industry has tremendous growth potential in the expanding informal sector of the Northern Cape in general. This sector could assist in addressing the shortage of mutton and meet local demand.

Threats

- Stock theft and predation
- Impact of climate change

  The prediction of devastating drought in various areas of the Northern Cape may well mean that farmers will have to decrease their flock sizes in order to prevent losses due to a lack of grazing capacity.

Wool

Porters Five-Forces Model is used as an analysis model for the assessment of the wool industry in South Africa as indicated below:

Table 3 Porters Five Force Analysis for Wool

PORTER'S FIVE FORCE ANALYSIS	
Supplier Power	The South African Wool and Mohair Buyers Association (SAWAMBA) acts like a umbrella organisation for wool producers and facilitates wool exports
Buyer Power	China and the Czech Republic
Rivalry	UK (53.4%) and New Zealand (33.2%) biggest global producers of wool
Threat of Substitution	Cotton and other manmade fibers such as polyester, nylon and acrylic
Threat of New Entrants	MFN duties apply to importing countries when importing wool. Countries like China, Korea Republic and Argentina apply high tariffs to wool exports originating in South Africa. Import tariffs: South Africa did not apply any tariff to world countries exporting greasy wool.

Strengths

- Merino clip constitutes approximately 74% of South African wool production. The Namakwa presents a vast area dedicated to merino sheep farming
- The wool industry has a high multiplier effect, particularly in downstream activities which include the scouring, carbonising and compressing of wool. Approximately 60-70% of South African wool is semi processed before exportation, with the rest being sold as greasy wool.
- Merino wool in particular has earned a reputation for its softness and quality, successfully meeting the standards of the textile industry

Weaknesses

- South Africa does not compete globally with major wool producing countries like the UK and New Zealand.
- The free market determines the wool price and is closely linked to the international price for apparel wool, which is determined by the Australian market. The industry has in the past ten years shown cyclical fluctuations.

- High tariffs in the form of MFN duties may hamper new entrants into the market. Additionally, new entrants lack skills and knowledge with regard to market entrance
- Lack of facilities for emerging and small scale farmers in predominantly rural areas

Opportunities

- According to DAFF's market analysis (2012) Hong Kong and Uruguay are potential markets that can be explored by South Africa, as these markets have shown a growth in accommodating South African wool
- Partnerships between the National Wool Growers Association and the Department of Agriculture

The Presidential Project task team has funded the Thaba 'Nchu Wool Project. The project consists of state sponsored upgrading of dipping facilities as well as the construction of 29 new sheds, in an attempt to encourage farmers to utilise these centres to market their wool. Government funding in the wool industry in the Free State could spur on investment in other regions to assist emerging farmers.

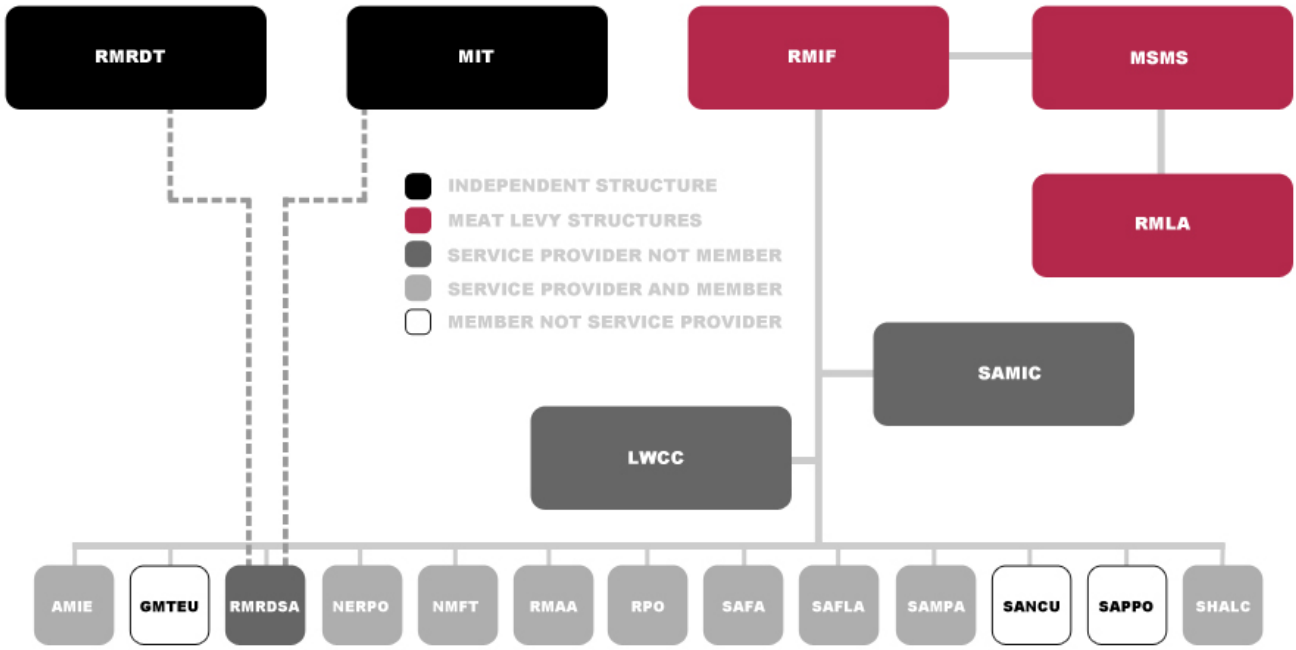
Threats

- The influx of cheap textiles from predominantly Asian countries may threaten demand for wool products

Industry structure

The industry structure shown below is from the South African Red Meat Industry Forum (RMIF) website. RMIF was established in 1994 when the Agricultural control boards were disbanded and most of all the sector representative and specific role player organisations within the red meat value chain.

Figure 2: South African Red Meat Industry Structure



Red Meat Research Development Trust (RMRDT)	Meat Industry Trust (MIT)	Red Meat Industry Forum (RMIF)	Meat Statutory Measures Services (MSMS)	Red Meat Levi Administration (RMLA)
Red Meat Research & Development South Africa (RMRDSA)	South African Meat Industry Company (SAMIC)	Livestock Welfare Co-ordinating Committee (LWCC)	Association of Meat Importers and Exporters (AMIE)	National Emergent Red Meat Producers Organisation (NERPO)
National Federation of Meat Traders (NFMT) (NMFT)	Red Meat Abattoirs Association (RMAA)	Red Meat Producers (RPO)	South African Feedlot Association (SAFA)	South African Federation of Livestock Auctioneers/Agents (SAFLA)
South African Meat Processors Association (SAMPA)	Skins, Hides and Leather Council (SHALC)	Gauteng Meat Traders Employees Union (GMTEU)	South African National Consumers Union (SANCU)	South African Pork Producers Organisation (SAPPO)

Source: (Redmeatsa, 2016)

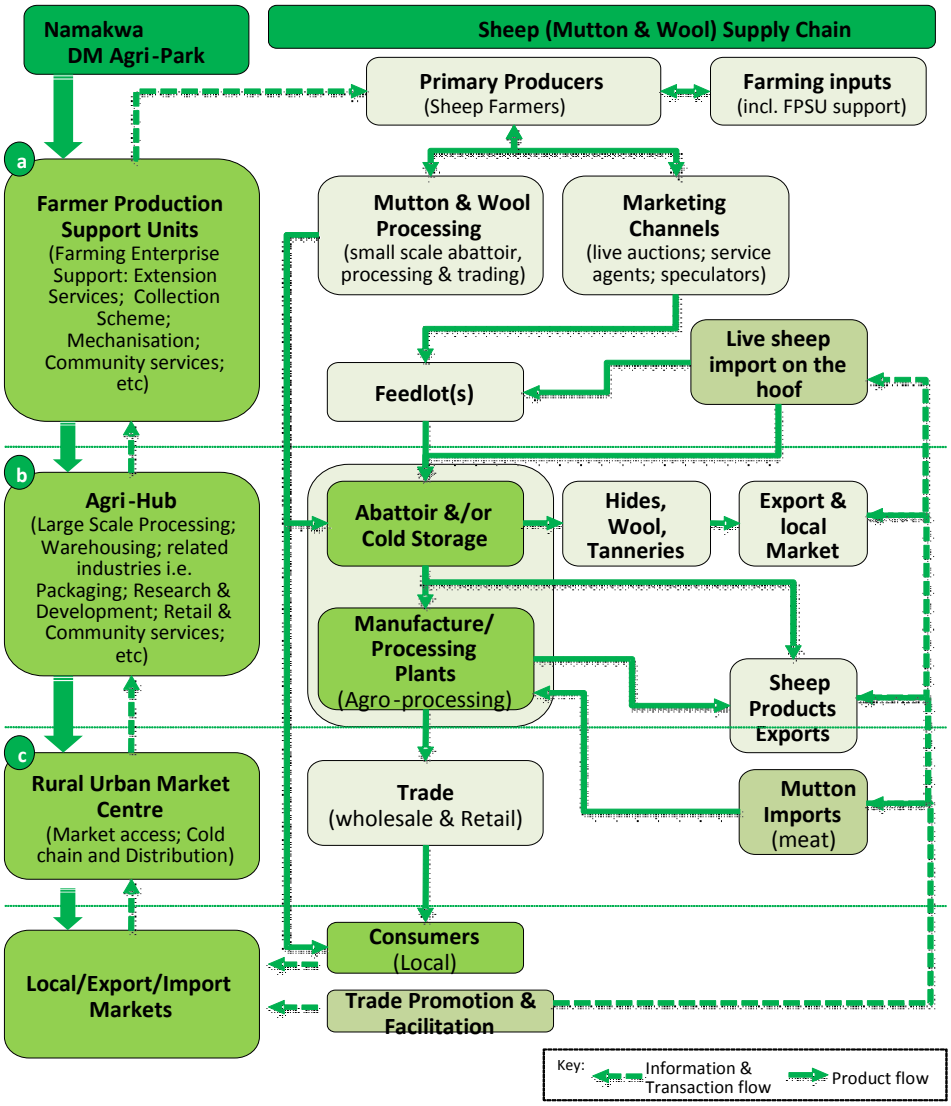
The industry structure link with Agri-Park shown in the table 6 below

Table 4 Red Meat Industry bodies linked with Agri-Park

	Agri-Park Model			
	Emerging Farmers	**Farmer Production Support Unit**	**Agri-Hub**	**Rural Urban Centre Market**
Links with Meat Industry Organisations	• NERPO: Commercialise emerging & mainstream black farmers • RPO: Lobby & Information sharing (mouthpiece) • LWCC: Livestock welfare	• RMAA: Training, Information & Networking • SAFA: Technical and Technology support • SAFLA: Advise and Marketing • SAMPA: Meat-processing and related industries • SHALC: Tanneries representative body		• AMIE SA: Information sharing (mouthpiece) • NMFT/NFMT: Retail meat trade (information) • RPO: Lobby & Information sharing (mouthpiece) • SAFLA: Advise and Marketing
	• **Industry Representative Body**: Red Meat Industry Forum (RMIF) & Red Meat Producers Organisation of the Northern Cape • **Levy Administrator:** (implementation, administration and enforcement): Meat Statutory Measures Services (MSMS) and Red Meat Levi Administration (RMLA) • **Research**: Red Meat Research Development Trust (RMRDT) and Red Meat Research & Development South Africa (RMRDSA) • **Quality Assurance:** South African Meat Industry Company (SAMIC) • **Training, Research and Administration**: Meat Industry Trust (MIT)			
Links with Public Sector Organisations	• **Information, Research and Training**: Agricultural Research Council (ARC) • **Support, Training, Funding & Information**: National, Provincial and Local Agriculture department and development agencies (e.g. North Cape Development, Trade and Investment promotion Agency) • **Funding and Support:** DRLR, DAFF, The dti, the National Empowerment Fund (NEF) and Industrial Development Corporation (IDC), Small Enterprise Development Agency (Seda), Small Enterprise Finance Agency (Sefa).			

The Agri-Park sheep Value Chain is indicated below:

Figure 3: Agri-Park Sheep Value Chain



2.1.2. Grapes (Table and Raisins)

South African table grape exports contributed 6.5% to global exports, ranking at 5th place. Dried grapes also displayed a strong performance internationally, amounting to 2.37% of global exports, ranking at 8th place (2011 values). As a largely export-driven market, more than 2/3 of grapes are destined for the export market. Additionally, estimates show that export performance by grapes amounted to R4.6 billion in 2013. According to DAFF statistics (2011), a 134% increase in the production of grapes was witnessed from 2001/2 to 2010/11.

Table grapes are intended for immediate consumption opposed to grapes grown for wine- and juice production or drying into raisins. Table grapes, due to its foreign exchange earnings, employment creation and linkages with support institutions, makes the product a very important deciduous fruit grown in South Africa.

The Western and Northern Cape Provinces are the leading producers of table grapes. The Northern Cape contributed about 8.7% to total table grape production in 2011. The Western Cape acts as its closest competitor, dominating production with a total share on 83.4 % in 2011. The Western Cape derives its competitive advantage from its registered producers as well as the harbour. The availability of agro-logistics as well as marketing infrastructures are hindrances to table grape market expansion in the Northern Cape.

The Northern Cape's greatest asset – the Orange River, provides the climatic conditions for table and dried grapes. These commodities complement each other and constitute a big opportunity to create employment and for emerging farmers. These crops are also high value crops and would therefore add greatly to the GDP of the region.

Porters Five-Forces Model is used as an analysis model for the assessment of the Table and dried grape industry in South Africa as indicated below:

Table 5 Porters Five Force Analysis for Table and Dried Grapes

PORTER'S FIVE FORCE ANALYSIS	
Supplier Power	The main association responsible for the table grape industry is the South African Table Grape Industry (SATI). Another important entity in the table grape or deciduous industry in general is the South African Plant Improvement Organisation (SAPO). SAPO is a specialist plant improvement organisation owned by deciduous fruit growers, DPFT, Cape Pomological Association (CPA), and Dried Fruit Technical Services (DTD).
Buyer Power	The European Union member states that featured in the top-ten list of export destinations for South African fresh grapes include the Netherlands, United Kingdom and Germany.
Rivalry	Southern Hemisphere counterparts that include Chile, Argentina, Australia and Brazil, all vying for European and North American markets. South Africa is the fifth largest exporter of grapes globally. (Main competitors are Brazil, Argentina and Peru)
Threat of Substitution	The table grape industry is in a fortunate position to not have to face the threat of substitution.
Threat of New Entrants	Commercial and other durable barriers exist as it pertains to entry into the market. In addition, there exist tariff barriers (these may include quotas, specific tariffs and entry price systems, ad valorem tariffs) and non-tariff barriers (these may include product standards, sanitary and phyto-sanitary standards, food health and safety issues, food labelling and packaging, product certification procedures, quality assurance and other standards and grades). An increasing amount of new entry threats to production is therefore not a heightened risk to the potato industry.

As it pertains to pursuing increased investment in table and dried grape farming in the Namakwa District, the following strengths, weaknesses, opportunities and threats can be identified:

Strengths

- Competitiveness

In 2011 South Africa contributed to 6.15% of world exports, and ranked at number 5 globally. Dried grapes represented 2.37% of world exports, ranking at number 8. South African grape exports have expanded to Hong Kong, Malaysia, Singapore, United Arab Emirates, Kuwait, Saudi Arabia, Russia, Netherlands, Mauritius, Portugal, and Canada.

- Industry expansion

  Over the past ten years table grape production in South Africa has seen incredible expansion, so much so, that there has been a need to search for more markets.

- In the Namakwa District, grapes could reap the benefits of an internationally established grape industry.

- The table grape industry is a high labour multiplier even excluding the processing sector

Weaknesses

- Lack of skills and knowledge by new entrants

  Considerable barriers exist for new entrants into the industry. Commercial and other durable barriers exist as it relates to market entrance, in addition to barriers to trade (tariffs and non-tariffs). New entries to production are therefore not very likely

- The industries' export operations and leading players have well established relationships already, leaving no room for emerging players who are not part of commodity organisations

- Small profit margins by entrants

  Small scale emerging farmers do not produce on a competitive scale to sufficiently cover production costs and make sizeable profits at the level that established players do.

- Overreliance on EU and UK markets

  Over reliance of big markets increases susceptibility to market forces. Unfortunately, small scale farmers are impacted the hardest by this occurrence and are flushed out of the system very easily.

- High input, capital and production costs

  According to the APAP, depending on fruit type, the average cost for the establishment of an orchard is in the region of R250000 per HA, with an annual maintenance cost of R40000. Pack houses, technology, cold chain facilities and traceability systems (required by accreditation protocols) are part of essential infrastructure for production. In addition, one must take into consideration the inflation rate with regards to the cost of labour, farming and packing requisites .These are costs that emerging farmers are not able to cover by themselves, nor are they costs that are sustainable for government to cover in the long term.

- Delays due to the degradation of support infrastructure within the supply chain

  The limited capacity of roads in the Namakwa District may cause production delays

- Unpredictability of climatic weather conditions on production output

Opportunities

- Diversification of markets

  Far East markets have the potential to become big export markets for South African table grapes, despite the competition from Australia. However, this would entail a considerable effort with regard to establishing a sound platform and meaningful relationships with eastern markets.

- The demand for “hassle free” seedless grapes has been increasing.

- An increase in local consumption indicates a possibility of local market expansion

Threats

- Prominence of Southern Hemisphere counterparts such as Chile, Argentina and Brazil especially, have been vying for increased dominance in EU and North American markets.

- Fruit pests have plagued South African grape exports. After the insistence of the USA that South Africa re-address phyto-sanitary measures, an expensive fumigation was put in place.

