TOWARDS INCLUSIVE ECONOMIC DEVELOPMENT: AGRI-PARKS PROGRAMME AS A RESPONSE

National LED Conference

9 November 2017

Presented by Clinton Heimann
CRDP Strategy

The Strategy

• The strategy of the CRDP is AGRARIAN TRANSFORMATION, which denotes "a rapid and fundamental change in the relations - meaning systems, institutions and patterns of ownership and control - of land, livestock, cropping and community."

The Strategic Objective

• The strategic objective of the CRDP is social cohesion, integrated communities and inclusive rural-urban (Rur-ban) economies.

Key Tactics

• Tactically, rural-urban linkages are critical to achieving sustainable and integrated communities and inclusive or developmental economies.
RURAL ECONOMY TRANSFORMATION: AGRARIAN TRANSFORMATION SYSTEM

COMMUNITY:
- Social infrastructure,
- ICT infrastructure,
- Amenities,
- Facilities.

LAND:
- Tenure system reform,
- Strategic land reform interventions/redistribution,
- Restitution,
- Land based resources.

AGRARIAN TRANSFORMATION
‘A rapid and fundamental change in the relations (systems and patterns of ownership and control) of land, livestock, cropping and community.’

CROPPING:
- Economic infrastructure: agri-parks, fencing,
- Inputs: seeds, fertilizer, pesticides, etc
- Extension support,
- Fresh produce markets,  
- Credit facilities.

LIVESTOCK:
Economic infrastructure:
- Processing plants
- Small industries
- Abattoirs, animal handling facilities, feed-lots, mechanising stock water dams, dip tanks, silos, windmills, fencing, harvesters, etc

Tenure System Reform
1. State and Public Land
   - lease hold
2. Private Land
   - Free hold with limited extent
3. Foreign land ownership
   - A combination of freehold with limited extent and leasehold; and,
4. Communal land
   - Communal tenure: communal tenure with institutionalized use rights.
5. Institutions
   5.1 Land Commission
   5.2 Valuer General
   5.3 Land Rights Management Board with District and Local Committees
   5.4 National Rural Youth Service Corps
   5.5 Rural Development Agency with rural cooperatives financing facility
   5.6 Agri-Parks Management Board with District Chapters

VIBRANT, EQUITABLE AND SUSTAINABLE RURAL COMMUNITIES

Food Security:
- One Household
  One Hectare
- One Household
  Two Dairy Cows

Meeting Basic Human Needs

Phase I

Enterprise development

Rural development measurables

Phase II

Strengthening of Relative Rights of People Working the Land (50/50 Policy Framework)

Phase III

Agro-village industries; credit facilities; markets

One Household One Hectare/ Two Dairy Cows – Programme/ Agri-Parks
Presentation outline

1. High Level Strategic objectives of the Agri-Parks programme.

2. What is an Agri-Park?

3. The guiding principles for the establishment of an Agri-Park.

4. How the Agri-Parks programme aims at bring about Spatial transformation of rural space and Rural – Urban Integration.

5. How Agri-Parks assist in tackling youth employment problems.

6. How can Agri-Parks assist in dealing with Rapid Urbanisation?

## 1. High level Strategic objectives of Agri-Parks

<table>
<thead>
<tr>
<th>NDP (National Development Plan)</th>
<th>NGP (New Growth Path)</th>
<th>MTSF (Medium-Term Strategic Framework)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 million additional jobs in the agricultural sector by 2030;</td>
<td>145,000 new jobs in agro-processing by 2020;</td>
<td>1 million new jobs in rural economy by 2030;</td>
</tr>
<tr>
<td>1 million hectares under production</td>
<td>300,000 new smallholders</td>
<td>Reduction of rural unemployment from 49% to less than 40% by 2030</td>
</tr>
</tbody>
</table>
2. What is and Agri-Park?

An **Agri-park** is a networked innovation system of agro-production, processing, logistics, marketing, training and extension services, located in a District Municipality. As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services. The Agri-park comprises three distinct but interrelated basic components:

1. **The Farmer Production Support Unit (FPSU)** - a rural small-holder farmer outreach and capacity building unit that links farmers with markets. The FPSU does primary collection, some storage, provides some processing for the local market, and extension services including mechanisation.

2. **The Agri-hub (AH)** - a production, equipment hire, processing, packaging, logistics, innovation and training unit.

