DEPARTMENT OF AGRICULTURE, CONSERVATION AND ENVIRONMENT

THE GAUTENG AGRICULTURAL DEVELOPMENT STRATEGY
(GADS)

FEBRUARY 2006
Index

1 Background ............................................................................................................................................ 3
2 Purpose of the Gauteng Agricultural Development Strategy ............................................................. 6
3 Policy, legislative and strategic imperatives ........................................................................................ 6
4 Defining the Gauteng Agricultural Economy ....................................................................................... 8
5 Assessment of the Recent Performance of the Agricultural Sector ................................................... 11
  5.1 The development agenda in Gauteng .......................................................................................... 14
6 Motivation for a Gauteng Provincial Agricultural Development Strategy .......................................... 20
   6.1 The contribution of the Agricultural Economy to the Gauteng Growth and Development Strategy (GDS) ........................................................................................................................................ 20
   6.2 Mechanisms to strengthen the Agricultural Economy ................................................................... 20
7 An Agricultural Development Strategy for Gauteng ........................................................................... 22
   Cell 1.1: Primary Agriculture (Production) <> Formal Economy ....................................................... 25
   Cell 1.2: Primary Agriculture (Production) <> Second Economy .................................................... 26
   Cell 1.3: Primary Agriculture (Production) <> Household Food Security Sector ............................ 28
   Cell 2.1: Secondary Agriculture (Processing) <> Formal Economy ................................................... 29
   Cell 2.2: Secondary Agriculture (Processing) <> Second Economy .................................................. 30
   Cell 2.3: Secondary Agriculture (Production) <> Household Food Security Sector ......................... 31
   Cell 3.1: Tertiary Agriculture (Distribution) <> Formal Economy ...................................................... 32
   Cell 3.2: Tertiary Agriculture (Distribution) <> Second Economy .................................................... 33
   Cell 3.3: Tertiary Agriculture (Distribution) <> Household Food Security Sector ............................ 34
8 Critical success factors for Agricultural programmes and projects ..................................................... 34
9 An Implementation Plan for the development of Second Economy farmers ........................................... 35
10 Strategic Priorities ............................................................................................................................ 38
11 Innovative Initiatives ........................................................................................................................ 38
12 Other Government Programmes to Piggy-Back on ............................................................................ 40
13 Building Capacity for Implementation .............................................................................................. 41
14 Conclusion .......................................................................................................................................... 42
1 Background

Gauteng, as the most urban and industrialised province in South Africa, has undergone considerable socio-economic and structural change during the first decade of democracy. The transition towards a post-industrial economy (shift from primary and secondary sectors towards secondary and tertiary sectors) is well underway in the province – which would imply concerted government support for business development towards the latter sectors with a view to maximising economic growth.

However, there is also evidence that the relative decline of primary agriculture is not just a result of market forces leading to supposedly efficient resource allocation, but that there have been distortions which negated the realisation of the full potential of the sector, both in terms of economic growth and social equality – which would imply the continuation of government support aimed at stimulating primary production for both home consumption (household food security) as well as for surplus (national food security).

The historical distortions came in many forms and show diverse negative impacts to this day. Commercial agriculture was too capital-intensive negating job creation and income multiplier effects in rural economies; entrepreneurial abilities and human resource development in general were neglected, and stifling up- and down-stream industries in general. Hence, in order to overcome this historical dualism between commercial agriculture and emerging farmers, and in order to achieve the objectives of the Gauteng Growth and Development Strategy, intensive support measures are required – which would imply the integration of research, finance, extension and skills development measures which do not just focus on agricultural skills, but include Adult Basic Education and Training (ABET) and business skills.

The developmental and transformation achievements of the GPG during the last decade are significant, but at the same time, the province continues to experience the challenges of high unemployment and poverty, skewed participation, and uneven and sub-optimal growth (geographically, demographically and in terms of political economy). A lot has been achieved in the last decade to change the race and gender patterns of ownership of agricultural land. In 1994 there was not a single black owner of land in Gauteng; now there are 135 land reform projects involving 850 beneficiaries. In addition a total of 259 individual farmers, primarily women, are currently leasing land with an option to purchase.

The 2001 National Agricultural Strategy states that the “main challenge for South African Agriculture is to unlock the untapped potential that lies in its people as well as low productivity and competitiveness that constrains the participation of a full spectrum of people and economic entities.” This challenge is broken down into the following five (5) major sector challenges:

Constrained global competitiveness and low profitability > Indications are that the South African agricultural sector is responding positively to the challenges of increased competition. However, the progress remains partial, and there is evidence that some sub-sectors of agriculture and value-adding activities are uncompetitive in the local and international market. This is caused by factors such as high input costs combined with low productivity, sub-optimal business strategies and inefficiencies, and unfair trade practices. The lack of international competitiveness also leads to low investment in certain sub-sectors. This is perhaps the major challenge that needs to be addressed to put agriculture on the envisaged high growth and development path.

Skewed participation > Given the legacy of exclusion and discrimination, the challenge is now to unlock the talents and creative energy of people and improve their participation in all aspects of the sector and rid it once and for all of the many entry barriers rooted in its historical dualism. The challenge is to
identify programmes to encourage new entrants: black (mainly) and white; young and old; men and women; small and medium-scale enterprises, to enter the sector. Vulnerable groups in agriculture such as women and people with disabilities should receive priority. Finally, it is important to find ways to ensure that all these different constituents of the sector genuinely feel and see themselves as belonging to a single entity.

Low investor confidence in agriculture > The weak investor confidence in agriculture is caused by the low returns mentioned as well as the definitive and hard-core economic and social impact on investment and production caused by phenomena such as farm murders, evictions and illegal occupations. In addition, there are negative perceptions of agriculture, aggravating the situation. Investor confidence is necessary to achieve a vibrant and growing agricultural sector.

Inadequate, ineffective and inefficient support and delivery systems > This aspect is one of the key problem areas underlying each of the factors mentioned. The weakness of delivery and implementation of a wide range of government measures, regulations and programmes as well as ineffective support systems – all of which are critical to ensure an enabling environment for agriculture – is a major concern and a challenge to all government entities supporting the agricultural sector. Aspects that contribute to this problem are the fragmentation of certain services, inadequate resources, weak governance and accountability as well as poor managerial decisions and often long delays in taking decisions.

Poor and unsustainable management of natural resources > Unused land of good potential is very scarce in South Africa, and there is a limit to the horizontal expansion of agricultural production. In addition, the infrastructure and services to support sustainable land use are inadequate. Government programmes aimed at protecting the resource base (i.e. LandCare and Working for Water) are successful but insufficient. Land degradation remains a problem on good and marginal lands. With increasing pressure on agriculture to raise output per unit of land, it is a major challenge to ensure that this does not take place to the detriment of our natural resource base.

Gauteng’s growth and development context shows a complex duality; on the one hand, noteworthy levels of economic growth have been achieved, while on the other hand, unacceptably high numbers of the people of the province remain trapped in poverty caused by their exclusion from the economy. The economic successes in the province are mainly in the arena of the first economy and the gaps relate to challenges of the second economy. Gauteng accounts for 33% of South Africa’s GDP and is the largest sub-national African economy. It is also responsible for 49.6% of all employee remuneration in the country and 52% of all turnover. Unfortunately, the province’s unemployment stands at 25.7%. However StatsSA’s figures are debatable, and one can assume that an additional significant proportion of the economically active population in the province, currently 31.5%, are actually under-employed or are involved in survivalist activities which do not fulfil their aspirations.

The higher than national growth rate in Gauteng has attracted job seekers faster than it is able to absorb them into the formal labour market. Average monthly household income is estimated at R2 000 per month - an income that is negligible when compared to an ever-increasing cost of living. The levels of inequality increased slightly by 3% between 1995 and 2000 to a GINI coefficient of 0.61. The number of households with monthly incomes below R 1 200 also grew by 8% during 1999 and 2000, which however, does not include the social wage component.

Women and children continue to carry the greatest socio-economic burden, with black working-class women being the most disadvantaged. An estimated 24% of the approximately 2.65m households in Gauteng live in informal dwellings. It is estimated that about 48% of children live in poor households, with 51% of under-fives living below the poverty line. Between 1995 and 1999, the poverty rate for children increased from 24.2% to 37.8%, with the trend likely to have continued during the last five years. Approximately 40% of all children in the province aged between one and nine are experiencing hunger. About 630 000 households do not have access to basic water supplies, while more than 700 000
households lack basic sanitation infrastructure and more than 850 000 households do not have access to electricity.

Developmental statistics paint a diverse picture in terms of the impact of government’s service delivery initiatives. Despite job creation programmes (Zivuseni, labour maximisation, labour intensive construction and public works programmes), and despite a nearly three-fold increase in social grants between 1999 and 2002, the use of electricity for heating and cooking has declined due to the inability of households to pay. The use of electricity for lighting is constant at about 70%.

Gauteng compares well with other provinces in terms of economic growth. However, the overall growth path is still sub-optimal. Growth in recent years was mainly due to contributions from finance, real estate and business services (9.7% for 2002/03), and the manufacturing industry (6.2%). In 2002, the largest industries in the provincial economy were manufacturing (21.1%) and the finance, real estate and business services sector (20.6%). The agriculture, forestry and fishing industry made the smallest contribution to the provincial GDP (0.6%) However, this does not take cognisance of the fact that the diverse forward and backward linkages are not included in this figure.

A well-established commercial agriculture sector exists in the province, which should be used more strategically as an expertise base to be accessed by the emerging farmer sector. This would allow for a transfer of skills, supported by a departmental farmer-to-farmer extension programme. However, primary agricultural production in other provinces has competitive and comparative advantages relative to Gauteng. The potential for improving production is not disputed, but the extent to which this is possible should not be overstated, and further economic analysis work is needed to identify the comparative advantages of investment in primary agriculture versus other sectors of the economy. As the economic powerhouse of the country and as the gateway to Africa and the world, and with the additional advantage of the presence of national government departments, diverse academic institutions, the Agricultural Research Council and other parastatals and agricultural non-governmental organisation in the province, Gauteng is in a uniquely strong position to facilitate easy, speedy and cost effective access to agricultural information and economic infrastructure.

The true value of the agricultural sector’s contribution to the local economy lies in its backward and forward linkages with the other sectors. In terms of its forward linkages, agriculture supplies raw materials as inputs for other primary and secondary sectors. A large number of processing factories in South Africa are situated in Gauteng and are dependent upon agriculture for raw materials, such as sunflower seeds, peanuts and maize. Agriculture also creates a demand for goods and services through their backward linkages. Its labour absorptive capacity is high in comparison with other sectors of the economy because investment costs per work opportunity created are much lower than for other sectors. Thus agriculture as a sector has potential and an important role to play in the economy of the province.

The extent of its infrastructure (and the resulting access to markets) is one of Gauteng’s strengths. The relative compactness of the province promotes cost effective communication and transport, as all extreme points are within a 200km radius from the centre of the province. This well-developed communication, commodity supply, transport and market infrastructure in the province facilitates the flow of information, the availability and transportation of production inputs and the marketing of agricultural produce both locally and internationally. However, irrigation infrastructure in the province, which the creation of high-value niche markets and related BBBEE activities relies on, is limited by competing demands for water consumption. Agricultural ventures in much of the province rely on the comparatively limited water that is sourced from boreholes.

The two major fresh produce markets in Gauteng handle 32% (Johannesburg) and 16% (Pretoria) of all fresh produce marketed through formal channels and it is the highest of all markets in South Africa. The high population density of Gauteng offers a stable and lucrative market for agricultural produce. Also, the highly developed physical infrastructure and markets in the province coupled with the limited access to
irrigation water stimulate the development of alternative agricultural practices such as the conversion to high value commodities for niche markets, organic farming and highly intensive agricultural production under artificial conditions e.g. aquaculture and hydroponics.

Gauteng has a disproportionate share of high and moderate agricultural potential soils. Rainfall is sufficient to sustain rain-fed production of crops on the high potential soils. The highly developed infrastructure and lucrative agricultural produce markets in the province further promotes intensified production under artificial conditions e.g. poultry and vegetables. On the other hand, many of the soils in the province are only of marginal potential and if utilised injudiciously will result in financial losses and degradation of this finite resource. The Gauteng Agricultural Potential Atlas (GAPA) needs to be updated and further refined to accurately identify high and moderate potential agricultural soils.

The province has a high level of alien species due to the fact that agriculture was initially not considered as a major contributor to the economy of the province. Mining and Industry were the major contributors to the economy. The alien invasive plants problem has been identified as one of the major reasons for the reduced availability of water for agricultural use. There is a programme in place to remove these aliens, with a secondary focus on job creation and skills development.

In summary, the challenges of future programmatic work are to continue with conservation (environmental sustainability) and primary agriculture empowerment activities (social sustainability), and to initiate substantial new business development in the secondary and tertiary agricultural sectors (sustainable economic growth). Regarding the latter in the Gauteng provincial context, this means a focus on niche market and high-value produce, products and services, requiring intensive production and irrigation. Obviously these dual foci require the province to balance its allocation of limited human and financial resources – but rather than seeing conflicting objectives at work here, a high value-adding beneficiation focus (high-value commodities and products, niche markets and services) may well complement South Africa’s long-term development trajectory.