- Impact of climate change

  The prediction of devastating drought in various areas of the South Africa spells a lower production of output

  - Water scarcity and imminent water restrictions

The United States, Turkey and China are the top three producers of raisins. The 2013 marketing season saw an increase in global exports due to increased consumption of raisins in the global market. South Africa is the sixth largest producer of raisins, and is regarded as a high-quality producer for the export market. The Northern Cape is the largest contributor to the local dried grape industry, producing 70% of the grapes for drying along the Orange River. Europe and the United Kingdom are the key markets for raisin exports.

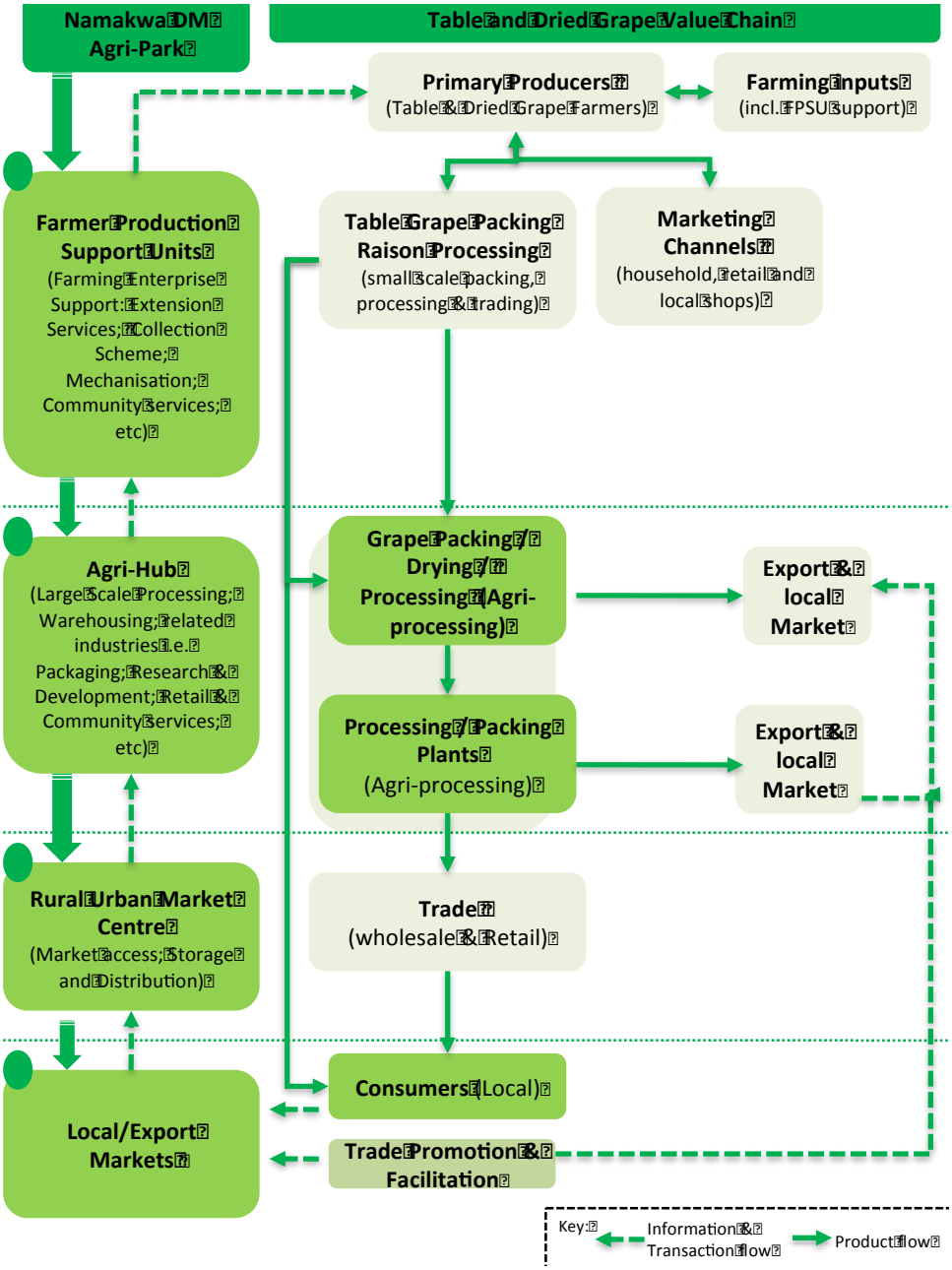
The Table and Dried Grape industry structure link with Agri-Park shown in the table below.

Table 6 Table and Dried Grape industry structure linked with the Agri-Park

	Agri-Park Model			
	Emerging Farmers	**Farmer Production Support Unit**	**Agri-Hub**	**Rural Urban Centre Market**
Links with Table and Dried Industry Organisations	• Commercial Farmers (individual, independent forums and associations) • Retailers • RSA Market Agents • Processors • NAWACO	• SAACTA: Training, Information & Networking • NAWACO- Women in cooperatives • Retailers (Spar, Massmart, Pick n Pay, Shoprite/Checkers, speciality retailers) • ARC-training, information and networking • Fresh Produce Forum • SA Irrigation Institute		• RSA Marketing Agents • Market and Price Info • International marketing Agencies • National Agricultural Marketing Council (NAMC)
	Industry Representative Body: ▪ Table Grape Producers Association ▪ Dried Fruit Producers Organisation ▪ Horticultural Industry Task Team			
Links with Public Sector Organisations	• **Information, Research and Training**: Agricultural Research Council (ARC), Elsenburg • **Support, Training, Funding & Information**: National, Provincial and Local Agriculture department and development • **Funding and Support:** DRLR, DAFF, The dti, the National Empowerment Fund (NEF) and Industrial Development Corporation (IDC), Small Enterprise Development Agency (Seda), Small Enterprise Finance Agency (Sefa).			

The Agri-Park Table and Dried Grape Value Chain are indicated below:

Figure 4: Agri-Park Table and Dried Grape Value Chain



2.1.3. Dates

Dates have been identified as one of the main commodities with enormous growth possibilities in the region.

Date production is a world agricultural industry producing about 5.4 million metric tons (Mt) of fruit. The date fruit, which is produced largely in the hot arid regions of South West Asia and North Africa, is marketed all over the world as a high-value confectionery and fruit crop and remains an extremely important subsistence crop in most of the desert regions.

The world production of dates has increased from about 1.8 million tons in 1961 to 2.8 million in 1985 and 5.4 million in 2001). The increase of 2.6 million tons since 1985 represents an annual expansion of about 5 percent.

The major date producers in the world are situated in the Middle East and North Africa. On average over the period 1999-2001, Iran, Saudi Arabia and Iraq had almost half of the harvested area of the world. Trade figures indicate that about 93 percent of the date harvest is consumed locally and that by far the majority of these palms are not of the well-known export varieties.

The top five date producing countries are Egypt, Iran, Saudi Arabia Pakistan and Iraq, accounting for about 69 percent of total production. If the next five most important countries are included, i.e. Algeria, United Arab Emirates, Sudan, Oman and Morocco, then this percentage rises to 90 percent. This clearly indicates that most of the world's date production is concentrated in a few countries in the same region.

The main importers of dates are India, the United Arab Emirates and Europe. European countries like France, Germany, the UK and Italy import much more expensive and, hence, higher quality dates. In contrast, countries such as India, the UAE and Malaysia import much cheaper and lower quality dates.

In the SADC Region it is mainly South Africa and Kenya that import dates. Preliminary investigations showed that dates being imported into South Africa are of a lower quality, imported in bulk, and are mainly being processed for the baking industry. The volume of imports into the SADC Region during has stagnated at the level of about 1 500 tons per year.

The date industry in South Africa is extremely limited, with Karsten Farms being the only commercial producer. Dates are also produced at Henkries along the Orange River which is about 110km north of Springbok. The farm was in the past well known for its date production. Currently only a small portion of the approximately 60 ha date plantations produce quality fruit and are commercially viable.

In order to assess holistically whether increased investment in a commodity would be viable, Porter's model will be employed. Porter's five forces is a heuristic tool to assess the balance of power in a business/industry situation. In assisting to illuminate where industry strengths lie, the model allows the identification and improvement of weaknesses, new prospects and products.

Table 7 Porters Five Force Analysis for Dates

Porter's Fiver Force Analysis: Dates	
Supplier Power	Largest date production in the Southern Hemisphere is situated at Pella. Egypt, Iran, Saudi Arabia Pakistan, Iraq, Algeria, United Arab Emirates, Sudan, Oman and Morocco produce 90 percent of all dates

Buyer Power	Middle-eastern countries
Rivalry	Egypt, Iran, Saudi Arabia Pakistan, Iraq, Algeria, United Arab Emirates, Sudan, Oman and Morocco produce 90 percent of all dates.
Threat of Substitution	Nuts and dried fruit
Threat of New Entrants	The cost of start-up presents a barrier to trade.

As it pertains to pursuing increased investment in date farming in the Namakwa District, the following strengths, weaknesses, opportunities and threats can be identified:

Strengths

- Local population is skilled at date production
- Largest producer of dates in the Southern Hemisphere
- Structured export trade market

Weaknesses

- Easily substituted by nuts and dried fruit

Opportunities

- Value-added activities like packaging
- South Africa and Africa has a growing Islamic population who use the date during their holy month of Ramadan
- South Africa is a net importer of dates

Threats

- World production of dates is increasing at about 5% per annum
- Iran is in the process of reviving its date production
- World economic outlook.

The local industry players are discussed below:

At present there is very little information about South African commercial date production and it is not surprising that there is no industry body for this commodity. Currently Karsten Farms is the only commercial grower of Medjool dates, at about 142ha planted, of which 70ha is in production. The crop estimate is about 1 100 metric tons. Dates are sorted and packed in varying weight categories which include 250g, 500, 1kg, 2kg and 5kg packs. The main export market is Europe, USA, Middle East, Malaysia and Singapore.

Given the absence of commercial date producers in South Africa there is certainly an opportunity for new entrants, provided that they receive proper instruction and mentorship. The project leaders at Henkries would do well to solicit the assistance of Karsten Farms regarding their proposed expansion plans. The Karsten Group have a reputation for providing quality products over a large spectrum of commodities, as well as a sound track record with regard to black economic empowerment.

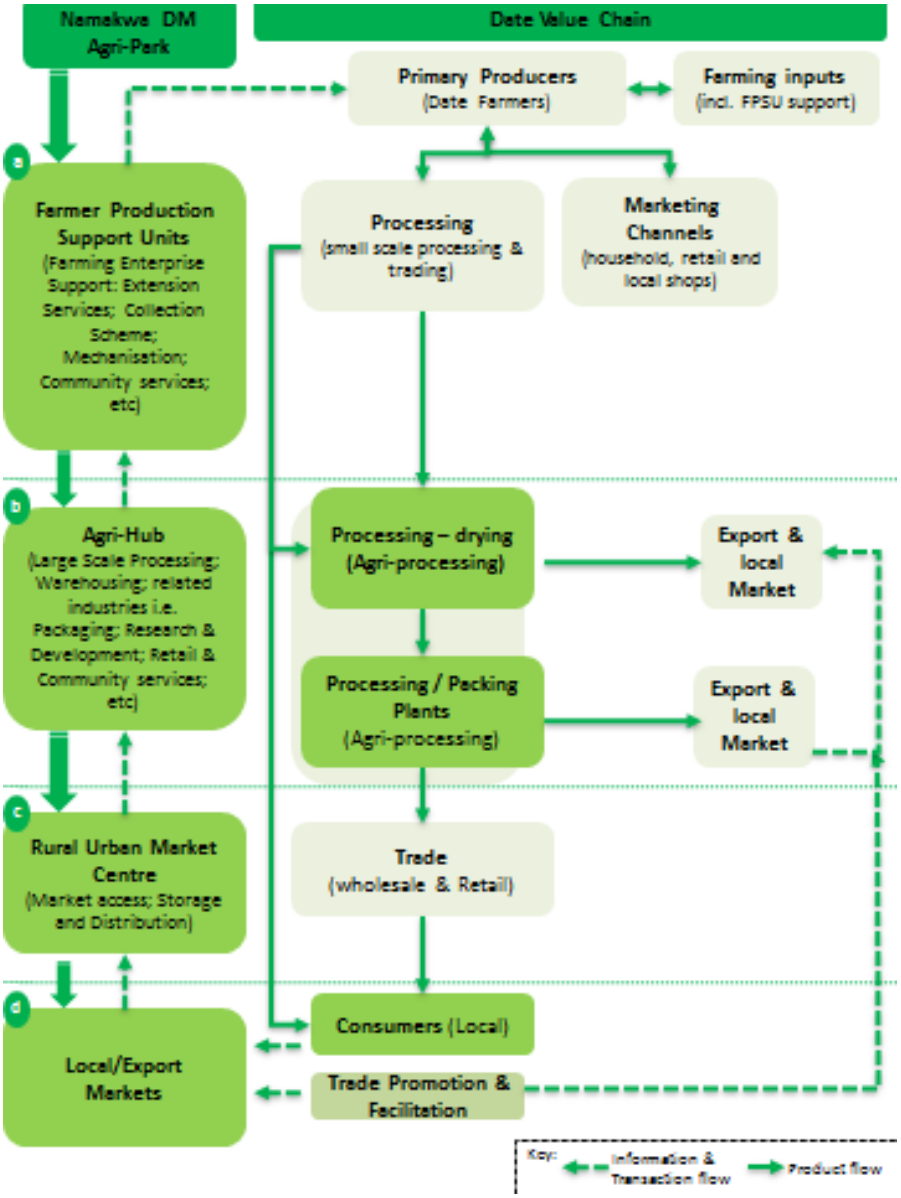
The Date industry structure link with Agri-Park shown in the table below.

Table 8 Date Industry bodies linked with Agri-Park

	Agri-Park Model			
	Emerging Farmers	**Farmer Production Support Unit**	**Agri-Hub**	**Rural Urban Centre Market**
Links with Industry Organisations	• Retailers • Karsten Farms	• Karsten Farms • SAACTA: Training, Information & Networking • NAWACO- Women in cooperatives • Retailers (Spar, Massmart, Pick n Pay, Shoprite/Checkers, Fruit & Veg City • ARC-training, information and networking		• Market and Price Info • International marketing Agencies • National Agricultural Marketing Council (NAMC) •
	Industry Representative Body: ▪ None			
Links with Public Sector Organisations	• **Information, Research and Training**: Agricultural Research Council (ARC), Elsenburg • **Support, Training, Funding & Information**: National, Provincial and Local Agriculture department and development , Local Municipality LED Departments • **Funding and Support:** DRLR, DAFF, The DTI, the National Empowerment Fund (NEF) and Industrial Development Corporation (IDC), Small Enterprise Development Agency (Seda), Small Enterprise Finance Agency (Sefa).			

The Agri-Park Date Value Chain is indicated below:

Figure 5: Agri-Park Date Value Chain



2.2. Support Commodities

Smallholders and subsistence farmers currently farm some 10 to 13 percent of available agricultural land in South Africa. About 40 percent of this land is under cultivation by smallholders whose farm sizes range from five to 20 hectares, of which nearly four-fifths is used as an additional source of food for the household. By raising the productivity of these smallholdings and helping farmers gain access to markets, South Africa can support many rural households in making farming a commercially viable concern that sells crops and employs

workers. It is estimated that South Africa has the potential to boost the productivity of its smallholdings by switching to high-value crops and using improved inputs.

Empirical evidence suggest that smallholders are not always less productive than commercial farmers, but there is scope to improve their value added, quality of life, and income (McKinsey, 2015). Empirical evidence also suggests that the success of small-scale farmers is partially determined by the level of state and/or institutional support extended to farmers.

In comparison to other countries, South Africa provides the lowest support to producers especially smallholders. There is a need to adequately support these farmers otherwise the Agri-Park initiative would not be realised. Smallholder farmers have inadequate access to high-quality inputs, and improvement in this area could increase the quality and quantity of their commodities.

The call to support smallholder producers emanates from Outcome 7, which is one of the 12 outcomes that constitute government's Programme of Action. Outcome 7 pronounces that government should ensure vibrant, equitable and sustainable rural communities and food security for all. The output thereof is sustainable agrarian reform with the sub-output that the number of smallholder producers should be increased from a baseline of 200 000 to 250 000 within a period of five years. As set out in the New Growth Path, the longer-term target is to grow the smallholder sector by 300 000 by the year 2020, as well as create 145 000 new jobs in agro-processing and upgrade conditions for 660 000 farm workers.

Support to smallholder producers is necessary to ensure food security, full utilization of resources, land being one of the critical ones, job creation and the overall achievement of the Presidential Outcomes, in particular Outcome 7. Smallholder producers are defined as those producers who "produce food for home consumption, as well as sell surplus produce to the market", meaning that earning an income is a conscious objective, as distinct from ''subsistence/resource-poor producers'' who produce mainly or entirely for own consumption, as well as from ''commercial producers'' who are defined as large scale. Most smallholder producers have diverse sources of livelihoods, including off-farm income, therefore being a smallholder producer does not necessarily imply a full-time activity nor the only or even main source of household income. In cases of a severely poor resource base, this category of producers can regress to the subsistence level. On the other hand, if adequate support is provided and under the right conditions, these producers may graduate to becoming large-scale commercial producers.

The reason for introducing an initiative to support smallholders is that there is evidence to suggest that this is an area in which there remains much untapped potential to create economic opportunities, especially in rural areas where poverty is concentrated. One piece of evidence relates to the area of underutilized arable land in the ex-Bantustans; another is the fact that to date, the land acquired through land redistribution has seldom been subdivided to create opportunities for smallholders, whereas in principle this could be done.

Small and emerging farmers produce a myriad of commodities in the district, as indicated earlier, without much support normally available to commercial farmers such as access to finance, production inputs, packing / processing facilities and marketing channels. This keeps them anchored in the cycle of dependence and poverty without the means to break out. The Agri-Park of the Namakwa District can change all that for the positive by way of much needed support where most needed through the Agri-Hubs and Farmer Production Support Units.