3. **The Rural Urban Market Centre (RUMC)**. The RUMC has three main purposes;
   - Linking and contracting rural, urban and international markets through contracts.
   - Acts as a holding-facility, releasing produce to urban markets based on seasonal trends.
   - Provides market intelligence and information feedback, to the AH and FPSU, using latest Information and communication technologies.
A static representation of the Agri-park Model
Networked components of an Agri-park.
Innovation and Quality enhancement.

Local Village Type Markets

Strong link due to price and value

FARMER PRODUCTION SUPPORT (FPSU)

Land
Farm Infrastructure – irrigation, troughs, fencing, dip tanks etc.
Insurance – against draught and disease
Equipment
Access to Finance and Credit

Private sector assists in driving innovation, through off-take agreements and market demand

AGRI-HUBS (AH)

Fresh Produce

Advanced Processing

RURAL URBAN MARKET CENTER

Suppliers

Suppliers

Inputs – fertilizer, seed, stock, breeders, feed

Commercial Farmer

Small Holder Farmer

Fresh Produce Market

• Land
• Farm Infrastructure – irrigation, troughs, fencing, dip tanks etc.
• Insurance – against draught and disease
• Equipment
• Access to Finance and Credit

Private sector assists in driving innovation, through off-take agreements and market demand

Strong link due to price and value

Consumer

Imports

Export Markets

Private sector assists in driving innovation, through off-take agreements and market demand
3. Guiding Principles for the establishment of Agri-Parks

1. Initially there must be one Agri-Park per District (44). Consisting of minimum of two FPSUs, an Agri-hub.

2. Agri-parks must be farmer controlled. Based on a 70/30 equity principle. Farmers will receive state support for a period of ten years.

3. Agri-Parks should facilitate partnerships between government and private sector to developing existing and create new markets to strengthen and expand value-chains in-line with APAP.

4. Agri-Parks should benefit existing state land, communal land and commonages with high value agricultural land (high production capability).

6. Agri-Parks should capitalise on existing agro-processing, bulk and logistics infrastructure, including having availability of water, energy and roads.

7. Support growing-towns and revitalisation of rural towns, in terms of high economic growth, high population growth over past 10 years and promote rural urban linkages.
4. How do Agri-Parks lead to the spatial transformation of the rural space and rural–urban integration?

**Land Capability and commodities** + **44DMS & 27 Priority Districts** + **EDD Function Regions (growing + declining areas)**

**APAP Commodity analysis per Local Municipality** → **Proposed Agri-park sites per District**

http://www.socialfacilityprovisiontoolkit.co.za
<table>
<thead>
<tr>
<th>PROVINCE</th>
<th>DISTRICT MUNICIPALITY NAME</th>
<th>Provincial Selected Agri-hub Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>Alfred Nzo (Cedarville)</td>
<td>Matatiele</td>
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<tr>
<td>Amathole</td>
<td>Butterworth</td>
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<tr>
<td>Cacadu</td>
<td>Addo</td>
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</tr>
<tr>
<td>Chris Hani</td>
<td>Lady Grey (Sterkspruit)</td>
<td></td>
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<tr>
<td>Joe Gqabi</td>
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<td>O.R. Tambo</td>
<td>Lambasi (Port St Johns)</td>
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<td>Free State</td>
<td>Fezile Dabi</td>
<td>Parys</td>
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<td>Lejweleputswa</td>
<td>Wesslesbron</td>
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<td>Mangaung</td>
<td>Thabanchu</td>
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<td>Thabo Mofutsanyane</td>
<td>Thsiame</td>
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<td>Xhariep</td>
<td>Springfontein</td>
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<td>Gauteng</td>
<td>Sedibeng</td>
<td>Rietkuil</td>
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<td>West Rand</td>
<td>Brandvlei (Randfontein)</td>
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<tr>
<td>KwaZulu Natal</td>
<td>Amajuva</td>
<td>Danhauser</td>
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<td>iLembe</td>
<td>Kwadakula</td>
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<tr>
<td>Harry Gwala</td>
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<td>Umzimkulu LM (Ebutha Farm)</td>
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<tr>
<td>Ugu</td>
<td>Izinquoleni Area (Horse Shoe Farm) &amp; Ugu Fresh Produce market</td>
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<td>UMgungundlovu</td>
<td>Umgeni LM</td>
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<td>Umkhanayakude</td>
<td>Mkhuze</td>
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<td>Umtentandeni</td>
<td>Dundee</td>
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<tr>
<td>Uthukela</td>
<td>Okhalambha LM (Bergville etc)</td>
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<tr>
<td>Uthungulu</td>
<td>Eshowe</td>
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<tr>
<td>Zululand</td>
<td>Vryheid</td>
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<tr>
<td>Limpopo</td>
<td>Greater Sekhukhune</td>
<td>Ga-Poopedi</td>
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<td>Mopani</td>
<td>Groblersdal</td>
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<tr>
<td>Tzaneen</td>
<td>Nwanedi (40km From Musina proposed SEZ)</td>
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<tr>
<td>Vhembe</td>
<td>Modimolle</td>
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<td>Waterberg</td>
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<tr>
<td>Mpumalanga</td>
<td>Ehlanzeni</td>
<td>Bushbuckridge</td>
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<tr>
<td>Gert Sibande</td>
<td>Mkhondo</td>
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<tr>
<td>Nkangala</td>
<td>Kameel Poort A (Dr JS Moroka)</td>
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NATIONAL AGRI-PARK NETWORK
5. How can Agri-Parks contribute to tackling the Youth Unemployment problem?
How can Agri-Parks contribute to tackling the Youth Unemployment problem? (2)

