creating opportunities for growth and development in rural areas
1. Strategic objective

The PGWC aims to promote export growth and jobs across the agricultural sector and in related industries. The Western Cape has a Mediterranean climate characterised by unique flora. This means that there are unique agricultural activities and opportunities in goods development throughout the province – and 32% of the population, that is 1.67 million people, live in the rural areas of the province.

The Western Cape agricultural sector is highly developed and accounts for almost 21% of South Africa’s agricultural production and 45% of the country’s agricultural exports. Some of the well-known agricultural products of the Western Cape include wheat, grapes, wines, ostrich products, and rooibos and honeybush tea.

Primary agriculture is the biggest source of growth in the districts outside the City of Cape Town: it accounts for 25% of the economy of the Central Karoo, 23.7% for the Overberg, 23% for the West Coast and 16.3% for the Cape Winelands. The sector has the advantage of being able to employ high numbers of people who have not completed school, and services such as banking and retail in small towns depend on it to make a profit.

To its advantage, land restitution, black economic empowerment and the development of new farmers have enjoyed greater success in the rural Western Cape than anywhere else in South Africa. Lastly, the government of the Western Cape believes that:

a) Economic growth is the foundation of all successful development.

b) Growth is driven mainly by private sector business functioning in a market environment.

c) The role of the state is (a) to create and maintain a situation where agribusiness\(^1\) can grow and (b) to provide demand-led, private-sector-driven support for growth sectors, industries and businesses.

Therefore, the two pillars of our approach to economic development are (a) the creation and maintenance of a situation where business can grow, and (b) demand-led, private-sector-driven government support for agricultural sub-sectors, industries and businesses.

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\(^1\) “Agribusiness” refers to the relationship between the agricultural and private sectors. It focuses on how these two sectors rely on each for goods and services and how they could aid each other in order for both to be successful and make a profit.
2. Problem statement

The province faces poor soil quality, funding shortfalls and weak growth plans as well as a lack of specialists with knowledge of agribusiness. Other problems stopping the rural agricultural sector from growing include water scarcity, economic barriers, competition from products from China and India, and climate change.

To solve these problems, the success of the rural agricultural sector in the Western Cape depends on a strong partnership between the PGWC, farmers, the private sector and institutions such as the Western Cape Economic Development Agency (WCEDA). The WCEDA will also drive rural tourism development.

3. Plan to achieve outcomes

3.1 Create a favourable environment in rural areas by focusing on and promoting infrastructure development and service delivery

The PGWC will ensure:

- The effective delivery of basic services, including water, sanitation and electricity
- Improved education outcomes
- A focus in transport development on the opening up of commercial rural opportunities
- An effective patient-centred public health service
- The creation of a safe environment characterised by low levels of crime
- The development of integrated human settlements connected to economic opportunity
- The growth of the community through empowering individuals, strengthening families and connecting communities
- Maximum use of e-governance to coordinate public sector activities

3.2 Create a favourable environment in rural areas by focusing on and promoting the scientific, technical and sanitary environment

The provincial Department of Agriculture will ensure that:

- An effective research and technology development service is offered in natural resource management, as well as animal and plant production
- Farmers in the Western Cape have agricultural economics research and support services available to them
- Research and related technical information is distributed to everyone in the agricultural sector
- It engages with the right representatives in the private sector to prioritise research and identify effective ways to grow the agricultural sector
- A climate change response plan is produced to ensure that scientific and technological developments can address the threats posed by climate change

To support growth and development in rural areas, the PGWC will provide:

1. A favourable environment in rural areas by focusing on and promoting:
   - Infrastructure and service delivery
   - The scientific, technical and sanitary environment
   - The regulatory environment
   - The physical environment

2. Enterprise development, by focusing on both the commercial and emerging sectors and a comprehensive rural development programme

3. Skills development

4. Institutional support
3.3 Create a favourable environment in rural areas by focusing on and promoting the regulatory environment

