

POLICY : AGRICULTURAL DEVELOPMENT

ITEM LED 12-2002 AGRICULTURAL DEVELOPMENT POLICY, STRATEGY AND PROCESS
CM 29.08.2002 (ITEM LED 12-2002[MC] - MC 12-08-2002)

RESOLVED:

1. **That** the Agricultural Development Policy, Strategy and Process attached to the report as Annexure "B" **BE NOTED** and **ADOPTED**.
2. **That** the Agricultural Development Policy, Strategy and Process **BE CIRCULATED** to all Portfolio Committees.
3. **That** the Executive Director: Local Economic Development **BE REQUESTED** to initiate deliberations with all stakeholders with the view to setting up the Project Steering Committee.
4. **That** the Executive Director: Local Economic Development **BE REQUESTED** to incorporate the short-term and medium term recommendations in the strategic plan of the department.
5. **That** the Executive Director: Local Economic Development **REVIEWS** all current agricultural projects and aligns them to the Agricultural Development Policy, Strategy and Process.
6. **That** the Executive Director: Local Economic Development **BE REQUESTED** to report on all leases in respect of Council-owned farms within two months.

EKURHULENI METROPOLITAN MUNICIPALITY EMM

AGRICULTURAL DEVELOPMENT POLICY, STRATEGY AND PROCESS

Prepared by

Epa Agricultural and Resource Management (Pty) Limited

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1. INTRODUCTION AND BACKGROUND

There is an irreversible trend in South Africa and internationally of rapid increase in the number of people immigrating towards the urban areas. In 1990 the world's urban population stood at 2,4 billion and it is expected to reach 5.5 billion in 2005 (UNDP 1996, XV). It is, however, worth noting that the rapid increase in urban population figures has not been supported by a corresponding increase in economic opportunities. There is therefore an enormous challenge for the cities and settlements around them not only to accommodate the additional population but also to assist in finding or creating sustainable economic opportunities in which they can flourish.

1.1 Introduction

Urban agriculture, throughout the world, is undergoing transformation in response to political, economic, environmental and technological changes. Rapid urbanisation meant that the number of urban residents particularly urban poor had to find ways of sustaining themselves. This has expanded the scale of modern agricultural activities. It has been noted that the view that agriculture should be squeezed on behalf of more dynamic sectors like mining and manufacturing has been globally rejected. The role of agriculture has therefore been elevated from a sector destined to promote industrialisation to a crucial sector capable of creating employment opportunities, improving food security and export earnings.

Global economies have generally grown by shifting human and capital resources out of the primary sectors (e.g. agriculture and mining) first into the industrial sector and later into the services sector (Alexandratos, 1995). In South Africa, this trend has been observed over the years though there is evidence that it has been influenced by political factors more than economic realities. The political manipulation of economic factors has tended to undermine realisation of full potential by these sectors. The democratic government that was ushered in 1994 is busy addressing the negative impact of such policies.

1.2 Background.

It is an acknowledged fact that unemployment, poverty and lack of economic opportunities in the Ekurhuleni Metropolitan Municipality (EMM) are serious challenges that require attention. Although there is no confirmed percentage relating to unemployment, it is estimated at more than forty percent (40%). The interim Integrated Development Plan (IDP) of the EMM clearly states the need to revitalise the local economy and regenerating employment in line with provincial and national government policies. Among the key objectives of the IDP in the EMM is agricultural development. The focus of the intervention should be on household security (poverty eradication), reduction of deaths caused by opportunistic diseases, less crime, high degree of academic and social excellence and a sound local economy.

Agricultural development in the EMM needs to be guided by the local economic development (LED) policy and the IDP. There is, however, a need to develop specific policy guidelines and strategies that focus on agriculture and related activities within the EMM. These should be of necessity and be derived out of the provincial and national policies. National policies provide a broad framework for the sector whilst provincial and local policies should focus on implementation, support mechanism, monitoring and evaluation. There would be a need for a programme implementation agreement (PIA) between the provincial Department of Agriculture, Conservation and Environment and Land Affairs (DACEL) and the EMM that specifies roles, responsibilities and expected contribution.

