rural development & land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

Final Master Plan

AGRI-PARK MASTER PLAN

West Coast District Municipality

Western Cape Province

MANAGING FOR EXCELLENCE

amissa

Agri-Park Details	
Province:	Western Cape
District:	West Coast
Agri-Hub Site:	Vredendal/ Matzikama Local Municipality

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Extract from Agri-Park draft Policy Framework, page 25:

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
ABET	Adult Basic Education and Training
ABP	Area Based Plan
APAP	Agriculture Policy Action Plan
CARA	Conservation and Agricultural Resource Act
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CBNRM	Community-based Natural Resource Management
CIF	Capital Investment Framework
CRDP	Comprehensive Rural Development Programme
CSIR	Council for Scientific and Industrial Research
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
DEA	Department of Environmental Affairs
PDEDAT	Provincial Department of Economic Development and Tourism
DFI	Development Finance Institutions
DGDS	District Growth Development Strategy
DM	District Municipality
DMA	District Municipal Area
DoE	Department of Energy
DRDLR	Department of Rural Development and Land Reform
EA	Enumeration Area
EIA	Environment Impact Assessment
EMF	Environmental Management Framework
EPWP	Expanded Public Works Programme
ETDP-SETA	Education, Training and Development Practices- Sector Education and Training Authority
FAO	Food and Agriculture Organization
FET	Further Education and Training
FPL	Food Poverty Line
FPSU	Farmer Production Support Units
FR	Functional Regions
GDP	Gross Domestic Product
GVA	Gross Value Added
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HR	Human Resource
ICT	Information Communications and Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan

Abbreviation	Description
IGR	Intergovernmental Relations
IPAP	Industrial Policy Action Plan
IWRM	Integrated Water Resource Management
MLM	Matzikama Local Municipality
LED	Local Economic Development
LM	Local Municipality
LRAD	Land Redistribution for Agricultural Development
LUMS	Land Use Management Strategy
M & E	Monitoring and Evaluation
MDG	Millennium Development Goals
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MPT	Municipal Planning Tribunal
MSDF	Municipal Spatial Development Framework
MTSF	Medium Term Strategic Framework
NARYSEC	National Rural Youth Corps Strategy
WCLEDS	Western Cape Local Economic Development Strategy
PGDS	Provincial Growth Development Strategy
WSDF	Western Cape Provincial Spatial Development Framework
WCRDS	Western Cape Rural Development Strategy
NDA	National Development Agency
WCTA	Western Cape Tourism Authority
NDP	National Development Plan
NEMA	National Environmental Management Act
NFSD	National Framework for Sustainable Development
NGO	Non-Governmental Organization
NGP	New Growth Path
NMT	Non-Motorized Transport
NPO	Non-Profit Organization
NSDP	National Spatial Development Perspective
NSSD	National Strategy for Sustainable Development
OECD	Organization for Economic Co-operation and Development
PIC	Public Investment Corporation
PLAS	Proactive Land Acquisition Strategy
PPP	Public Private Partnership
RDP	Rural Development Plan
REID	Rural Enterprise and Industrial Development
RID	Rural Infrastructure and Development
SALGA	South African Local Government Association
SANBI	South African National Biodiversity Institute
SANRAL	South African National Road Agency Limited
SANS	South African National Standards

Abbreviation	Description
SDF	Spatial Development Framework
SETA	Sector Education and Training Authority
SIP	Strategic Integrated Project
SLP	Social And Labour Plans
SLAG	Settlement for Land Acquisition Grant
SMME	Small Medium Micro Enterprise
SPLUMA	Spatial Planning And Land Use Management Act
SPISYS	Spatial Planning Information Systems
StatsSA	Statistic South Africa
SWOT	Strength, Weakness, Opportunities and Threats
TOD	Transit Orientated Development
TRANCRAA	Transformation of Certain Rural Areas Act
TVET	Technical Vocational Educational and Training
UNESCO	United Nations Educational, Scientific and Cultural Organization
WCDM	West Coast District Municipality
WCDMSDF	West Coast District Municipality Spatial Development Framework
WFW	Working for Water
WWTW	Waste Water Treatment Works
WSA	Water Service Authority
WSP	Water Service Provider

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 West Coast District Agri-Park initiative. This West Coast 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 West Coast 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.

West Coast Targeted Commodities:

The West Coast District Municipality (WCDM) has an ocean and land based economy, both with huge potential for growth and sustainable job creation in the district. Apart from this the WCDM 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 WCDM 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 DAMC;
- 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, 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 commodites selected for inclusion into the West Coast Agripark are the following:

- Abalone;
- Rooibos Tea

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

Small and emerging farmers produce a mirriad of commodities in the district, without much support normally availible 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 West Coast 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 West Coast DM with support services to achieve the aims of rural development and the Agri-Parks.

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

- Ocean Economy
  - Crayfish
  - Fish
- Land Economy
  - Red meat (beef, mutton, pork)
  - Lucerne
  - Vegetables (various)
  - Rooibos Tea
  - Essential oils (buchu and rose geranium) and traditional herbs and medicine plants

Three Agri-Processing Opportunities

The following **three agri-processing opportunities** present exciting opportunities for the West Coast Agri-Park

- Medium size Abatoir for small and large stock at the Agri-Hub in Vredendal associated with irrigated pastures close to the Agri-Hub using purified waste water to round off stock before being slaughtered for the premium meat market;
- Abalone processing plant (canning) at the West Coast Aqua-hub
- Rooibos tea drying, fermentation and packing plant at either the Piketberg or Citrusdal FPSU.

- Feed processing plant (pelleting plant) to formulate animal and abalone feed from locally produced lucerne, soy and other ingrediants.

West Coast Agri-Park Strategy

The Agri-Park strategy is aimed at providing direction and scope for West Coast 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 West Coast 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 West Coast 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 West Coast 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 West Coast 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 West Coast DM Agri-Park:

Objective 1: Transformation and Modernization - To transform and modernise rural area and small towns in West Coast 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 (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 Marke Centre (RUMC) which may service multiple districts.

The West Coast has an agricultural and ocean economy. It was therefore decided on District and Local Municipality level to include both of these economies into the Agr-Park concept and develop it as such. The proposed Agri-Hub and its Farmer Production Support Units, and the Aqua-Hub with its Aqua 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 FPSU's;
- 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.

Agri-Hub – Vredendal on a 7 ha erf in the industrial area on the urban edge with easy access from the R362 and the R27 as indicated on the map in Figure 10 below.. Bulk infrastructure (water and electricity) available. Close to municipal land available for farming and leasure activities. The access road from the R362 needs upgrading.

This Agri-Hub will support the feeder Farmer Production Support Units from Bitterfontein (98 km), Ebenaeser (32 km), Clanwilliam (86 km), Citrusdal (145 km) and Piketberg (189 km). It is also well positioned to support cross border FPSU's or emerging farmers from Nieuwoudtville (83 km) and Calvinia (167 km).

Two Agri FPSU's have been identified:

- Bitterfontein on Municipal land with catchment areas of Rietpoort, Stofkraal / Molsvlei and Nuwerus to support stock farmers (cattle, sheep and goats) and traditional medicine and herb farmers.
- Ebenaeser on CPA land with catchment areas Koekenaap, Lutzville, Strandfontein and Papendorp to support livestock, (cattle, sheep, goats and pigs), lucerne and vegetable (tomatoes, butternuts, ect) farmers.

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

- Clanwilliam on Municipal land with catchment areas, Clanwilliam (0 km), Graafwater (35 km), Wupperthal (46 km), Algeria (60 km), Elands Bay (78 km) to support the emerging farmers that produce vegetables, rooibos tea, essential oils and meat
- Citrusdal on municipal land with catchment area, Citrusdal (0 km), Elandskloof (25 km) and Piekenierskloof (20 km) to support the emerging farmers that produce vegetables, rooibos tea and meat
- Piketberg on municipal land with catchment areas, Piketberg (0 km), Wittewater (11 km), Goedverwacht (22 km) and Eendekuil (33 km) to support the emerging farmers that produce vegetables, rooibos tea and meat.
- Hopefield on municipal land with catchment areas, the emerging farmers from existing and new PLAS projects established in close proximity that produce vegetables, grapes and meat.

Aqua-Hub – Doringbay on state land (96.4 ha) currently under management of the Department of Public works. The land is unused with no services or infrastructure. Easy acces to the land is availible from the R362.

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

- Elands Bay Aqua Farmer Production Support Unit on Cederberg Local Municipality land and as part of the existing Cederberg Fishing Infrastructure Development And Management Project currently in progress with catchment area, Elands Bay (0 km), Lambertsbay (31 km) and Doring Bay to support fisher folk that catch cray fish and fish (snoek
- Lamberts Bay Aqua Farmer Production Support Unit on Cederberg Local Municipality to support fisher folk that catch cray fish and fish (snoek).
- Doring Bay Aqua Farmer Production Support Unit on Department of Public Works land to support fisher folk that catch cray fish and fish.

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 West Coast RUMC has not been confirmed. It is however proposed that the West Coast, Cape Winelands and Overberg District Municipalities should seriously consider a shared Rural Urban Market Centre at Stellenbosch. This will not only save on development and operational costs, but it will also create economy of scale and bargaining muscle in negotiations with local and overseas buyers. Stellenbosch is also situated very close to Cape Town, the main urban and export centre and is very close to all the major routes into Cape Town as indicated on the mape below:

- N7 – Vredendal to cape Town
- N1 – Ceres to Cape Town
- N2 – Bredasdorp to cape Town

Stellenbosch as a shared RUMC has further advantages, namely: It is close to support, educational institutions, extention and research structures such as the University of Stellenbosch, Elsenburg College, the Agricultural Reseach Counsel, the Provincial Department of Agriculture and Nietvoorbij.

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 **West Coast District Municipality (WCDM) in the Western Cape Province** of South Africa.