The provincial Department of Agriculture will:
- Provide a veterinary regulatory service that meets both local and international standards
- Engage with agricultural product groups, in partnership with the private sector, to assist new farmers and to achieve the provincial growth targets
- Look at ways to deal with competition in the form of agricultural products from China and India, and present a plan of action to the provincial Minister of Agriculture by March 2011
- Ensure that it strengthens its science and research capabilities in order to boost trade in ethical agricultural products
- Compile a report for the provincial Minister of Agriculture detailing the obstacles confronting agricultural producers and markets in the province
- Develop a plan on incentives that can stimulate agricultural growth and development

3.4 Create a favourable environment in rural areas by focusing on and promoting the physical environment

Water scarcity, combined with the threats posed by climate change, is the largest single resource-based threat to rural growth and development in the Western Cape. In this regard, the provincial Department of Agriculture will develop a water management plan to help farmers use their water sources effectively.

3.5 Accelerate enterprise development by focusing on both the commercial and emerging sectors and a comprehensive rural development programme.

(i) Commercial sector
There are three areas in which action is needed here:
- A more consistent and comprehensive interaction with the private sector is needed to eliminate obstacles to private sector growth in agriculture.
• The provincial Department of Agriculture and the WCEDA will form a task team, drawing in representatives of other government departments, including the Treasury, and private sector representatives, including the Fresh Produce Exporters Forum, in order to chart the way ahead, drawing, where appropriate on the best practice lessons of the province’s Micro-Economic Development Strategy (MEDS), its Agriculture and Agribusiness Strategy and the experience with sector development.

• The provincial Department of Agriculture will familiarise itself with and provide easier access to a range of public sector funds to encourage private sector development.

• Other commodity groups are not permanently excluded from the process

• The primary focus is on the enterprises and other elements in the emerging sector that have the greatest chance of commercial success

• Only commercially viable producers will be encouraged to form cooperatives

• The infrastructure and commercialisation functions performed by the Cape Agency for Sustainable Integrated Development in Rural Areas (Casidra) continue in future

(iii) The comprehensive rural development programme

The provincial Department of Agriculture has identified 12 rural development nodes and will ensure that:

• The nodes selected are chosen to promote the principles of economic viability and comparative advantage

• Development in these nodes is compatible with and linked to demand-led, private-sector-driven local economic development

(ii) The emerging sector

The emerging sector, including new farmers, smallholder farmers, land reform beneficiaries and farm workers, requires more support than the commercial sector. In this regard, the provincial Department of Agriculture commits itself to ensure that:

• The provincial Department of Agriculture and the WCEDA will form a task team, drawing in representatives of other government departments, including the Treasury, and private sector representatives, including the Fresh Produce Exporters Forum, in order to chart the way ahead, drawing, where appropriate on the best practice lessons of the province’s Micro-Economic Development Strategy (MEDS), its Agriculture and Agribusiness Strategy and the experience with sector development.

• The provincial Department of Agriculture will familiarise itself with and provide easier access to a range of public sector funds to encourage private sector development.
3.6 Skills development

The skills required to maximise opportunity in the rural economy depend on actions by a range of players.

The provincial Department of Agriculture will offer:

- Accredited training programmes and modules at the further education and training and higher education levels
- Short skills courses, learnership training, and tertiary training programmes as required by the agricultural sector
- Financial support to students who study in scarce skills areas relevant to agriculture, in partnership with tertiary institutions

3.7 Institutional issues

While operating in full partnership with its national counterparts – namely, the Department of Agriculture, Forestry and Fisheries and the Department of Rural Development and Land Reform – the provincial Department of Agriculture will commit itself to a continuous search for ways to use the province’s comparative advantages to promote rural growth. Steps in this regard include:

- Continuous evaluation of the institutional environment and recommendations on how to deal with changes in the policy and strategy environment
- A closer working relationship with role-players such as the WCEDA, other provincial departments, tertiary institutions, local government and the private sector