In order for this to be achieved the commodities produced by the small and emerging farmers, even though they might not be main commodities, must be included in the Agri-Park of the Namakwa DM with support services to achieve the aims of rural development and the Agri-Parks.

These support commodities for inclusion into the Namakwa Agri-Park are indicated below:

- Ocean Economy
  - Crayfish
  - Fish
  - Abalone
- Land Economy:
  - Red meat (mutton, goats, beef, pork)
  - Wool / Swakara
  - Lucerne
  - Vegetables (various)
  - Rooibos Tea
  - Essential oils and traditional herbs and medicines

2.3. Agri-Processing Business Opportunities

According to DAFF (2012), the agro-processing industry is among the sectors identified by the Industrial Policy Action Plan (IPAP), the New Growth Path and the National Development Plan for its potential to spur growth and create jobs owing to its strong backward linkage with the primary agricultural sector. Agro-processing (industry) is a subset of manufacturing that processes raw materials and intermediate products derived from the agricultural sector. Agro-processing thus means transforming products originating from agriculture.

The general trend of most economic indicators shows that the agro-processing industry makes a significant contribution to the manufacturing sector. On average its contribution to the output and value added of the manufacturing sector was 29.3% and 29.1%, respectively, during 2006-2010.

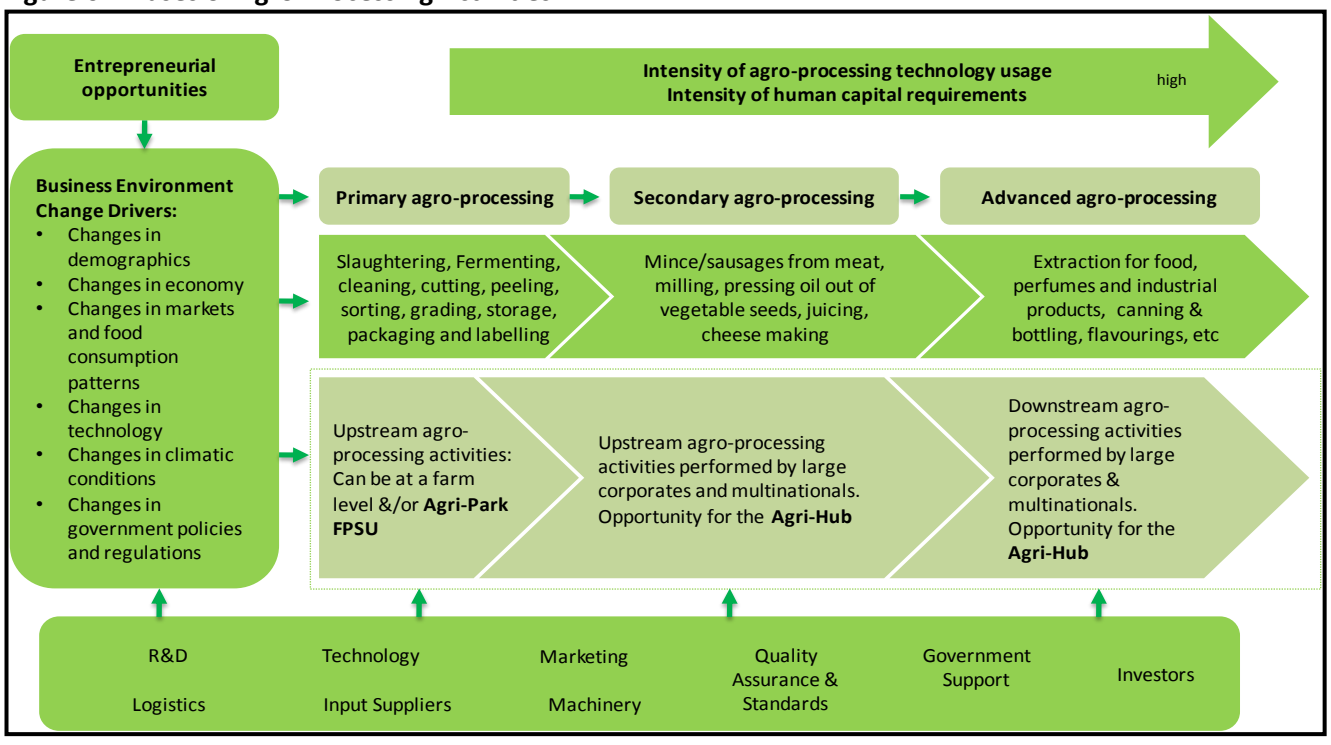
What is agro-processing?

Agro-processing refers to a set of technological and economic activities undertaken on a basic agricultural product with the aim of transforming it into usable items such as food, fibre, fuel and industrial raw material. According to the United Nations International Standard Industrial Classification System (ISIC, 2013) agro-processing is demarcated into the following subsectors and/or components:

- Food and beverages;
- Tobacco products;
- Paper and wood products;
- Textiles, footwear & apparel
- Leather products; and
- Rubber products.

Agro-processing industry may be in the upstream and downstream component. Upstream industries are engaged in initial processing of primary agricultural products such as flour milling, leather tanning, cotton ginning, oil pressing and fish canning. Figure 6 demonstrates the three phases of agro-processing activities from primary agro-processing to advanced and shows the possible links with the Agri-Park Model. Also refer to figure 5 above provided the context at a meso, micro and macro level in relation to support activities and players.

Figure 6: Phases of Agro-Processing Activities



Source: (adapted from Thindisa, 2014)

Downstream industries undertake further manufacturing operations on intermediate products emanating from primary agricultural products such as bread, biscuit, paper production, and textile spinning and weaving. Agro-processing activities has the potential to contribute to sustainable livelihoods through food availability, improved income resulting in increased profitability, employment, social and cultural well-being from limited land (Thindisa, 2014).

The following **agri-processing opportunities** present exciting opportunities for the Namakwa Agri-Park

- Medium size abattoir for small and large stock at the Agri-Hub in Springbok associated with a feedlot and / or treated wastewater irrigated pastures to round off stock before being slaughtered for the premium meat market. Buying of shares in the existing abattoir(s) should be seriously investigated.
- Feed processing plant (pelleting plant) to formulate animal feed from locally produced lucerne, maize and other ingrediants.
- Raisin drying and packing facility.
- Rooibos tea drying, fermentation and packing plant at the Nieuwoudtville FPSU.
- A Rose geranium extraction plant.

Two of these, Rooibos Tea and Rose geranium, are not new projects, but are ones which have over time, and for a variety of reasons, lost the impetus required to fulfil its potential. It is believed that with the right guidance these projects can indeed be viable and sustainable over the long term. The commodities in question are the following:

Rooibos tea:

A unique commodity to South Africa, the rooibos production area in the Northern Cape is at Niewoudtville. Although marketing initiatives for Rooibos has been operationalised on both local and global scales, the industry has shown erratic peaks and declines over time. Growth in the Rooibos industry has been retarded with communal strife over the processing factory in the area. This has hindered further development despite the fact that the basic infrastructure exists, and that the commodity shows great potential. There is, however, an opportunity to reverse the decline.

There are an estimated 350 to 550 Rooibos farmers in South Africa, and the secondary processing is currently dominated by eight large processors responsible for an estimated 90% of the market.

Domestic market

Tea, like most other commodity products, is a US Dollar traded commodity across the world. The Northern Cape Province is the producer and supplier of rooibos tea for local consumption. On average, South Africa produces approximately 12 000 tons of rooibos tea per year and in 2014 the country produced an above average 12 500 tons. South Africa consumes approximately 4 500 to 5 000 tons and the rest is exported.

Global market size and growth for product segment

- The global tea market value was estimated at US$15.4 billion in 2013 and the size of the herbal tea market is approximately more than 100, 000 tonnes and according to Tata Global Beverages, green/fruits and herbal tea account for 49% of the value of all global packaged tea revenues.
- The market for herbal tea shows significant growth, particularly compared to black tea. For example, consumer black tea sales in the United Kingdom fell by 10.3 % between 2002 and 2010, while herbal teas increased by 50%.
- In South Africa, the hot drinks market is estimated to be worth around US$596.4 million annually, with an estimate of the total black tea market in South Africa to be around 21,000 to 22,000 tonnes per annum.
- The international fair-trade tea market was estimated to have a retail value of approximately 200 million euros (R1.9 billion) in 2011.
- South African exports of fair-trade rooibos tea to the United Kingdom and Germany in 2013 were 13.5 tonnes and yielded about 53% increase in total rooibos tea exports.

Current positioning of rooibos tea within this market

- Rooibos tea constitutes less than 0.3% of the global tea market, and 10% of the global herbal tea market. The total production volume was around 14,000 tonnes in 2007.
- In the fair-trade market, the estimated production volume of fair - trade Rooibos tea is around 18 tonnes per year.
- Locally, Rooibos tea mainly competes in the same segment as black tea and has an 18% market share of the domestic tea market. 8
- There is some difference of opinion within the industry over the perceived commoditization of Rooibos tea and the international marketing strategies of rooibos.
- Larger bulk processors favour marketing rooibos as a black tea alternative and generic marketing, while smaller players wish to market it as a niche product due to limited supply and higher margins.

Geographical patterns of demand

- The current dominant export markets for rooibos tea are Germany, Netherlands, United Kingdom, Japan and United States of America. These accounted for 84% of rooibos tea exports in 2004 and 2013 as compared to 90% of honey bush exports between 2004 and 2013.
- Total consumption of herbal tea in Germany was estimated to be more than 45 00 tonnes in 2013. Rooibos accounts for 8% of Germany's herbal market.

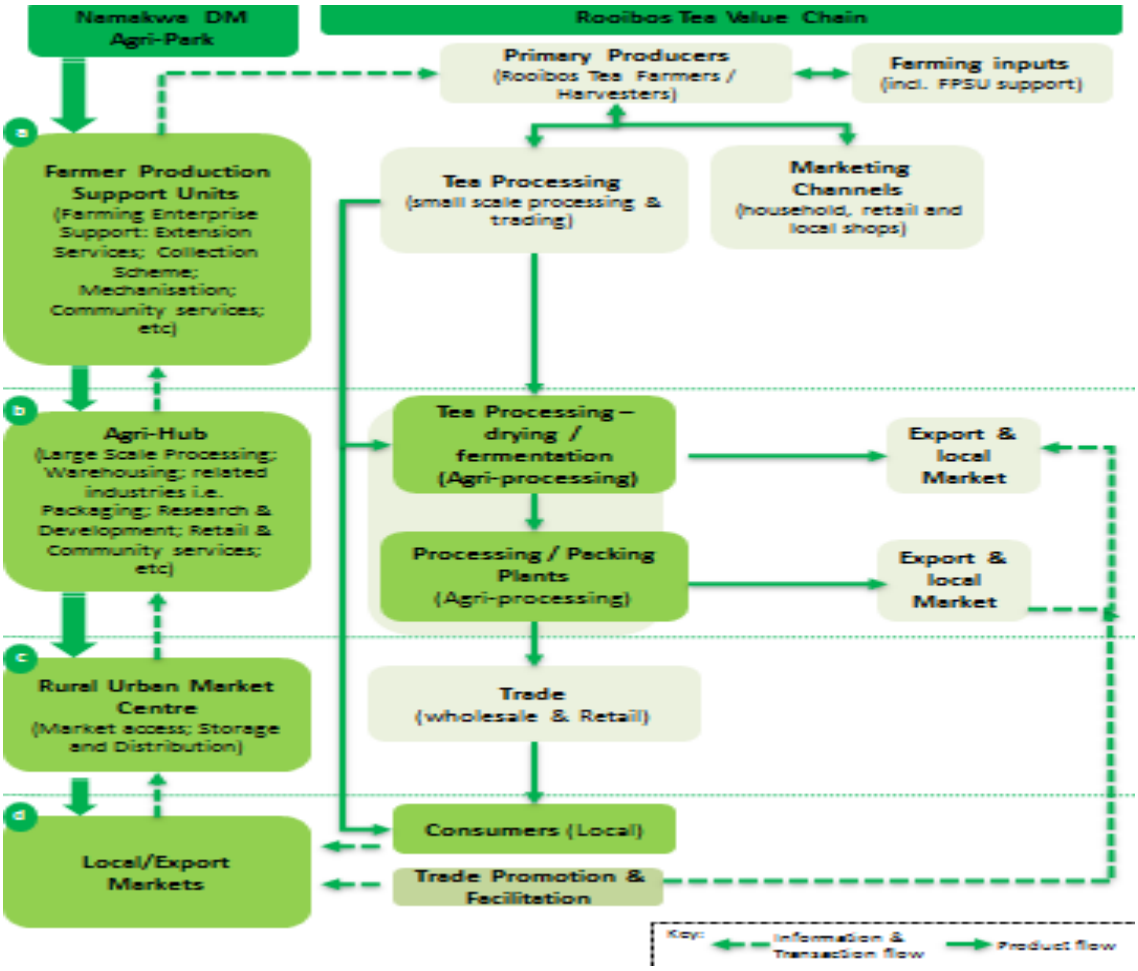
  In the United Kingdom, the total consumption of herbal teas in 2008 - 09 was estimated to be worth $179m (US) with rooibos tea accounting for a market share of 8.1 % (value $14.5m US).

Growth markets for rooibos include

- United Kingdom: 300% increase in rooibos sales between 2004 and 2013.
- -Chile: Increase of 247 tonnes between 2007 and 2012, now contributing 3% to total rooibos exports. This is likely to be predominantly for extract production to supply the North American iced tea market, although the emergence of a tea and coffee culture in Chile has seen the introduction of a wide range of premium products and exotic blends.
- Russia: High per capita tea consumption rate (1.3 kg compared to global average of 0.3 kg). Fruit /herbal teas estimated to grow by 48% between 2007 and 2012. There is emerging interest in rooibos from Russian companies.

The Agri-Park Rooibos Tea Value Chain is indicated below:

Figure 7: Rooibos Tea Value Chain



As it pertains to pursuing increased investment in Rooibos Tea farming in the Namakwa District, the following strengths, weaknesses, opportunities and threats can be identified:

Strengths

- Rooibos is a unique advantage of South Africa, as rooibos has not been grown successfully outside of the country
- The Cederberg mountains is the primary location for rooibos production
- The Rooibos industry is known to be a high labour multiplier
- Supportive policy and institutional framework

Weaknesses

- Low levels of local downstream value adding to produce non-tea products
- Tumultuous and unstable industry
- Inconsistency with regard to the quality of rooibos bush as a result of lack of overarching guidelines, enforcement mechanisms, skills and experience
- High transport and production costs
- Mismatch between South African and international phyto-sanitary regulations
- Lack of infrastructure available in rural areas for small scale producers

Opportunities

- Trends towards natural ingredients on cosmetics
- Emerging brands of tea require increased processing that is largely labour intensive.
- Certification of products as natural /organic
- Possibility of increased local and global consumption through effective marketing and finding a market niche
- Increased imports to markets in Eastern countries, Australia and Russia.
- Barriers to market entrance are not as extensive as for fruit and wine

Threats

- The power of German tea processors in the Rooibos tea value chain
- Over reliance on international manufacturers, distributors, packers and retailers to access international markets
- Impact of climate change
- The prediction of devastating drought in various areas of the Northern Cape could lead to lower production.

Rose geranium processing

The genus *Pelargonium* comprises about 270 distinct species. Most of the known species are endemic to the Western Cape. Although this plant is indigenous to South Africa, it is widely cultivated in Egypt, India and China, and, to a lesser extent, in Central Africa, Madagascar, Japan, Central America and Europe. *Pelargonium*

cv. *rosé*, commonly called rose geranium, is a hybrid species that was developed from crossing *P. capitatum* with *P. radens*. The resultant hybrid was then introduced as a farming crop for the production of essential oil. The earliest plantings were made at Reunion Island and the ISO standard, i.e. Bourbon oil with the citronellol/geraniol ratio of close to 1:1, for the oil quality was developed. The essential oil was produced, and named 'Bourbon', after the previous name of the island. Reunion was formerly the main producer of this type of oil. There is some confusion about the use of the name geranium, as the correct plant species is *Pelargonium*. The true *geraniums* are of a different species which is also used medicinally and resembles the *Pelargoniums.* Because the common name rose geranium has been in use so long it is difficult to change it in the trade.

Production levels

South Africa

Yields of more than 70 tons have been realised with good management near Nelspruit in Mpumalanga. Oils produced in South Africa conform to the Bourbon standard, and therefore a better price can be negotiated on the global market. As there is still conflicting information available on the yield of rose geranium, recent trials have shown that yield is highly dependent on management, fertilisation, moisture and climate. In the frost-free Lowveld areas of Mpumalanga, 3 to 4 harvests are possible. In the cooler areas of the country, 2 to 3 harvests per season may be cut. The expected plant mass of harvested pelargonium is 15 to 50 metric tons fresh material per ha at a density of 30 000 to 60 000 plants per ha. Under extreme dryland conditions between 5 to 22,5 kg essential oil per ha at 0,1 to 0,45 % oil recovery from steam distillation from a herbage yield of 5 metric tons per ha is realised.

Major production areas in South Africa

Rose geranium is mainly grown in the Mpumalanga Lowveld, KwaZulu-Natal, Western Cape and Limpopo provinces. Limited plantings occur in Gauteng, North West, Eastern Cape, Free State and wherever the growing conditions are suitable.