1.1.1. Project Scope and objectives

Camissa and Managing for Excellence was expected to:

a) Develop a **West Coast 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 Center (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 **WCDM** which was part of phase 1 for the drafting of this APMBP. In terms of the above definition the APMBP for the **WCDM** 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 outputs is supplied to the linked Agri-Hub .

b. **Market**: The FPSU suppliers 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 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.

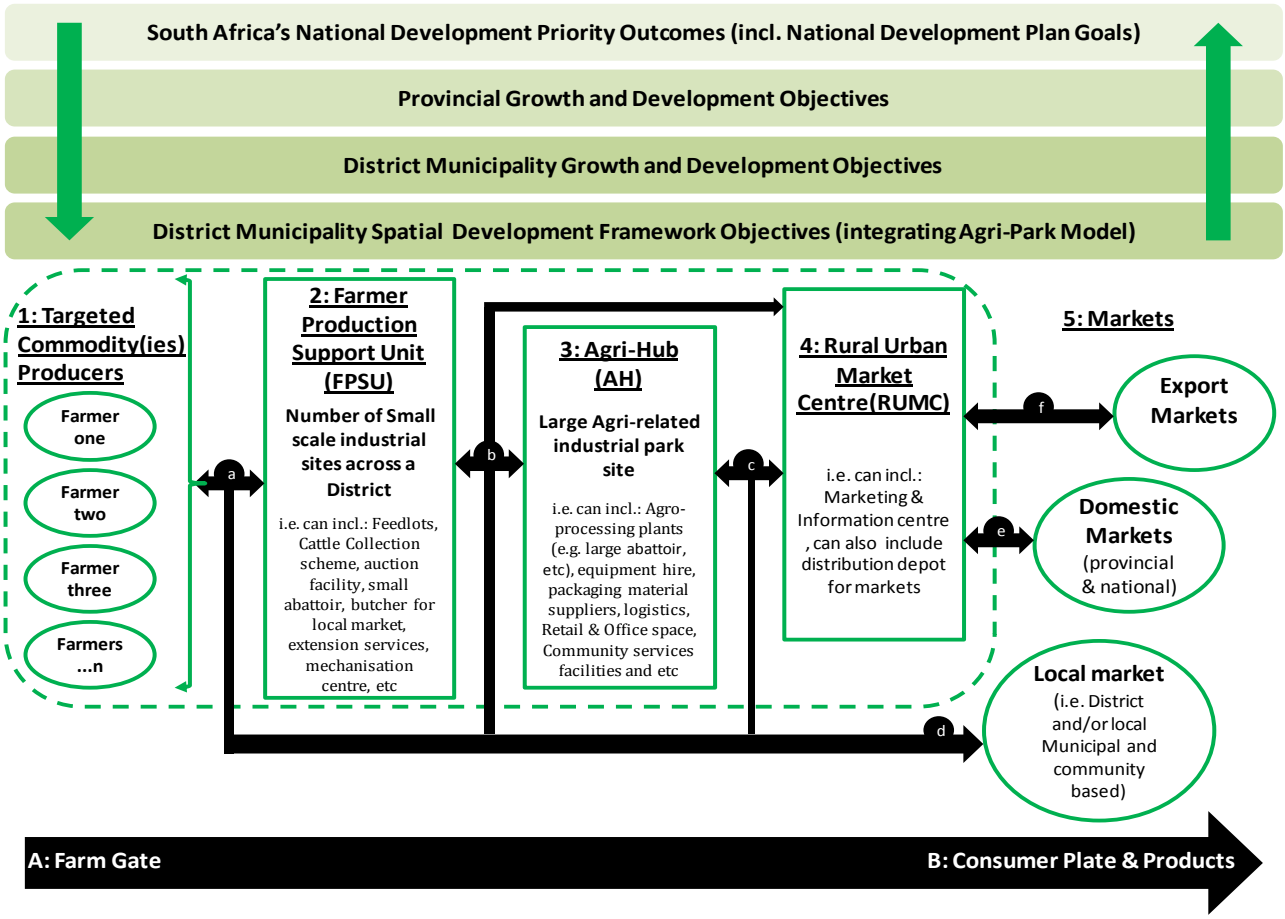
c. **Market**: The Agri-Hub mainly suppliers agro-processed products through the RUMC and local market.

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 Agriparks program Monitor progress against the business and project plans	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		

Levels of Sphere of Government	Agri-Park Task Team		Agri-Park Committee		Agri-Park Aligned Land Reform	
	Name	Mandate	Name	Mandate	Name	Mandate
		Assist with resolving any blockages at district and provincial level		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 agriparks 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 stakeholders as per plan Manage expenditure against business plan Identify district projects that contribute to the agriparks business plan and to compile a district project register Report to provincial operations task team	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 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.	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 ownership and use that is consistent with South Africa's Constitution.

Chapter Two: West Coast Targeted Commodities

Refer to the West Coast Situation Analysis annexed hereto as Annexure A

The West Coast District Municipality (WCDM) has an ocean and land based economy, both with huge potential for growth and sustainable job creation in the district. Apart from this the WCDM 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 WCDM 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 DAMC;
- 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 sustainibility, contribute to GDP growth for the district and where they require support in order for this to happen.

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

- Ocean Economy:
    - Abalone
    - Crayfish
    - Fish
- Land Economy:
    - Rooibos Tea
    - Citrus
    - Deciduous fruit
    - Wine grapes
    - Small stock
    - Potatoes

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

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

2.1. Main Commodities

Using the criteria as set out above, the main commodites selected for inclusion into the West Coast Agripark are the following:

- Abalone;
- Rooibos Tea

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

2.1.1. Abalone

The mariculture sub-sector of Aquaculture, mainly comprised of Abalone, oysters and mussels has experienced rapid expansion, albeit a small and relatively new industry. Aquaculture is primarily focused on high value products, but is particularly underdeveloped considering the markets potential. It is reported that globally this sector produces products to the value of $138 billion, indicating an enormous opportunity and market potential.

Abalone farming in particular has demonstrated a production increase of 7% over the past 10 years and has taken up a position as net exporter to South East Asian countries (95% of production). Presently, Soiuth African aquaculture production is estimated at 3 500 tons p.a, amounting to R218 million. Additionally, Abalone represents an industry that has a high employment multiplier effect. Taking into consideration the increased investment by government into aquaculture on the West Coast (particularly as it pertains to Abalone), support to emerging and prospective Abalone farmers are most likely to yield high returns in foreign currency and employment opportunity.

Also taking into consideration that the aquaculture industry in general is capital and skills intensive, increased commitment is needed from government to expand access to participation in state hatcheries in order to stimulate the sector effectively.

The value chain for aquaculture remains complex and integrated. The diagram below visually represents the production and marketing chain for abalone, which includes inputs, stages of production and processing.

As it pertains to primary activities in the production chain, the most important elements include:

- Stock supply which is grown and cultivated in hatcheries, ponds cages, enclosures or tanks
- The feed supply which is either imported or produced locally. In the case of abalone, hatchery systems use algal production technologies to provide first feeds. Grow out systems either use artificially formulated feeds or seaweed as an alternative. Some hatcheries may even use the combination of the two.
- Labour supply needed to carry out various tasks in hatcheries

The secondary activities in the aquaculture/abalone value chain include production technology. Various production technologies exist in the South African abalone sector. These include:

- Land based farming that makes use of ashore technology;
- Employing the use of flow through systems; and
- The further cultivation of spat in tank systems

The third phase of production includes the maturing of species till the correct age or maturation for distribution and sale. Trading of the species then takes place, either in local or export markets. In the case of abalone, trading is geared towards the export market. Traders will either sell the species to processing facilities or process the species themselves, which then gets sold to consumers. End products for abalone in particular include live, shucked, canned, frozen or dried.

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

Table 2 Porters Five Force Analysis for Abalone

PORTER'S FIVE FORCE ANALYSIS	
Supplier Power	The Abalone Farmers Association is the biggest producer of abalone in South Africa.
Buyer Power	• South African abalone (Haliotis Midae) is a premier species, with good market characteristics, popular due to its quality and size (organoleptic properties and size). It therefore has a competitive advantage over other abalone producing countries. • Significant markets for abalone include China and Korea. • Nigeria represents the largest sub-Saharan African market for fish (there is a significant overlap between main seafood products imported by Nigeria and South African exports) • Market prices have not increased in line with production costs, contributing to smaller profit margins. • A concerning factor is that China and South Korea have developed their production significantly, contributing to the commoditization of abalone, placing further pressure on prices. • The weakness in abalone producing countries like China and Korea in terms of their bio-security and environmental management on farms which is yet to be resolved.
Rivalry	China is the biggest producer and consumer of abalone globally, and has expanded abalone production over recent years (400% increase since 2001). Korea has since also expanded abalone production. Tasmania is also a big supplier of farmed abalone, accounting for 25% of the global wild supply. Other abalone producing countries include Australia, Mexico and Chile.
Threat of Substitution	The probability of substitution for abalone is most likely to be sea cucumber. Consumers in the North of China have indicated preference for sea cucumber over abalone.
Threat of New Entrants	There is currently no certification program for farming abalone, although the WWF has developed a draft for abalone standards. However the illegal market for abalone seems to have increased.

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

Strengths

- High quality abalone

  South African abalone is regarded to be one of the fastest growing high value products, feeding into a speciality industry and market of affluence. Due to its size and organoleptic properties South African abalone is recognised as a premier species
- Leading infrastructure

South Africa has leading infrastructure as it pertains to aquaculture farming, with 13 out of 18 of governmental aquaculture initiatives based in the Western Cape. The main Western Cape locations include the South West Coast between Hermanus and Danger point (Hermanus is considered to be the abalone "hub" in South Africa).

- Expanding demand, and therefore market

  The abalone industry, although relatively young has shown exponential growth. China has been the largest export market for South African abalone. Large high end restaurant chains in China (the Hotel Retail Market China) seek South African abalone as itis considered a delicacy.