2 Purpose of the Gauteng Agricultural Development Strategy
The purpose of the Gauteng Agricultural Development Strategy (GADS) is five-fold:
  a) to develop Gauteng’s agricultural economies (first and second) to attain their maximum potentials and convergence into one;
  b) to maximise the contribution of the agricultural economy to job creation, poverty alleviation and economic growth in Gauteng;
  c) to provide a co-ordinating framework for investment and implementation in the province;
  d) to explicitly align agricultural development with the Gauteng Growth and Development strategy; and
  e) to create a vehicle which facilitates the integration of the various existing national and provincial agricultural policies, laws and strategies which are applicable to Gauteng.

3 Policy, legislative and strategic imperatives
In outlining a Strategy for the agricultural sector, the province is in the fortunate situation of being able to draw on several important policy and strategy documents developed by the Gauteng Provincial Government (GPG) and the national government in partnership with many social partners in the sector.

There were two recent and authoritative - politically and legislatively binding – policy processes which inform this Strategy.

The first major policy process which informed the GADS took place at provincial level. The consultative development of Gauteng’s new Growth and Development Strategy (GDS) in 2004, as well as the new
Vision 2014 and the complementary five year Strategic Programme, provide clear policy priorities for the GPG. These core documents not only state objectives and targets applicable to the provincial agricultural sector, but they delineate departmental mandates, suggest innovative initiatives to be launched, establish inter-governmental and sector co-ordination structures, and set standards in terms of Monitoring and Evaluation (M&E).

Secondly, commencing in the late 1990s, the National Department of Agriculture (NDA) initiated the development of a new national agricultural sector strategy. In 1998, an in-depth discussion document was published, and after extensive sector-wide negotiations under the leadership of President Thabo Mbeki, the new Strategic Plan for South African Agriculture was agreed upon in 2001. It spells out a united sector vision, developmental objectives and expected outcomes; it also delineates priority programmes and actions; and it clearly defines the respective roles and responsibilities of all sector stakeholders. This strategy was developed with the active participation of the National African Farmers Union (NAFU) and Agri-SA. This sector strategy has subsequently been the base document for the NDA and PDAs’ Medium-Term Expenditure Framework (MTEF), aligned three to five year strategic plans and annual operational / business plans.

The most important base documents emanating from this national sector policy development process which GADS draws upon are:

- 1998: Agricultural Policy In South Africa – A Discussion Document,
- 2001: The Strategic Plan for South African Agriculture,
- 2002-05 and 2005-10: NDA Strategic Plans,
- 2002-05 and 2005-09: GDACE Strategic Plan,
- Diverse NDA and DLA programme documents and guidelines cascaded to provincial level, e.g. on AADP, CASP, IFSNP, AGIS, LRAD etc.

Read in combination with the President’s annual State of the Nation Address (SONA), the Minister’s, the Premier’s and the MEC’s speeches, as well as the priorities identified in the respective national and provincial portfolio committee and the MINMEC, the Gauteng GDS is a vital source of reference for GDACE in its strategic and action planning. The core documents integrated into GADS include:

- 2004: Growth and Development Strategy for the Gauteng Province;
- 2004-09: Gauteng Government’s Five-year Strategic Programme; and

Obviously there are diverse other government policies, as well as numerous technical reports and market research studies, which have a bearing on GADS. In particular, the following documents have been consulted:

- 1994: ANC Agricultural Policy;
- 1995: White Paper on Agriculture;
- 1996: Gauteng Agricultural Strategy;
- 1997: White Paper of SA Land Reform;
- 1997: DTI Trade and Industry Strategy;
- 2004: DTI Trade and Industry Strategy;
- 2004: AgriBEE Framework;
- 2005: AgriBEE Charter (draft, to be finalised in the 3rd quarter of 2006);
- Expanded Public Works Programme (EPWP);
- Integrated Sustainable Rural Development Strategy (ISRDS);
- Science and Technology Strategy (STS);
- National Skills Development Strategy (NSDS);
Gauteng Agricultural Development Strategy (GADS)

- Diverse frameworks from other government departments, e.g. land restitution and redistribution frameworks of the Department of Land Affairs (DLA), strategic planning requirements and formats by the Department of Finance (DoF) etc.; and
- Diverse technical reports, sub-sector research studies and commodity-specific strategies, e.g. an ARC study on high-value niche markets and export opportunities, best practices in emerging farmer support and integrated extension services etc.

Repeated, intensive sector stakeholder participation has already taken place around the development of the 2001 National Agricultural Strategy, the 2004 Gauteng Growth and Development Strategy and 2014 Vision, as well as the current AgriBEE Charter drafting negotiations. These base documents therefore represent broad stakeholder agreement with the jointly developed sector vision, priority programmes and roles and responsibilities envisaged for Gauteng agricultural development.

The structure of this provincial Agricultural Development Strategy – which itself is closely based on the Gauteng GDS and the 2001 National Agricultural Strategy – thus mirrors the eight priority programmes (‘Deliverables’) of the NDA’s multi-year Strategic Plan, given that the implementation of many of these programmes are cascaded down to GDACE.

The eight deliverables, which were approved by the Integrated Technical Committee on Agriculture (ITCA) and MINMEC, are:

1. AADP – African Agricultural Development Programme;
2. AgriBEE – Broad-Based Black Economic Empowerment;
3. CASP – Comprehensive Agricultural Support Programme;
4. IFSNP – Integrated Food Security and Nutrition Programme;
5. KIMS – Knowledge & Information Management Strategy;
6. NRM – Natural Resource Management;
7. NRS – National Regulatory Services (Compliance Unit); and
8. R&D – Agricultural Research and Development.

For the purposes of structuring this Strategy, a generic Value-Chain & Development-Sector Matrix was developed, which is employed in line with the government’s accepted definition of the agricultural sector comprising the whole value/supply chain from primary production to processing and distribution (identical to the DTI’s one used in their draft Code of Good Practice for drafting sector empowerment charters).

4 Defining the Gauteng Agricultural Economy

South Africa is a developing, medium-income country, with huge pressure for future development and expansion, particular in its metropolitan areas. The major demand is for housing and the expansion of industries to facilitate the current growth path. Even though Gauteng is the smallest of the provinces in South Africa, covering an area of approximately 1.876 million ha (about 1.4% of the country’s total land mass), it plays a major role in addressing the above developmental demands. It has a population of approximately 9,180 people representing an increase of more than 1.5m over the past five years. This represents about 19,2% of the national population. The population pyramid bulges in the male 20-40 age group mainly owing to the demographic profile of immigrants. Gauteng contributes 33.9% to the national GDP. According to the National Land Cover, about 17% of Gauteng’s land is classified as urban land whilst 97% of the population lives in urban areas. Only 15% of the land is considered developed.

---

1 Stats SA, Mid-year population estimates, South Africa, 2005 (Statistical release P0302)
2 Ibid
The locality of the province and its physical and economic infrastructure has resulted in the province having a large urbanised component that places a huge pressure on the remaining available agricultural land. On the other hand, four major Fresh Produce Markets are situated in the province, and there is a well-developed road infrastructure with easy access to airports. The agricultural secondary and tertiary sectors are the largest in the country, contributing to Gauteng’s profile as the economic powerhouse of the country.

Total farmland in Gauteng is 828 623ha\(^3\) (44.2% of total land area of province) of which 438 623ha\(^4\) (23.4%) is potentially arable (ie suitable for ploughing and planting) and 390 000ha is suitable for grazing. The amount of potentially arable land that is currently being cultivated is approximately 293 571ha (67%). Approximately 28.7% of all arable land has been identified as potentially requiring specific protection for agricultural use, as it is made up of 15.1% high potential and 13.6% moderate-high potential land.

The implication of this is that there is spare agricultural capacity that can be utilised beneficially in the province. This is of particular importance in light of the decline in mining and industrial activities in some regions of the province (after gold and other metals and minerals – seen as one sector – agriculture in South Africa is the greatest source of foreign exchange earnings). Thus, the Gauteng province has about one sixth of all land suitable for agriculture in the country. Hence, given the overall limited land available for agriculture in South Africa, and given the relatively speaking large potential in Gauteng, innovative land use planning strategies need to be found which balance the province's urban development pressures for housing and industrial development, with the need to conserve those lands which are suitable for agriculture (both, from a provincial efficient land use perspective in terms of rate of return of land, as well as from a national food security perspective).

Unfortunately, about one third of this high and medium potential land is not in production, whilst a large portion is undeveloped, degraded or vacant with no action plan in place to utilise the land. About 3.3% of the high and medium potential agricultural land is located in the urban edge and 2002\(^5\) figures show that only 16.4% of this land was cultivated, meaning that substantial potential exists for expanding production in the province. It should be noted that significant portions of the high potential, undeveloped land are also regarded as significant to the nature conservation sector.

Gauteng agriculture is mainly focused on livestock (including piggeries), poultry, horticulture (including floriculture), and crop production (including the limited cultivation of herbs and medicinal crops). According to the 2002 Census on Agriculture by Stats SA, there were approximately 2 206 farming units which generated a gross farming income of R3,96 billion This was more than the gross farming incomes of the Eastern Cape and the Northern Cape, but less than those of the other provinces. Farming units in Gauteng employed around 29 537 farm workers in 2002. This figure excludes those workers that are employed in agricultural manufacturing, processing and associated industries. The total number of people active in agriculture (all aspects) is 960 489 for the whole of the RSA and 67 648 for Gauteng. Virtually all farm workers in Gauteng are black, whilst approximately 90 per cent of farm owners in the province are white. There are now approximately 365 black farmers in Gauteng.

The estimated number of smallholdings in the province is between 18 000 and 21 000. However, only a few owners rely solely on the income they derive from agriculture. This means that most smallholdings are not used to their full agricultural potential. A significant portion of this land is high potential agricultural land, and thus it is important to bring it back into productive agriculture. The average farm size in Gauteng is 140ha whilst that of a smallholding is 8ha. There are some commercial farms which are 2 000ha in extent. Agricultural land holdings belonging to the GPG are approximately 20 000

\(^3\) Abstract of Agricultural Statistics, 2005, Department of Agriculture
\(^4\) Ibid
The GPG is in the process of disposing of all land that is not required for government purposes through the Gauteng Farmer Settlement Programme, which provides for a 3-year lease with an option to purchase. The total area planted under maize in the province during 2004/2005 was 130 000ha, of which 75 000ha was under white maize and 55 000ha under yellow maize. For the same season, grain sorghum was planted on about 3 500ha, sunflower sees on 12 000ha, soy beans on 6 000ha and dry beans on 3 500ha. These are relatively low value crops and farmers need to be encouraged to increase the pace of converting to higher value crops to increase the contribution of primary agriculture to the Gross Geographic Product (GGP) of the province. This will also help to preserve high potential agricultural land from competing land uses. There is a need for a balanced and holistic approach to the preservation of high potential agricultural land that takes into account the province’s overall developmental requirements.

According to the Crop Estimates Committee of the national Department, farmers in Gauteng intend to plant 2 500ha of wheat this coming season (2005). 2004 production figures for the province show that 250ha of dry land wheat and 2 250ha of irrigated wheat was planted. 130 000ha was planted with maize and 3 500ha with sorghum. 65 767ha was planted with summer cereals under dry land and 5 846ha under irrigation. The production under dry land was 214 686 tons and under irrigation 29 761 tons. A total of 5 338ha was planted with vegetables, producing a 134 515 ton crop.

The Gauteng province employs only a small proportion – i.e. about 3.1% – of the total South African agricultural worker force. The actual number of paid agricultural workers in the province was 29 537 in 2004, of which 20 815 were full time workers and 8 722 casual and part-time labourers. It is interesting to note that, despite the size of Gauteng compared to other provinces and the relatively low number of workers employed in Gauteng’s agricultural sector, the province nevertheless contributes a healthy 24.8% of the gross farming income of South Africa in the main farming divisions of animal and animal products, field crops, horticulture and other products.

The gross farming income earned from horticultural products in Gauteng is R811 million, which is higher than in the Free State, North West and Kwa-Zulu Natal. A gross farming income of R384 million was derived from field crops.

The gross farming income derived from animal and animal products was approximately R2.487 billion which compares favourably with other provinces. According to the National Livestock Statistics (May 2004), there was a total of 269 000 cattle, 84 000 sheep, 173 000 pigs and 9 000 goats in the province. In addition, there is considerable cross provincial border traffic for provincial consumption and international export. Farmers experienced losses to the amount of R92 168 000, which is the lowest of all provinces. Causes of these losses include stock theft, lifting and stealing of tools, buildings and equipment, pilfering and stealing of crops, burglary, losses to predators, and absence arising from injury or crime.

Farming debt stands at R997 million, which is only 3.2% of the total farming debt in the country, whilst the market value of assets amounts to R2.962 billion. According to Stats SA, there are 945 commercial farmers who farm themselves, of which 767 are males and 178 female, with an additional 349 family members being involved in the operations.