Sorting and distillation

Distillation is done by steam at 96 to 100 ˚C for 30 to 60 minutes, depending on oil recovery. For operations of 10 to 20 ha under cultivation, the most appropriate size for a distilling unit would be a pot of 1 000 l capacity. This size would have the capacity to handle about 300 to 500 kg of foliage at a time and can process 1,2 to 2 tons per day (4 x 300 to 500 kg). The actual mass depends on the degree of wilting. Distillation of fresh plant cuttings should be done within a day or two of cutting. The cuttings may be left to wilt in the field for 24 to 48 hours for better vaporisation of oil during distillation and greater packing of biomass in the still vessel. The still should be packed tightly to the top of the vessel as loosely packed stills will result in poor oil recovery. The harvested crop can be distilled fresh or stored under shade for up to 3 days without too adverse effects on the yield or quality of oil. Wilting reduces the moisture content and allows a larger quantity of material to be packed into the still, thereby economising the fuel use. Ensure that stored material does not heat and ferment. The material should be packed firmly as this prevents the formation of steam channels. If the

material is too long, it can be cut into smaller pieces to ensure firm packaging. The mixture of vapours of water and geranium oil passes into the condenser. As the distillation proceeds, the distillate collects in the separator. The oil being insoluble and lighter than water, floats on the top of the separator and is continuously drawn off. The oil is then poured out and filtered manually or using chemicals.

Grading

Characteristics of the oil

Bourbon oil is a greenish-olive liquid with a rosy-sweet minty scent, preferred in perfumery work. It blends well with lavender, patchouli, clove, rose, orange blossom, sandalwood, jasmine, juniper, bergamot and other citrus oils.

Marketing

The market of essential oils in South Africa is divided into local buyers and international buyers. The local buyers include marketing agents and companies from chemical and pharmaceutical, as well as food and flavouring industries. The international buyers are divided into flavour and fragrance houses, cosmetics and personal health care, aromatherapy and food manufacturers who buy in large quantities. The major market in the world for essential oils is the United States, followed by Japan and Europe. However, production continues to be concentrated in Europe, with seven of the world's largest essential oil processing firms. In the United States, the major users of essential oils are the soft drink companies. Japan accounts for 10 % of the world demand. The Canadian market is dominated by the United States perfume and flavouring industry. France is dominating the world perfumery market, and Switzerland is one of the leaders in the pharmaceutical field. Britain and India are known to feature strongly in the flavouring sector. The essential oil industry is characterised by a number of difficulties, including lack of stable quality, inconsistent supplies, and variability of active ingredients owing to environmental effects. This has encouraged many of the end users to depend on synthetic oils in an effort to eliminate the above problems. The result is a weaker market for naturally produced essential oils. With the increased interest in "natural" products and new health consciousness of the public, plus the fact that a natural product is perceived to have a superior quality, there is an opportunity to effectively market natural grown essential oils, should the above problems be addressed.

Essential oil distillation at Onseepkans and Pella

The geographically isolated town of Onseepkans has seen some rejuvenation with the establishment of an essential oils factory. The rose geranium essential oils distillation plant is funded by the Department of Science and Technology, and 34 jobs have been created thus far. The Northern Cape Essential Oils Cluster was launched by the DST and the CSIR acts as the implementing agent. Thirty hectares of rose geranium have been planted, with the CSIR providing training in all aspects of running an agri-business. Sidasoas is the section 21 company established as the legal entity through which the community will operate the business.

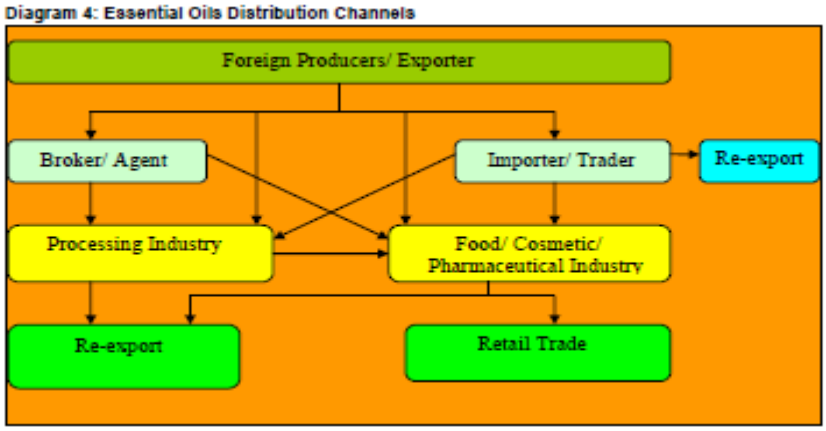
At Pella, the essential oils company, Pelsan, also grows rose geranium and a distillation plant will be constructed in the near future. The global market for essential oil is estimated to be R6 billion, with the US, Western Europe and Japan being major consumers. Furthermore, according to the United Nations Trade

Statics, trade is said to be growing at 10% per year. Essential oils are used for perfumes, cosmetics, household fragrances, as well as food and beverage flavourings.

Essential oils production stages include growing and harvesting the crop. Extraction and further processing the oil increases its suitability for end use. Value adding in South Africa in the following forms has proven most profitable: creams, bath salts, candles. Rose geranium is used “as is “when dealing with the flavour and fragrance industry. Therefore the rose geranium only goes through crop selection, crop cultivation and primary processing of drying and distillation. This provides the Pella Pelsan and Onseepkans Sidasoas’s companies an opportunity to further process their product and sell it to the market as finished products. They also have the competitive advantage of the CSIRs skills as well as the DST funding.

The graph below depicts the essential oils distribution channel. The roads at Pella are a barrier to trade, as well as the vast distances between market exits.

Figure 8: Essential oils Value Chain



2.4. Summary and Conclusion

The Agri-Park initiative of Government offers small scale farmers the unique opportunity to become viable and profitable business owners.

The challenge now facing small-scale and subsistence commodity producers is to transform the informal production which prevails on both communal and private owned land to a vibrant commercial production system. The industry needs to stop thinking of small-scale farmers as subsistence (which implies a struggle to survive and not an effort to build a business that thrives). One way of achieving this is to develop inclusive and equitable value chain partnerships which strengthen emerging farmers and their ability to manage their farms and production through improved support which will in turn support market access. Small-scale farmers are fully capable of becoming profitable businesses but this will require a coordinated support approach which can be facilitated by the Agri-Park.

Chapter Three: Namakwa District Municipality Agri-Park Strategy

Namakwa District Municipality is situated in the western part of the Northern Cape and South Africa. The Municipality consists of 6 local municipalities (Nama-Khoi, Richtersveld, Khai-Ma, Kamiesberg, Hantam and Karoo Hoogland) and covers a geographical area of approximately 126 747 km². It is bordered by the ZF Mcgawu and Pixley ka Seme Districts of the Northern Cape Province to the North-East and East respectively, and by the Western Cape Province to the South (the West Coast, Boland and Central Karoo District Municipalities). The Atlantic Ocean forms the Western boundary, while the Orange River forms the Northern border with Namibia.

DISTRICT SPATIAL DEVELOPMENT FRAMEWORK

The seven Development Objectives are listed below and the composite Spatial Development Framework for the Namakwa District Municipality is depicted below.

Table 9 Namakwa District Municipality Development Objectives

Namakwa District Municipality Spatial Development Framework Development Objectives		NDM Agri-Park Alignment
District Wide Spatial Development Objectives		
Objective 1	**DEVELOPMENTAL OBJECTIVES** To promote economic development and the creation of sustainable job opportunities	Yes
Objective 2	Poverty reduction through a holistic and integrated approach to pro-poor programming	Yes
Objective 3	To strengthen social development and improve service delivery	Yes
Objective 4	To ensure the provision of adequate infrastructure for economic and social development	Yes
Objective 5	To promote good governance	Yes
Objective 6	To strive for the attainment of regional integration	Yes
Objective 7	To develop human and social capital	Yes

3.1. Namakwa DM Agri-Park Strategic Intent

The formulation of Namakwa DM Agri-Park outcome, vision, mission, goal and objectives are described below:

3.1.1. Priority Outcome

Outcome 7	Vibrant, equitable and sustainable rural communities
Outputs	1) Sustainable agrarian reform with a thriving farming sector 2) Improved access to affordable and diverse food 3) Improved rural services to support livelihoods 4) Improved employment and skills development opportunities 5) Enabling institutional environment for sustainable and inclusive growth

3.1.2. Vision

The vision statement describes why an Agri-Park exists and what the achievement of its mandate would result in. Furthermore, it is a compelling view of the future, able to motivate stakeholders alike. At the same time, it should be ambitious, yet realistic and credible.

Proposed Vision Statement for Namakwa DM Agri-Park –

- The Namakwa DM Agri-Park will be a catalyst for rural economic development/industrialisation ensuring development and growth in order to improve the lives of all communities in the district.

The proposed vision has been drawn from the Agri-Park draft policy framework. In the further development of the Agri-Park, the district stakeholders are to review the proposed vision in order to align with district municipality aspirations.

3.1.3. Mission

The mission statement describes what the Agri-Park seeks to accomplish and why it exists. The proposed mission has been formulated in line with Namakwa DM Spatial Development Framework Development Principles/Objectives.

Proposed Mission Statement for Namakwa DM Agri-Park –

- Our mission is to strive for a viable and sustainable Agri-Park, delivering good returns for smallholder and emerging farmers, investors, customers, Black entrepreneurs, tenants, its owners and all

communities in the district by ensuring that the following is achieve:

- Achieve a sustainable equilibrium between urbanisation, conservation, and tourism, mining, and agricultural activities within the District, by way of proper land use management and in partnership with the private sector and local communities.
- Define and establish a functional hierarchy of urban and rural service centres in the District, in order to optimise the delivery of social and engineering services and stimulate the local economy, while protecting valuable agricultural land.
- Promote irrigated and cultivated farming activities on suitable land within the District; and to support small scale and/ or family farmers farming throughout the remainder of the area.
- Consolidate industrial and manufacturing activities around two core areas, namely Springbok and Port Nolloth (expansion of the port for import and export); and to promote small-scale manufacturing/ light industrial activities, including agro-processing, at Rural Service Centres.

3.1.4. Goals and Objectives

Goals and objectives can and should guide action. Goal or objective statements provide direction for planning, for evaluating plans and for guiding projects and actions. A "good" goal statement is SMART:

- Specific
- Measurable
- Acceptable
- Realistic
- Time bound

Proposed Goal Statement for Namakwa DM Agri-Park –

By 2025 Namakwa DM's rural areas and small towns would be transformed into thriving areas in terms of jobs, food security and opportunities to prosper.

In the further development of the Agri-Park, the district stakeholders are to review the proposed goal in order to align with district municipality aspirations.

To achieve the proposed Agri-Park Goal, the following objectives aligned to the Agri-Park draft policy framework are proposed for the implementation of NDM Agri-Park:

Objective 1: Transformation and Modernization

Proposed Objective One for Namakwa DM Agri-Park –

- To transform and modernise rural areas and small towns in Namakwa DM through the development of the Agricultural sector over the next 10 years.

The proposed objective among others, addresses issues indicated in the Agri-Park draft policy framework, including:

One of the Agri-Park draft policy framework's objectives seeks to contribute to achievement of the NDP's "inclusive rural economy" and target of 1 million jobs created in agriculture sector through creating higher demand for raw agricultural produce, primary and ancillary inputs, as well as generating increased downstream economic activities in the sector.

Transformation: The Agri-Parks Programme forms part of the 2011 Green Paper on Land Reform policy review and reformulation process, which has been undertaken with a view to generate reforms that effectively address issues relating to tenure insecurity, food insecurity, rural underdevelopment and inequity in the agricultural sector. 'Agrarian transformation' denotes the 'rapid and fundamental change in the relations (meaning systems and patterns of ownership and control) of land, livestock, cropping and community'. The objective of the strategy is social cohesion and inclusive development of rural economies, in which rural-urban linkages are considered crucial in generating such inclusivity. A transformed rural economy is also inclusive of communal areas, commercial farming areas, rural towns and villages that can be organized to support both agricultural and non-agricultural sectors.

Modernisation: The Agricultural Policy Action Plan (APAP) is thus a programmatic response in achieving the above. The Agricultural policy plan vision statement is "***An equitable, productive, competitive, profitable and sustainable Agriculture, Forestry and Fisheries Sector" growing to the benefit of ALL South Africans".*** The APAP has 4 policy levers which seek to modernise the agricultural sector, among others for example:

Equitable Growth and Competitiveness

- Promoting import substitution and export expansion through concerted value chain/commodity strategies;
- Reducing dependence on industrial and imported inputs;
- Increasing productive use of fallow land; and
- Strengthening R&D outcomes.

Objective 2: Agri-Park Infrastructure Development

Proposed Objective Two for Namakwa DM Agri-Park –

- To develop an integrated and networked **Agri-Park Infrastructure** over the next 10 years.

According to the Agri-Park draft policy framework, Agri-Park Infrastructure Development must be based on existing and new business plans, infrastructure assessment and commodity and market requirements. This must consists of:

- Formulating infrastructure plans for each Agri-Park and ensuring alignment of plan with key infrastructure programmes, which requires consideration of: Agri-Park size; local building codes, health, sanitation issues; vehicle access and parking requirements; plot size and numbers; and, extent of space needed for common infrastructure facilities (e.g. laboratories, warehouses, quarantine, power generation plant, telecommunications, effluent waste treatment etc.);

- Working out logistical details including those concerning roads, communication networks, energy, bridges, water, and transport;
- Constructing and operationalizing the Agri-Parks, including working out logistical details.

Objective 3: Agri-Park Governance and Management

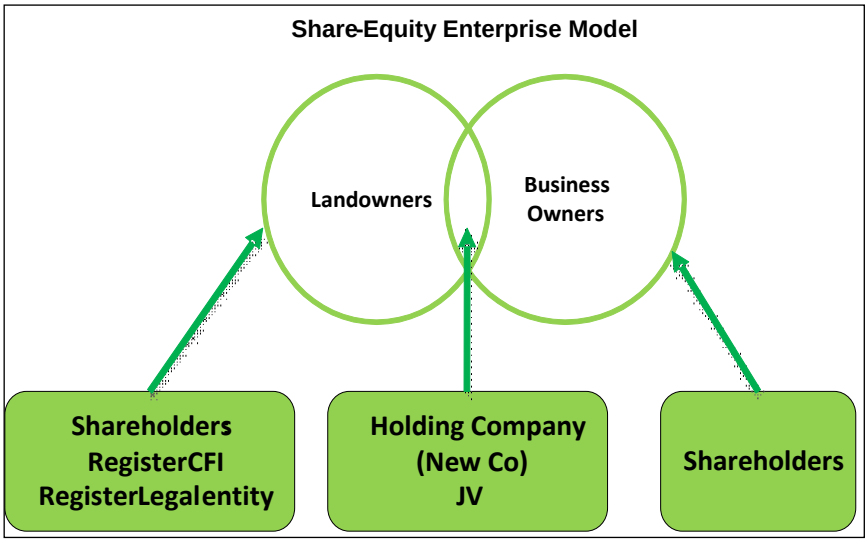
Proposed Objective Three for Namakwa DM Agri-Park –

- To facilitate the establishment and implementation of a sustainable **Agri-Park governance and management** model over the next 3 years.

To enhance agricultural productivity, the Agri-Park is to:

- Enable producer ownership of 70% of the equity in Agri-Parks, with the state and commercial interests holding the remaining 30% minority shares (see Figure 9 below); and,
- Allow smallholder producers to take full control of Agri-Parks by steadily decreasing state support over a period of ten years.

Figure 9: Share-Equity Model



Proposed Governance and Management Model for Namakwa DM Agri-Park –

In response to the Agri-Park draft policy framework share-equity model, a number of principles help to guide the ownership, governance and management question of the envisaged Namakwa DM Agri-Park, namely:

- ***Guiding Principle 1***: An Agri-Park must provide for Emerging Farmer/Producer ownership of the majority of Agri-Parks equity (70%), with the state and commercial farmers holding minority shares (30%). Simultaneously, all the shareholders must not view an Agri-Park as an immediate financial benefit vehicle. Rather, it must be considered as a vehicle to drive sustainable rural industrial development to secure the future of the affected rural community.

  In practice, this suggest that profits generated by the Agri-Park Holding Company (Secondary Cooperative) must be ploughed back into expanding the Agri-Park infrastructure (industrial Park) or into necessary community socio-economic development projects and, in that way, slowly but surely building a stronger rural economy and community.
- ***Guiding Principle 2***: As the Lead Sponsor, the DRDLR must appoint a suitably qualified and experienced Agri-Park Manager who will facilitate the formal establishment of the Agri-Park and its constituent institutional arrangements to ensure that the Agri-Park (at FPSUs and Agri-Hub levels) provides a comprehensive range of Farmer Support Services for farming excellence.

  Practically, the organization and management of the Agri-Park, through its constituent Hub, FPSUs and RUMC, would be best optimized through the five abovementioned business units to provide services to Farmers and their communities, namely;
  - Sourcing and supplying Farmers will all necessary farming inputs i.e. Farmers' shops or wholesaling.
  - Providing access and linkages to farming technical services like processing facilities, farming technologies and laboratory services ensuring that Farmers yield high quality and quantity of maize.
  - Promoting and ensuring investment within the Agri-Park sites/units in agri-processing and

manufacturing activities linked to the main commodity that belies the Agri-Park

- Providing easier access to a comprehensive range of farming business and financial support services.
- Providing Farmers with market intelligence and market access support for farm produce, including manufactured agri-products, to gain maximum local and export market access. This function will be best located under the Rural Urban Market Centre (RUMC), which is an invariable component of each envisaged Agri-Park in South Africa.

- ***Guiding Principle 3:*** The Agri-Park will be subject to influence and support of the government especially through DAMC, DAPOTT, DLRC, PAPOTT, NAPOTT for purposes of initiating implementing and sustaining Agri-Park operations.