Creating 1 job in either the mining or agricultural sector in South Africa lifts approximately 1,3 people out of poverty. Other sectors have significantly lower conversion ratio i.e. Construction 1:1; Financial and Community Services 1:0.7.

How can Agri-Parks contribute to tackling the Youth Unemployment problem? (3)

- The overall growth in the number of smallholder are slow with a steady decline of 26 632 since 2011, now standing at 171 669.

- The comparison between the number of ‘agricultural households’ as per the 2011 population census and the 2016 Community Survey, shows a decline of 19% in the number of subsistence producers.

- Employment trends since Jan 2015, shows a steady decline until about June, 2016, followed by a sharp increase until Dec 2016.

- Employment figures remain stagnant at about 880 000 since 2015.

Source: StatsSA, QLFS, 2017
How can Agri-Parks contribute to tackling the Youth Unemployment problem? (4)

1. Targeting and training youth from Rural Districts in the fields of Agriculture, Logistic, Administration and Agro-processing. As an example the Narysec programme that has skilled a total of 7 146 NARYSEC youth since 2010 to-date (graduated, and certified) with another 2 145 youth having completed their training and awaiting certification. A further 3 261 youth are currently busy with various skills development programmes across the nine provinces.

2. Encouraging Agricultural careers among school going children.

3. Investing in high-tech agricultural technologies that use less land and resources for production.
6. How can Agri-Parks assist in dealing with Rapid Urbanisation?

1. In Post apartheid SA, the reality is that people are moving from small towns to larger towns and cities (albeit often in a staged process of migration). There is insufficient economic incentive to retain people – particularly the young, the skilled and the entrepreneurial – in small towns. From 1950-80, ‘white’ small towns were provided with a range of support to sustain the agricultural bias of small towns. Despite these efforts even the apartheid government couldn’t curb the move to the cities because the economy was driven by a range of value chains (mining, agriculture, manufacturing, transport) that all (despite the location of the primary activities) were intricately linked to the growing cities and through the ports to the outside world.

2. Some development practitioners and academics argue that the growth of informal settlements in the cities is because of the neglect of investment in the rural areas.

3. The approach of the Agri-parks programme is therefore to capitalise on the strengths of small towns and revitalise the economies of these towns through crowding-in of investments for agricultural and other value chains development.
4. While not a remedy to small town revitalisation, Agri-Parks offer the following direct benefits:

- Location near to an Agri-hub can provide employment and entrepreneurial opportunities to residents of small towns.
- Opportunities for capacity building and to acquire new skills sets e.g. unemployed mine workers may be targeted to work in any number of business opportunities that occupy a park.
- Basic services may be improved due to the influx of new people attracted by the Agri-Park investments.
- Other vital services such as transport, health and education may also be improved or developed. Economic growth in key Agri-Park areas would generate additional resources (e.g. through property tax and services to local authorities), but may also put pressure on infrastructure due to an increasing population.
- Economic diversification often deepens in areas of agglomeration and decreases in areas without agglomeration benefits and therefore small towns within the realm of the Agri-parks may also experience such diversification;
- Areas with higher than national average growth act as a magnet for high level skills whilst areas of economic decline export such skills. The Agri-park development may potentially retain skilled people from these towns.
How can Agri-Parks assist in dealing with Rapid Urbanisation? (3)