Weaknesses

- Overreliance on Asian export markets

  Approximately 95% of Abalone is exported to China, warranting a need for diversification
- Abalone production is extremely costly, employing the use of various technologies

  Seeing that the farming of abalone includes high production costs, various technologies and a certain set of expertise, the role of government is of cardinal importance. The need for access, training and support of especially poor emerging farmers is essential.
- Lack of marketing services, structures and market penetration
- Climate has a big influence on the reliability of levels of production
- Lack of veterinary services and disease management

Opportunities

- Aquaculture development has been placed on the governmental agenda

  Government has put in place various policy levers to develop the aquaculture industry
- Current abalone farms are expanding their capacity

  Expansion of capacity is estimated to quadruple the current capacity for production over the next 5 years.
- Niche markets

  Larger sizes of abalone could command higher prices as they are not very common in the Chinese market. Taking this into consideration, South Africa could develop a "size niche" as other species in the market do not grow to the size of South African abalone.
- High potential for agricultural diversification and related levels of employment

  Due to the trend in demand for canned and dried abalone in Eastern countries, there is the possibility for expansion in the South African abalone industry, as it will require dedicated canning and processing facilities. This in turn will contribute to employment creation. It is estimated that between 0.9 and 1 employment opportunity is produced per tonne of primary production, which excludes the opportunity in other production sectors.
- Promulgation of new ranching guidelines

Under the new Coastal Zone Management Act, areas along the coast can be set aside for ranching. The DAFF has in turn developed a new framework for ranching.

- Not many barriers for new entrants

  There is currently no certification program for Abalone. However, the WWF has, through their aquaculture dialogues programme developed a draft abalone standards.

- Option to produce own feed

  In order to lower production costs, there is the possibility that abalone farms produce their own feed as opposed to purchasing.

- Support industries

  Considering the growth in seaweed export from the West Coast District, perhaps it would be viable to endeavour seaweed production as a support industry to aquaculture farms.

Threats

- Commoditisation of Abalone

  Abalone has become increasingly commodified through a rapid expansion in Chinese and Korean abalone production. However, the opportunity exists for South Africa to differentiate itself from cheaper and lower quality products, seeking to identify a market niche.

- Market prices have not increased along with increasing production costs
- Shortage of expertise and aquaculture experts, in addition to a lack of technical expertise for support services
- High feed, equipment and technology costs
- Lack of knowledge regarding Aquaculture on the part of government and an uncoordinated institutional environment

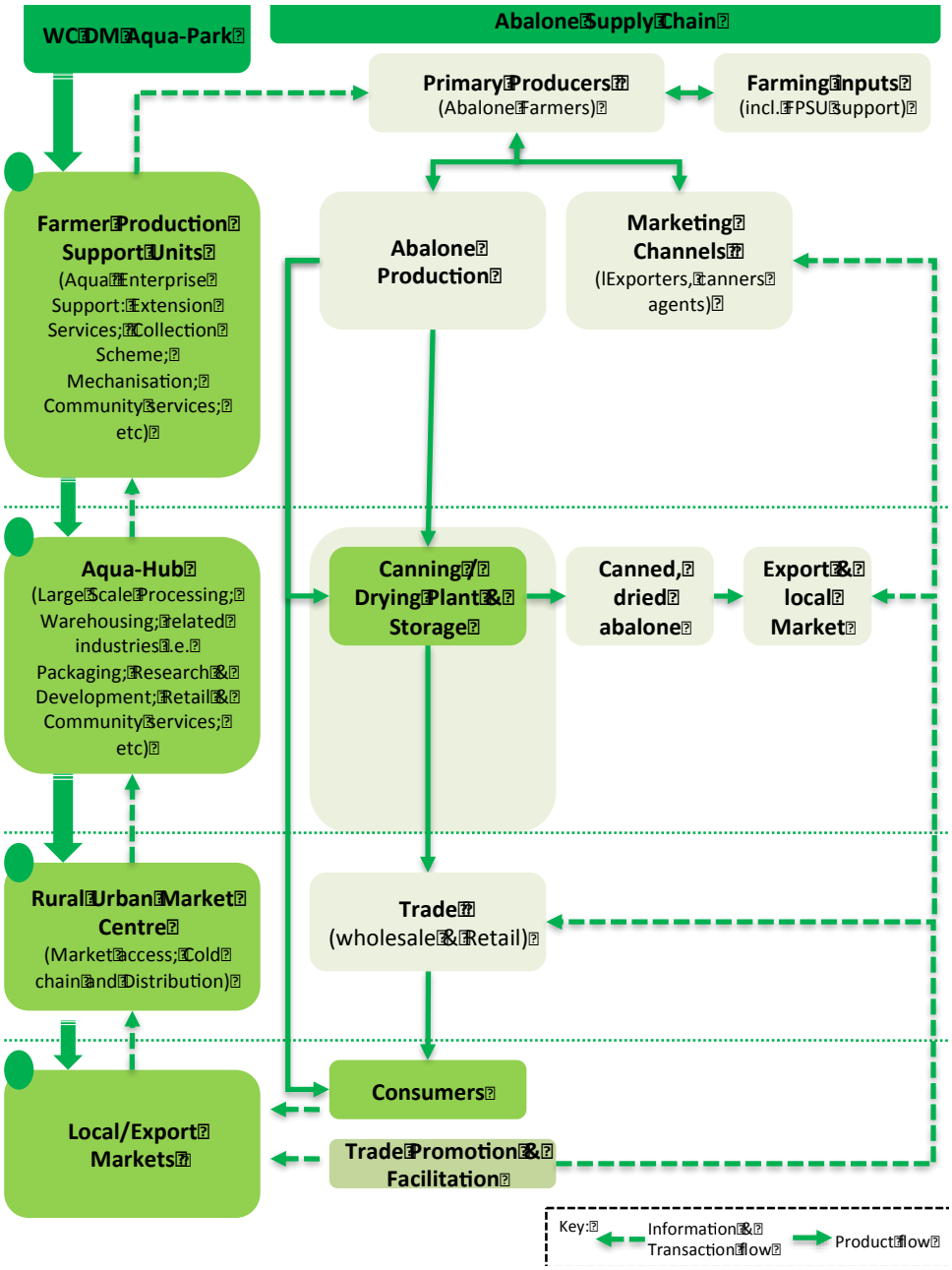
The Abalone industry structure link with Agri-Park shown in the table below.

Table 3 Abalone Industry bodies linked with Agri-Park

	Agri-Park Model			
	Emerging Farmers	**Farmer Production Support Unit**	**Agri-Hub**	**Rural Urban Centre Market**
Links with Abalone Industry Organisations	• Commercial Farmers (individual, independent forums and associations) • Abalone Farmers Association • Retailers	• SAACTA: Training, Information & Networking • NAWACO- Women in cooperatives • Retailers (Spar, Massmart, Pick n Pay, Shoprite/Checkers, Fruit & Veg City • ARC-training, information and networking • Abalone Farmers Association • University Aquaculture Reseach and Training Departments •		• Market and Price Info • International marketing Agencies • National Agricultural Marketing Council (NAMC) • Abalone Farmers Association
	Industry Representative Body: ▪ Abalone Farmers Association			
Links with Public Sector Organisations	• **Information, Research and Training**: Agricultural Research Council (ARC), University Aquaculture Reseach and Training Departments • **Support, Training, Funding & Information**: National, Provincial Aquaculture departments and Local Munciplaity 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),), Jobs Fund, Pakisa			

The Agri-Park Abalone Value Chain is indicated below:

Figure 2: Agri-Park Abalone Value Chain



2.1.2. Rooibos Tea

South Africa is the only country in the world that produces rooibos tea, exporting to over 30 countries globally and amounting to approximately 6000 tons per annum. Primarily concentrated in the Cederberg mountains rooibos presents a commodity that is unique to the West Coast District Municipality.

The industry has however experienced consistent decline in production levels between 2010 and 2012, with 11500 tons produced at the end of the 2012 production season. DAFF statistics report that the South African rooibos industry is mostly export orientated; production is estimated at 12000

tons a year, with 4500-5000 tons being consumed by the local market and the rest destined for export markets. The rooibos industry is also traditionally known as a high labour multiplier, employing approximately 5000 people both on farms and processing plants. The processing sector may be subject to expansion in order to meet the recent demand for new beverages, such as gourmet teas, varieties of herbal blends and the "tea espresso". Processed rooibos products take a variety of forms, such as herbal teas (green tea), cosmetics, fruit juice mixtures, ice tea.

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

Table 4 Porters Five Force Analysis for Rooibos Tea

PORTER'S FIVE FORCE ANALYSIS	
Supplier Power	Cape Natural Tea Products, Rooibos Limited, Carmien Rooibos Tea, The Rooibos Tea Company
Buyer Power	EU, UK, Japan and the US
Rivalry	South Africa is the only rooibos producing country in the world
Threat of Substitution	Black tea
Threat of New Entrants	Commercial barriers to entry exist, but not to the extent as with fruit. International standards exist for hygiene and quality.

As it pertains to pursuing increased investment in Rooibos Tea farming in the West Coast 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 Western Cape could lead to lower production.