  Practically, the main task of the Agri-Park Manager will be to ensure that optimum cooperation and alignment is maintained between the Agri-Park and the abovementioned government initiated and supported institutions**.**

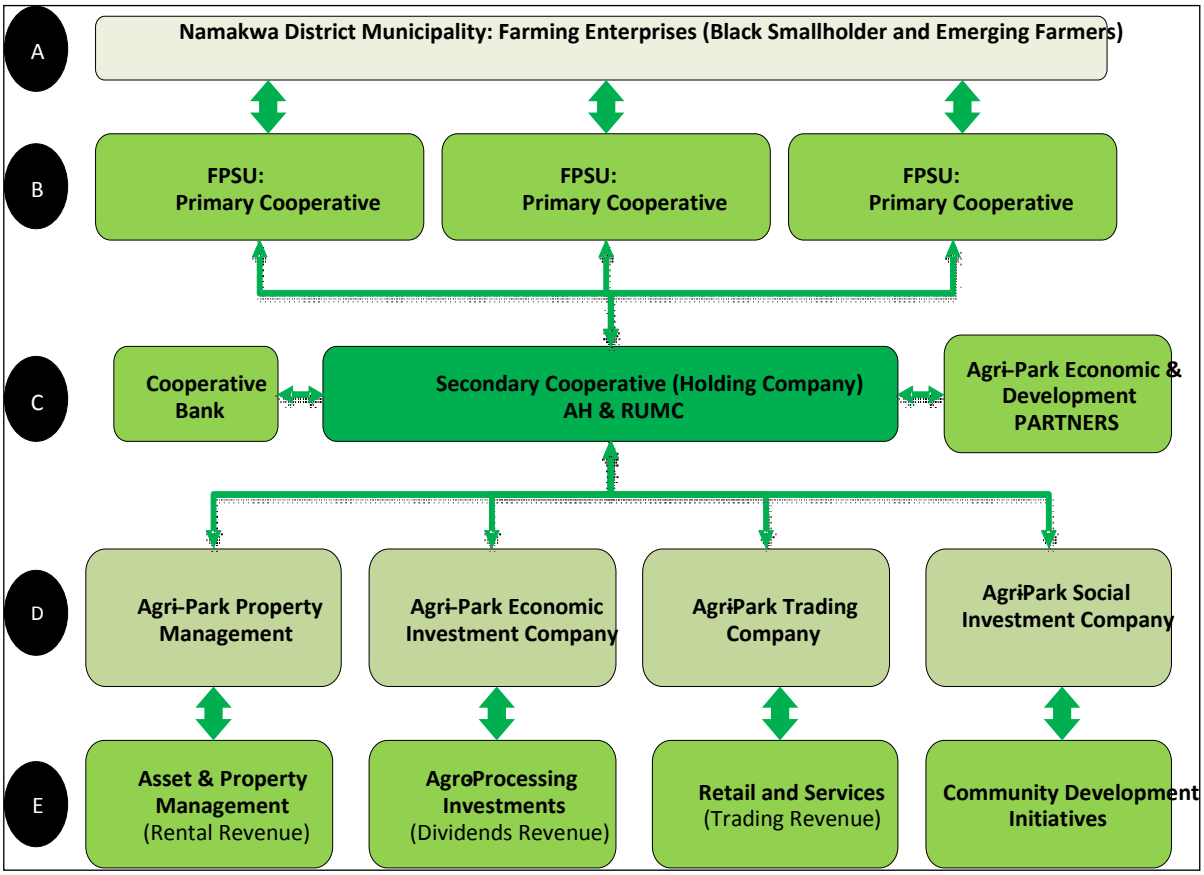
The table 10 and figure 10 below outlines a proposed Agri-Park ownership, governance and management model.

Table 10: Proposed Agri-Park Ownership, Governance and Management Model

Level	Ownership	Governance	Management
A	Independently-owned Small-folder Farms and Farming Enterprises. However, these could also include local Commercial Farmers	Private Governance arrangements linked to legal ownership status of the farming enterprise.	Private management arrangements decided upon by each farming enterprise
B	A group of Farmers, at least 5 Members, will form and register a Primary Cooperative whose mission is to serve their common farming needs and interests. E.g. Sheep Farmers For the Agri-Park, Farmers will be clustered geographically based FPSU locations and their respective catchment areas across the district. Each cluster will then from and own a Primary Cooperative linked to each FPSU.	The Governance of the Cooperatives must in terms Cooperatives Act 14 of 2005. To assist in this matter, each cooperative is required to develop and adopt a Constitution. Chiefly, members of each cooperative will be required to elect a Board of Directors, to serve for two years, whose main responsibility will be to manage the business affairs of the cooperative. The business affairs of the Cooperative must be audited	Board of Directors whose main responsibility will be to manage the business affairs of the cooperative. To dispense with its management duty, the Board has the power to appoint staff and engage external expert service providers.

Level	Ownership	Governance	Management
		and Audited Reports, including Audited Financial Statements must be presented to Members at each AGM.	
C	A Secondary Cooperative is formed and owned by a two or more Primary Cooperatives. The main responsibility of the Secondary Coop is to serve the common farming needs and interests of the Primary Coops. E.g. Commodity marketing or bulk sourcing of inputs.	The Governance of the Cooperatives must in terms Cooperatives Act 14 of 2005. To assist in this matter, each cooperative is required to develop and adopt a Constitution. . Chiefly, members of each Secondary Coop will be required to elect a Board of Directors, to serve for two years, whose main responsibility will be to manage the business affairs of the cooperative. The business affairs of the Cooperative must be audited and Audited Reports,	Board of Directors whose main responsibility will be to manage the business affairs of the cooperative. To dispense with its management duty, the Board has the power to appoint staff and engage external expert service providers. It is proposed that the Board Members of a Secondary Cooperative comprise of at least one Board Member from each of its member Primary Cooperatives in order to streamline strategic thinking.
D	The Agri-Park Holding Company will establish and/or wholly or partly acquire a range of special- focus enterprises covering property management, economic investment, trading and social investment. Thus ownership of the said enterprises will either be 100% or spilt with external investors.	The special-focus enterprises will be separate legal entities (Juristic Persons) with own governance and audit arrangements suitable for each enterprises. As a subsidiaries, each enterprise will report to and account to the Agri-Park Holding Company. It will be advisable that the Board Members of the Holding Company be included in the governance arrangements of the special focus enterprises in order to bear influence upon them.	Each special-focus enterprise will assemble its own management arrangements best suited for its core business. However, the Agri-Park Holding Company will provide strategic management and performance direction to each special-focus enterprise.

Figure 10: Proposed Agri-Park Ownership, Governance and Management Model



<u>Objective 4</u>: Agri-Park Funding

Proposed Objective Four for Namakwa DM Agri-Park –
To facilitate funding, and investment for the development of the **Agri-Park** over the next 5 years.

The Agri-Park initiative of Government offers small scale farmers the unique opportunity to become viable and profitable business owners. To achieve these two things need to happen. Firstly it is to see agriculture amongst smallholder, family farms and emerging farmers as a business. The more it is treated as a business, a way to create wealth, the more it will promote development and improve people's lives in rural areas. Secondly, is to provide financing and funding and attract investment in Agri-Parks that will transform family owned farms, smallholder and emerging farmers into market orientated commercial producers.

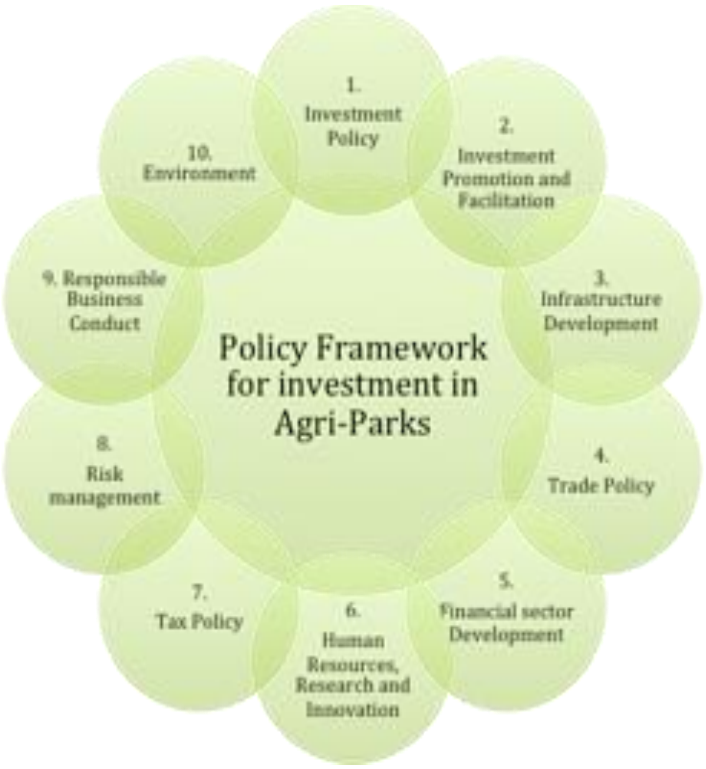
The renewed emphasis on and need for rural development in South Africa exposes the limited capacity of the Development Finance System (DFS) and other development agencies to transform the rural economy and reach marginalised enterprises in rural areas, notably the former Bantustans, where many of these Agri-Parks

will be formed. This limitation is in line with the general inefficiency of the enterprise finance segment of the DFS. Improved coordination and collaboration is clearly a core requirement for successful rural development financing, particularly within an institutional reality of differentiated roles and responsibilities amongst a number of State entities (and to which number one could then add the multitude of private sector and community entities). Government could create a platform that could oversee and direct improved collaboration between different role players in providing rural finance. This could be initiated by establishing an inclusive national rural financing forum. The most obvious location for this would be the National Rural Development Agency (RDA) and Financing Facility, which the DRDLR has indicated it intends establishing. As the national government Department with the mandate for rural development, DRDLR would be the champion and shareholder of the RDA

Proposed Policy Investment Framework for Investing in Agri-Parks

Private (commercial farming agri-businesses, banks, processors, venture capitalists, investment companies, Agri-BEE entrepreneurs, agri-cooperatives Senwes, GWK, VBK, etc.) and non-private sector investment (not-for-profit organisations, stokvels, state development finance institutions, international development finance institutions, foreign donor partners, etc. are essential if Agri-Parks are to fulfil their vital function of contributing to rural economic development, poverty reduction and food security in districts. A wide range of private and non-private sector investors are already involved in agriculture in South Africa, the challenge is to attract them to invest in Agri-Parks and ensuring that the investment is sustainable.

Figure 11: Proposed Policy Investment Framework for Investing in Agri-Park



Source: Adapted from OECD, 2013

Proposed Policy Investment Framework for Investing in Agri-Parks

1. **Investment policy:**

   The quality of investment policies directly influences the decisions of all investors. Transparency, policy coherence and stability, and non-discrimination can boost confidence. Secure access to energy and water, well-functioning input and output markets and effective mechanisms for enforcing contracts and good governance and management of parks are also critical in attracting investment.

2. **Investment promotion and facilitation**

   By highlighting profitable investment opportunities and providing investment incentives, investment promotion and facilitation measures can be effective instruments to attract Agri-Park investment provided they aim to leverage the comparative advantage of the district's agricultural potential.

3. **Infrastructure development**

   Well-developed rural infrastructure, including good irrigation networks and transportation and storage systems and a reliable access to energy and to information and communication technologies, can effectively attract private investors in Agri-Parks.

4. **Trade policy**

   Open, transparent and predictable agricultural trade policies can improve the efficiency of resource allocations both domestically and across borders, thus facilitating scale economies, boosting productivity and rates of return on investment and fostering food security.

5. **Financial sector development**

   Efficient financial markets (formal and informal) can allocate capital to innovative and high return investment projects of both large and small agricultural investors, thus increasing revenues and generating economic activities.

6. **Human resources, research and innovation**

   Strong human capital and dynamic agricultural innovation systems are critical to attract further investment in Agri-Parks. Policies should support high-quality education and well-functioning extension and advisory services to enhance human capital. They should promote partnerships between national, local and international research, better connect research with demand and effectively protect intellectual property rights (e.g. ICT) to build effective innovation systems.

7. **Tax policy**

Sound tax policy enables districts and local municipalities to raise revenue while attracting further investment from both large (agribusiness, commercial farmers, BEE-entrepreneurs, etc. and small investors (cooperatives, "agropreneurs", stokvels, etc).

8. **Risk management**

   There is much skepticism and doubt about Agri-Parks as new phenomena in South Africa, effective risk management instruments (insurance, forward contracts, extension services, government encouraging diversification, etc.) can mitigate this risk, thus ensuring Agri-Park investors a more stable income and creating a predictable environment favourable to investment.

9. **Responsible business conduct**

   Policies promoting recognised principles for responsible business conduct (RBC) (laws and regulations, communicate RBC norms and standards, support investors' efforts and inter-governmental consultations) help attract Agri-Park investments that are both environmentally and socially sustainable, thereby bringing both short-term and long-term economic and development benefits to investors.

10. **Environment**

    Strong and well-enforced environmental policies contribute to both attracting responsible investors and ensuring a sustainable use of existing natural resources, in particular land and water, renewable energy, integrated waste management thereby fostering long-term food security and mitigating climate change.

Objective 5: Agri-Park Farmers and Communities Development

Proposed Objective Five for Namakwa DM Agri-Park –
To provide technical support and extension services to **Agri-Park** beneficiaries over the next 10 years.

The challenge now facing family farms, small-scale and emerging farmers are to transform their agricultural production which prevails on both communal and private own land to a vibrant commercial production system. The industry needs to stop thinking of small-scale farmers as family farmers (implies a struggle to survive and not an effort to build a business that thrives). One way of achieving this is to develop an inclusive and equitable farmer development framework, to ensure improved market linkages, to develop the relevant management, market access, production and business skills among developing farmers, and to ensure that the appropriate infrastructure is in place to subsequently create a vibrant commercial production system. Small-scale and emerging farmers are fully capable of becoming profitable business entrepreneurs. The

development of a production system and plan becomes imperative for Government, non-governmental organisations and the private sector to provide small-scale farmers with the technical support and extension services to thrive.

- Capacity-building and support to smallholder farmers and communities through provision of land, education, training and development, farm infrastructure, extension services, production inputs and mechanization inputs (all of which should be aligned to priority commodities as set out in the APAP);
- Developing detailed production and capacity building (in situ training) plans for farms located in proximity of identified Agri-Park and FPSUs sites;
- Support and assist farmers organise themselves into agro-clusters around the FPSUs and AHs;
- Ensuring access of producers to improved infrastructure (water, irrigation, energy, roads, information, communication and technology) to carry products through the value chain process and to markets, as well as sharing critical market information;
- The provision of agricultural extension services allows farmers to be informed of new agricultural technologies (especially ICT), obtain advice on best agricultural practices (including video links), and obtain assistance with dealing with adverse shocks such as insect infestation or plant disease (Dercon et al., 2006)**;**
- Establishment of Cooperative/Village Banks at FPSUs and AHs;
- Research and development in innovative ITC platforms (agricultural data, information and statistics);
- Establishing preferential procurement mechanisms to both promote the entrance of new producers and other entrepreneurs, as well as support existing ones; and,
- Finalizing off-take agreements per each identified commodity and Agri-Park.

<u>Objective 6</u>: Agri-Park Implementation Capacity

Proposed Objective Six for Namakwa DM Agri-Park –

- To enhance the capacity and capability of officials responsible for the implementation of the Agri-Parks over the next 3 years.

- Creating and institutionalizing technical and operational tasks teams to manage all phases of Agri-Park development and implementation;
- Establishing the proposed National Agri-Park Project Support Facility, which will coordinate and support district-based operational teams;
- Coordinating Agri-Park development with other DRDLR programmes targeted at increasing the pace of land acquisition and redistribution;

- Organization and mobilization of stakeholders and communities residing in identified site localities through participatory consultation on Agri-Parks model, site selection and identification of production areas to receive support;
- Conducting a Socio-economic analysis for each of these areas, in which district connectors (gateways), areas of economic growth/ decline, economic functional zones are all identified; and income, employment statistics and access to utility services data (to water, sanitation, energy etc.) is collated;
- Conducting a National spatial, commodity, value chain and market analysis to determine target sites through identification of high value commodities, growing production areas and available infrastructure;
- Generating site specific maps containing district specific narratives and selection criteria for initial identification of sites;
- Further development of evaluation criteria for assessing Agri-Parks proposals;
- Weighing each Agri-Park proposal against this evaluation criteria and other important findings from previous analyses to make final determinations on Agri-Park sites; and,
- Signing resolutions for the establishment of Agri-Parks with each District Municipality identified.

Chapter Four: Namakwa District Agri-Park Infrastructure Plan

An Agri-Park **is *not* only physical buildings** located in single locations (like ordinary industrial parks) per district ***but*** it is defined as:

A **networked innovation system** of agro-production, processing, logistics, marketing, training and extension **services** located in District Municipalities. As a network it **enables** the **growth** of market-driven **commodity value chains** and contributes to the achievement of **rural economic transformation (RETM)**. An **AP** contains three **service collections**:

d. Farmer Production Support Unit (**FPSU**) with a focus on primary production towards ***food security***;
e. Agri-Hub (**AH**); and
f. The Rural Urban Market Centre (**RUMC**) which may service multiple districts.