5. Some indirect benefits:
   - Curbing city growth (Informal settlements and the resultant pressure on city infrastructure;
   - Reducing rural-urban gaps in wealth and living standards by providing infrastructure and housing in these small towns in an attempt to reduce migration to cities.
   - Growth of other sectors in the small towns such as tourism (influx of people- more tourism facilities needed, more job opportunities).
7. Business Partnerships and participation

![Invest SA Logo](image)

**Top 40 Projects - A List**

<table>
<thead>
<tr>
<th>NO.</th>
<th>PROJECT</th>
<th>NO.</th>
<th>PROJECT</th>
<th>NO.</th>
<th>PROJECT</th>
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<tbody>
<tr>
<td>1</td>
<td>MZIMBUVU DAM</td>
<td>11</td>
<td>RENEWABLE ENERGY IPP</td>
<td>21</td>
<td>GUBEXENA VALLEY CO-OP FREE STATE</td>
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<tr>
<td>2</td>
<td>MOLOTO RAIL CORRIDOR</td>
<td>12</td>
<td>NATIONAL SOLAR WATER HEATER PROGRAMME</td>
<td>22</td>
<td>AB INBEV</td>
</tr>
<tr>
<td>3</td>
<td>SCIENCE PARK</td>
<td>13</td>
<td>COEGA AQUACULTURE DEVELOPMENT ZONE</td>
<td>23</td>
<td>BOAT BUILDING PROJECT</td>
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<td>4</td>
<td>BEIT BRIDGE CORRIDOR</td>
<td>14</td>
<td>GREEN OIL AND GAS</td>
<td>24</td>
<td>FLOATING DOCK PROJECT</td>
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<td>5</td>
<td>BAIC AUTOMOTIVE</td>
<td>15</td>
<td>CHEMIE TECH CAPE BUNKERING TERMINAL</td>
<td>25</td>
<td>WIDENING OF BERTH 205</td>
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<td>6</td>
<td>MUSINA METALURGICAL CLUSTER</td>
<td>16</td>
<td>QOLORA AQUACULTURE DEVELOPMENT ZONE</td>
<td>26</td>
<td>MOSS GAS JETTY</td>
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<td>7</td>
<td>HISENSE</td>
<td>17</td>
<td>VAAL GAMARA WATER SCHEME</td>
<td>27</td>
<td>TRANSNET OFFSHORE SUPPLY BASE</td>
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<td>8</td>
<td>COAL BASELOAD IPP</td>
<td>18</td>
<td>MOKOLO CROCODILE WATER AUGMENTATION</td>
<td>28</td>
<td>CIPLA</td>
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<td>9</td>
<td>CO-GENERATION IPP</td>
<td>19</td>
<td>CLOVER AGRIPARK</td>
<td>29</td>
<td>NKANGALA AGRIPARK</td>
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<td>10</td>
<td>GAS IPP</td>
<td>20</td>
<td>EASTERN FREE STATE APPLE PRODUCTION</td>
<td>30</td>
<td>CHRIS HANI AGRIPARK</td>
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<td>31</td>
<td>JOHN TAOLO GAETSEWE AGRIPARK</td>
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<td>32</td>
<td>UGU AGRIPARK</td>
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<td>SEDIBENG AGRIPARK</td>
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<td>34</td>
<td>NGAKA MODIRI MOLEMA AGRIPARK</td>
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<td>35</td>
<td>XHARIEP AGRIPARK</td>
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<td>36</td>
<td>CAPE WINELANDS AGRIPARK</td>
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<td>37</td>
<td>SEKHUKHUNE AGRIPARK</td>
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<td>38</td>
<td>PLATREEF PROJECT</td>
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<td>39</td>
<td>TEMO COAL</td>
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<td></td>
<td>40</td>
<td>SOUTH AFRICAN BROADBAND ROLL-OUT</td>
</tr>
</tbody>
</table>