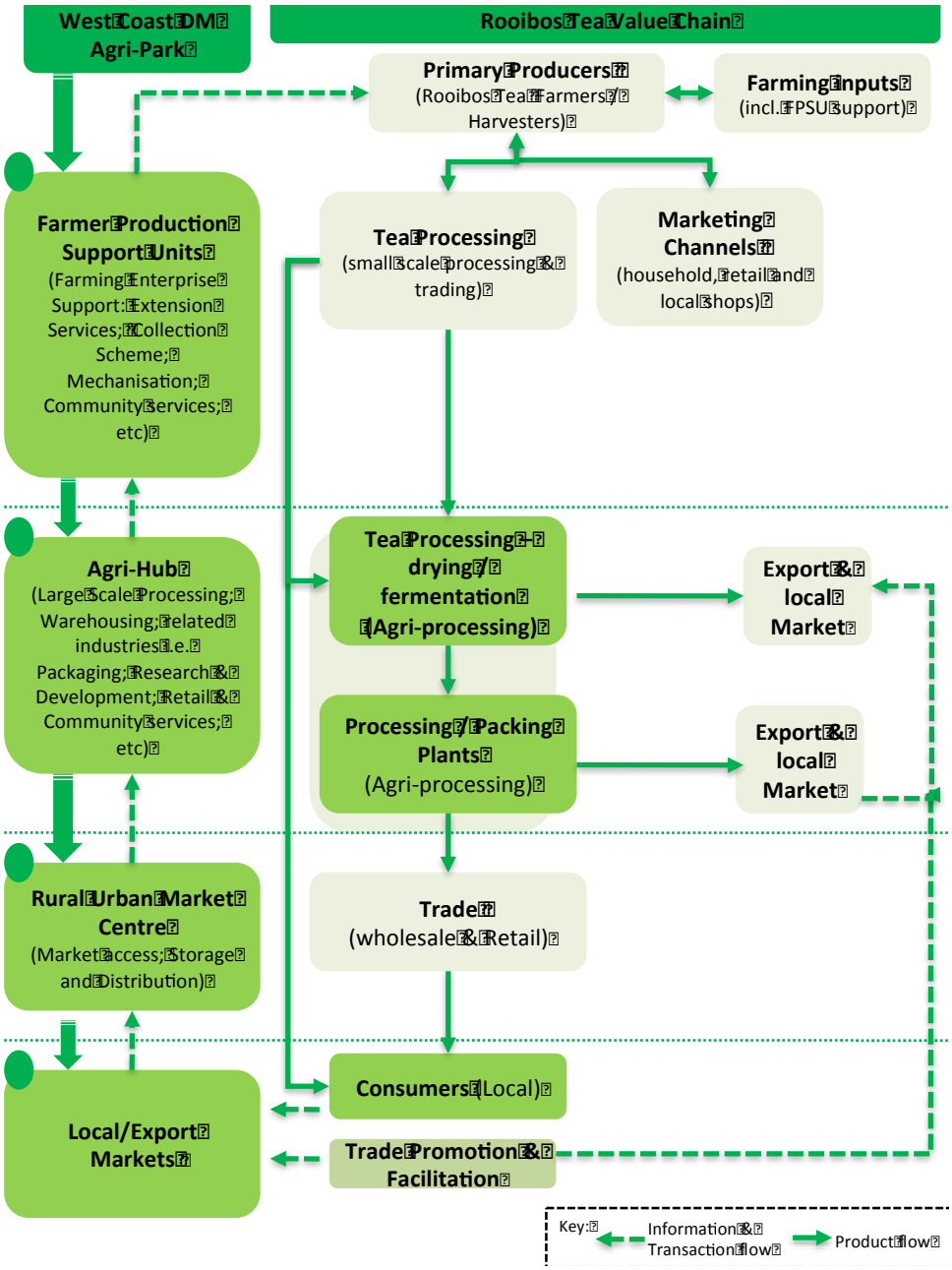
The Rooibos Tea industry structure link with Agri-Park shown in the table below.

Table 5 Rooibos Tea Industry bodies linked with Agri-Park

	Agri-Park Model			
	Emerging Farmers	**Farmer Production Support Unit**	**Agri-Hub**	**Rural Urban Centre Market**
Links with Rooibos Tea 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: ▪ Rooibos Tea Producers Association ▪ 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),), Jobs Fund, Pakisa			

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

Figure 3: Agri-Park Rooibos Tea 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. We estimate 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 success is partially determined by the level of state and/or institutional support extended to farmers.

In comparison to other countries, South Africa provide the lowest support to producers especially smallholders. There is a need to adequately support these farmers otherwise the AgriPark 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 in- comes. 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 mirriad of commodities in the district, as indicated earlier, without much support normally availible 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 West Coast 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 West Coast DM with support services to achieve the aims of rural development and the Agri-Parks.

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

- Ocean Economy
  - Crayfish
  - Fish
- Land Economy
  - Red meat (sheep, beef, mutton, pork)
  - Lucerne
  - Vegetables (various)
  - Rooibos Tea
  - Essential oils (buchu and rose geranium) and traditional herbs and medicine plants

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?

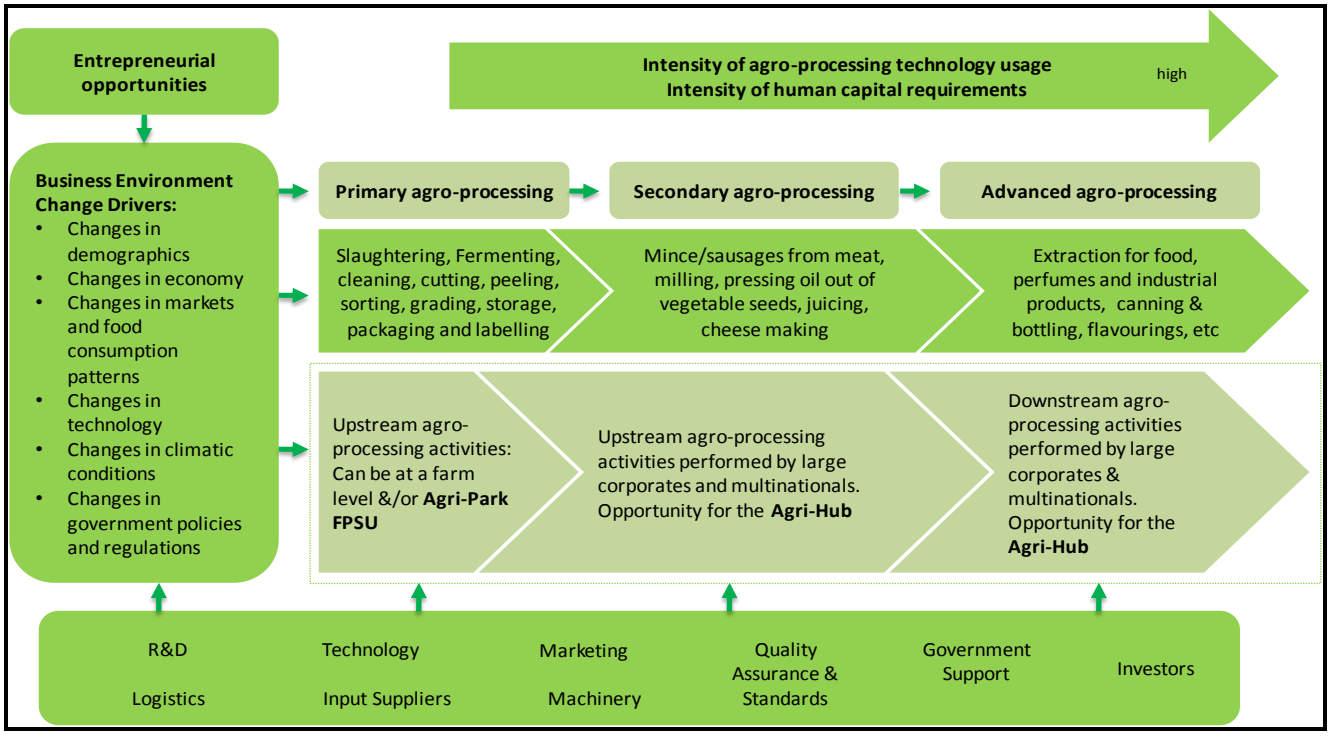
Agro-processing refers to a set of technological and economic activities undertaken on a basic agricultural product with the aim of transforming it into usable items such as food, fibre, fuel and industrial raw material. According to the United Nations International Standard Industrial

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 4 above provided the context at a meso, micro and macro level in relation to support activities and players.

Figure 4: 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 **three agri-processing opportunities** present exciting opportunities for the West Coast Agri-Park

- Medium size Abatoir for small and large stock at the Agri-Hub in Vredendal associated with irrigated pastures close to the Agri-Hub using purified waste water to round off stock before being slaughtered for the premium meat market;
- Abalone processing plant (canning) at the West Coast Aqua-hub
- Rooibos tea drying, fermentation and packing plant at either the Piketberg or Citrusdal FPSU.
- Feed processing plant (pelleting plant) to formulate animal (Agr-Hub) and abalone feed (Aqua-Hub) from locally produced lucerne, soy and other ingrediants.
- Abalone hatchery and grow-out facility at the Aqua-hub depending on feasibility studies

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 an 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: West Coast District Municipality Agri-Park Strategy

The key economic sectors identified through the Regional Economic Development Strategy (REDS) for the West Coast Region is a guiding tool to address the long term economic development aspiration for the West Coast. The Regional Economic Development Strategy is to enhance economic development in the West Coast Region.

The emphasis of the West Coast Regional Economic Development Strategy is for the West Coast District, in conjunction with the municipalities, to ensure an economy that will enhance and generate sustainable jobs, reduce poverty and improve the standard of living of the communities.

The West Coast Regional Economic Development Strategy identified seven economic themes for the region, namely:

- Theme One: A Learning Region: Skills for Development
- Theme Two: Oil and Gas: Opportunities for the West Coast
- Theme Three: Aquaculture: Supplementing the Fishing Industry
- Theme Four: Small-scale Mining
- Theme Five: Agriculture: Linking Small Farmers to the First Economy
- Theme Six: The West Coast: A People and Place Experience
- Theme Seven: Women in Construction: Opportunities for Vulnerable Groups.

The Agri-Parks as developed here speak to Themes 1, 3, 5 and 6 as put forward in the West Coast Integrated Development Plan and will greatly enhance the plan and help to achieve the District and B-Municipalities achieve their IDP objectives.

3.1. West Coast DM Agri-Park Strategic Intent

The formulation of West Coast 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 West Coast DM Agri-Park –

The West Coast 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 West Coast DM Spatial Development Framework Development Principles/Objectives.

Proposed Mission Statement for West Coast 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.