4.1. The Namakwa DM Agri-Hub and FPSU's

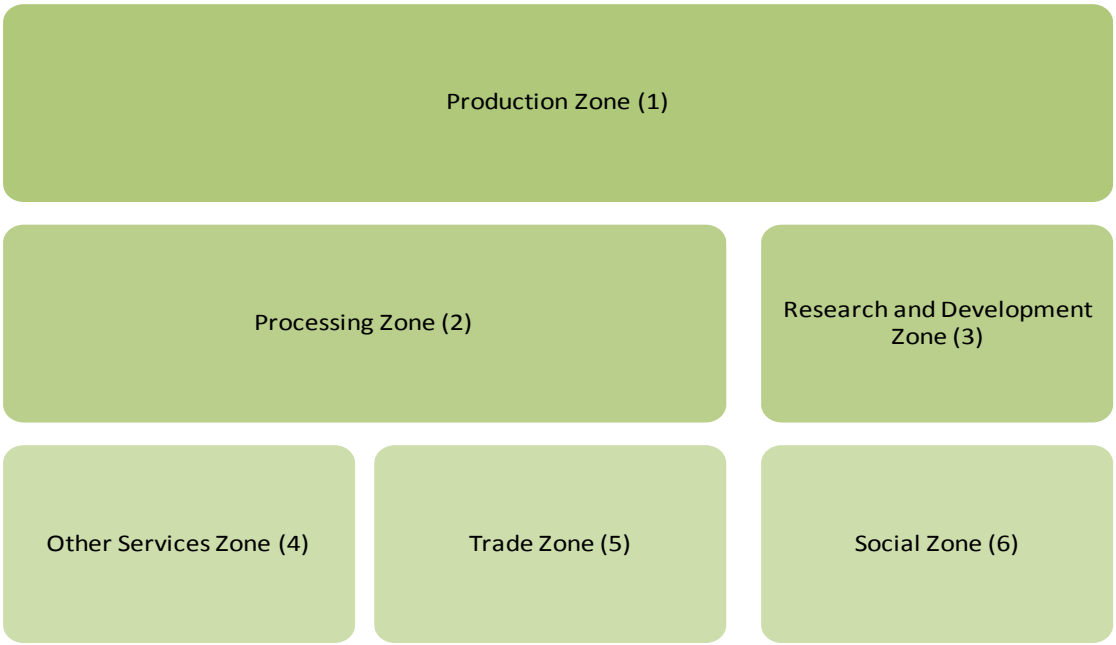
The Namakwa DM has an agricultural and ocean economy. It was therefore decided to advise that both of these economies are included into the Agri-Park concept and developed as such. The proposed Agri-Hub and its Farmer Production Support Units and Aqua Farmer Production Support Units are discussed and indicated on the maps below.

The sites were proposed for the following reasons:

- The close proximity of small and emerging farmers and fisher folk in close proximity to the hubs and FPSUs;
- The proximity to production of main and support commodities;
- Rural development needs;
- Location of CRDP sites;
- Support for the sites by the DAPOTT, DAMC and local municipalities;
- Approval of sites by the local municipalities.

The Agri-Hub at a minimum will have adequate development zones (plots) as per proposed Agri-Hub components. Agri-Hub conceptual built up will be developed in relation to the soil, vegetation, size and shape of the land earmarked for the Agri-Hub infrastructure development.

Figure 12: Agri-Hub Conceptual Infrastructure Master Plan



Further studies including the Environmental Impact Assessments (EIA) will be conducted to inform the envisaged zones development, and this will result to Architectural Design Plan, i.e. master site plans.

According to CSIR (2016), the Agri-Hub is a production, equipment hire, processing, packaging, logistics and training (demonstration) unit as indicated in the figure below:

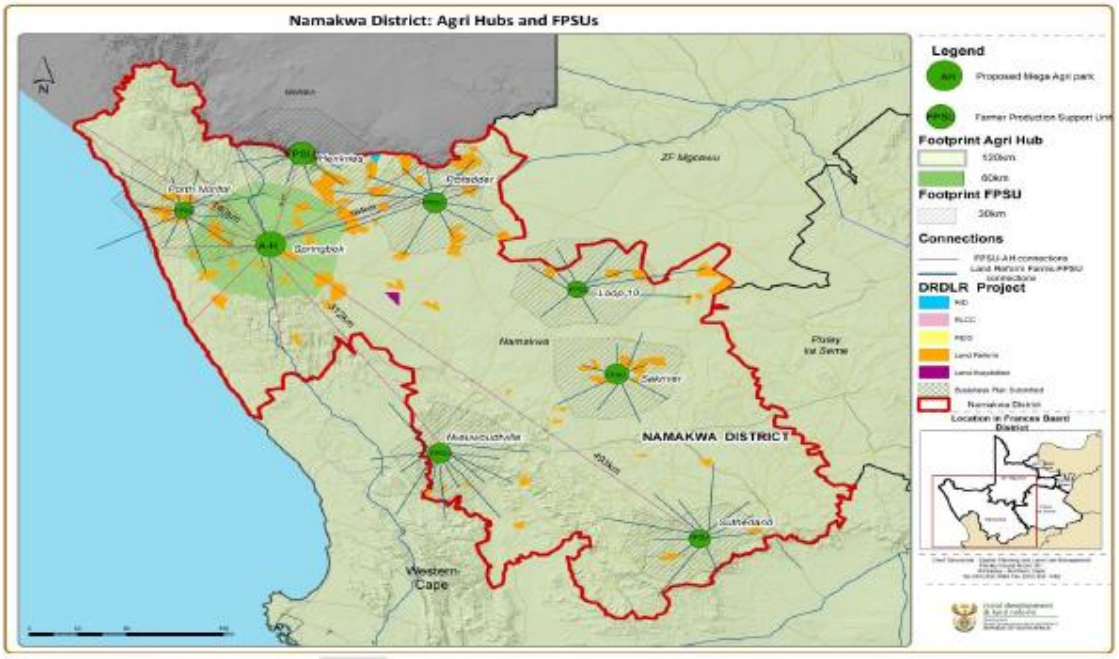
Figure 13: Agri-Hub Conceptual Layout Plan

Description of the Agri-hub

Springbok, the seat of the Namakwa District Municipality and the central town has been identified as an ideal setting for the Namakwa District Municipality Agri-Hub.

The proposed Hub and its feeder Farmer Production Support Units are indicated on the map below:

Figure 14: Springbok Agri-Hub and Feeder FPSUs



a Agri Park footprint including AH and FPSUs

The **Agri-Hub** will include the following facilities and support services:

- Training facilities including lecture halls and lodging for 20 trainees.
- Intake, storage and dispatch facility of about 2000 m^2 for produce from the feeder FPSUs:
- Stock pens for handling livestock
- Lucerne production paddock – 5 ha
- Small packing, storage and dispatch facility (200 m^2) to pack dates and traditional herbs for the local and export markets.
- Local market facility to sell local produce of about 200 m^2.
- Office space, boardroom facilities and secretarial services for local emerging farmers
- Main production input supply facility (most probably a cooperative) of about 2000 m^2 (shop to purchase production inputs like fertilizer, chemicals, seed irrigation equipment, small tools, etc.) to be operated with a strategic partner along the following lines:
    - A small farmer / emerging farmer (client) will approach the cooperative for production inputs for a specific crop and quantity.;

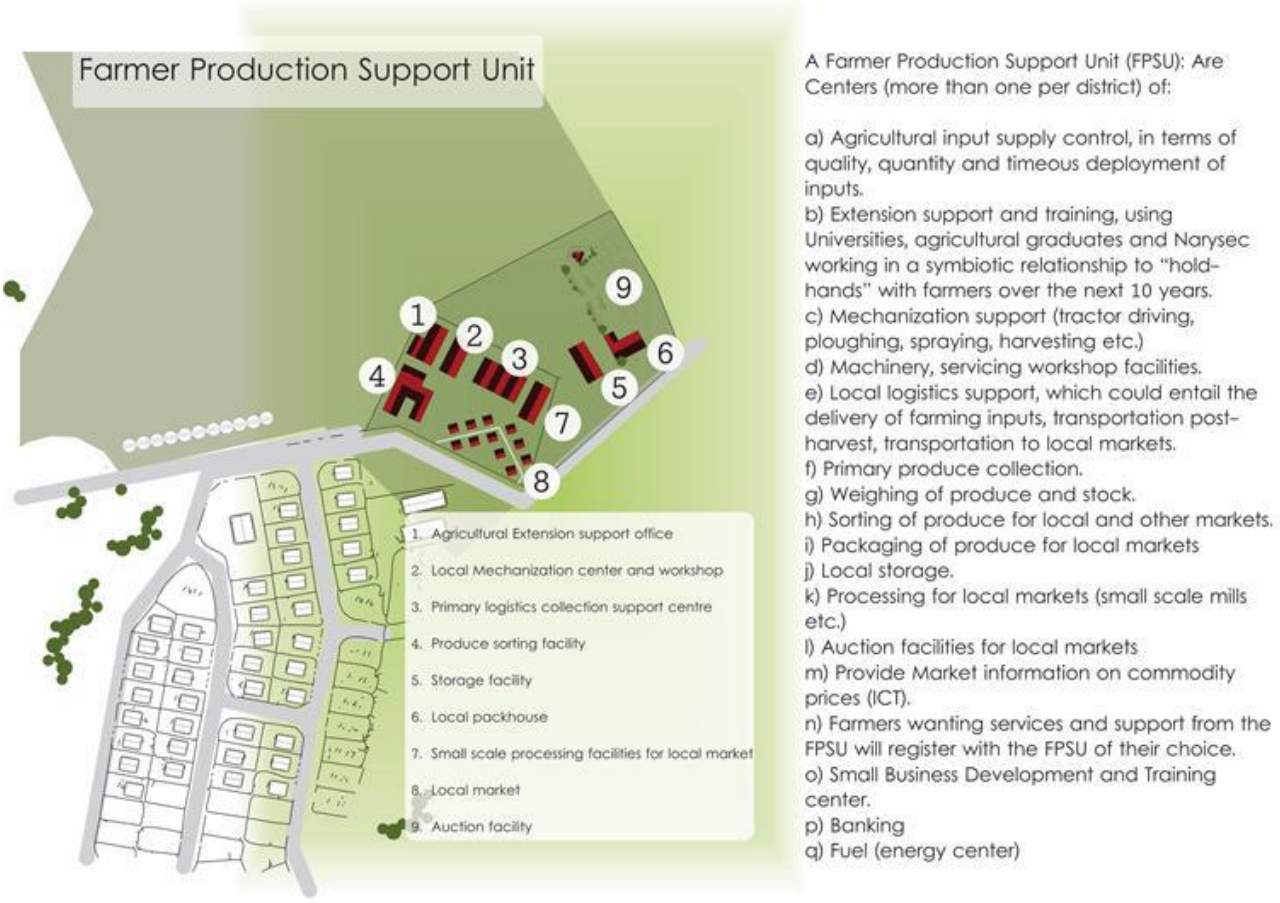
- The cooperative and client will enter into a supply / purchase contract stipulating, crop or farming enterprise, quantity and timing, e.g. number of sheep, or area to be planted with crop and when planting will take place. From this it will be clear as to what is needed, when and how much;
- The cooperative will inspect the clients operations on a regular basis to ensure that the client adheres to the contract;
- The contract will also stipulate that the client must deliver the produce to the cooperative that will grade and pay the client market price minus the costs of the inputs supplied. The cooperative will then on-sell the produce delivered to one of the other facilities in the Agri-Hub for further processing of packaging;
- Cooperative personal will, as part of their service, supply extension services to the client;

- Main mechanization centre and equipment servicing and repair centre with a shed of 500 m^2 and yard of 2000 m^2 to effect major repairs to the fleet of trucks, tractors and vehicles that service the hub and its feeder FPSU's
- Collection services linked to the mechanization centre.
- Extension services
- Veterinary services through the local animal protection association
- Market information centre with shared offices at the training centre.

Agri Farmer Production Support Units (FPSU) feeding into the Springbok Agri-Hub.

According to CSIR (2016), the FPSU is a rural outreach unit connected with the Agri-hub. The FPSU does primary collection, some storage, some processing for the local market, and extension services including mechanisation as per layout plan in Figure 15.

Figure 15: FPSU Conceptual Layout Plan



Six Agri FPSUs have been identified:

- Henkries: 88 km to Springbok - Dates
- Witbank: - Vegetables
- Pella: - Raisins
- Coboop: - Table grapes
- Onseepkans: 211 km to Springbok - Lucerne
- Nieuwoudtville: 311 km to Springbok, 74 km to Vredendal - Rooibos tea (Could feed into the Agri-Hub at Vredendal)

The farmer production support units (FPSUs) will include the following facilities and support services:

- Small Produce handling facility – receipt and dispatch of produce from the catchment areas (mainly animals, lucerne and medicinal herbs) – 1 000 m^2
- Mechanization and repair centre – 400 m^2.
- Collection services linked to the mechanization centre
- Extension services
- Veterinary services through the local animal protection association
- Local market facility to sell produce locally – 100 m^2.

- Office space, boardroom facilities and secretarial services for local emerging farmers
- Production input supply facility – shop to purchase production inputs like fertilizer, chemicals, etc. – 500 m^2
- Small meeting and internet facility – 100 m^2.

One additional FPSU's should be considered in order to serve small and emerging farmers concentrated in the areas noted below:

- Kharkams to serve the small farmers in that area (Leliefontein) that produce sheep, goats, lucerne and medicinal herbs.

  This **FPSU** should include the following facilities and support services:

  - Small Produce handling facility – receipt and dispatch of produce from the catchment areas (mainly animals, lucerne and medicinal herbs) – 1 000 m^2
  - Mechanization and repair centre – 400 m^2.
  - Collection services linked to the mechanization centre
  - Local market facility to sell produce locally – 100 m^2.
  - FPSU production input supply facility (a local branch of the main production input supply facility).
  - Small meeting and internet facility – 100 m^2.

The communities at Concordia, Komaggas and Steinkopf to feed directly into the Agri-Hub at Springbok.

Further notes on the FPSU's are noted below:

- Karoo Hoogland should feed into the Agri-Park developed in Pixley ka Seme DM due to proximity.
- The Namakwa Irrigation Development Plan must be taken into consideration in future developments of the Agri FPSU's and as soon as the plan is revived.

  This R1.5bn (2010 value) irrigation development plan includes the following and must be considered in the Agri-Park planning and roll-out strategy:

  - The Namakwa Irrigation Development Plan constitutes the development of irrigation development along the Orange River for agricultural purposes.
  - The commodities included in this plan are: Table grapes, Raisins, Dates, Citrus, Vegetables and Pecan nuts.
  - The communities / settlements involved are: Onseepkans, Coboop, Pella, Witbank, Kabis and Abbasas on state land, Goodhouse on private land, Henkries, Sanddrift and Bloeddrift on communal land and Beauvallon farms.

No **Aqua Farmer Production Support Units** have been identified. It is however believed that the fisher folk of Hondeklip Bay and Port Nolloth should be supported. It is therefore recommended that an Aqua FPSU

specifically for the fisher folk should be established at these two locations to support the small crayfish, abalone and fish industries.

- **Hondeklip Bay** Aqua Farmer Production Support Unit on Local Municipality land and as part of the existing Namakwa Fishing Infrastructure Development and Management Project currently in progress to support fisher folk that catch crayfish and fish. This FPSU will include the following facilities:
  - Small Cray fish and fish handling and processing facility with crayfish revival tanks, cooling, freezing, drying and packing , receipt and dispatch of produce from the catchment areas – 500 m^2.
  - Boat and engine repair centre – 200 m^2.
  - Local market facility to sell produce locally – 100 m^2.
  - Small meeting and internet facility – 100 m^2.
  - Adequate slipway, access control and boat handling and boat storage facilities.
- **Port Nolloth** Aqua Farmer Production Support Unit on Local Municipality and Department of Public Works land to support fisher folk that catch crayfish and fish and that farm with abalone. This FPSU will include the following facilities:
  - Small Cray fish and fish handling and processing facility with crayfish revival tanks, cooling, freezing, drying and packing , receipt and dispatch of produce from the catchment areas – 500 m^2
  - Boat and engine repair centre – 200 m^2.
  - Local market facility to sell produce locally – 100 m^2.
  - Small meeting and internet facility – 100 m^2.
  - Adequate jetty / slipway, access control and boat handling and storage facilities.

4.2. Proposed Rural Urban Market Centre

The Rural Urban Market Centre Unit (RUMC has three main purposes:

- Linking and contracting rural (AH's and FPSUs), urban and international markets through contracts.
- Acts as a holding-facility, releasing produce to urban markets based on seasonal trends.
- Provides market intelligence and information feedback, to the AH and FPSU, using the latest information and communication technologies.

Figure 16: Rural Urban Market Centre Conceptual Layout Plan

The site for Namakwa RUMC has not been confirmed. It is however proposed that instead of establishing a separate facility, that the RUMC be located at Springbok, the site of the Agri-hub. This RUMC can connect to Cape Town through the proposed shared RUMC of the West Coast, Cape Winelands and Overberg DM's to be placed at Stellenbosch.

4.3. PESTEL Assessment of the Agri-Park

A PESTEL analysis is a framework or tool used to analyze and monitor the macro-environmental (external operating environment) factors that have an impact on an organization. The result of which is used to identify threats and weaknesses that is used in a **SWOT analysis**.

PESTEL stands for:

- P – Political
- E – Economic
- S – Social
- T – Technological

- E – Environmental
- L – Legal

The PESTEL analysis for the District Municipality Agri-Park is indicated in the Table below:

Table 11 PESTEL Analyses for the Namakwa DM Agri-Park

Political	National focus on agrarian reform, rural development and sustainable rural communities IPAP & APAP focus on agro-processing and bio-fuels Backlogs in land restitution and lack of support to new land owners Focus on agriculture and rural development in Provincial and District Municipality Growth and Development Strategies Focus on food security, nutrition and food sovereignty Political administration interface Agri-BBBEE Lack of support to smallholder farmers Unemployment; poverty and inequality Trust relations between government, private sector, civil society, labour, traditional leaders Historical land issues Intergovernmental relations Public service capacity, capability and competence Corruption, nepotism and cronyism Policy consistency, certainty, continuity and implementation
Economic	Agricultural inputs costs (seeds, pesticides, fertilisers, equipment, etc) Alternative markets (government, local and informal markets) IPAP & APAP financial support to high priority agricultural products and agro-processing Lack of smallholder and emerging farmers access to markets, credit, transport, finance, extension services, etc Domination of markets by large commercial farmers Volatility and speculation in commodity market Exchange rates Potential for inclusive growth Potential for increased job creation Seasonal nature of employment Increase cost of electricity and inconsistent supply to rural areas Drought Increased food demand Currency volatility and stability Micro-economic policy Retailers Competitiveness Public Private Partnerships Policy consistency Imports Economic structural issues Rejuvenation and expansion (irrigation schemes)
Social	Crime Social capital and social cohesion HIV/AIDS Unresolved CPA disputes Migration out of rural areas reducing agricultural workforce Perception that agriculture is an unattractive sector amongst the youth Availability of social basic services such as health, education, etc Low levels of skills development in agricultural sector NARYSEC Potential to create viable smallholder businesses

	Uneven development in rural areas
Technological	Indigenous and modern technology Technology for family farmers and smallholder farmers New greenhouse and hydroponic technology ICT innovative digital platforms (prices, markets, weather, etc) R&D Renewable energy sources Productivity Logistics Small scale processing technology
Environmental	Limited water supply Limited water licences Ecological sustainable farming methods Climate change Devastating effects of drought Water management Energy management Land Use management Natural Resources Renewable energy Waste and by-products
Legal	Effective by-laws Complimentary legislative and policy frameworks Implementation and compliance of food safety standards and quality control Land Reform and Rural Development legislation and policy frameworks-Daff synergy and complimentary EIA cumbersome process

4.4. Namakwa Agri-Park SWOT Analysis

A review of the significant trends, issues and changes in the external environment in which **Namakwa District Municipality Agri-Park** will operate identified several key factors that are likely to have a significant influence on the development and the implementation of the draft Agri-Park Policy Framework. The Agri-Park SWOT analysis is proposed to inform decisions on the development and implementation of the Agri-Park Programme.