Limited information is available on the emerging farming sector of Gauteng. A survey was conducted on the emerging farming sector in South Africa in 2003, but Gauteng was excluded in that particular private service provider’s study. The report estimated that there are about 1 000 emerging farmers in the province. The report also indicated that Gauteng has 9.7% emerging commercial farmers and 5.1% established commercial farmers of the total farmers in the country, which is relatively high.

---

6 Crops Estimate Committee, Department of Agriculture.
5 Assessment of the Recent Performance of the Agricultural Sector

To add to the core statistics presented above, the paragraphs below will now briefly address salient aspects of the current economic and physical environment of agriculture, as well as the crucial issue of food security vs. income security. An analysis of specific major commodities will not be attempted here in detail owing to space limitations and the focus of this Strategy Framework.

Good rainfalls in January 2005 softened the general drought situation to a large extent. Conditions for maize production are favourable, but levels of storage dams in the central parts of the country are still very low. Food security for the country as a whole is, in spite of the drought of the past years (which, roughly speaking, occurs in ten year cycles – we are about halfway through the current one), in a very healthy state mainly due to improved production techniques and overhead irrigation. If BBBEE is to succeed in the area of creating commercially viable primary agricultural businesses, the importance of irrigation farming cannot be understated, particularly for the Gauteng province (despite correct attempts to promote more labour intensive farming techniques).

There is an over-supply of nearly all field crops with the exception of wheat. This is largely a function of the decisions by individual farmers on what to plant, driven by the huge price fluctuations owing to local climatic shocks and international market volatility. This is resulting in a very high risk to income security (caused largely by low prices) with emerging farmers being most vulnerable. In the established agriculture sector, the impact of these risks is also being felt, largely by communities that depend on this sector for their income and food security. However, from an economic point of view, there is not sufficient evidence that warrants direct government intervention in markets at this stage. All the necessary conditions for a well-functioning domestic market are in place, and there is little evidence of market failure save for a few issues, such as the impact of international commodity price fluctuations and the impact of ‘paper trade’ on Safex (the NDA estimated that about eight times the quantity of maize is being traded than is produced in South Africa annually).

By way of example, the current price of about R600/ton for white maize on Safex is the lowest in four years. The maize price has dropped by more than 50% in the past year alone and was at R1 024/ton as recently as November 2004. The present low prices are the result of a number of factors, including large carry-over stocks from the 2004 crop, relatively low international prices, the Rand’s strength against the dollar and the better than expected rainfall, which has boosted the prospect of a maize crop in excess of 9 million tons. Taking last year’s 3 million ton excess maize into consideration, about 12 million tons of maize will be available in a market which can realistically absorb about 8 million tons. Government subsidies in other countries make it difficult to export surplus maize. Indeed, since deregulation of the local marketing system, South African maize exports have virtually disappeared from the world market. During 1996/97, the last season of the Maize Board, exports reached 2.7 million tons, with 4.7 million tons exported in 1994/95. These figures do not include annual deliveries of about 450 000 tons to the Botswana/Lesotho/Namibia/Swaziland (BLNS) countries, which are considered part of the domestic market.

The SADC region will also continue to face food shortages during 2005. According to the FAO/WFP, most SADC countries, excluding South Africa, Tanzania, and Zambia, will be faced with yet another grains deficit year due to adverse growing conditions. SADC requires about 3.25 million tons of grains to meet its basic needs for grains. Although South Africa will have more maize stocks available this year than other Southern African countries, the Rand’s appreciation against other currencies will dampen demand for grains from South Africa as it will become too expensive for those countries to import.

A compounding factor is the relatively high cost of transport. Producers also complain that the prices established on Safex are based on the price of maize that is delivered in Randfontein. Farmers often receive considerably less than the market prices because of the costs of transport, storage and handling,
which can easily amount to over 20% of total revenue. In mid-2005, the export parity price of yellow maize was R384 per ton and that of white maize R481 per ton, which was considerably lower than the domestic price. On the other hand, the current import parity price for white maize (delivered in Randfontein) is R1 302/ton and for yellow maize R1 203/ton. In view of these price differentials, only small quantities of maize are being imported into the coastal areas. According to the latest SAGIS figures for the current marketing season, approximately 410 000 tons of white maize have been exported, mainly to Kenya and Zimbabwe, with a total of 80 000 tons of yellow maize for the same period. Imports of yellow maize, mainly from Argentina, amounted to 161 000 tons in 2004.

The current low price levels will cause liquidity problems for some farmers and impact negatively on their ability to repay their loans. Agricultural debt in South Africa is estimated at R30 billion, of which about R12 billion is owned to commercial banks. Approximately R11 billion of the money owed to the banks is in the form of short-term debt. Further pressure has resulted from the Land Bank’s recent increase in its interest rates, which means that the average Land Bank client will pay 2% more than the commercial banks’ prime rates of about 11%. The current price levels are also likely to result in the lay-off of farm workers, which in turn would have a negative impact on rural communities and economies.

The socio-economic consequences on national food security and household income figures on the one hand and individual household food security on the other are thus complex and partially in tension with each other. In terms of national food security, a record surplus of maize is pending with a build-up of stocks over the past few years because of a drop in exports resulting from the strength of the Rand and the tendency towards a decline in international prices. Farmers, on the other hand, upgraded production techniques and resorted to irrigation in order to lower production risk. In this process, they succeeded in achieving a very high level of food security for the country. This is probably also true for other commodities like meat, etc. However, the low prices were responsible for a rapid reduction in the wheat crop due to a decline in the total area being planted, resulting in a higher percentage of imports to meet domestic demand. The danger is that the same can happen with the maize industry.

The two main factors that determine income security are production (key drivers being rainfall and management) and prices. Drought or poor management can result in low yields or production losses. Emerging farmers with a lack of training and experience are therefore very vulnerable and often fail to secure a viable yield. A study of the effect of current maize prices on the profitability of maize farming in South Africa undertaken by the NDA determined that, with a net maize price of R750/ton, nearly 95% of all farmers will make a loss of up to R600/ha, assuming a long-term average yield. Hence, the current prices, given current productivity ratios (input costs and yields achieved), are a threat to sustained commercially viable primary agriculture of the major commodities, even for established farmers. The negative effect on BBBEE initiatives in agriculture and related business sectors is obvious.

Household food security is obviously at risk at ground level by threats to income security. If income is low as a result of a downturn in the agricultural economy, it results in less money being available for essentials such as food. This will eventually have secondary effects on agribusiness and small grocery and spaza shops. One consequence is an increased influx of people to urban areas in search of work.

A number of policy implications arise out of the above. First, farmers need to improve (price) risk management techniques (GDACE has a role to play in assisting with this process, especially in the case of emerging farmers). For example, they should follow the tried and tested principle of selling crops in thirds, i.e. when planting, at the end of January and then finally for spot prices after harvesting. A second implication is the need for an improved physical transport infrastructure with a view to reducing costs. At national level, this responsibility rests squarely with Spoornet, while in Gauteng the main intervention would be to build good secondary and farm access roads. Thirdly, the efficacy of increasing the levels of subsidising loan finance (to specific target groups) needs to be evaluated.
Farming is a high risk business and it seems short-sighted and potentially counter-productive to the implementation of the AgriBEE Charter to expect new entrants to the market to survive in the current conditions. The points above also raise another more general political and strategic question, namely whether, and if yes by what means, the South African national and Gauteng provincial governments would want to promote agricultural exports more actively. The abolition of the General Export Incentive Scheme (GEIS) was well-intentioned and old style export subsidies seem misplaced in the current WTO environment. It needs to be noted, however, that South Africa currently has lower tariffs on many commodities that are required of it by the World Trade Organisation (WTO). For example, there is a 2% tariff on wheat, while the WTO allows for a 72% tariff; the tariff on maize is 13%, while the WTO allows for a 50% tariff.

Although Grain-SA sees higher import duties as the main solution to the current situation, the duties would have little impact because South Africa is a net exporter in many commodities. Also, the current import tariff system would need to be amended to take the fluctuating exchange rate into account before it would benefit farmers. For example, in 2002 when the rand was weak, the wheat price was above R2 000/ton and the import tariff was R196/ton. Presently, with a strong rand, the wheat price is about R1 300/ton and the tariff is R18,67/ton. In this context, one must realise that high commodity prices might be good for primary producers and national food security. However, there is a trade-off with the goal of household food security and downstream beneficiation.

The government has a firm position on the pricing of agricultural products which are subject to free-market forces in the domestic market. This is reflected in the Marketing of Agricultural Products Act of 1996, which specifies that the free market should be allowed to determine prices in accordance with the principle of supply and demand. The South African Government is also a signatory to the Agreement on Agriculture of the World Trade Organisation and has therefore bound itself to certain policy directives in terms of providing protection. As a member of the WTO, South Africa has various instruments that can be used should there be any distortions in the market that cause an influx of imports, especially those that are subsidised. Ordinary tariffs are applied against normal competition or subsidies. Anti-dumping and countervailing duties, as well as safeguard measures, are instruments that could be used against unfair competition or the sudden disruption of local industries.

The relevant levels of tariff are investigated by the International Trade Administration Commission (ITAC) within the same framework as all other products. Both the National Agricultural Marketing Council (NAMC) and the National Department of Agriculture advise the Minister on the tariff reports received from ITAC, which are then approved by the Minister for Agriculture and Land Affairs. At a meeting held on 9 February 2005, ITAC and Grain-SA decided that a task team should be established to investigate alternative tariff formulas and to make proposals for a future tariff regime for the grain industry chain that is appropriate in the current international environment.

The NDA carries out price monitoring actions, but these do not take into consideration the dynamics of food pricing and existing distribution networks to the most vulnerable, including the so called “poverty premium”, and it is suggested that one of the mandates of the respective committee should be to extend their monitoring to this critical sector and to make proposals for addressing any shortcomings or irregularities. It is further proposed that GDACE be tasked with looking at the present marketing channels to the most vulnerable, and if feasible, in cooperation with the private sector, establishing affordable markets for fresh produce where they are more accessible to the very poor. Much of this need is presently addressed by the informal sector who possibly add to the poverty premium, but also derive an income from the activity.

From the above it can be seen that, however limited the South African government might be in terms of the support it is able to give to the country’s agricultural sector, there is substantial scope for increased backing that is not trade or production distorting (so-called “green box” support). This is unlikely to be price support as it is the worst example of production and trade-disruptive measures, and anyway, South
Africa will argue for the elimination of the use of export subsidies and reductions in domestic support used by certain countries in the upcoming WTO negotiations on agriculture.

From a strategic perspective, the focus ought not to revolve around often simplistic and emotional debates about the levels of market-distorting protection, but rather aim at reducing input costs, increasing productivity and opening up new markets. New markets can be created in three ways. Export markets could be expanded, products could be differentiated, and new markets can be created through the production of new products. For example, the production of bio-diesel from oilseeds (sunflower and soya) has the potential to create substantial new markets for grain farmers. Another option that should be explored is the production of ethanol from maize, notwithstanding the fact that the construction of ethanol fermentation plants is expensive and government policy changes would be needed to make bio-fuel viable. Also the production of methane by poultry and pork producers, as well as the usage of waste from abattoirs, offer scope for new product markets. (Both would also contribute to a reduction of the country’s dependence on fossil fuels and to the quest for cleaner air.) Last but not least, this Strategy Framework also strongly recommends developing innovative marketing tools to promote exports in high-value niche markets by ‘social marketing’ campaigns for which the NDA and GDACE will need to initiate co-operative government initiatives with agencies generally considered to fall outside the agricultural sector e.g. SATOUR, DEAT and DME.

5.1 The development agenda in Gauteng

The new Gauteng GDS and the corresponding five year Strategic Plan and ten year Vision are of prime importance, given that the GPG has identified agriculture (agro-processing and bio-technology) as one of the six provincial priority growth sectors. As was argued in the introductory chapter above, the GDS requires this strategy to explore new possibilities that go beyond primary agriculture, with a strong focus on growth, job creation and empowerment.

The GDS is an action-oriented strategy and not a policy document. Furthermore, it is not only a strategy for government, but for all sectors of society in Gauteng. It’s intention is to build a sense of provincial unity and responsibility amongst all sectors of society towards reducing poverty and unemployment, creating jobs, and ensuring the socio-economic transformation of the province. The challenges of unlocking our full socio-economic potential are enormous and require us to marshal the full capabilities of all sectors of society to steer the required growth and development of our province in the decade to come. Thus, the GDS provides a practical framework to substantially raise our economic growth rate and create substantial numbers of sustainable jobs over the next decade. It identifies specific undertakings that the GPG commits to. It also reflects the GPG’s commitment to participatory democracy and to being a developmental and caring government.

The binding slogan of the three documents (the GDS, the Strategic Plan and the Vision) is “Together, creating jobs, fighting poverty”, and, in line with the Millennium Development Goals and the President’s scenario exercises, the GPG is committed to:

- halving unemployment through ensuring high levels of labour-absorbing economic growth, contributing to a reduction in economic inequality and to the development of our province, nation and continent; and
- halving poverty through growing secure and prosperous communities with jobs, schools, clinics and other services in a safe and healthy environment which supports active social, cultural and volunteer activities.