3.1.4. Goal 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 West Coast DM Agri-Park –

- By 2025 West Coast 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 the West Coast DM Agri-Park:

Objective 1: Transformation and Modernization

Proposed Objective One for West Coast DM Agri-Park –

To transform and modernise rural areas and small towns in the West Coast 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 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 West Coast 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

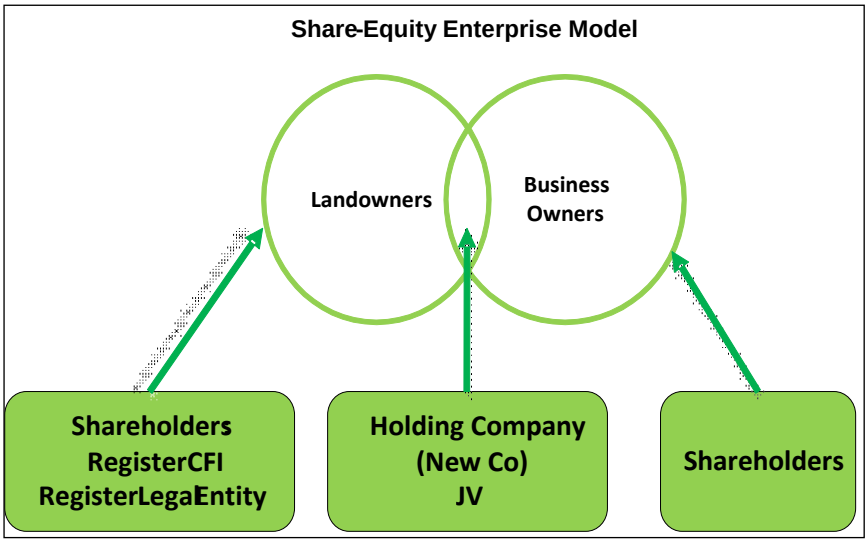
Proposed Objective Three for West Coast DM Agri-Park –

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:

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

Figure 5: Share-Equity Model


Share-Equity Enterprise Model
Landowners
Business Owners
Shareholders RegisterCFI RegisterLegalEntity
Holding Company (New Co) JV
Shareholders

Proposed Governance and Management Model for the West Coast 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 Frances Baard 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, including Commercial Farmers, interests 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 input 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 the envisaged Agri-Park concept.

- ***Guiding Principle 3:*** The Agri-Park will be subject to influence and support of the government especially through DAMC, DAPOTT, DLRC, PAPOTT, and 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 6 and figure 6 below outlines a proposed Agri-Park ownership, governance and management model.

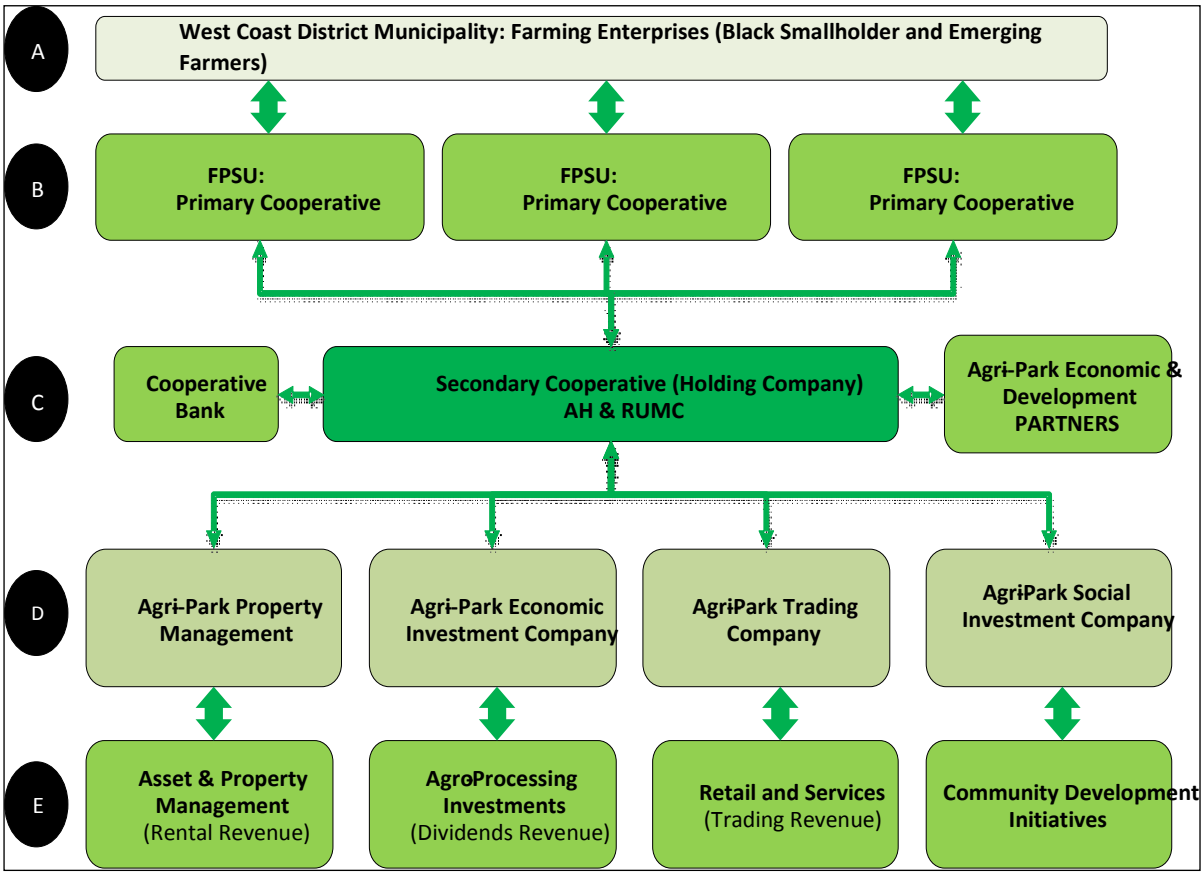
Table 6 Proposed Agri-Park Ownership, Governance and Management Model

Level	Ownership	Governance	Management
A	Independently-owned Small-holder Farms and Farming Enterprises. However, these could also include local Black 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. Livestock Farmers For the Agri-Park, Farmers will be clustered geographically based FPSU locations and their respective catchment areas. across the district Each	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	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
	cluster will then from and own a Primary Cooperative linked to each FPSU.	manage the business affairs of the cooperative. The business affairs of the Cooperative must be audited and Audited Reports, including Audited Financial Statements must be presented to Members at each AGM.	
C	A Secondary Cooperative is formed and owned by 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	The special-focus enterprises will be separate	Each special-focus enterprise will assemble its

Level	Ownership	Governance	Management
	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.	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.	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 6: Proposed Agri-Park Ownership, Governance and Management Model



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

Proposed Objective Four for the West Coast 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.

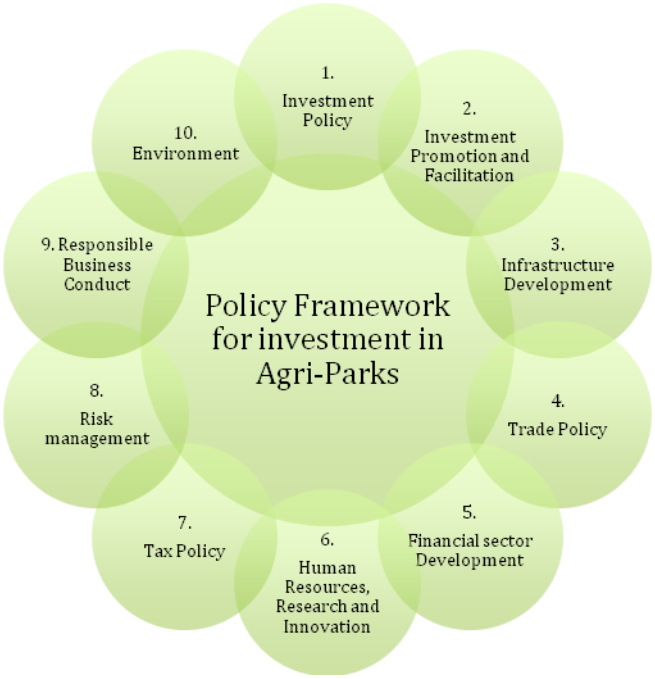
The renewed emphasis on and need for rural development in South Africa exposes the limited capacity of the Development Finance System (DFS) and other development agencies to transform the rural economy and reach marginalised enterprises in rural areas, notably the former Bantustans,

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), 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 trick is to attract them to invest in Agri-Parks and ensuring that the investment is sustainable.

Figure 7: 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 favorable to investment.

9. Responsible business conduct

Policies promoting recognized 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 the West Coast DM Agri-Park –

To provide technical support and extension services to **Agri-Park** beneficiaries over the next 10 years and beyond.

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

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 the West Coast 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: West Coast 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 Marke Centre (**RUMC**) which may service multiple districts.