**INVESTMENT PROJECTS IN GREEN – INVESTMENT OPPORTUNITIES IN RED**
AGRI-PARKS
(Construction Progress at Springbokpan InvestSA Top 10)

3. ROAD CONSTRUCTION

4. BRICK MAKING PROCESS

1. EVALUATION TEAM FROM NATIONAL DEPARTMENT VISIT ON SITE
### AGRI-PARKS PROGRESS SINCE INCEPTION

<table>
<thead>
<tr>
<th>• 3 Agri-hubs (Ncora, Springbokpan &amp; Westonaria) are operational.</th>
<th>• 11 903 people trained in Animal and Veld Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 11 Agri-hubs and 12 Farmer Production Support Units under construction.</td>
<td>• 4769 farmers were supported</td>
</tr>
<tr>
<td>• Youth Skilled (Narysec): 5 777</td>
<td>• Enterprises supported: 371</td>
</tr>
<tr>
<td>• Jobs created: 8398</td>
<td></td>
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</tbody>
</table>

Red meat, Grains and Horticulture Value chains have been supported inline with APAP

<table>
<thead>
<tr>
<th>• Red Meat Development Programme: 24 Custom Feed Programme (CPFs) supported in EC, NW, KZN and LMP / 274 jobs created / R9,6m income generated.</th>
<th>• 121 Grain farmers supported / 4125 ha planted / R56m spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>• National Wool growers: 1228 Communal Sheds / Since 2014/15 value of sales has increased by R120m.</td>
<td>• Cotton: 4 589ha’s planted / 1895 cotton farmers benefited</td>
</tr>
</tbody>
</table>
CRDP Management System a participatory system for development

The Department of Rural Development and Land Reform has established various structures of civil society to directly participate in decisions and actions aimed at fulfilling the aims and objectives of the Freedom Charter, the Constitution of the Republic as well as the National Development Plan, namely:

• The National Agri-Parks Advisory Council, which is a precursor to an Agri-Parks Management Board;

• The District Land Reform Committee (DLRC) in each District;

• The District Agri-Park Management Council (DAMC) in each District;

• The District Land Rights Management Committees DLRMC in each District

• the Council of Stakeholders at local levels;
THE CRDP MANAGEMENT SYSTEM

THE PRESIDENT: NATIONAL CHAMPION
MINISTER OF RURAL DEVELOPMENT AND LAND REFORM
DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
Programme Development, policy and legislation development and Coordination (responsible for setting of norms and standards)

OFFICE OF THE PREMIER: PROVINCIAL CHAMPION
CRDP Political Champion: MEC with rural development function - district co-ordination and institutional support

District Executive Mayors: Implementation, co-ordination and institutional support to local municipalities.
Local Municipal Mayors: One Household One Hectare, One Household Two Dairy Cows, Land Rights Management Committees, and One Rural Ward One Integrated Development Centre

COUNCIL OF STAKEHOLDERS: programme and projects initiation, planning and preparation, recommendation for approval by government; and, monitoring and evaluation.
COMPOSITION: Organs of civil society, public entities, business, co-operatives, beneficiaries (incl. trusts and CPAs), workers, community development workers, traditional institutions, etc.

Household Co-operatives & other enterprises (groups of 20)

DISTRICT MAYORS: Political champions of the Agri-Parks
LOCAL MAYORS: Political champions of the 4 Programmes
Stakeholder commitments
Stakeholder commitments
Conditionalities, code of conduct & disciplinary panel
TRADITIONAL LEADERS: Chairperson of the CoS (or his/her nominee)

SOCIAL COHESION AND INTEGRATED DEVELOPMENT

Communities
• Food
• Health
• Education
• Shared Economic Growth
• Social Cohesion
• Development
• Satisfaction

Communities
• Food
• Health
• Education
• Shared Economic Growth
• Social Cohesion
• Development
• Satisfaction

Communities
• Food
• Health
• Education
• Shared Economic Growth
• Social Cohesion
• Development
• Satisfaction

Human Solidarity/Ubuntu Development:
• Shared growth and prosperity;
• full employment;
• relative income equality;
• cultural progress

rural development & land reform
Department: Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA
PROCESS FLOW OF RESPONSIBILITIES TO MONITOR IMPLEMENTATION OF DECISIONS
To conclude, Agri-parks is a long-term programme which has the potential to become a catalyst for development growth and revitilisation of small towns and even growth of new towns.
Thank You