The vision of the GDS is:

- to ultimately create a better life for all citizens, including those in the wider continent, through:
  - the long-term, sustainable growth of our provincial economy;
  - meeting the socio-economic development needs of our people;
The GPG has identified the following five strategic priorities to make this vision a reality, and GDACE is thus committed to:

- enabling faster economic growth and job creation;
- fighting poverty and building safe, secure and sustainable communities;
- developing healthy, skilled and productive people;
- deepening democracy and nation building and realising the constitutional rights of our people; and
- building an effective and caring government.

Furthermore, the GDS reflects on six strategic objectives towards achieving its vision, namely:

1. the provision of social and economic infrastructure and services that will build sustainable communities and contribute to halving poverty (through better targeting of the poor and the enhancement of community facilities such as good schools, effective health facilities and other socio-economic infrastructure);
2. accelerated, labour-absorbing economic growth that increases per annum and that will create long-term sustainable jobs and contribute to halving unemployment (through the promotion of high-level labour-absorbing industries and activities, and enhancing economic growth that reduces inequality);
3. sustainable socio-economic development (by ensuring that all provincial growth and development activities, projects and programmes respect the long-term sustainability issues related to the environment, and develop the ability to continue independently of government resources and support);
4. enhanced government efficiency and cooperative governance (by ensuring that all government departments and institutions have the necessary technical skills, human and financial capacity, improved productivity and efficient resource management, to successfully implement this GDS and its related projects; it also aims to ensure that GPG is a caring and responsive government through the enhanced efficiency and effectiveness of public institutions, the regulatory environment and interface infrastructure, and by ensuring that the three spheres of government are working together in an integrated and coordinated manner);
5. deepening participatory democracy, provincial and national unity and citizenship (by promoting responsible citizenship and democratic practices through the systematic integration of society and the spatial environment, the elimination of marginalised communities, the celebration of unity in diversity, and the promotion of human values within the framework of a sustainable socio-economic environment); and
6. contributing to the successful achievement of NEPAD’s goal and objectives across the Continent in the context of GPG’s overall commitment to reducing poverty and unemployment (by ensuring that the Continent is integrated into, and actively participating in, the global economy as equal partners and not just as recipients of development aid; activities to meet this objective will be implemented within the framework of South Africa’s engagement with NEPAD).

The common threads between these objectives, and that will be addressed in each one of them, are the issues of:

1. building relationships and partnerships between all sectors of society;
2. ensuring that the benefits of economic growth extend to all our people;
3. strengthening co-operative and intergovernmental relations in a manner that reduces competition and reinforces combined efforts towards our national goal of creating a better life for all people;

4. strengthening sub-continental and continental partnerships and relationships towards meeting the goals and objectives of NEPAD;

5. mainstreaming and increased participation of women, youth and people with disabilities in all social and economic activity; and

6. long-term environmental sustainability; and the impact of HIV/Aids.

Chapter Four of the GDS document identifies a number of mechanisms to achieve these objectives:

a) SMME Support;

b) Skills Development;

c) Broad Based Black Economic Empowerment;

d) investment & support to targeted economic growth sectors;

e) Social Grants and Social Services;

f) the Expanded Public Works Programme;

g) E-Governance;

h) Multi-Purpose Community Centres;

i) Intergovernmental Relations;

j) an Integrated City Region Strategy;

k) engaging with NEPAD; and

l) mainstreaming of transversal issues.

Thereafter, Chapter Five emphasises the following strategic levels:

a) Gautrain;

b) public transport;

c) the provision of housing;

d) public safety & an Urban Information System;

e) a 2010 strategy;

f) public health services;

g) a Human Resource Development Strategy;

h) an SMME Agency;

i) BBBEE;

j) social development;

k) the EPWP;

l) government institutional facilities; and

m) NEPAD
The Gauteng Government’s Five-year Strategic Plan and Ten-year Vision identify the following key challenges, and respective key programmes and actions, for the five strategic priorities (below are selected and abbreviated points which are relevant to the agricultural component):

<table>
<thead>
<tr>
<th>Strategic Priority</th>
<th>Key Challenges</th>
<th>Key Programmes &amp; Actions</th>
</tr>
</thead>
</table>
| Enabling faster economic growth and job creation      | To consolidate the restructuring of the economy and support the growth of a knowledge-based economy, as well as addressing the consequences, including job losses, of declining sectors.  
To translate economic growth into employment growth, including through the promotion of labour absorbing and value adding sectors.  
To recognise that different strategies are required to create sustainable employment in different parts of our province and for different sectors of our communities such as the long-term unemployed, youth and women.  
To align our economic and spatial development strategies so that all sectors and areas of our province contribute to growing a single economy.  
To pay attention to sustainable or clean production processes and the use of renewable energy.  
To ensure broad-based black economic empowerment and the development of strategies aimed at strengthening SMMEs.  
To integrate technological advances into our work processes and society in ways which will be beneficial to all.  
To develop and attract the skills that our economy requires and address the impact of the HIV and AIDs epidemic on productivity and the skills supply.  
To build our competitive advantage in the world while enhancing our trade relationships with Africa.  
To expand the partnerships we have with the private sector to further leverage government spending and increase direct investment. | Enabling, supporting and investing in:  
 a) Strategic economic infrastructure;  
 b) Labour absorbing and value adding sectors, and  
 c) target geographical areas for BBBEE and LED.  
Broadening wealth creation through support for BBBEE and SMME development and co-operatives, including self-employment and micro-finance with a focus on women and youth.  
Playing a strategic role as procurer of goods and services, with a focus on local manufacturers and black and women’s economic empowerment.  
Maximising the use of agricultural land and increasing support to black farmers in respect of skills, infrastructure and access to markets. |
### Gauteng Agricultural Development Strategy (GADS)

#### Fighting poverty and building safe, secure and sustainable communities

To attack poverty on four fronts:
1. growing the economy and creating jobs;
2. building communities into secure and prosperous places;
3. developing a strong social safety net for the poorest and most vulnerable; and
4. ensuring that our people are healthy and skilled.

Further challenges are to:
- respond to high levels of migration into Gauteng;
- support people unable to find work and people infected and affected by HIV and AIDS;
- upgrade informal settlements and link them and their economies to neighbouring formal settlements and economies;
- complement the provision of basic services with measures to address income poverty;
- build houses on well-located land and promote greater densification and urban regeneration; and
- ensure sustainable development and protection of the environment by influencing patterns of consumption, and encouraging recycling and the use of renewable energy and cleaner production methods.

Introducing a consolidated integrated infrastructure programme and ensuring the streamlined and sequenced delivery of public assets, by among others:
- service new settlements with public amenities;
- regeneration of and new uses for public assets;
- concentrate public investment around public spaces and transport hubs,
- award contracts to local small and emerging entrepreneurs and use labour intensive construction and maintenance
- Implementing the EPWP and expanding its scope to local government, parastatals and all aspects of government services
- Ensuring provision of free basic services, specifically water and sanitation
- Formalising informal settlements and other urban regeneration actions including pulling together all spheres of government and public and private investment to maximise benefits
- Implementing a comprehensive public transport strategy that reduces the travelling time of people and goods in our province and to outside destinations
- Creating a safe and healthy environment through reducing waste, promoting the efficient use of resources, and addressing pollution of the air, water and soil
- Implementing a comprehensive HIV and AIDS programme, including ongoing prevention and treatment, and the co-ordination of all efforts across government and civil society in this regard
- Introducing a comprehensive and integrated food security programme focusing on:
  a) local food production through farmer support and food gardens;
  b) continued school feeding programmes; and
  c) improving the nutritional status of through supplements and awareness programmes

#### Developing healthy, skilled and productive people

To act to redress the key factors that determine poor health, namely poverty, lack of food security and proper nutrition, violence, the environment, lifestyle choices and HIV/Aids

Promoting adequate nutrition and healthy lifestyles among Gauteng residents
Consolidating and strengthening public school education
Building the skills of our people, specially the young, through Further Education and Training, Learnerships and skills programmes
Ensure Life Long Learning including Adult Basic Education, retraining and re-skilling
Linking industry, higher education institutions and skills bodies and all spheres of government together to ensure skill supply and demand are matched

#### Deepening democracy and nation building and realising the constitutional rights of our people

To acknowledge and respond to:
- the increasingly diverse population and ongoing high levels of migration to Gauteng
- the impact of HIV/AIDS on family, community and social cohesion
- the reality of changing inter-generational relations and crimes resulting from alienation

Social crime prevention
Youth development
Women’s empowerment
Using arts, culture, sports and recreation development
Promoting public participation and accountability, and democratic participation in all forms of governance
The GDS also emphasises the integration of the province’s policies and objectives for the various sectors, specifically the province’s Trade and Industry Strategy, the Gauteng Integrated Development Plan, the Local Economic Development Strategy, the State of Environment Report and the Environmental Implementation Plan, as well as emerging policy initiatives on building Gauteng as a global city region and on land use. The GDS aims to be the main point of reference, and an anchor, for the development and implementation of all provincial strategic plans, programmes and actions. The overarching objective is to ensure that the GPG fulfils the multiple dimensions of its leadership role in the socio-economic development of the province.

In short, the aim and purpose of the GDS is to:

- Ensure that all provincial socio-economic development is based on the principle of integrated, sustainable, holistic and participatory planning and development;
- Provide economic growth, job creation and related targets for the province for the next decade of democracy;
- Build on co-operative governance and inter-governmental relations towards ensuring integrated service delivery, and the optimal use of all government resources and budget allocations to support growth and development;
- Consolidate and increase relationships and partnerships with other sectors of society such as Public Private Partnerships;
- Identify opportunities for all sectors of society and all citizens to be involved in the reconstruction and development of our province;
- Provide growth and development implementation guidelines for each sector in society;
- Build on existing socio-economic successes and address gaps and weaknesses;
- Support the GPG growth and development policies to be implemented in the next decade of democracy;
- Ensure that the socio-economic successes of the province are also beneficial to South Africa as a whole and to the Continent.

The GPG’s Strategic Plan also provides a list of 53 indicators to guide the monitoring and evaluation of this Strategy.

6.1 The contribution of the Agricultural Economy to the Gauteng Growth and Development Strategy (GDS)

There are significant opportunities for the agricultural economy to contribute to almost all areas of development outlined in the GDS. For example, the GDS emphasises the development of the agro-processing and bio-technology sectors in the province. Analyses indicate that, by concentrating on these two sectors, Gauteng could create a competitive advantage in agriculture. The province will therefore develop implementation strategies for these two areas which will optimise that advantage. This does not mean that the rest of the production chain would be ignored. On the contrary, strengthening primary production in specific niche markets could well complement and add value to these new areas of focus.

<table>
<thead>
<tr>
<th>The Gauteng Growth and Development Strategy Imperatives</th>
<th>The Opportunities in the Agricultural Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Provision of social and economic infrastructure</td>
<td>• New farmer settlement</td>
</tr>
<tr>
<td></td>
<td>• Rural community development and stability</td>
</tr>
<tr>
<td></td>
<td>• On-farm infrastructure provision</td>
</tr>
<tr>
<td></td>
<td>• Market development</td>
</tr>
<tr>
<td>2. Accelerating labour absorption and growth</td>
<td>• On farm job creation</td>
</tr>
<tr>
<td></td>
<td>• Job creation through agro-processing</td>
</tr>
<tr>
<td></td>
<td>• Job creation in the retail food sector</td>
</tr>
<tr>
<td>3. Sustainable economic development</td>
<td>• Sustainable farming practices</td>
</tr>
<tr>
<td></td>
<td>• Stimulating investor confidence in agriculture</td>
</tr>
<tr>
<td></td>
<td>• Selecting appropriate provincial strategies</td>
</tr>
<tr>
<td></td>
<td>• Protecting the natural agricultural resource base</td>
</tr>
<tr>
<td>4. Enhanced government efficiency and co-operative government</td>
<td>• Forming partnerships with national and local government</td>
</tr>
<tr>
<td></td>
<td>• Better co-ordination of agricultural programmes</td>
</tr>
<tr>
<td></td>
<td>• Implementing risk mitigation measures</td>
</tr>
<tr>
<td>5. Deepening participatory democracy, and provincial and national unity</td>
<td>• Creating rural stability and security of tenure</td>
</tr>
<tr>
<td></td>
<td>• Developing rural communities</td>
</tr>
<tr>
<td>6. Contributing to the successful achievement of NEPAD’s goals and objectives</td>
<td>• The NDA has developed a NEPAD specific programme AADP (African Agricultural Development Programme) which facilitates provincial agricultural participation in NEPAD if required.</td>
</tr>
</tbody>
</table>

6.2 Mechanisms to strengthen the Agricultural Economy

Building on the objectives of the GDS and the leverage points identified, the following factors have been identified as the basic building blocks of the GADS.

- **Natural Agricultural Resource Protection** This refers to the protection of high potential agricultural land of which Gauteng has the highest percentage, proportionate to its size, of all the provinces.
This is a non-renewable resource and its protection should be balanced with other land use demands in a sustainable manner.