4.1. The West Coast Agri-Hub and FPSU's

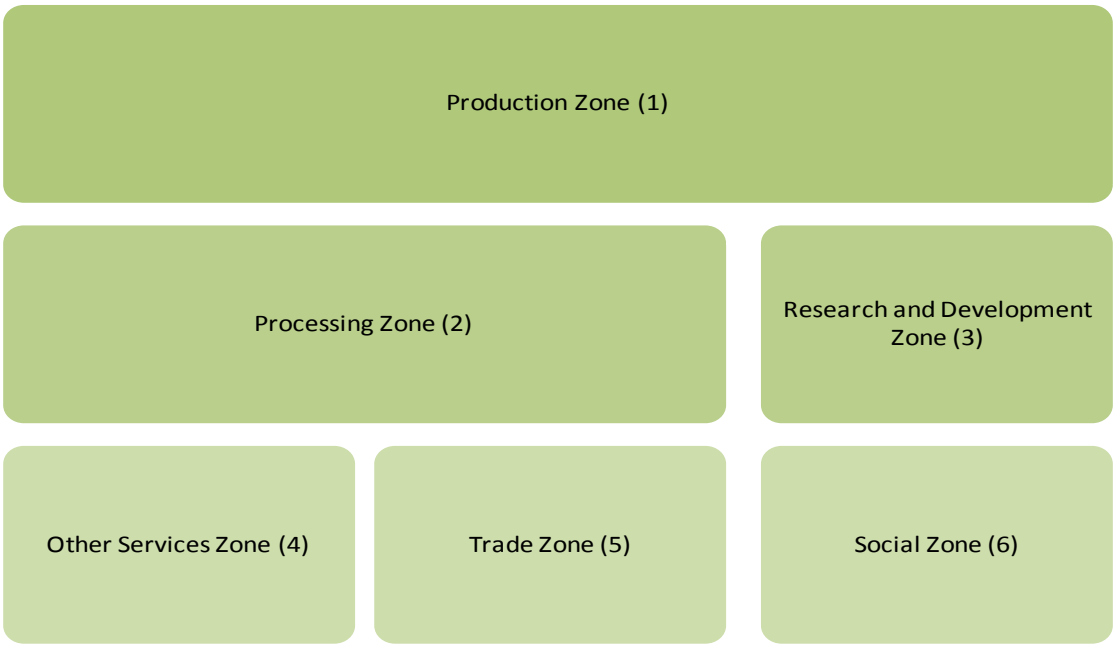
The West Coast has an agricultural and ocean economy. It was therefore decided on District and Local Municipality level to include both of these economies into the Agr-Park concept and develop it as such. The proposed Agri-Hub and its Farmer Production Support Units, and the Aqua-Hub with its Aqua Farmer 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 in close proximity to the hubs and FPSU's;
- 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 8: 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 9: Agri-Hub Conceptual Layout Plan

Agri-Hub – Vredendal on a 7 ha erf in the industrial area on the urban edge with easy access from the R362 and the R27 as indicated on the map in Figure 10 below.. Bulk infrastructure (water and electricity) available. Close to municipal land available for farming and leasure activities. The access road from the R362 needs upgrading.

This Agri-Hub will support the feeder Farmer Production Support Units from Bitterfontein (98 km), Ebenaeser (32 km), Clanwilliam (86 km), Citrusdal (145 km), Piketberg (189 km) and Hopefield (211 km). It is also well positioned to support cross border FPSU's or emerging farmers from Nieuwoudtville (83 km) and Calvinia (167 km).

Figure 10: Agri-Hub Site Plan

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

- An Abatoir and linked irrigated pastures (10 ha) to round off animals for the premium meat market. The abatoir should have an estimated capacity 150 cattle, 800 sheep, 500 goats and 100 pigs per month. It will receive stock from the Bitterfontein, Ebenaeser, Clanwilliam, Citrusdal and Piketberg FPSU's. It is projected that the abatoir capacity should double in capacity after five years to 300 cattle, 1600 sheep, 100 goats and 200 pigs per month. A further increase is expextedin the next 5 years which is difficult to estimate at this stage.
- Animal feed production plant to produce formulated animal feed from locally produced lucerne. It should have an estimated capacity of 500 tons per month and should be housed in a facility of about 2000 m^2 to house raw material, the machinery and finished product. It will receive lucerne from Ebenaeser, Clanwilliam, Citrusdal and Piketberg.
- 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 FPSU's:
  - Cattle, sheep, goats and pigs to go directly to the abatoir or to the pastures for rounding off from FPSU's as indicated earlier.
  - Vegetables from FPSU's at Ebenaeser, Clanwilliam, Citrusdal and Piketberg to go to the packing and cooling facilty.

  - Lucerne from FPSU's at Ebenaeser, Clawilliam, Citrusdal and Pikerberg to go to market and the feed production plant on site.
  - Traditional medicinal plants and herbs from the Bitterfontein FPSU.
- Small packing and cooling facility for vegetables to handle about 200 tons of vegetables per month.
- Drying yard for sundried tomatoes to handle an astimated 200 tons of fresh tomatoes at a time from surrounding production areas and FSPU's at Ebenaeser.
- Small packing, storage and dispatch facility (400 m^2) to pack sundried tomatoes and traditional herbs for the local and export markets.
- Local market facility to sell local produce of about 200 m^2.
- Office space (open plan office with desks), boardroom (2) facilities, internet cafe 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, ect) 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 coopertive and client will enter into a supply / purchase contract stipulating, crop or farming enterprise, quantity and timing, eg. 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 who will grade and pay the client market price minus the costs of the inputs supplied. The cooperative will then onsell 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 extention 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.
- Extention services with shared offices at the training centre.
- Veterinary services through the local animal protection association – waiting room, consultation rooms (2), operating theater and small animal housing facility. Large animals will be housed at the pastures and abatoir. The vetenarian will also inspect the abatoir.

- Market information centre with shared offices at the training centre.

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

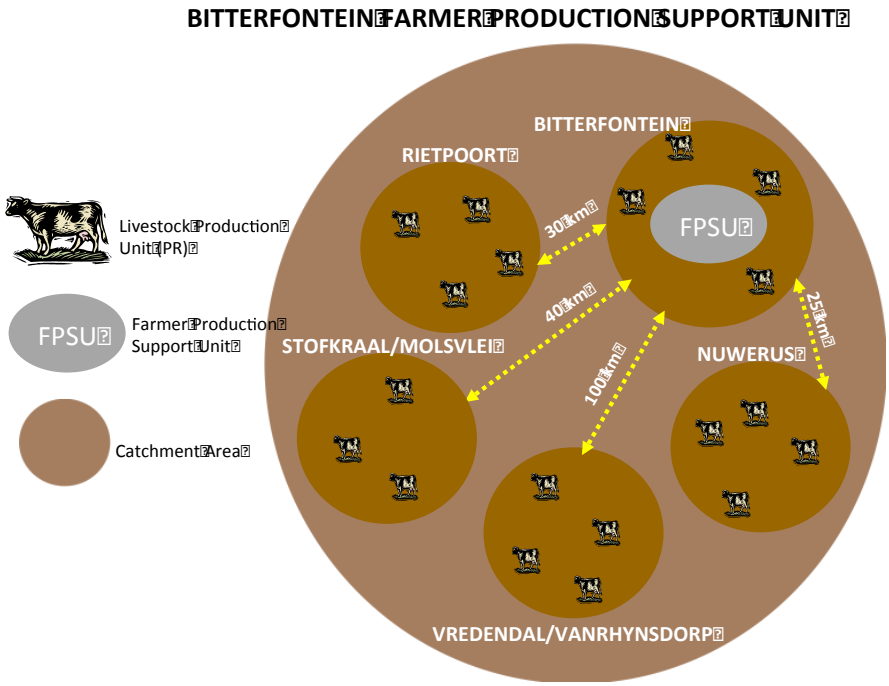
According to CSIR (2016), the FPSU is a rural outreach unit connected with the Agri-hub. The FPSU does primary collection, some storage, some processing for the local market, and extension services including mechanisation as per layout plan in Figure 11.

Figure 11: FPSU Conceptual Layout Plan

Two Agri FPSU's have been identified:

- **Bitterfontein** on Municipal land with catchment areas of Rietpoort, Stofkraal / Molsvlei and Nuwerus to support stock farmers (cattle, sheep and goats) and traditional medicine and herb farmers.

Figure 12: Bitterfontein FPSU



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

- Small Produce handling facilty – receipt and dispatch of produce from the catchment areas (mainly animals, but also other produce) – 1000 m^2.
- Mechanization and repair centre – 400 m^2.
- Collection services linked to the mechanization centre
- Local market facility to sell produce locally – 200 m^2.
- FPSU production input supply facility (a local branch of the main production input supply facility) – 500 m^2.
- Small meeting and internet facility – 100 m^2.

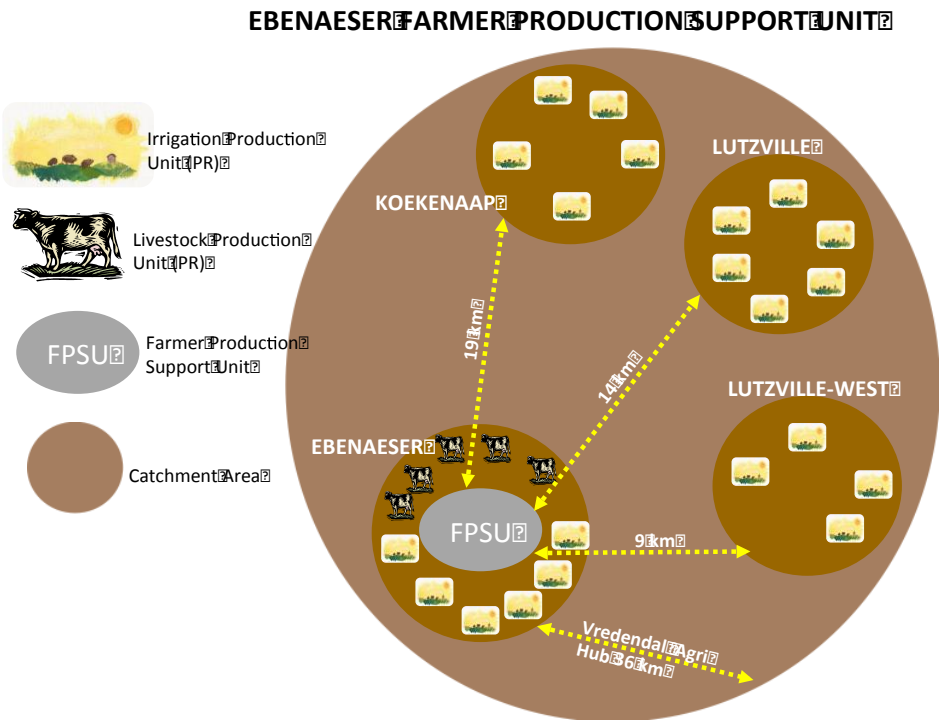
- **Ebenaeser** on CPA land with catchment areas Koekenaap, Lutzville, Strandfontein and Papendorp to support livestock, (cattle, sheep, goats and pigs), lucerne and vegetable (tomatoes, butternuts, ect) farmers.

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

  - Small Produce handling facilty – receipt and dispatch of produce from the catchment areas (mainly animals, but also other produce) – 1000 m^2.
  - Mechanization and repair centre – 400 m^2.
  - Collection services linked to the mechanization centre
  - Local market facility to sell produce locally – 200 m^2.