4.5.1. Strengths

- Cooperation between the municipality and the emerging farmers.
- Land availability
- Development aspiring communities
- Local municipality that articulates their plight.
- Accessible local governance system
- Participation process enshrined in the Constitution

4.5.2. Weakness

- Large portion of population unemployed
- Low mitigation to the negative impacts of climate change as can be witnessed with the continued desertification and current drought
- Large distances between areas having a potential negative impact of transportation of certain agricultural products
- Poor water management : high water debts and inefficient uses of groundwater sources
- Lack of agricultural facilities for small scale and emerging farmers in rural areas

4.5.3. Opportunities

Spatial clustering is forms the essence of agri-parks concept. In practice clustering can take many forms and there could also be varied combination of agricultural and non-agricultural activities. Some of the advantages of clustering are:

- Closing the cycle
- Coordination, cooperation, networking and collaboration
- Improved social cohesion
- Reducing transport requirements
- Improve animal welfare
- Restricting disease outbreaks
- Reduce the gap between producer and consumer
- Generate economic and social benefits
- Development of infrastructure networks to create sustainable ecological system
- Integrated spatial planning-SPLUMA
- Agri-BEE- encourage Black entrepreneurs to take advantage
- Connecting development corridors
- Knowledge management- universities, agricultural colleges
- Growth of agro-processing
- Intensive labour agriculture & agri- processing
- Efficient use of space
- Renewable energy sources-solar
- Agro-production and agro-processing
- Setting of food standards and quality and conducting certification

- ICT- less reliable on extension officers for certain needs
- Market information
- Economies of scale
- PPPs
- Efficiency of resource allocation and utilisation
- Improved markets
- Agriculture becomes the focal point
- Synergy between non-agri-production like energy production, waste and water management
- Trade centre

4.5.4. Threats

- Stifling bureaucracy
- Poor intergovernmental relations between the three spheres of government
- Alignment between various Agri-Parks committees and DLRCs-too many committees
- Technical capacity at district and local municipal levels
- Scarcity and degradation of land, water and soil
- Post-harvest food lost and wastage
- Low support for producers
- Duplication of effort
- Fragmented and uncoordinated planning
- Slow pace of regulatory approvals e.g. EIAs, water approvals
- Ineffective models of producer support. Absence of uniform criteria and definitions. Unable to effectively plan, invest or measure smallholders
- Slow pace in the issuing of water licences
- Proposed Incentive Programme for Climate Smart Agriculture (CSA) remains unfunded.
- Competing demands of land
- Import (dumping) e.g., AGOA
- 20% growth in consumer demand, met by 10% imports
- Veterinary services inadequate and I in accessible
- Greatest contributor to agricultural exports/trade but is the least transformed sector
- Under investment in R&D (0.1%) capacity & infrastructure

- Inability to apply/integrate innovation
- Aging senior researchers
- 75% of local procurement under discussion between National Treasury and Department of Small Business Development
- Greater synergy between IPAP and APAP
- Climate change- drought, flooding and fires
- Soil degradation
- Reduction in water supply in terms of rain and stream flows

Chapter Five: Namakwa District Agri-Park Implementation Plan

The Agri-Park implementation will continue to evolve as new developments unfold. It will be important for implementation to take place in a coordinated manner as possible and therefore the pending appointment of a District Agri-Park Manager will assist in this regard and provide a key focal point for all stakeholders to interact with.

This 10 year Agri-Park Master Plan implementation plan therefore contains the following:

a) Agri-Park Success Factors based on international experience;

b) Agri-Park Implementation monitoring plan to guide the monitoring of the Agri-Park (it will be critical for stakeholders to agree on key indicators to be monitored and for regular progress reports on these indicators to be presented and discuss at the Agri-Park stakeholder meetings such as the DAPOTT and DAMC)

c) Agri-Park Risk Management Plan: it will be critical for key risk managers to be identified and who are responsible to implementing actions to mitigate the key risks facing the successful implementation and operation of the Agri-Park.

d) Agri-Park High Level 10 year implementation plan to provide an indication of the phased implementation approach; and

e) Agri-Park Strategic Partnership Framework to provide an indication of the wide range of partnerships which will need to be explored, facilitated and defined to ensure the successful operation of the Agri-Park.

5.1. Critical Success Factors

International lessons of experience have revealed that at least seven generic success factors can be identified for Agri-Parks. These include:

Table 12 Agri-Park Success Factors based on International Experience

• Production Systems and Innovation:	Engage expertise support for Agri-Park to implement systems and innovate. A culture of Research and Development to be inculcated in the enterprise Develop a plan that integrates the necessary R&D with the overall Agri-Park strategic plan Identify and prioritise R&D projects based on the contribution of the likely

	research outcomes to overall industry performance Encourage a long-range program approach rather than commission a series of independent projects Ensure that R&D is commercially focused on the product outcome Build long-term relationships with competent and experienced research providers.
• Enterprise and Industrial Development Support and enablers:	The development and support of the enterprise needs to be on both the enterprise and industry development levels. With a view to drawing on these interventions benefits to critical mass or scale. Recognise the importance of being a certain size before successful commercialisation can be possible Focus on growth at both enterprise and industry levels with a view to drawing on these benefits once critical mass has been achieved once critical mass has been achieved Recognise the contributions to growth possible through partnering throughout the supply chain, and through mentoring of new industry players Encourage collective marketing and branding programs. The enterprise development, amongst others will cover leadership development and retention; business planning; businesses formalisation e.g. coops registration and business resourcing. Facilitate access to enablers such as finance, appropriate technology, business development services, electricity, appropriate roads and bridges, etc.
• Quality Product Development:	The Agri-Park to develop skills in food product development. Compliance with industry codes of good practice in terms of product description and quality assurance Standardisation of terminology and the way products are graded, labelled and traded
• Brand Building and Marketing:	All world-class low-tech enterprises are exceptionally good at building their brands, and protect their trademarks and logos. Linked to enterprise development support, the Agri-Park needs to develop a branding look and

	feel (also incorporating its wide word web presence) The Agri-Park to develop a precise marketing plan and allocate resources for the promotion of the enterprise products.
• Business linkages and supply chains:	Empower local distributors to get product to the market Establish vertical and horizontal business linkages Identify the market (or market segment) to be targeted Identify sustainable supply chain partners most appropriate to the chosen market segment Establish effective, ongoing, structured lines of communication between the supply chain partners Project a realistic view of the industry's position and outlook Build relationships based upon mutual benefit along the supply chain
• Governance and management	Competent Agri-Park management and governance Business management systems and structures need to be in place Business principles of profit, people and planet Good practice corporate governance should be adhered to at all times Comply with corporate governance legislative, policy and regulatory frameworks (public and private sector).
• Supply contracts in place for key inputs:	The prices of agricultural inputs are incredibly volatile due to factors such as adverse weather conditions and insect infestations. To negate this, long-term fixed-price supply contracts with local farmers, suppliers (e.g. packaging company) and distributors is crucial.
• Sustainable development	Principles of sustainable development Integrated energy, water and waste management design and processes Applications of the principles of industrial ecological, i.e. mutual use of waste and by-products

The following factors should be considered for the establishment and/or operationalisation of a processing plant:

Table 13 Key Considerations Informing Establishment of Processing Plants

Location:	The basic objective is to choose the location which minimises the average production cost, including transport and handling. It is an advantage, all other things being equal, to locate a processing unit near the fresh raw material supply. An adequate supply of good water, availability of labour pool, proximity to rail or road transport facilities and adequate markets are other important requirements.
Processing planning:	A well planned commodity processing centre must be designed to operate for as many months of the year as possible. This means the facilities, the buildings, the material handling and the equipment itself must be inter-linked and coordinated properly to allow as many products as possible to be handled at the same time, and yet the equipment must be versatile enough to be able to handle many products without major alterations. A typical processing centre or factory should process four or five types of commodities at different times of the year.
Processing systems (Scalability):	**Small-Scale Processing**. This can be done at FPSUs for small-scale farmers for personal subsistence or for sale in nearby markets. In this system, processing requires little investment: however, it is time consuming and tedious. **Intermediate-Scale Processing**. In this scale of processing, a group of small-scale processors pool their resources. This can also be done by individuals. Processing is based on the technology used by small-scale processors with differences in the type and capacity of equipment used. The raw materials are usually grown by the processors themselves or are purchased on contract from other farmers. These operations are usually located on the production site in order to assure raw materials availability and reduce cost of transport. This system of processing can provide quantities of processed products to supply nearby urban areas. **Large-Scale Processing**. Processing in this system is highly mechanised and requires a substantial supply of raw materials for economical operation. This system requires a large capital investment and high

	technical and managerial skills. For example, because of the high demand for foods in recent years many large-scale factories were established in developing countries. Some succeeded, but the majority failed, especially in West Africa. Most of the failures were related to high labour inputs and relatively high cost, lack of managerial skills, high cost and supply instability of raw materials and changing governmental policies. Perhaps the most important reason for failure was lack of adequate quantity and regularity of raw material supply to factories. Despite the failure of these commercial operations, they should be able to succeed with better planning and management, along with the undertaking of more in-depth feasibility studies.
Choice of processing technologies	The basis for choosing a processing technology ought to combine labour, material resources and capital so that not only the type and quantity of goods and services produced are taken into account, but also the distribution of their benefits and the prospects of overall growth. These should include: • increasing farmer/artisan income by the full utilisation of available indigenous raw material and local manufacturing of part or all processing equipment; • cutting production costs by better utilisation of local natural resources (solar energy) and reducing transport costs; • generating and distributing income by decentralising processing activities and involving different beneficiaries in processing activities (investors, newly employed, farmers and small-scale industry); • maximising national output by reducing capital expenditure and royalty payments, more effectively developing balance-of-payments deficits through minimising imports (equipment, packing material, additives), and maximising export-oriented production; • maximising availability of consumer goods by maximisation of high-quality, standard processed produce for internal and export markets, reducing post-harvest losses, giving added value to indigenous crops and increasing the volume and quality of agricultural output

5.2. Agri-Park Strategy Implementation Monitoring Framework: outcomes, outputs, targets, activities and key assumptions

The following indicators and targets are proposed for further refinement in order to monitor implementation of the Agri-Hub and achievement of the Agri-Hub objectives. Stakeholders will need to define and agree on the key targets:

Table 14 Agri-Park Objectives, Outputs, Targets, Indicators and Activities

STRATEGIC OBJECTIVE 1: Transform Rural South Africa through a modernised agricultural sector			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
NDM Agricultural Sector transformed and modernised	Vibrant NDM community and Food Security	% increase in households standard of living (socio impact)	Implement and manage Agri-Park
	Percentage contribution of Agricultural to NDM economy	% increase in contribution of Agricultural sector to the NDM economy (econ impact)	Implement and manage Agri-Park
	Increased agricultural beneficiation (agro-processing activities)	% increase in agricultural beneficiation activities	Implement and manage Agri-Park
	Number Black Industrialists Developed	# of black industrialists in agro-processing developed	Implement and manage Agri-Park

STRATEGIC OBJECTIVE 2: Develop Integrated and Networked Agri-Park Infrastructure			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
NDM Agri-Park Operational	Number of Agri-Hubs (AH) developed	• AH Property Management Contract finalised • % occupancy of operational enterprises • One AH developed by 2018	• Land acquisition and zoning • Infrastructure Development Process (i.e. feasibility and design, professional teams, implementation and hand over)
	Number of Farmer Production Support Units	• FPSU Property Management Contract finalised	• Land acquisition and zoning

STRATEGIC OBJECTIVE 2: Develop Integrated and Networked Agri-Park Infrastructure			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
	(FPSU) developed	• % occupancy of operational enterprises • Two FPSUs established by 2018	• Infrastructure Development Process (i.e. feasibility and design, professional teams, implementation and hand over)
	Number of Rural Urban Market Centres (RUMC) established	• RUMC Property Management Contract finalised • % of business linkages facilitated by RUMC • Shared RUMC developed by 2018	• Land acquisition and zoning • Infrastructure Development Process (i.e. feasibility and design, professional teams, implementation and hand over)

STRATEGIC OBJECTIVE 3: Establish and implement a sustainable Agri-Park governance and management model			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
NDM Agri-Park Sustainably managed and operated	A farmer led company established through the company act Management company responsible for both development and administration established	• Articles of association • Management contract	• Develop Articles of Association for Agri-Park • Develop management contract for Agri-Park hubs and FPSU's
	District Statutory body responsible for oversight established	• Memorandum of Understanding • Municipal resolution	• Develop Memorandum of understanding • Establish district oversight body through

STRATEGIC OBJECTIVE 3: Establish and implement a sustainable Agri-Park governance and management model			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
			resolution

STRATEGIC OBJECTIVE 4: Generate funds and secure investment			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
Direct Investment generated for NDM Agri-Park	Investment promotion	• Promoted investment opportunities in the Agri-Parks	• Create investment material • Develop bankable business plans • Present investment opportunities to potential investors
	Partnerships established	• Partnerships established for the various opportunities in the Agri-Parks	• Actively promote partnerships to potential investors • Meet potential partners • Present bankable business plans to potential partners
	Investment generated	• Investment in the Agri-parks generated	• Generate partnership agreements • Institute development of investment

STRATEGIC OBJECTIVE 5: Improve coordinated delivery of support services (i.e. extension services)			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
NDM Farmers producing competitive produce	Smallholder and Emerging Farmers businesses profitable and sustainable	• Extension services operational • Support services operational • Collection scheme operational • Farmers delivering quality product to market	• Develop extension services in the Agri-Hub • Develop support services model
	Smallholder and Emerging Farmers technical capacity and skills enhanced	• Training material developed • Farmers trained	• Develop training material • Train farmers

STRATEGIC OBJECTIVE 6: Improve Agri-Park Programme Implementation			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
NDM Municipality effectively and efficiently coordinating and facilitating the implementation of the Agri-Park	Agri-Park generating income for the municipalities (rates and taxes) Agri-Park provided with reliable and consistent municipal services	Amount of municipal rates and service fees paid p.a. Continuous service delivery and consistent service standards as per municipal service charter.	Agri-Park businesses pay rates and service charges. Municipal service delivery.
	Capacitated coordinating structure operational	Municipal participation coordinated and effective.	Agri-Park coordinating structures effectively attended by relevant level of officials and / or Councillors
	Agri-Park contribution Monitoring and Evaluation	Agreed monitoring plan with clear responsibilities for collection, monitoring and reporting to key decision-making structures to	Quarterly Performance Monitoring reports submitted to decision-making structures which

STRATEGIC OBJECTIVE 6: Improve Agri-Park Programme Implementation			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
		inform decision-making	inform Agri-Park decision-making

The following key assumptions can be identified and which will also need to be monitored and reported on as part of the Agri-Park monitoring plan:

Table 15 Agri-Park Implementation assumptions to be monitored

Agri-Park Outcomes	**Agri-Park Measure (Outputs)**	**Assumptions Description** (External Factors beyond Agri-Park control, e.g. drought etc.)	**Will the assumption hold true?**		**Possible to redesign outcomes and outputs to influence external factors** (Yes/No)
			Possibly (tick)	**Very unlikely** (tick)	
Namakwa District Agricultural Sector transformed and modernised	Vibrant Namakwa District community and Food Security	Emerging farmers will be able to produce high volumes of vegetables and poultry meat	√		Yes
	Percentage contribution of Agriculture to Namakwa District economy	Reduction in vegetable production due to limited water rights for expansion	√		No
	Increased agricultural beneficiation (agro-processing activities)	Resources will be invested in the value chain	√		Yes
	Number Black Industrialists Developed	Black entrepreneurs willing to participate in the agricultural sector	√		Yes
Namakwa District Agri-Park	Number of Agri-Hubs (AH) developed	Government putting the required resources in the Agri-Park	√		No

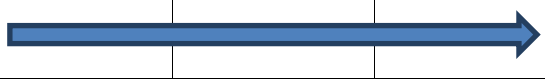
Agri-Park Outcomes	**Agri-Park Measure (Outputs)**	**Assumptions Description** (External Factors beyond Agri-Park control, e.g. drought etc.)	**Will the assumption hold true?**		**Possible to redesign outcomes and outputs to influence external factors** (Yes/No)
			Possibly (tick)	**Very unlikely** (tick)	
Operational	Number of Farmer Production Support Units (FPSU) developed	Government putting the required resources in the Agri-Park	√		No
	Number of Rural Urban Market Centres (RUMC) established	Government putting the required resources in the Agri-Park	√		No
Namakwa District Agri-Park Sustainably managed and operated	A farmer led companies established through a companies Act and/or Cooperatives Act	Farmers willing to work as cooperative		√	Yes
	Management company responsible for both development and administration established	Right partners identified to participate in the Agri-Parks		√	Yes
	District Statutory body responsible for oversight established	People with right calibre appointed to serve on the body		√	Yes
Direct Investment generated for Namakwa District Agri-Park	Investment generated	Private individuals willing to invest in the Agri-Parks	√		Yes
	Partnerships established	Private individuals willing to partake in the Agri-Parks		√	Yes
Namakwa	Beneficiary farmers	Emerging farmers employing			