- **Agricultural Planning and Market Analysis.** This refers to the strategic management of agricultural resources, utilising spatial planning tools, inventories, databases (including climatological and hydrological datasets), economic and marketing principles and modelling. The formation of agricultural hubs or commodity zones around a distinct competitive advantage (in the case of Gauteng, it would be high potential agricultural land) would be an example of an outcome of such planning.

- **Farmer Development and Support.** This refers to all the development and support measures (these will be further defined in the text later on) directed at farmers in the first and second economies. The focus here will be on second economy farmers, whilst maintaining and enhancing the competitiveness of the first economy. Its main objective will be the integration of second economy farmers into the first economy.

- **Enhancing the competitiveness of the sector.** One of the objectives of the GDS is to obtain a GDP growth rate of 8%. In order to achieve this, GADS need to contribute to, and not detract from, this target. This can be achieved through better planning, research and innovation. Gauteng is unlike any of the other provinces which have at their disposal large tracts of agricultural land and, in some instances, suitable climatic conditions. It has to therefore select “niche market” agricultural products it should concentrate on.

- **Partnership formation and maintenance (intra and extra governmental).** A number of national programmes such as CASP and Landcare are cascaded down to the province for implementation. Likewise local authorities and other provincial departments also engage in agricultural programmes.

- **Focus on vulnerable groups in agriculture.** Women, persons with disabilities and the elderly should be given preference in accessing support and other services.
7. **An Agricultural Development Strategy for Gauteng**

The crux of this strategy is Farmer Development and Support

<table>
<thead>
<tr>
<th>Pillars</th>
<th>Initiatives</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural agricultural resource protection</td>
<td>Gauteng Agricultural Potential Atlas (GAPA) and resource inventory</td>
<td>• Updated GAPA</td>
</tr>
<tr>
<td>Agricultural planning and market analysis</td>
<td>Legislative protection</td>
<td>• Updated resource inventory</td>
</tr>
<tr>
<td>Farmer Development and Support (with special emphasis on vulnerable groups)</td>
<td>A (agriculture)-Plan</td>
<td>• Decision support tool</td>
</tr>
<tr>
<td>Competitiveness of the sector</td>
<td>The Value Chain and Development Sector (1\textsuperscript{st} and 2\textsuperscript{nd} economies) Matrix. (matrix follows below)</td>
<td>• Protection of high potential agricultural land</td>
</tr>
<tr>
<td></td>
<td>The Niche-Market</td>
<td>• A spatial map with various database overlays to facilitate agricultural planning</td>
</tr>
<tr>
<td></td>
<td>R&amp;D and innovation.</td>
<td>• Strategies for each of the blocks in the matrix</td>
</tr>
<tr>
<td></td>
<td>Partnership development initiative – national, provincial, local, parastatal and organised agriculture</td>
<td>• Priority crops and livestock</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• To generate new improved crops or technologies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improvement of service delivery and co-ordination</td>
</tr>
</tbody>
</table>

The Value Chain and Development Sector (1\textsuperscript{st} and 2\textsuperscript{nd} economies) Matrix (see below).
## The Value Chain and Development Sector (1st and 2nd economies) Matrix.

<table>
<thead>
<tr>
<th>Value/Supply Chain</th>
<th>Primary Agriculture (Production)</th>
<th>Secondary Sector (Processing)</th>
<th>Tertiary Sector (Distribution)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dev. Sectors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Economy (Big Business &amp; SMME)</td>
<td>Cell 1.1 <strong>EXISTING NATIONAL FOOD SECURITY FOCUS</strong> BBEE, TA, R&amp;D* Ongoing work with agricultural information services. Increased R&amp;D and PPPs initiatives are required.</td>
<td>Cell 2.1 <strong>NEW AGRIBEE FOCUS</strong> Support value-adding*. Ongoing limited support for the commercial sector; use sector as basis for BBEE and Skills Development. Ongoing emphasis on regulatory compliance wrt animal diseases.</td>
<td>Cell 3.1 <strong>NEW AGRIBEE FOCUS AND EXPORT PROMOTION</strong> Ongoing limited support from GDACE (more from NDA) re international trade, AADP, price monitoring, export promotion etc.; More innovative approaches are needed such as social marketing</td>
</tr>
<tr>
<td>2nd Economy (Micro / Informal Sector)</td>
<td>New and existing African, Coloured and Indian farmers.</td>
<td>Cell 2.2 <strong>NEW GROWTH FOCUS</strong> SMME Business Development* Mainstreaming of 2nd into 1st economy and particular BBEE focus (SMMS, LED, Business Development); BBEE implemented generically by target group selection.</td>
<td>Cell 3.2 <strong>NEW GROWTH FOCUS</strong> Marketing support &amp; Risk Management* Mainstreaming of 2nd into 1st economy with particular BBEE focus (SMME, LED, Business development); Note: ARC study re needed liaison with the retail sector; BBEE implemented generically by target group selection.</td>
</tr>
<tr>
<td>Household food security (Nutrition &amp; home consumption)</td>
<td>Cell 1.3 <strong>EXISTING POVERTY FOCUS</strong> Homestead gardens &amp; Schools etc.* Extension services for homestead gardens, IFSP, awareness. Roll out needs to be bigger in scale and more</td>
<td>Cell 2.3 <strong>EXISTING POVERTY FOCUS</strong> Training in preparation and Storage* Development of, and better integration with, other small scale beneficiation initiatives into existing</td>
<td>Cell 3.3 <strong>NEW POVERTY FOCUS</strong> Establishing local markets &amp; Transport* Saturday morning farmers markets etc.</td>
</tr>
</tbody>
</table>
### Gauteng Agricultural Development Strategy (GADS)

<table>
<thead>
<tr>
<th>Natural Agricultural Resource Protection</th>
<th>Gauteng Agricultural Potential Atlas (GAPA) and Resources Inventory Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The GAPA maps agricultural land with different potentials, from low to high. The original GAPA was completed for DACE by the Agricultural Research Council. Of interest to agriculture is moderate-high to high potential agricultural land which constitutes only 28.7% of the arable land of the province. The eastern and western areas of the province are well endowed with high potential agricultural land. This land is ideally suited for crop farming. This map can be used to identify land suitable for farmer settlement, as a tool for land use planning and to determine the best location for agricultural zones. This map requires updating.</td>
<td></td>
</tr>
<tr>
<td>• A resource inventory is also required to understand what the land is being used for. This information will contribute to better planning, understanding of how to protect this scarce resource and the development of decision support guidelines when there is a request for changing agricultural land use to residential or other types of land uses.</td>
<td></td>
</tr>
</tbody>
</table>

#### Legislative Protection Initiative

• Guidelines need to be developed for the protection of high potential agricultural land. This protection is needed to ensure this resource is not forever lost.
• Ultimately, legislative protection should be afforded to this type of agricultural land. The NDA is drafting a new bill which would accomplish this objective.

<table>
<thead>
<tr>
<th>Agricultural Planning</th>
<th>A (Agriculture) – Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• This plan is a further extension of GAPA in that it maps high potential agricultural land, but it correlates this with further overlays such as climatological data, hydrological data, crop suitability, access to markets and roads etc.</td>
<td></td>
</tr>
<tr>
<td>• A further refinement of the A-Plan is the determination of minimum farm sizes for a particular agro-ecological zone and the type of crops that can be farmed in a specific area. This will provide an indication of the extent to which land can be subdivided in specified areas.</td>
<td></td>
</tr>
<tr>
<td>• Generally speaking, farm sizes in Gauteng are smaller than in other provinces, the average being 140 hectares. It is predicted that, due to the demand for land and the proximity of residential developments, land sizes will become smaller instead of bigger and therefore farming on ten to twenty hectares will become the future norm.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competitiveness of the Sector</th>
<th>The Niche Market Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Gauteng, unlike other provinces, has limited land available for farming and there is a huge amount of pressure on changing this land use to other land uses. The province therefore has to be selective in terms of what crops it intends to promote given farm sizes, water availability and climatic conditions. GDACE has already undertaken a niche market study through which twenty crops were identified as suitable for this purpose. This study needs to be regularly updated and feedback given to farmers.</td>
<td></td>
</tr>
</tbody>
</table>
The goal should be to become the best in small scale intensive farming.

The R&D and innovation initiative

- Applying the latest farming technologies through agricultural research. This can be accomplished in partnership with tertiary institutions and parastatals such as the CSIR and ARC.

  The technologies that should be considered here are water preservation and utilisation technologies (drip irrigation, computer assisted irrigation and other forms of irrigation), bio-technology, controlled environments (tunnel farming, intensive animal farming, organic farming).

Partnerships

- National – various programmes are cascaded down to the province for implementation such as CASP (Comprehensive Agricultural Support Programme) and LandCare. The NDA provide transfer payments to support these programmes. Gauteng currently receives the least amounts of all provinces. There is therefore a need to lobby the NDA to increase these allocations, provided the capacity exists in GDACE to use it for its intended purpose.

- Parastatals – the ARC, CSIR and universities can provide R&D support. Memoranda of Understanding (MOUs) should be considered to formalise these partnerships.

- Local authorities – partnerships with local authorities are the backbone for delivery of agricultural development and support programmes. These relationships should be formally captured in MOUs.

- Other provincial departments – GDACE should take the lead in co-coordinating the delivery of food gardens and greening the environment to schools, hospitals, MPCCs and new low cost housing developments.

### Farmer Development and Support

**Cell 1.1: Primary Agriculture (Production) <> Formal Economy**

**Objectives & Outcomes:** National food security – notwithstanding the fact that agricultural production is influenced by global commodity prices and fluctuations in domestic supply and demand, it is critical that South Africa retains its production capability as no country can afford to be over-reliant on imports. Additionally, the commercial primary agricultural sector represents the main purchaser of agricultural inputs, and (taking the economic multiplier effect into account) forms the basis for this sector of the economy and all its forward and backward linkages. Maintaining and possibly increasing foreign exchange earnings by developing new products and markets is also an important objective.

**Approaches & Tools:** The commercial farming sector is highly organised and receives most of its technical support from the private sector. The role of the department is thus limited to the provision of strategic information, especially with regard to
market opportunities, with special reference to export market opportunities. The view of the Department is that farmers learn better from other farmers. Commercial farmers play an important role in the capacity building of resource-poor farmers through the “Farmer-to-Farmer” extension programme, a farmer-led programme that has been running for the past six years and will be developed further by adding a mentoring component to it in the forthcoming years.

Programmes & Projects: GDACE, in consultation with the Department of Finance and Economic Affairs, will confirm the spatial mapping of agricultural land to be retained for agricultural production as the land use pattern of choice (potentially 430 000 hectares), and, through policy and legislation, afford it legal protection from competing land uses. This will have the desirable outcome of making agricultural land available on a willing-seller willing-buyer basis, and of curbing undesirable land speculation practices and urban sprawl as a result of unscrupulous developers buying up agricultural land for township establishment outside of the urban edge, directly against the policy objectives of a compact urban form close to economic opportunities.

Opportunities & Risks: The subdivision of high- and medium-potential agricultural land is supported in the interests of the utilisation of land that is currently unutilised, and in order to change the race and gender patterns of ownership and production in the agricultural sector. However, a possible negative outcome of subdivision is that it also allows the construction of one residential unit per subdivided portion and results in a de facto change in some instances from agricultural land use with the effective establishment of residential rural estates.

Cell 1.2: Primary Agriculture (Production) <> Second Economy

Objectives & Outcomes: Achieving BBBEE by emerging farmer support through focussing the Department’s farmer support services on resource-poor African and female farmers with the aim of achieving optimal production as quickly as possible. A further objective is the mainstreaming of informal surplus farming of cash crops into viable commercial farming enterprises which employ labour according to minimum employment standards.

Approaches & Tools: The majority of resource-poor farmers are beneficiaries of Land Reform Programmes at both national and provincial levels. The current allocations by the Department of Land Affairs (DLA) for land reform in Gauteng are not sufficient to meet the 2014 AgriBEE target of transferring 30% of agricultural land to black farmers. Approximately 90% of resource-poor farmers enter farming without any agricultural experience and need intensive farmer support services. The services offered and to-be-offered include the drawing-up and implementation of business plans, facilitation and co-ordination of private sector service providers, and mentorship programs with commercial farmers. Furthermore, farmers are organised into study groups for purposes of semi-formal training and exposure to best practice. The department will also place increased emphasis on the skills transfer of climate and financial / price risk management strategies, and general business skills where required. The possibility of using unemployed, formerly rural, migrants to the province who have appropriate agricultural skills as special target groups and/or resource people (peer educators) will also be evaluated.
It needs to be acknowledged that growing commercial primary agriculture usually requires irrigation systems (especially in Gauteng), and thus the Department will continue in its efforts to assist emerging farmers (see below) with a variety of economic infrastructural needs, such as transport (access roads), boreholes and marketing channels to name a few, through implementation tools ranging from regulatory measures and tax breaks to direct physical support. The new Cooperative Act also presents an opportunity for improving collective SMME development.

In addition to household food production, backyard gardening, and food gardens at clinics and educational institutions, GDACE will participate with other departments and local authorities in drawing up a single, consistent program to be implemented. In line with the Integrated Food Security and Nutrition Programme (IFSNP), GDACE will continue to use the MEC/MMC meeting structure to establish interdepartmental forums in each of the three regions of Gauteng.