- FPSU production input supply facility (a local branch of the main production input supply facility) – 500 m^2.
- Small meeting and internet facility – 100 m^2.

Figure 13: Ebenaeser FPSU



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

- **Clanwilliam** on Municipal land with catchment areas, Clanwilliam (0 km), Graafwater (35 km), Wupperthal (46 km), Algeria (60 km), Elands Bay (78 km) to support the emerging farmers that produce vegetables, rooibos tea, essential oils and meat

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

  - Small Produce handling facilty – receipt and dispatch of produce from the catchment areas (mainly animals, but also other produce) – 1000 m^2.
  - Mechanization and repair centre – 400 m^2.
  - Collection services linked to the mechanization centre
  - Local market facility to sell produce locally – 200 m^2.
  - FPSU production input supply facility (a local branch of the main production input supply facility) – 500 m^2.
  - Small meeting and internet facility – 100 m^2.
  - A small vegetable packing (400 m^2) and cold storage facility (200 m^2)

- Drying and fermentation yard for rooibos tea – 2 000 m^2)

- **Citrusdal** on municipal land with catchment area, Citrusdal (0 km), Elandskloof (25 km) and Piekenierskloof (20 km) to support the emerging farmers that produce vegetables, rooibos tea and meat
  - Small Produce handling facilty – receipt and dispatch of produce from the catchment areas (mainly animals, but also other produce) – 1000 m^2.
  - Mechanization and repair centre – 400 m^2.
  - Collection services linked to the mechanization centre
  - Local market facility to sell produce locally – 200 m^2.
  - FPSU production input supply facility (a local branch of the main production input supply facility) – 500 m^2.
  - Small meeting and internet facility – 100 m^2.
  - A small vegetable packing (400 m^2) and cold storage facility (200 m^2)
  - Drying and fermentation yard for rooibos tea – 2 000 m^2)
- **Piketberg** on municipal land with catchment areas, Piketberg (0 km), Wittewater (11 km), Goedverwacht (22 km) and Eendekuil (33 km)) to support the emerging farmers that produce vegetables, rooibos tea and meat.
  - Small Produce handling facilty – receipt and dispatch of produce from the catchment areas (mainly animals, but also other produce) – 1000 m^2.
  - Mechanization and repair centre – 400 m^2.
  - Collection services linked to the mechanization centre
  - Local market facility to sell produce locally – 200 m^2.
  - FPSU production input supply facility (a local branch of the main production input supply facility) – 500 m^2.
  - Small meeting and internet facility – 100 m^2.
  - A small vegetable packing (400 m^2) and cold storage facility (200 m^2)
  - Drying and fermentation yard for rooibos tea – 2 000 m^2)
- **Hopefield** on municipal land with catchment areas, the emerging farmers from existing and new PLAS projects established in close proximity that produce vegetables, grapes and meat.
  - Small Produce handling facilty – receipt and dispatch of produce from the catchment areas (mainly animals, but also other produce) – 1000 m^2.
  - Mechanization and repair centre – 400 m^2.
  - Collection services linked to the mechanization centre
  - Local market facility to sell produce locally – 200 m^2.
  - FPSU production input supply facility (a local branch of the main production input supply facility) – 500 m^2.

- Small meeting and internet facility – 100 m^2.
- A small vegetable packing (400 m^2) and cold storage facility (200 m^2)

4.2. The West Coast Aqua-Hub and FPSU's

Aqua-Hub – Doringbay on state land (96.4 ha) currently under management of the Department of Public works. The land is unused with no services or infrastructure. Easy acces to the land is availible from the R362.

The **Aqua-Hub** will include the following facilities:

- Seven x 300 ton abalone (2 100 ton) onshore farming facilities to be developed over the next 10 years.
- Abalone hatchery and grow-out facility to supply the local abalone growers and possibly further north to Port Nolloth.
- The abalone onshore farm and asociated hatchery will cost between R750 000 to R1 million per ton to develop and operate to first sales which is devided 50% Capex and 50% Opex. These figures are in 2016 Rand value.
- Such an abalone / hatchery and grow-out facility will create 1 new job per ton of abalone produced.
- Abalone processing plant for the canning of abalone for export to the East. The plans are to establish 7 x 300 ton abalone (2 100 tons) onshore farming facilities over the next 10 years. The processing plant must be developed to handle this production. An investment of R20 million in 2016 Rand value will be required to develop this facility.
- Abalone feed production plant to produce feed for the onshore farming facilities. Inputs for this plant will be produced locally in Ebenaeser and around Vredendal which will create enormous possibilities for the small and emerging farmers in that area. No cost estimate is available here as the IP is closely held and will only materialise in a joint venture with one of the two IP property owners.

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

- **Elands Bay** Aqua Farmer Production Support Unit on Cederberg Local Municipality land and as part of the existing Cederberg Fishing Infrastructure Development And Management Project currently in progress with catchment area, Elands Bay (0 km), Lambertsbay (31 km) and Doring Bay to support fisher folk that catch cray fish and fish (snoek). This FPSU will include the following facilities:

- Small Cray fish and fish handling and processing facilty with cray fish 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 – 50 m^2.
- Small meeting and internet facility – 100 m^2.
- Adequate slipway, access control and boat handling and boat storage facilities.

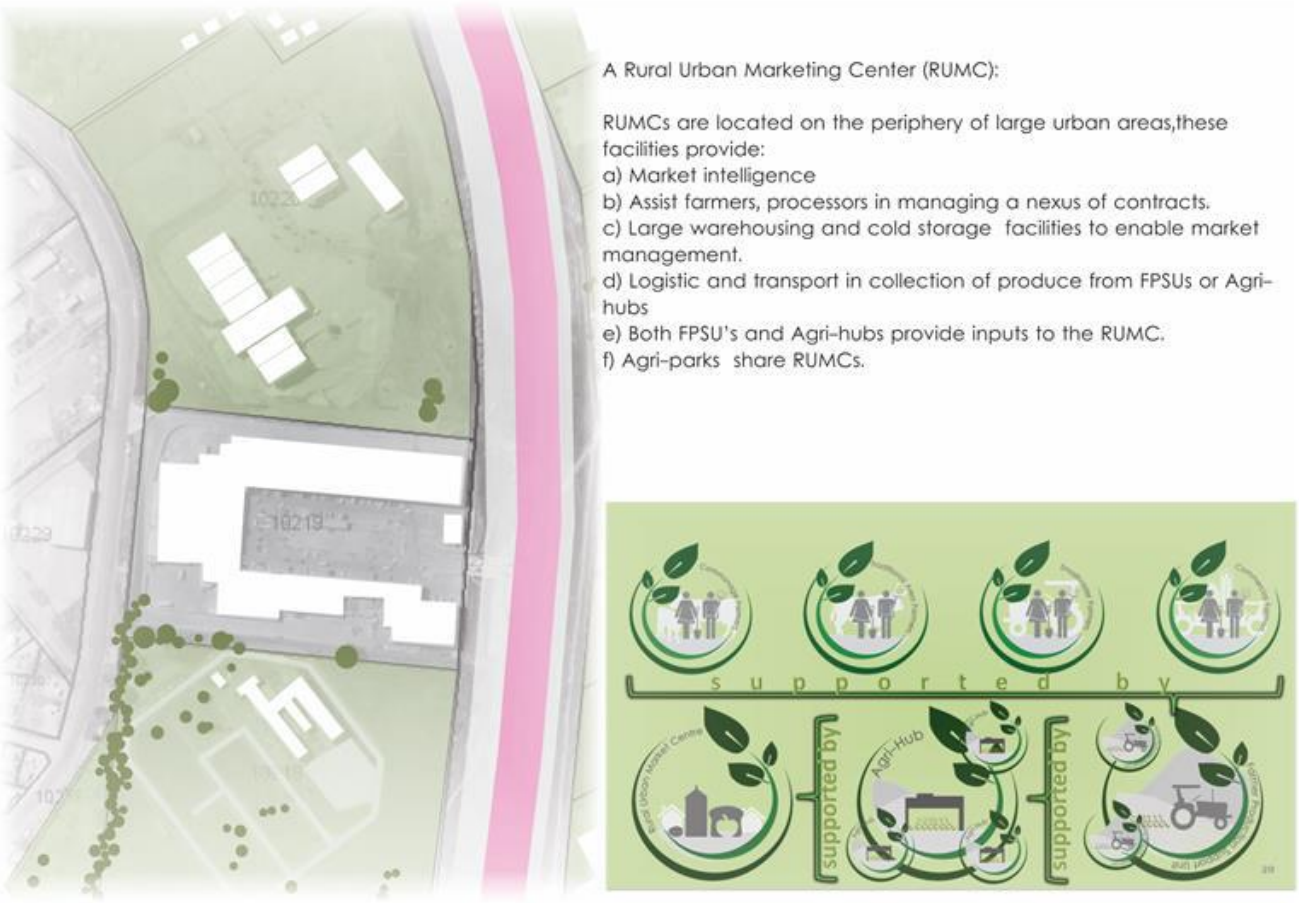
- **Lamberts Bay** Aqua Farmer Production Support Unit on Cederberg Local Municipality to support fisher folk that catch cray fish and fish (snoek). This FPSU will include the following facilities:
  - Small Cray fish and fish handling and processing facilty with cray fish revival tanks, cooling, freezing, 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 – 50 m^2.
  - Small meeting and internet facility – 100 m^2.
- **Doring Bay** Aqua Farmer Production Support Unit on Department of Public Works land to support fisher folk that catch cray fish and fish. This FPSU will include the following facilities:
  - Small Cray fish and fish handling and processing facilty with cray fish 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 – 50 m^2.
  - Small meeting and internet facility – 100 m^2.
  - Adequate slipway, access control and boat handling and storage facilities.

4.3. Proposed Rural Urban Market Centre

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.