Agri-Park Outcomes	**Agri-Park Measure (Outputs)**	**Assumptions Description** (External Factors beyond Agri-Park control, e.g. drought etc.)	**Will the assumption hold true?**		**Possible to redesign outcomes and outputs to influence external factors** (Yes/No)
			Possibly (tick)	**Very unlikely** (tick)	
District Farmers producing competitive produce and/or livestock	businesses profitable and sustainable	proper business management aspects in their businesses		**√**	Yes
	Quality livestock production increased	Proper production systems followed and farmers practising the best GAP	**√**		Yes
	Beneficiary farmers technical capacity and skills enhanced	The beneficiaries will be interested in this type of training	**√**		Yes
Namakwa District Municipality effectively and efficiently coordinating and facilitating the implementation of the Agri-Park	Agri-Park generating income for the municipalities (rates and taxes)	Development of efficient collection systems		**√**	Yes
	Capacitated coordinating structure operational	People with proper skills employed on various structures		**√**	Yes
	Agri-Park socio-economic contribution Monitored and Evaluated	Proper monitoring and evaluation system in place	**√**		Yes

5.3. Agri-Park 10-Year Implementation Plan

The following high level 10 year implementation plan provides an indication of the agri-parks phased implementation:

Table 16 Agri-Park 10-Year Implementation Plan

NDM Agri-Park 10-Year Implementation Plan			Phase One	Phase Two	Phase Three
Strategic Objective	**Outcome(s)**	**Measure (Outputs)**	**2016 - 2018**	**2019 - 2021**	**2022 - 2025**
SO: 1	NDM Agricultural Sector transformed and modernised	Vibrant NDM community and Food Security			
		Percentage contribution of Agricultural to NDM economy			
		Increased agricultural beneficiation (agro-processing activities)			
		Number Black Industrialists Developed	3	3	3
SO: 2	NDM Agri-Park Operational	Number of Agri-Hubs (AH) developed	1		
		Number of Farmer Production Support Units (FPSU) developed	2	2	2
		Number of Rural Urban Market Centres (RUMC) established	1		
SO: 3	NDM Agri-Park Sustainably managed and operated	A farmer led company established through a companies act	X		
		Management company responsible for both development and administration established	X		
		District Statutory body responsible for oversight established	X		
SO: 4	Direct Investment generated for NDM Agri-Park	Investment generated			
		Partnerships established	2	3	5
		Investment promotion			

NDM Agri-Park 10-Year Implementation Plan			Phase One	Phase Two	Phase Three
Strategic Objective	**Outcome(s)**	**Measure (Outputs)**	**2016 - 2018**	**2019 - 2021**	**2022 - 2025**
SO: 5	NDM Farmers producing competitive produce	Farmers businesses profitable and sustainable			
		Farmers technical capacity and skills enhanced			
		Agri-Park generating income for the municipalities (rates and taxes)			
SO: 5	NDM Municipality effectively and efficiently coordinating and facilitating the implementation of the Agri-Park	Agri-Park provided with reliable and consistent municipal services Capacitated coordinating structure operational Agri-Park contribution Monitoring and Evaluation			

5.4. Strategic Risks Assessment and Mitigation Plan

A wide range of risks exist which can undermine the successful establishment and operation of the Agri-Park. It is essential that risk managers are identified and appointed to manage these risks and to implement mitigating actions to minimise either the likelihood of these risks occurring or the potential negative impacts that these risks might have on the Agri-Park. District stakeholders will need to develop a detailed and District-specific risk management plan which is informed by the following framework:

Table 17 Agri-Park Risks Management Framework

Agri-Park Outcomes	Agri-Park Measure (Outputs)	Risk Description	Probability of risk occurrence					Strategy for mitigation/Controls
			(1) Very Low	(2) Low	(3) Moderate	(4) High	(5) Very High	
NDM Agricultural Sector transformed and modernised	Vibrant NDM community and Food Security	Farmers unable to produce quality commodities identified in this plan			√			Farmers assisted to produce quality produce through extension and

Agri-Park Outcomes	Agri-Park Measure (Outputs)	Risk Description	Probability of risk occurrence					Strategy for mitigation/Controls
			(1) Very Low	(2) Low	(3) Moderate	(4) High	(5) Very High	
								advisory support services
	Percentage contribution of Agricultural to NDM economy	Farmers not supplying enough commodities to the market for sales			√			Creating incentives for farmers to supply their commodities through Agri-Parks processing facilities
	Increased agricultural beneficiation (agro-processing activities)	Required resources not being made available		√				Proper budgeting by all spheres of government participating in the Agri-Parks
	Number Black Industrialists Developed	Required resources not being made available			√			Proper budgeting by all spheres of government participating in the Agri-Parks
NDM Agri-Park Operational	Number of Agri-Hubs (AH) developed	Unavailability of funds to fund the infrastructure				√		Proper budgeting by all spheres of government participating in the Agri-Parks and the government prioritizing Agri-Parks as project to drive rural development
	Number of Farmer Production Support Units (FPSU) developed	Unavailability of funds to fund the infrastructure				√		Proper budgeting by all spheres of government participating in the Agri-Parks and the government prioritizing Agri-Parks as project to drive rural development
	Number of Rural Urban Market Centres (RUMC) established	Unavailability of funds to fund the infrastructure				√		Proper budgeting by all spheres of government

Agri-Park Outcomes	Agri-Park Measure (Outputs)	Risk Description	Probability of risk occurrence					Strategy for mitigation/Controls
			(1) Very Low	(2) Low	(3) Moderate	(4) High	(5) Very High	
								participating in the Agri-Parks and the government prioritizing Agri-Parks as project to drive rural development
NDM Agri-Park Sustainably managed and operated	A farmer led companies established through a Companies Act and/or Cooperatives Act	Farmers not cooperating for the success of the cooperatives		√				Training of farmers about the benefits of participating in cooperatives
	Management company responsible for both development and administration established	Individuals appointed not advancing the interest of the farmers				√		Transparent appointment of management company with proper screening.
	District Statutory body responsible for oversight established	Unqualified people being appointed on the body				√		Appointment of key personnel with right skills and qualifications
Direct Investment generated for NDM Agri-Park	Investment generated	Investors viewing Agri-Parks as unprofitable			√			Proper marketing of Agri-Parks
	Partnerships established	Private sector not willing to participate in the Agri-Parks				√		Proper marketing of Agri-Parks
NDM Farmers producing competitive produce and/or livestock	Beneficiary farmers businesses profitable and sustainable	Farmers not applying proper business management processes in their businesses				√		Conduction of training needs assessment of the farmers and training on business management
	Quality sheep production increased	The farmers not farming with quality sheep breed			√			Selection of well-known breeding stock adaptable to the region
	Beneficiary farmers technical capacity and skills enhanced	Farmers offered training programmes that doesn't address their needs			√			Conducting training needs assessment of the farmers and providing

Agri-Park Outcomes	Agri-Park Measure (Outputs)	Risk Description	Probability of risk occurrence					Strategy for mitigation/Controls
			(1) Very Low	(2) Low	(3) Moderate	(4) High	(5) Very High	
								relevant training programmes
NDM Municipality effectively and efficiently coordinating and facilitating the implementation of the Agri-Park	Agri-Park generating income for the municipalities (rates and taxes)	Proper systems not being put in place				√		Designing of proper collection system and enforcing the collection thereof
	Capacitated coordinating structure operational	Unqualified people being appointed on the structure of agri-parks				√		Appointment of key personnel with right skills and qualifications
	Agri-Park socio-economic contribution Monitored and Evaluated	Well defined M & E framework not being put in place				√		A well-defined M&E framework with indicators designed.

5.5. Agri-Park Implementation Partnerships

The following framework should be used to start identifying potential strategic partners including government agencies, private sector organisations and international organisations to be involved in various aspects of the Agri-Hub:

Table 18 Agri-Park Partnership Identification Frameworks

Strategic Objective	Measure (Outputs)	Potential Strategic Partners	Potential Private Sector Organisations	International Organisations
SO: 1	Vibrant NDM community and Food Security	• DRDLR • NCDLRARD • NCDA • NDWSA • DEDEAT • DEA • SEDA • DCoGTA • Universities • DHET • DBE • VRS • SETAs • DTI • DAFF • DBSA • ARC	• Hortgro* • Karsten Farms* • Agri NC* • NERPO* • SATI • SA Rooibos Council • Commercial Banks • Commercial enterprises • Commercial farmers • Commercial Retailers • Tourism sector • Agro-Processing Companies • Cooperatives	Foreign donor partners (USAID, GTZ, WB, etc) UNFAO UNDP UNIDO UN Food Programme

Strategic Objective	Measure (Outputs)	Potential Strategic Partners	Potential Private Sector Organisations	International Organisations
		• NEF • NDA • IDC • NDM • NKLM • RLM • KMLM • KLM • HLM • KHLM	• NPOs & CBOs • SMMEs • DAMC	
	Percentage contribution of Agricultural to NDM economy	• DRDLR • NCDLRARD • NCDA • Land Bank • DEDEAT • SEDA • DTI • DAFF • NEF • NDA • IDC • NDM • NKLM • RLM • KMLM • KLM • HLM • KHLM	Agri-BEE entrepreneurs Commercial enterprises Commercial farmers Commercial Retailers Agro-Processing Companies Cooperatives NPOs & CBOs SMMEs DAMC Hortgro* Karsten Farms* Agri NC* NERPO* SATI SA Rooibos Council	Foreign donor partners (USAID, GTZ, WB, etc) UNFAO UNDP UNIDO
	Increased agricultural beneficiation (agro-processing activities)	• DRDLR • NCDLRARD • DEDEAT • SEDA • Land Bank • DTI • DAFF • NDA • IDC • NCTI&T • NDM	Good Food Solutions Unifoods National Brands Premier Foods Tiger Brands Massmart DAMC Hortgro* Karsten Farms* Agri NC* NERPO* SATI SA Rooibos Council	Foreign donor partners (USAID, GTZ, WB, etc) UNIDO
	Number Black Industrialists Developed	• DRDLR • NCDLRARD • NCDA • DEDEAT • PIC • SEDA • DTI • DAFF • NEF • IDC • NCTI&T • NDM	Agri-BEE entrepreneurs Commercial enterprises Commercial farmers Commercial Retailers Cooperatives SMMEs BBBEE Venture Capitalists Commercial Banks Investment Houses	
SO: 2	Number of Agri-Hubs (AH) developed	• DRDLR • NCDLRARD	• DAMC	Foreign donor partners (USAID,

Strategic Objective	Measure (Outputs)	Potential Strategic Partners	Potential Private Sector Organisations	International Organisations
		• NCDA • DEA • DTI • DAFF • NEF • IDC • NDM		GTZ,EU,BDA WB, etc)
	Number of Farmer Production Support Units (FPSU) developed	• DRDLR • NCDLRARD • NCDA • DEA • DTI • DAFF • NEF • IDC • NDM • NKLM • RLM • KMLM • KLM • HLM • KHLM	• DAMC	Foreign donor partners (USAID, GTZ,EU,BDA, WB, etc)
	Number of Rural Urban Market Centres (RUMC) established	• DRDLR • NCDLRARD • DTI • DAFF • NDM • NAMC	• DAMC	Foreign donor partners (USAID, GTZ,EU,BDA WB, etc)
SO: 3	A farmer led company established through a companies act	• DRDLR • NCDLRARD • DTI • NT (Coop Bank) • NDM	• DAMC	
	Management company responsible for both development and administration established	• DRDLR • NCDLRARD • NDM	• DAMC	
	District Statutory body responsible for oversight established	• DRDLR • NCDLRARD • NDM	• DAMC	
SO: 4	Investment generated	• DRDLR • NCDLRARD • NCDA • DEDEAT • DTI • NEF • PIC • IDC • NCTI&T • NDM	Agri-BEE entrepreneurs Commercial enterprises Commercial farmers Commercial Retailers Commercial Agro-Processing companies Cooperatives SMMEs BBBEE Venture Capitalists Commercial Banks Investment Houses NAAC	

Strategic Objective	Measure (Outputs)	Potential Strategic Partners	Potential Private Sector Organisations	International Organisations
			DAMC	
	Partnerships established	• DRDLR • NCDLRARD • NCDA • DEDEAT • DTI • DAFF • IDC • NCTI&T • NDM	Agri-BEE entrepreneurs Commercial enterprises Commercial farmers Commercial Retailers Commercial Agro-Processing companies Cooperatives SMMEs BBBEE Venture Capitalists Commercial Banks Investment Houses NAAC DAMC	
	Investment promotion	• DRDLR • NCDLRARD • NCDA • DEDEAT • DTI • DAFF • IDC • NCTI&T • NDM	Agri-BEE entrepreneurs Commercial enterprises Commercial farmers Commercial Retailers Commercial Agro-Processing companies Cooperatives SMMEs BBBEE Venture Capitalists Commercial Banks Investment Houses NAAC DAMC	
SO: 5	Smallholder and Emerging Farmers businesses profitable and sustainable	• DRDLR • NCDLRARD • NCDA • DEDEAT • DTI • DAFF • IDC • NCTI&T • NDM	Agri-BEE entrepreneurs Commercial enterprises Commercial farmers Foodservices industry Commercial Retailers Cooperatives SMMEs (formal & informal)	
	Quality sheep production increased	• DRDLR • NCDLRARD • DAFF • NDM • ARC • DST	• SAMPA • NERPO • RPO • NFMT • SAMIC • SHALC • NCRMPA • Kaap Agri • KLK • GWK • OVK • SenWes	
	Smallholder and Emerging Farmers	• DRDLR • NCDLRARD • DAFF	Commercial farmers Commercial Retailers Commercial Agro-Processing companies	

Strategic Objective	Measure (Outputs)	Potential Strategic Partners	Potential Private Sector Organisations	International Organisations
	technical capacity and skills enhanced	• NDM • ARC • DST	Agri NC Agri SA Hortgro* Karsten Farms* Agri NC* NERPO* SATI SA Rooibos Council	
SO: 6	Agri-Park generating income for the municipalities (rates and taxes)	• DRDLR • NCDLRARD • NDM • NKLM • RLM • KMLM • KLM • HLM • KHLM		
	Agri-Park provided with reliable and consistent municipal services	• NDM • NKLM • RLM • KMLM • KLM • HLM • KHLM		
	Capacitated coordinating structure operational	• DRDLR • NCDLRARD • NDM		
	Agri-Park contribution Monitoring and Evaluation	• DRDLR • NCDLRARD • NDM • NKLM • RLM • KMLM • KLM • HLM • KHLM	• Universities • NGOs • CBOs • DAMC	

5.6. Way Forward and Recommendations

A number of specific feasibility studies, consultation and further research will now be required during the course of 2016 to further detail the Agri-Park and processing opportunities, including the identification of possible implementation partners and facility planning requirements:

Table 19 Agri-Park Actions Required

Timing	Action
Year 1	• Agri-Park performance targets established and incorporated into district IDP and SDF plans, & sector departments

Timing	Action
	• Municipalities to complete SPLUM application in compliance with SPLUMA for the Hub and FPSUs • Key commodity development plan developed • Agri-Park sites finalised and land acquired • Feasibility studies completed • Agri-Park governance and management structures operationalised • Agri-Park manager contracted • Designs completed, including service requirements regarding water, electricity, waste water disposal • Agri-Park costing model and budgets compiled • Agri-Park funding, investment & partners secured • Agri-Park infrastructure development professional teams procured • Develop and support farmers
Year 2	• Agri-Park infrastructure development initiated and managed • Agri-Park funding, investment & partners secured • Develop and support farmers • Agri-Park markets secured
Year 3	• One Agro-hub industrial site phase developed and operational • Two FPSUs sites developed and RUMC office established and operational • Develop and support farmers, and link them to commodity chains

1. **Date production at Henkries:**

   It is recommended that the relevant stakeholder(s) enter into discussions with Karsten Farms, currently the only commercial date producer in the country, for technical support, as well as assistance with regard to marketing and sales.

2. In view of past shortcomings, the **agro-processing opportunities for rooibos tea and rose geranium** should be approached with great circumspection. A detailed analysis should be done to determine the

mistakes made in the past, and methods devised to prevent such mistakes being made in future – otherwise great opportunities may be missed.

3. **FPSU Specific Sites:**

The District and Local Municipalities will need to identify specific sites for the Farmer Production Support Units. District and Local Municipalities to engage emerging farmers to refine facility and service requirements at FPSUs.

4. **RUMC:**

DRDLR to facilitate a meeting with the stakeholders to discuss (and agree on) the advised location of the Rural Urban Market Centre at Springbok.

5. Additional research and studies will also be required including but not limited to the following:

Skills development and training opportunity (through e.g. NARYSEC and other relevant institutions):

Training and skills required for the agro-processing opportunities should be identified to inform training courses and opportunities.

6. **Agri-Park and FPSU Designs:**

Detailed design of Agri-Park and FPSU facilities should commence as informed by detailed user needs analysis. Existing facilities should be used wherever possible. Additional infrastructure support requirements (e.g. bulk infrastructure) to be identified as part of this process. Any land ownership and planning process implications (e.g. re-zonings, EIAs) to be identified and process initiated.

7. **Resource Mobilization, Collaboration and Partnerships:**

Resource Mobilization, Collaboration and Partnerships including clarification of funding sources to be initiated by the District and DRDLR to clarify funding arrangements.

8. **Agri-park desired institutional arrangements:**

Detailing of agri-park desired institutional arrangements to be informed through detailed legal advice.