Programmes & Projects:

Productivity on the 300,000 hectares of arable land currently cultivated will be enhanced through a programme of intensive group and individual extension support services, focusing primarily on land reform beneficiaries and on the transfer of skills from established commercial formers. Gauteng will continue its programme of divesting itself of public agricultural land and transferring it to appropriate target groups (through a lease-with-option-to-buy system). GDACE will also intensify its efforts to ensure that land currently not utilised (approx. 140,000 ha) is brought into production, with priority access to this land afforded to the poor and unemployed.

Extension support will be complemented by a number of strategic interventions:

First, collaboration in the “PROVIDE” project (an inter-provincial micro-economic project to analyse agricultural price and market trends and to optimise use of the regulatory provisions in terms of the Agricultural Products Standards Act;

Second, co-operation with Agri-SA and NAFU (Gauteng) to provide agricultural information services to support choice of niche markets and profitable agricultural commodities requiring high a labour-to-capital ratio;

Third, dissemination of the findings of the completed ARC niche market study identifying the combinations of capital, labour and resources for high value commodities, as well as identification of further high-value niche commodities and market opportunities, in order to allow informed decision-making for optimal production and profitability by farmers (see section IV.2 below);

Fourth, collaboration with the DLA on further land reform projects to bring into production the approximately 130,000 ha that are not currently cultivated, with a primary focus on women farmers and the youth;

Fifth, co-operation with the NDA to enable access to the loan financing for agricultural production as announced in the 7 June 2004 Opening Address to Parliament by the President.

Opportunities & Risks:

In order to achieve maximum impact, integrated support services not currently not budgeted for are required over and above existing financial and physical support measures.
There is a lack of interest and required skills amongst target groups, especially the youth, which could be overcome by improved selection of participants and by integrating rural, agriculture-experienced migrants into the process.

It is also important to ensure that emerging farmers have access to high quality private sector support networks and become independent of ‘second class’ or overstretched public extension services.

**Cell 1.3: Primary Agriculture (Production) <> Household Food Security Sector**

**Objectives & Outcomes:** Attain the government’s stated goal of the IFSNP to ensure universal and sustainable access to the minimum daily, safe and nutritious food needs for a healthy, active and better life for all the people of South Africa. The target group comprises about 30-50% of Gauteng’s population.

**Approaches & Tools:** Strategic partnerships will be formed with NGOs, Faith-Based Organisations, CBOs and Local Authorities in order to rapidly expand both, the homestead food gardens and community garden projects. The Department will roll out and scale up the various Household Food Security Programmes, targeting specifically women and children. As part of its implementation plan, through working with existing community-based organisations in a “people’s contract” to eradicate hunger, the Department will also link the IFSNP and the EPWP to improve livelihoods and the ability of poor households to access income to meet basic food needs.

The Department will initiate the introduction of measures to expand the reach and impact of government policy and programmatic interventions that contribute to this goal through improved co-ordination between departments and the review of certain interventions. The focus of the Department will be on four areas of policy and programmatic work, namely: food production, food distribution, food safety and income security.

The Department will also actively engage with the National Food Pricing Monitoring Committee in order to influence food pricing as an additional area of programmatic work, and it will invest in IKS as well as urban agricultural support programmes.

**Programmes & Projects:** Urban agriculture has emerged as a key livelihood and coping strategy for urban residents and as an essential land use, changing the way people in cities feed themselves and making a significant contribution to urban food security. Existing programmes aimed at establishing vegetable gardens in homesteads and schools need to be expanded in a systematic roll-out wherever possible. Similar programmes aimed at the extensive planting of fruit trees will be initiated. Support measures for the decentralised provision of water will also be initiated.

**Opportunities & Risks:** Insufficient scale, i.e. many small support-intensive projects, but the extent of roll-out to date is not having a significant impact on the need in the province. This risk is generic as long as the success of such programmes depends on GDACE extension officers, whose traditional role needs to be extended to include development facilitation. The positive impact is likely to be greater if intermediaries such as NGOs, faith-based institutions, commercial farmers...
and business associations are motivated to get involved (e.g. by financial and tax incentives and by BBBEE credits).

A continued or increased influx of migrants from rural areas, driven by drought, HIV/AIDS and development failures in other provinces, may increase the urban pressure on agricultural land and mitigate against the overall impact of the Department’s programmes.

Unstable populations in the province might see agriculture only as an interim solution to poverty until more lucrative job opportunities become available, and thus skills training and capacity building investments may be wasted.

**Cell 2.1: Secondary Agriculture (Processing) <> Formal Economy**

### Objectives & Outcomes:
This section expands on the Gauteng Growth and Development Strategy’s call for an economic and job creation focus by increased emphasis on value-adding market segments and commodities, particularly in the field of agro-processing. The objective is to build on the existing agro-industry in order to grow the provincial economy, thus creating (high income) jobs, and to change the ownership patterns in this economic sector.

### Approaches & Tools:
Gauteng has the most developed secondary agricultural sector in the country. This production capacity and sector-inherent skills and knowledge need to be harnessed. The expansion of existing, and the creation of new, markets, both for local consumption and for export (SA, SADC, global) will be supported by a range of measures. The focus has to necessarily be placed on high-value niche markets and products. There is diversity of possible commodities and market segments, many of which are well-suited to labour-intensive production / processing / packaging etc. in small- and medium-sized enterprises. Some of these are:
- selected high-value crops and life stock (not staple foods);
- organically grown food, both for local high-end consumers as well as for export;
- bio-technology (GM) and medicinal plants (including hemp which has a huge potential if the government is willing to go this route), both for local traditional uses as well as for export to overseas markets (e.g. as inputs to homeopathic drugs);
- delicacies grown by horticulture and in tunnels;
- high-value crops grown by aquaculture and hydroponics; and
- renewable (bio-)energy, both from crops and animal waste, e.g. production of bio-diesel from oilseeds, production of ethanol from maize, production of methane by poultry and pork.

### Programmes & Projects:
The Department will initiate scientific and market opportunity studies, as well as pilot projects, in the above areas. This will be done primarily by the use of private sector stakeholders and civil society organisations, joint government programmes, PPPs and CPPPs, and in collaboration with donor agencies. Appropriate support measures and interventions needs to be identified, with strategic planning and integration with other government departments. “More research” is required, but it is not the solution. The Department needs to
ensure, wherever possible, that BBBEE is enhanced by the integration of emerging entrepreneurs into the existing commercial sector and its business associations.

Policy tools may encompass: tax incentives and/or subsidised loans boosting investment in identified markets and commodities; matching grants for capital expenditure to BBBEE firms; skills development initiatives by SETAs, the NSF and the private sector; private mentoring schemes e.g. copying the farmers’ forums only happening in this sector between established commercial businesses and emerging entrepreneurs; financial facilities for demand-pull market research and marketing initiatives; stakeholder facilitation assisting in the establishment of co-operatives; targeted competition policy and legal support assisting SMMEs in certain sectors (including breaking into retail cartels); support to targeted firms for export promotion, exhibitions and international business delegations; etc.

Opportunities & Risks:
Lack of sufficient buy-in and co-operation from other government departments and international competition both limiting market access. This might be overcome by the GPG putting the agricultural sector (as one of its six GDS growth sectors) on the political map by holding selected conferences with business and financial institutions.

Lack of knowledge about agricultural produce/products beneficiation, especially related to traditional foods/cuisine, which could be overcome by improved selected of participants and by learning from rural men and women who have recently migrated to Gauteng.

Economies of scale need to be considered realistically, e.g. with regard to renewable energy, the Department, in collaboration with the DME, will need to focus on appropriate technology which is cheap and easy to install by resource-poor farmers’ cooperatives and small and medium-sized businesses, rather than setting up expensive show-case pilot plants (as seems currently the approach chosen by DME). Synergies could be achieved with other recycling and organic growing initiatives.

Cell 2.2: Secondary Agriculture (Processing) <> Second Economy

Objectives & Outcomes:
Economic growth, BBBEE and the mainstreaming of micro-enterprises into economically profitable and tax paying businesses. Concurrent objectives are employment creation and the facilitation of the agricultural sector’s transformation in terms of its political economy from a primary agriculture-dominated structure with little formal beneficiation towards a modern value-adding sector.

Approaches & Tools:
BBBEE, business development and mainstreaming of micro-enterprises by supporting SMMEs with integrated services, ranging from awareness and educational programmes to information dissemination and marketing services, which facilitate the uptake of new products and the creating of new markets for products produced by HDIs.

The implementation approach chosen will primarily be one through which the Branch: Agriculture plays a policy champion role, with systematic contracting-out and out-sourcing, rather than by direct provision of services by the Department. Sufficient knowledge and capacity does already exist in government structures (DTI, Gauteng Department of Finance and Economic
Programmes & Projects: Initiation of co-operative projects by GDACE with selected organisations and financial support to suitable external initiatives which already exist. Country-specific best practices in the SMME and LED sectors are already widely known, thus GDACE will not try to re-invent the wheel. There are also lessons to be learned from DWAF’s Forestry Enterprise Development Framework. Many of the business development and empowerment policy instruments suggested above (Cell 2.1) are also applicable here.

One major programme which GDACE’s Branch: Agriculture will initiate is ‘making the case’ for agriculture for all three economic sectors (primary, secondary and tertiary) at local government level. This requires practical assistance to local officials to systematically integrate the developmental objectives in all IDPs from a BBBEE, LED and SM(M)E perspective. Other stakeholders with whom linkages need to be established include the banking sector (and informal stokvel schemes) and retailers.

Opportunities & Risks: Lack of sufficient buy-in and co-operation from other government departments.

Lack of sufficient funding, requiring a reprioritisation and overall increase in GDACE budgets given that systematic province-wide business development will cost a substantial amount and will require years to take root. Business development, given scarce skills, is not easy, as the last decade of democracy has shown.

The department needs to move away from its traditional state-driven primary agriculture-biased organisational culture and to develop a new type of agricultural public servant, one who is proactive and aware of the need to find new ways to deal with the challenges facing the department and the agricultural sector.

Cell 2.3: Secondary Agriculture (Production) <> Household Food Security Sector

Objectives & Outcomes: Objectives from both Cells 1.3 Primary Agriculture <> Subsistence Sector, and, to a limited degree, Cell 2.2. Secondary Agriculture <> Second Economy (above).

Approaches & Tools: Integration of most homestead gardens projects (and additional projects of that nature suggested further below) with small scale beneficiation and packaging (as is already envisaged in current strategic planning). Additionally, the lessons learned from the 2003 ARC study need to be headed. These suggest that the Department can play a supportive role in providing market access, e.g. by negotiating with big retail chains (note the success story involving Woolworth).

There are also valuable lessons to be learned from DWAF’s Forestry-Poverty Linkages initiative. Last but not least, the department could facilitate the establishment of a ‘virtual clearing house’ for products (and related services) as part of its databases linking interested retailers, including NGOs and altruistic consumers, to providers in a cost effective way (through MPCCs, Gauteng Online, an SMS information service, etc).
Programmes & Projects: Expansion of existing programmes and the incorporation of small-scale appropriate value-adding. One needs to be realistic and understand that this cell’s set of activities will necessarily remain a small part of GDACE’s future interventions, given that the Department’s new focus will be placed on the empowerment of SMMEs in the formal sector.

Opportunities & Risks: Insufficient scale of implementation resulting from lack of integration of this aspect into all programme designs and M&E frameworks. This could be avoided by making additional support measures and/or many small financial facilities available for each homestead project, thus giving all ‘institutional participants’ such as schools and co-operatives on the ground the chance to choose to roll out. It seems unlikely that this approach would work for individual households, which would sell or barter surplus ‘in their street’.

Lack of sufficient community facilitation and mobilisation through extension officers, and intermediary NGOs and CBOs.

Cell 3.1: Tertiary Agriculture (Distribution) <> Formal Economy

Objectives & Outcomes: The objective is to build on, and expand, the existing agro-industry in order to grow the provincial economy and thus create jobs, as well as to change the ownership patterns in this economic sector.

Approaches & Tools: Apart from building on the existing economic, marketing and technical advisory services provided by the Department, this Strategy Framework strongly recommends the development and implementation of innovative ‘social marketing’ campaigns with the aim of specifically promoting the sale of high-value niche market products (not necessarily produced in the province or even in SA) to high-end consumers in the province as well as to selected overseas (European and Far-East) export markets. This will require close collaboration with private business associations, the NDA, and with agencies generally seen as falling outside the agricultural sector e.g. SATOUR, GEDA, GEP. Many export markets depend on speedy delivery (we are talking hours, not days, in the case of seafood, for example). Many of the business development tools suggested in Cells 2.1 and 2.2 above also apply.

Programmes & Projects: The Branch: Agriculture will initiate a programme of practically assisting local officials like town and regional planners with systematically integrating the objectives outlined above in all IDPs. Opportunities relating to cross-border trade must also be taken into account, given that produce flows from outside Gauteng into the province are substantial.