Figure 14: Rural Urban Market Centre Conceptual Layout Plan



The site for West Coast RUMC has not been confirmed. It is however proposed that the West Coast, Cape Winelands and Overberg District Municipalities should seriously consider a shared Rural Urban Market Centre at Stellenbosch. This will not only save on development and operational costs, but it will also create economy of scale and bargaining muscle in negotiations with local and overseas buyers. Stellenbosch is also situated very close to Cape Town, the main urban and export centre and is very close to all the major routes into Cape Town as indicated on the mape below:

- N7 – Vredendal to cape Town
- N1 – Ceres to Cape Town
- N2 – Bredasdorp to cape Town

Figure 15: Proposed RUMC and Agri-Hub Feeder Connections

Stellenbosch as a shared RUMC has further advantages, namely: It is close to support, educational institutions, extention and research structures such as the University of Stellenbosch, Elsenburg College, the Agricultural Reseach Counsel, the Provincial Department of Agriculture and Nietvoorbij.

4.4. 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 West Coast Agri-Park is indicated in the Table below:

Table 7 PESTEL Analyses for the West Coast 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

4.5. West Coast Agri-Park SWOT Analysis

A review of the significant trends, issues and changes in the external environment in which **West Coast 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 are 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
- AgriBEE- 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 center

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
- Commercialisation of communal herd owning 40% of national herd.
- Import 50% of wheat. Progressive replacement of wheat by canola and soya
- Greatest's 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: West Coast 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 that 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 8 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.

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

Table 9 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 10 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**
WC District Agricultural Sector transformed and modernised	Vibrant WC District community and Food Security Percentage contribution of Agricultural to WC District economy	% increase in households standard of living (socio impact) % increase in contribution of Agricultural sector to the WC District economy (econ impact)	Implement and manage Agri-Park 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**
WC District 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

STRATEGIC OBJECTIVE 2: Develop Integrated and Networked Agri-Park Infrastructure			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
			and hand over)
	Number of Farmer Production Support Units (FPSU) developed	• FPSU Property Management Contract finalised • % occupancy of operational enterprises • Two FPSUs established by 2018	• Land acquisition and zoning • 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**
WC District Agri-Park Sustainably managed and operated	A farmer led company established through the company act	• Articles of association	• Develop Articles of Association for Agri-Park
	Management company responsible for both development and administration established	• Management contract	• Develop management contract for Agri-Park hubs and FPSU's
	District Statutory body responsible for oversight	• Memorandum of Understanding	• Develop Memorandum of understanding

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

STRATEGIC OBJECTIVE 4: Generate funds and secure investment			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
Direct Investment generated for WC District 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**
WC District 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	• Develope extention 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**
WC District Municipality effectively and efficiently coordinating and facilitating the implementation of the Agri-Park	Agri-Park generating income for the municipalities (rates and taxes)	Amount of municipal rates and service fees paid p.a.	Agri-Park businesses pay rates and service charges.
	Agri-Park provided with reliable and consistent municipal services Capacitated coordinating structure operational	Continuous service delivery and consistent service standards as per municipal service charter. Municipal participation coordinated and effective.	Municipal service delivery. Agri-Park coordinating structures effectively attended by relevant level of officials and / or Councillors
	Agri-Park contribution Monitoring and	Agreed monitoring plan with clear responsibilities for collection, monitoring and reporting to key	Quarterly Performance Monitoring reports submitted to decision-

STRATEGIC OBJECTIVE 6: Improve Agri-Park Programme Implementation			
Outcome(s)	**Measure (Outputs)**	**Targets & Milestones (Indicators)**	**Activities**
	Evaluation	decision-making structures to inform decision-making	making structures which 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 11 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)	
West Coast District Agricultural Sector transformed and modernised	Vibrant West Coast 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 West Coast 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

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)	
West Coast District Agri-Park Operational	Number of Agri-Hubs (AH) developed	Government putting the required resources in the Agri-Park	√		No
	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
West Coast 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

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)	
Direct Investment generated for West Coast 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
West Coast District Farmers producing competitive produce and/or livestock	Beneficiary farmers businesses profitable and sustainable	Emerging farmers employing proper business management aspects in their businesses		√	Yes
	Quality vegetable 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
West Coast District Municipality effectively and efficiently coordinating and facilitating the	Agri-Park generating income for the municipalities (rates and taxes)	Development of efficient collection systems		√	Yes
	Capacitated coordinating structure	People with proper skills employed on various structures		√	Yes

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)	
implementation of the Agri-Park	operational				
	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 12 Agri-Park 10-Year Implementation Plan

WC 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	WC District Agricultural Sector transformed and modernised	Vibrant WC District community and Food Security	→	→	→
		Percentage contribution of Agricultural to WC District economy	→	→	→
		Increased agricultural beneficiation (agro-processing activities)	→	→	→
		Number Black Industrialists Developed	3	3	3
SO: 2	WC District Agri-Park Operational	Number of Agri-Hubs (AH) developed	1		
		Number of Farmer Production Support Units (FPSU) developed	2	2	2

WC Agri-Park 10-Year Implementation Plan			Phase One	Phase Two	Phase Three
Strategic Objective	**Outcome(s)**	**Measure (Outputs)**	**2016 - 2018**	**2019 - 2021**	**2022 - 2025**
		Number of Rural Urban Market Centres (RUMC) established	1		
SO: 3	WC District 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 WC District Agri-Park	Investment generated			
		Partnerships established	2	3	5
		Investment promotion			
SO: 5	WC District 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	WC District 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 13 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	
West Coast District Agricultural Sector transformed and modernised	Vibrant West Coast District community and Food Security	Farmers unable to produce quality vegetables			√			Farmers assisted to follow planting seasons of various vegetables
	Percentage contribution of Agricultural to West Coast District economy	Farmers not supplying enough vegetables to the market for sales			√			Creating incentives for farmers to supply their vegetables 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
West Coast District 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

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	
								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 participating in the Agri-Parks and the government prioritizing Agri-Parks as project to drive rural development
West Coast District 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	Investment generated	Investors viewing Agri-Parks as			√			Proper marketing of Agri-Parks

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	
generated for West Coast District Agri-Park		unprofitable						
	Partnerships established	Private sector not willing to participate in the Agri-Parks				√		Proper marketing of Agri-Parks
West Coast District 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 beef production increased	The farmers not farming with quality cattle 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			√			Conduction of training needs assessment of the farmers and providing relevant training programmes
West Coast District 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 14 Agri-Park Partnership Identification Frameworks

Strategic Objective	Measure (Outputs)	Potential Strategic Partners	Potential Private Sector Organisations	International Organisations
SO: 1	Vibrant WC District community and Food Security			
	Percentage contribution of Agricultural to WC District economy Increased agricultural beneficiation (agro-processing activities) Number Black Industrialists Developed			
SO: 2	Number of Agri-Hubs (AH) developed Number of Farmer Production Support Units (FPSU) developed Number of Rural Urban Market Centres (RUMC) established			
SO: 3	A farmer led company established through a companies act			
	Management company responsible for both development and administration established			
	District Statutory body responsible for oversight established			
SO: 4	Investment generated Partnerships established			

Strategic Objective	Measure (Outputs)	Potential Strategic Partners	Potential Private Sector Organisations	International Organisations
	Investment promotion			
SO: 5	Smallholder and Emerging Farmers businesses profitable and sustainable			
	Quality beef production increased			
	Smallholder and Emerging Farmers technical capacity and skills enhanced			
SO: 5	Agri-Park generating income for the municipalities (rates and taxes) Agri-Park provided with reliable and consistent municipal services Capacitated coordinating structure operational			
	Agri-Park contribution Monitoring and Evaluation			

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 15 Agri-Park Actions Required

Timing	Action
Year 1	• Agri-Park performance targets established and incorporated into district IDP and SDF plans, & sector departments • Key commodity development plan developed • Agri-Park sites finalised and land acquired • Feasibility studies completed

Timing	Action
	• 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. Vredendal Abattoir Feasibility and Identification of a Strategic Partner:

A feasibility study into a new abattoir will be needed, including identifying any possible infrastructure upgrade needs. The results of this study should be used to inform the refined institutional arrangements including clarity on the participation of emerging farmers. Once this has been completed a business plan needs to be developed.

2. Doring Bay Abalone Feasibility and Identification of a Strategic Partner(s):

A feasibility study into a new abalone facilities at Doring Bay will be needed, including identifying any possible infrastructure upgrade needs. The results of this study should be used to inform the refined institutional arrangements including clarity on the participation of emerging farmers. Once this has been completed a business plan needs to be developed.

3. Vredendal Lucerne Feed processing feasibility:

A feasibility study into the above needs to be initiated and which links to emerging farmer Lucerne production in the district. Once this has been completed a business plan needs to be developed.

4. Doring Bay Abalone Feed Processing Feasibility:

A feasibility study is required into the above including the identification and involvement of a strategic partner and whether this can be linked to local production of ingredients such as soy and sea bamboo.

5. Doring Bay Abalone Hatchery and Grow-out Facility Feasibility:

A feasibility study is required into the above including the identification and involvement of a strategic partner and whether this can be linked to supplying abalone farms in Port Nolloth.

6. 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.

7. RUMC:

DRDLR to facilitate a meeting with the three districts, West Coast, Cape Winelands and Overberg to discuss (and agree on or not) the advised location of the Rural Urban Market Centre at Stellenbosch.

8. Skills Development / State Owned Land:

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

- **Skills Development and Training opportunity (through e.g. NARYSEC, Elsenburg and other Institutions):** Training and skills required for the agro processing opportunities should be identified to inform Training Courses and opportunities (explore partnerships with NARYSEC). Consider synergies between the other Agri-Parks in the Province.
- **Analysis of State Owned Land in the West Coast:** An analysis of all state owned land is required to determine the use of all state owned farms in the West Coast to determine the current use of the farms and whether these farms could be better utilized for Land Reform purposes, prior to acquiring more privately owned farms. Even though it is not an agro processing opportunity, it is still considered to be a critical component of rural development in the West Coast. The study should distinguish between farms acquired by DRDLR for Land Reform and farms owned by other state departments.

9. 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

10. 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.

11. Agri-park desired institutional arrangements:

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