The agricultural component also needs to continue and improve its Economic and Marketing services, which currently focus on the identification of potential markets; the collection, management, and dissemination of market information; the local and international promotion and marketing of agricultural products based on free market principles; the training of farmers i.t.o. marketing, financial and business management; assisting farmers to assess their financial needs; facilitating business plan development; conducting feasibility and viability studies for projects; the collection, compilation and analysis of agricultural statistical information and the
determination of economic trends; and the development and management of the Computerised Budgeting System (COMBUDS).

Opportunities & Risks: Inefficient and fragmented approaches owing to insufficient co-operation from sector stakeholders and government structures. It is also necessary to streamline the regulatory and export certification services provided the Branch: Veterinary Services in GDACE.

Cell 3.2: Tertiary Agriculture (Distribution) <> Second Economy

Objectives & Outcomes: Economic growth, BBBEE and the mainstreaming of micro-enterprises into economically viable business entities which contribute to employment creation and facilitate the transformation of the sector.

Approaches & Tools: BBBEE, business development and mainstreaming of micro-enterprises by supporting SMMEs with integrated services, ranging from awareness and educational programmes to information dissemination and marketing services which facilitate the exploration of new services by HDIs.

The implementation approach chosen will primarily be one through which the Branch: Agriculture plays a policy champion role, with systematic contracting-out and out-sourcing, rather than by direct provision of services by the Department. Sufficient knowledge and capacity already exists in government structures (DTI, Gauteng Department of Finance and Economic Affairs), the private sector and civil society. The new Cooperative Act also represents an opportunity for improving collective SMME development.

Programmes & Projects: Initiation for this target group of co-operative projects by GDACE with selected organisations, and financial support to suitable external initiatives which already exist. Country-specific best practices around SMME and LED are widely known, thus GDACE will not try to reinvent the wheel. There are also good approaches from DWAF’s Forestry Enterprise Development Framework to be learned. In addition to business development in this sub-sector, the Branch: Agriculture may also want to assist with getting selected commodities from emerging entrepreneurs onto the shelves of supermarkets, e.g. by negotiating framework agreements for this target group with retail chains.

Opportunities & Risks: Lack of sufficient buy-in and co-operation from other government departments, and lack of sufficient incentives for private sector players to assist this target group (strategies could include moral persuasion, public acknowledgement etc)

Lack of sufficient funding, i.e. reprioritisation and overall increase in GDACE budgets is required. Also, clear linking with broad-based BEE (BBBEE) requirements is vital.

The need to re-orient officials from the conventional approach to extension work (basic advice and support) to include development facilitation and innovation.
Cell 3.3: Tertiary Agriculture (Distribution) <> Household Food Security Sector

Objectives & Outcomes: Objectives from both Cell 1.3 Primary Agriculture <> Subsistence Sector, and Cell 2.3 Secondary Agriculture <> Subsistence Sector. (This cell’s potential to contribute to the objectives above is limited, i.e. it is a sector which largely provides indirect support services around BBBEE, healthier living styles and micro-enterprise support.)

Approaches & Tools: Integration of homestead gardens projects with small scale beneficiation and packaging (as is already envisaged in current planning). Additionally, the lessons learned from the 2003 ARC study need to be heeded. These suggest that the Department can play supportive roles in market access, e.g. by negotiating with big retail chains (note the success story involving Woolworth). There are also valuable lessons and approaches from DWAF’s Forestry-Poverty Linkages initiatives (diverse sub-sector studies) which could be applied. Also issues of healthier living styles and micro-enterprise support through integrated support services, ranging from awareness and educational programmes to information dissemination could facilitate goal attainment.

Programmes & Projects: Expansion of existing programmes (homestead gardens / school vegetable plots etc.), and incorporation of small-scale appropriate value-adding and marketing. Co-operation with other government structures supporting the informal sector with the establishment of ‘business hives’ and informal markets seem beneficial as well, as do direct and indirect transport support measures.

Peer educator schemes raising productivity and risk management skills, and the suggested “FoodBucks / SmartCard” initiative will also prove valuable. In addition, ICT initiatives at provincial and national level need to incorporate this HDI target group in terms of access, structure of websites, and focus and content of information provided, i.e. user-friendly access (and training to selected multipliers) directly through MPCCs, as well as indirectly via intermediaries such as NGOs and CBOs.

Opportunities & Risks: The regulatory environment (food safety and disease control) restricts informal hawking activities in this sector. The government’s objective of mainstreaming informal sector activities, thus creating an enabling environment for the formal economy with reduced barriers to entry, is of higher importance than facilitating informal sector trading activities (on the other hand there are development scholars, e.g. De Soto, who would argue differently).

Over-exploitation of natural resources, such as traditional medicinal plants, wild edible plants and animals, in (other) provinces would lead to a decline of the scope of respective survivalist activities.

8. Critical success factors for Agricultural programmes and projects

It needs to be noted that the success of the initiatives and programmes suggested will depend on the continuation of diverse technical systems development (GAPA, AGIS, etc.) processes as an ongoing
function of GDACE's Branch: Agriculture and the NDA. Similarly, the ongoing legislative review and the drafting of new pieces of legislation and respective regulations, e.g. aimed at BBBEE, land use planning and zonation, have a vital instrumental role. It is important that the Branch: Agriculture – with high level political support – continue its involvement, and improve its impact, in respective government co-ordination structures, such as the Gauteng Land Use Task Team.

The following are also critical for the success of initiatives:
- Co-operation and collaboration between provincial and local government;
- Engaging stakeholders from both economies to deal with sectoral issues such as AgriBEE. Perceived on farm exploitation and creating opportunities for collaboration;
- National policy and legislative development to support the provincial initiatives within this strategy;
- Farming community involvement;
- Appropriate resource allocation and vehicles to facilitate resource allocation;
- An investment horizon of three to five years.


<table>
<thead>
<tr>
<th>Constraints</th>
<th>Programmes currently in place</th>
<th>Beneficiaries</th>
<th>Gaps &amp; Further needs</th>
<th>Gauteng-specific programme interventions</th>
<th>Gauteng-specific regulatory interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Land</td>
<td>Land Reform Programme of DLA - LRAD</td>
<td>Subsistence farmers and 2nd Economy</td>
<td>High land prices&lt;br&gt;Competition due to land resource limits&lt;br&gt;Access to finance for infra-structure development and production&lt;br&gt;Access to finance&lt;br&gt;Bureaucracy and fragmented co-ordination</td>
<td>Plan judicious utilisation of the land and settle farmers&lt;br&gt;Infrastructural development fund&lt;br&gt;Facilitation of the lowering of land prices</td>
<td>Zonation of moderate- to high-potential agricultural land for sole use by agriculture;</td>
</tr>
<tr>
<td></td>
<td>Land Restitution Programme of DLA - SPG (Settlement and Planning Grant R1440 per household)</td>
<td>(? not clear)</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td></td>
<td>Restitution Discretionary Grant R3000 household</td>
<td>(? not clear)</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td></td>
<td>Gauteng Small Farmer Support Programme (transfer of state land)</td>
<td>(? not clear)</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td></td>
<td>Landbank</td>
<td>(? not clear)</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td></td>
<td>Landbank Commerical banks</td>
<td>1st Economy</td>
<td>Commercial farmers release of land for occupation by 2nd economy</td>
<td>Policy reform (Incentives, AgriBEE)</td>
<td>(Dis-)incentivising of land use for agriculture</td>
</tr>
<tr>
<td></td>
<td>Landbank Commerical banks</td>
<td>1st Economy</td>
<td>Commercial farmers release of land for occupation by 2nd economy</td>
<td>Policy reform (Incentives, AgriBEE)</td>
<td>(Dis-)incentivising of land use for agriculture</td>
</tr>
<tr>
<td>Access to Finance</td>
<td>Landbank MAFISA CASP (Commercial banks if possible?)</td>
<td>Subsistence and 2nd economy</td>
<td>Lack of clear financial interventions for secondary and tertiary agricultural activities</td>
<td>Support for Business Plan development AgriBEE</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------------------------------------------</td>
<td>-----------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Landbank Commercial banks</td>
<td>1st economy</td>
<td>Substitute production of conventional crops with high value crops</td>
<td>Promotion of high-value crops for niche markets incl. exports</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>WTO-allowed Green Box compliant regulations</td>
<td></td>
</tr>
<tr>
<td>Access to on-farm Infrastructure</td>
<td>CASP</td>
<td>Subsistence and 2nd economy</td>
<td>Match between available funds and demand Efficient utilisation of funds</td>
<td>Need to increase skills base and capacity for planning and management of funds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Landbank Commercial banks</td>
<td>2nd economy</td>
<td>Available products not sufficient / suitable to meet the needs of beneficiaries</td>
<td>Develop products that can meet the demands / needs of beneficiaries between entry level and 1st economy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Infrastructure Development Fund</td>
<td>2nd economy (Possibly 1st economy emerging entrepreneurs)</td>
<td>Finite amount by Landbank and thus not sustainable</td>
<td>Extra funding to augment CASP and MAFISA type programmes Local Authority buy-in / MIG?</td>
<td></td>
</tr>
<tr>
<td>Access to Skills Training (Agricultural and Entrepreneurial &amp; possibly Life-skills)</td>
<td>CASP SETAs NSF NGOs/CBOs</td>
<td>Subsistence and 2nd Economy</td>
<td>Implementation of acquired skills by beneficiaries</td>
<td>Funding for production activities (including infrastructure)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-funding Organised Agricultural Associations (Agri-SA etc.)</td>
<td>1st economy</td>
<td>Cooperation &amp; coordination with diverse government programmes</td>
<td>Improve and regularise communication channels and coordination</td>
<td></td>
</tr>
<tr>
<td>Access to Markets</td>
<td>CASP</td>
<td>Subsistence and 2nd economy</td>
<td>Transportation Norms and standards Facilities e.g. pack-houses etc.</td>
<td>Establish necessary marketing infrastructure on a regional basis or co-operatives. Promotion of local markets with necessary appropriate infrastructure</td>
<td></td>
</tr>
<tr>
<td>Access to Information</td>
<td>1st economy</td>
<td>Market opportunity Information &amp; intelligence</td>
<td>Strategy for market intelligence service e.g. through NDA, DTI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASP Agriteng:</td>
<td>Subsistence and 2nd economy</td>
<td>Appropriate, relevant and timeously packaged information</td>
<td>New e-technology for dissemination of information</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Well-targeted dissemination of information</td>
<td>Use of Multipurpose Community Centres</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1st economy</td>
<td>Sharing of information Dissemination of information</td>
<td>Use of IT / ICT learning networks and multipliers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to Technology development</td>
<td>Subsistence and 2nd economy</td>
<td>Awareness of available appropriate technology Development of appropriate technology Indigenous knowledge systems development</td>
<td>Liaison between R&amp;D institutions (in Gauteng) and GDACE Funding for development and a move towards secondary and tertiary agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1st economy</td>
<td>Funding for technology development</td>
<td>Liaison and co-ordination with private sector, NDA, Science and Technology and Research Institutions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In summary: Identified black farmers need to be taken through the following stages (various programmes have been identified in the table above which would cater for each stage):

1. The farmer needs to obtain land through purchase or lease.
2. Loan financing should be made accessible to the farmer, capital as well as bridging.
3. The farmer should consider the recapitalisation of on-farm infrastructure either through loan or grant financing, depending on the type of commodity which will be farmed.
4. The farmer must undertake training and skills enhancement.
5. The on-farm production must be linked to markets.
6. The farmer must have access to information at regular intervals through extension services, technology (cellphones, internet etc), study groups, radio, television or printed media.
7. The farmer must have access to the latest technological advances through research and extension services.
10 Strategic Priorities

In order to address the issues of job creation and economic growth etc., Gauteng should focus on:
1. Supporting land reform by means of smallholder farming on high potential agricultural land, taking into consideration the need for other land use types such as residential, business, conservation etc;
   a. An agricultural land use inventory must be undertaken. However, it must be remembered that only a small fraction of the province is made up of high potential agricultural land.
   b. A study on competing land uses should be undertaken especially where it affects residential land.
   c. GDACE is in the process of completing both studies.
2. The formation of agricultural hubs, corridors or development zones in line with the approach taken by the national Department of Agriculture;
3. Niche-market and high-value crops which would provide the province with a competitive edge. GDACE has completed a study in cooperation with the Agricultural Research Council which identified the twenty or more crops which Gauteng should concentrate on. These range from vegetables (including indigenous vegetables) and flowers to herbs and spices;
4. Intensive animal agriculture which can be accomplished on small portions of land such as goats, geese, turkeys, poultry, piggeries, feedlots etc;
5. Value adding (agro-processing) in close proximity to the urban market of imported (mainly from other provinces) primary agricultural produce and own grown niche-market and high-value crops (Agro-processing forms a separate strategy under the GGDS);
6. Identifying the latest farming technologies through agricultural research and applying them. This can be accomplished in partnership with tertiary institutes and parastatals such as the CSIR and ARC. The technologies that should be considered here are: water preservation and utilisation technologies (drip irrigation, computer assisted irrigation and other forms of irrigation); biotechnology; controlled environments (tunnel farming, intensive animal farming, organic farming);
7. Integrated Food Security targeted at the unemployed who do not have access to existing government grants or temporary employment on government’s EPWP (this is a separate strategy which GDACE is working on);
8. Labour intensification;
9. Supporting black farmers from the 2\textsuperscript{nd} economy who are at various developmental stages to ultimately become successful commercial farmers. In order to do this, the identified constraints as captured in the tables above need to be overcome.

11 Innovative Initiatives

Given the broad, high-level focus of this Strategy, the innovative suggestions in this and the following sections can only be indicative for selected agricultural priority programmes, such as NEPAD (AADP), household food security (IFSNP), knowledge management (KIMS), R&D, and co-operative government and capacity-building both within the Department and among sector players.

In terms of the AADP, it is suggested that a close liaison with the NDA and possibly selected academic institutions, should be investigated:
- Opportunities of direct co-operation between the province’s existing African partner provinces and the African cities which have twinning arrangements with some of the cities in the province e.g. Johannesburg, Tshwane (Pretoria) etc.;
- Establishment of institutional links for areas of mutual interest in research and training, e.g. in the field of urban agriculture with Maputo, or in terms of trading and joint international marketing of (traditional) medicinal plants with counties such as Zambia and Malawi etc.

The following suggestions are aimed at enhancing the IFSNP:

- Support the establishment and management, both for direct consumption and as business-directed enterprises, of vegetable gardens in each school in the province, at every police station and in correctional facilities, on SANDF bases and all suitable government plots, along every railway track and along/between highways etc. (where physically possible);

- Facilitate the planting and growing of preferably indigenous fruit trees and multi-purpose life fences (berries) on every public and private low-cost housing land through both financial and physical support. Support measures might include supplying funds for selected beneficiaries, such as single women-headed households, for water over and above the 6 000l free basic supply, by supporting ‘empowerment’ nurseries, and/or by supporting rain water and grey-water collection systems (compare the 1999 Plant Supply Policy of DWAF, which is unfortunately in the process of being phased out). Also policy advocacy such as lobbying and negotiating with the Gauteng Department of Housing and local councils to introduce regulatory measures in the form of building regulations and local by-laws;

- Introduction of a provincial ‘FoodBucks’ / ‘SmartCard’ system combining informal sector recycling activities with a private sector administered food voucher system (compare GDACE’s concept note). This high technology, poor-orientated programme should be able to reach the food-insecure that are not covered by other social grants and also help to minimise loss through corruption and waste. This system only has a chance of province-wide adoption if the benefits derived to the unemployed are greater than current income derived from collection of aluminium, paper and cardboard etc. An additional consideration, derived from successful EPWP road-maintenance projects, might be to ‘grant concessions’ to individual and/or groups, e.g. of specific areas to keep clean such as municipal parks, railway tracks, sections of streets etc.

Regarding KIMS, GDACE realises that the extent and range of information and knowledge areas is substantive. The following is acknowledged:

- The importance of capturing and disseminating Indigenous Knowledge Systems (IKS), focusing, inter alia, on Gauteng’s climate- and soil-appropriate agricultural practices, as well as to integrate respective Best Operating Practices (BOPs) into all the Department’s extension and educational support measures;

- That modern ICT is the main cost-effective way of providing many information and educational services, but that electronic availability alone may be insufficient for reaching specific target groups; thus dissemination of well-packaged and well-targeted bodies of knowledge will also be effected in the form of printed material and by other means such as comics, radio and community theatre for illiterate and innumerate people. Such a multi-media approach will require GDACE to internally co-ordinate and integrate the outputs of different units, such as extension services, education and awareness, communication, ICT etc. In addition, given the huge potential in realising synergies with other government structures, e.g. piggy-backing the dissemination of agricultural information on the DBSA-supported local government ICT network just to mention one example, GDACE will proactively initiate and practise co-operative government. The content of information and the medium of transmission needs to be appropriate to the specific target groups.

Concerning R&D, GDACE recognises that the existing research, technology and innovation systems, in the NDA and the PDAs and in the sector as a whole, can be described as lacking co-ordination, and being too narrow in scope to address the long-term needs of the province. The Department sees the need for:
- Negotiating more clearly-defined roles and responsibilities of the various role-players based on a strategic perspective on the agricultural sector.
- Enlarging the range of research issues covered, from improving primary agricultural productivity and the effectiveness of emerging farmer support measures to the impact of globalisation and climate change. Also, successful empowerment business development models need to be tested and refined, thus both basic agricultural as well as applied policy research will be supported more strongly. Furthermore, industrial and human pollution of the air, water and soil constantly threatens optimal agricultural production in the province and research needs to be done on both the effects of, as well as possible solutions to, the problem, with water and mining effluent (water) being the first priorities.
- Diversifying the funding base of R&D, i.e. there are strong arguments to be made that in the New Economy, the private sector should increasingly fund its own research, whilst government focuses on national policy priorities. Where the private sector is unwilling (or unable, as is the case of the subsistence and emerging sectors) to meet research needs vital to the development of the province, GDACE will support the NDA and selected research institutions to seek alternate funding and initiate a well co-ordinated research agenda. However, such a paradigm needs greater clarity in terms of research protocol and priorities for the sector, taking into account the unique needs of Gauteng, and so the Branch: Agriculture will facilitate the consultative development of a provincial research strategy / multi-year plan and practical implementation arrangements such as MOUs with stakeholders.

12 Other Government Programmes to Piggy-Back on

The dimension of inter-departmental linkages is an important one for the realisation of this strategy. Agriculture is a concurrent competency and the province works closely with the national Departments of Agriculture and Land Affairs, and Water Affairs and Forestry. Co-operation with Land Affairs and its land reform mandate is of particular importance for achieving the strategic outcome of changing the race and gender patterns of land ownership in the agricultural sector. In order to ensure integration at provincial level, the Branch: Agriculture cooperates with the Gauteng provincial Departments of Social Development, Health, Finance and Economic Affairs (development planning), Local Government, and Public Transport, Roads and Works.

Integrated planning is necessary to ensure that departmental programmes are targeted spatially and sectorally, and that projects are combined to achieve greater functionality and complimentarity in scale and impact. Additionally, a prerequisite for departmental programmes is the involvement of the relevant local authorities in planning, implementation and monitoring of departmental programmes. The Branch: Agriculture needs to ensure, together with the NDA, that the development potential of the agricultural sector – the primary sector and forward and backward linkages – are properly integrated into the IDP processes.

Many implementation functions devolved from the national level are grant-financed. Unfortunately, programme planning and reporting frameworks have not been sufficiently standardised yet, hence it would be advisable to improve internal administrative processes by implementing and continuously improving integrated programme and project management systems to reduce paperwork. However, apart from this systems development need, there are many worthwhile developmental objectives, especially relating to inter-governmental co-operation, which are not sufficiently funded. The inter-departmental liaison capacity needs to increase and ought to budgeted for accordingly.

In addition to the above, however, there are other public programmes at all three spheres of government in which the participation of the province would lead to increased development of the sector (and enhance BBBEE), but which seem to be currently overlooked. There also seems to be substantial scope
for scaling up existing, and initiating new, collaborative efforts with the DTI in terms of export and trade promotion, as well as with Social Services in terms of achieving integrated poverty alleviation. Also, benefits derived from the National Skills Development Strategy, i.e. the numbers of beneficiaries trained by the relevant Sector Education and Training Authorities (SETA) can be greatly improved. GDACE’s sector facilitation will play an important role in the Rural Safety Plan, thereby contributing to cooperation with the Safety and Security portfolio.

Additionally, there are major national and provincial flagship programmes in which the province could become (far more) active in supportive and synergetic roles. These include:

- The DPW’s EPWP (over and above current involvement in Land Care and Working for Water), which supports the agricultural sector indirectly by building economic infrastructure, but which unfortunately currently lacks direct primary agricultural production-increasing projects;
- The DME’s renewable energy initiative, which in Gauteng currently focuses on large-scale projects such as capturing methane from land-fill sites / garbage dumps, but which wholly ignores the decentralised low-tech dimension, i.e. small-scale gas generators from ‘chicken manure’ and abattoir waste;
- The GDS (2004:11) also suggests an investigation into the potential developmental uses of mine dams, i.e. rehabilitation, which cover an area of 15 000ha in Gauteng. This abundance of unutilised mining land in the province, a high proportion of which could be irrigated with excess water from the mines, could help address the high demand for access to land for production purposes.

13 Building Capacity for Implementation

The aspect of internal capacity building and systems development is absolutely crucial for successful implementation of the recommendations. There seem to be significant internal developmental needs, compounded by the introduction of the transversal structure during the recent years and the most recent organisational elevation of the Directorate: Agriculture in GDACE to a Chief Directorate or Branch. Given that many of the programmes depend on buy-in from other line-function departments at all three spheres of government and from numerous sector stakeholders in the province and at national level, this section proposes a substantive, and from a bureaucratic perspective radical, co-operative governance initiative.

It needs to be realised that GDACE has little influence over other provincial government departments, and even less over local government structures and private sector stakeholders. There are diverse means, both top-down and bottom-up, which can be employed ranging from GDACE participating in and piggybacking on existing programmes such as the EPWP by bringing in additional finance and capacity which will also benefit the partner institutions, to GDACE employing lobbying and public relations tools (to use moral persuasion as a compliance strategy). Political support from the GPG needs to be explicitly sought by the Department in order to ensure that relevant provincial departments work together in the interests of our common beneficiaries and of the nation. It also needs to be kept in mind that GDACE needs to continue to offer advice to departments that engage in agricultural activities, such as Correctional Services, Health, Education and Social Services and Population Development, as well as Local Governments, and to lobby these clients to expand their activities.

The Branch: Agriculture’s ‘historic’ focus lay on primary agriculture and extension services which supported it. This strongly influenced the organisation’s skills profile and capabilities. The new policy and implementation mandates aimed at sustainable economic growth and job creation – within a BBBEE-
driven paradigm – do not seek to abolish this area (which anyway remains a basic constitutional obligation), but expand the Branch: Agriculture’s area of responsibility substantially.

Successful implementation of this new high-value business development focus (‘high road to development’) requires not just a new set of skills, and consequentially staff recruitment and development initiatives, but a change of the mind-set and approach of Branch: Agriculture staff members. The era of the traditional public extension officer (at least in metropolitan areas) has passed. New skills areas required include resource economics, policy analysis, negotiation, facilitation and policy advocacy (lobbying), programme and project management, information analysis and dissemination, M&E etc.

With respect to new areas of responsibilities – many of which represent currently unfunded mandates for the Department – one also needs to ask HOW the new foci are going to implemented and by WHOM, i.e. are officials providing services directly or is the Department focusing on becoming a developmental sector champion only. Generally speaking, it is likely that many support measures are going to be increasingly outsourced to private service providers (PSP). Although such an approach will reduce the required internal skills-specific capacity requirements in the Department (if it can attract the appropriate intellectual capacity in the first place, given public sector constraints), it necessitates the establishment of capacity for effective contracting management and quality assurance. Ideally, at least one high-powered specialist is required for each area in order to ensure that the Department is not taken for a ride by PSPs. Relevant ‘back-stopping’ skills revolve around the framing of a Scope of Work and Terms of Reference for tender documents, negotiating agreements with providers and sector stakeholders, quality assurance and facilitation of reference groups etc.

Given that many of these are scarce skills, GDACE needs to re-activate its Scarce Skills Strategy, including systematic internship and bursary schemes, and to place a premium on staff retention. For this, the line-function Head of Branch of Agriculture needs to proactively work with GDACE’s Head of Branch of Support Services, the NDA and sector institutions. The focus must not only rest on a Senior Management Service (SMS) and mid-level Management Development Programme (MDP) – which if conducted as a group within one training provider will be beneficial in terms of team building and internal alignment – but it needs to ensure that additional capacity is created and/or brought in to supplement the capacity of Branch: Agriculture’s staff members.

There are many innovative mechanisms possible, such as negotiating MOUs with capable sector stakeholders to second some of their staff to joint programmes, and proactively seeking and institutionalising co-operation initiatives with local academics and academic institutions, as well as international sector support. Mobilising retired officials from diverse departments and sector organisations (along the lines of the German Senior Expert Service) is a value-for-money approach that the Department should evaluate. Another cost effective approach, in this case to commissioning research, is for the Department to pay postgraduate students a lump sum for Masters’ dissertations whose topics have been chosen on the basis of a GDACE multi-year research plan.

14. Conclusion

The agricultural sector in Gauteng presents significant opportunities to contribute to achieving the objectives of the Gauteng Growth and Development Strategy. In order to realise these, a clear and concise strategy is required to direct agricultural development across the province. This Gauteng Agricultural Development Strategy (GADS) is a major step in that direction. What is clear is that while Gauteng is not seen as an “agricultural province”, it can develop certain priority areas to obtain a competitive advantage.
The province is also the most significant market in sub-Saharan Africa and this lends itself to value-adding opportunities. Having identified these priority areas, the challenge is to ensure government and private sector investment is better targeted to their potential. Ultimately, the aim is to realise a united and prosperous agricultural sector in order to increase economic growth, halve unemployment by 2014, eradicate poverty in this province and create a better life for all.