2. REVIEW OF THE CONCEPT OF URBAN AGRICULTURE AND ITS CONTRIBUTION TO LOCAL ECONOMIC DEVELOPMENT

Generally, agriculture is considered to be a rural activity and urban agriculture is often perceived as a nuisance, temporary and inappropriate. Some view it as a marginal activity at best and perhaps a constructive recreational activity that helps to beautify the “ugly” city. “In fact, urban agriculture is a significant economic activity, central to the lives of tens of millions of people throughout the world” (UNDP, 1996:3). Its advantage is that it can easily benefit from the good infrastructure of the towns and cities as well as strong farmer support services that are available in the urban areas.

2.1 Concept of urban agriculture

Sometimes called metropolitan intensive agriculture, urban agriculture can be defined as “an industry that produces, processes and markets food and fuel, largely in response to the daily demand of consumers within a town, city or metropolis, on land and water dispersed throughout the urban and pen-urban area, applying intensive production methods, using and re-using natural resources and urban wastes, to yield a diversity of crops and livestock” (UNDP, 1996:4).

Urban agriculture provides economic opportunities for people at different levels of income. It is also characterised by a high level of flexibility in terms of entry and exit. For the poorest people, it provides good access to food. For the less poorer people, it provides source of income and good quality food at low cost. For middle-income people, it offers the possibility of savings and a return on their investment in urban property whilst for small, medium and large entrepreneurs it is a profitable business.

2.2 Contribution of urban agriculture to local economic development

The return on investment (ROI) of urban agriculture is significantly higher than that of rural agriculture. This is as a result- of the following factors:

- Proximity to markets thereby creating a competitive edge;
- Shorter market chain;
- Intensive and technologically more advanced methods;
- Easy access to market and production information;
- Good and reliable infrastructure; and
- Ability to utilise urban solid and liquid waste at minimal cost.

Urban agriculture is of necessity, intensive, highly focused, making the best use of space, characterised by shorter production cycles and higher-value market crops. It utilises multicropping and integrated farming techniques and makes economic utilisation of both horizontal and vertical space (through techniques such as hydroponics, chicken-coop boxes on shelves, multispecies fishponds and container farming). Because water is expensive and usually in short supply, urban agriculture tends to be more conservative and efficient in its water usage.

The potential of urban agriculture is often untapped and undervalued by most decision makers. If such potential could be exploited, there could be significant contribution to food security, employment and business opportunities within the towns and cities. The high ROI can also contribute to wealth creation, sustainable local economic development and prosperity.

2.3 Distinguishing features of urban agriculture

Urban agriculture will contribute to household food security, employment and wealth creation (on a sustainable basis) only if it possesses the following features:

- Conservation of resources such as water, electricity, labour and land;
- Intensity of production on a continuous basis throughout the year;
- Market linked;
- Environmentally friendly with a special focus on the use of non-toxic substances and absorption of urban solid and liquid waste;
- Labour intensive that is characterised by an opportunity for skills transfer to workers, and
- An extremely high ROI of about 25%.

3. NATIONAL AND PROVINCIAL AGRICULTURAL POLICY OBJECTIVES AND STRATEGIES

The National Department of Agriculture (NDA) has formulated specific policy objectives and strategies for the country's agricultural sector. Roles and responsibilities (competencies) between the NDA and provincial Departments of Agriculture are spelt out in the constitution. There is, however, a need for the NDA to co-ordinate the activities of the agricultural sector through various mechanisms as well as administer relationships with the international agricultural community. International agricultural trade is the responsibility of the Department of Trade and Industry (DTI). There are no formal specifications with regard to the relationships between the provincial Departments of Agriculture and local government.

3.1 National policy and strategy

Agricultural policy in apartheid South Africa has been characterised by a tight regulation of the sector, high levels of support to white commercial farmers, focus on exports and no direct emphasis on food security and lack of support to black emerging farmers. Various strategies and instruments were used to promote such a policy to the detriment of the majority of the people of South Africa and other obligations of the state to the general public. A high level of dualism and inequality was therefore created.

3.1.1 Policy shift

During 1994, the democratic government set in motion a process of deregulation of the marketing of agricultural products, changes in the fiscal treatment of agriculture including the abolition of certain tax concessions that favoured the sector, a reduction in direct budgetary expenditure on the sector, land reform consisting of restitution, redistribution and tenure reform programmes, trade policy reform which included the tariffication of farm commodities and general liberalisation of agricultural trade including free trade agreements; institutional reforms influencing the governance of agriculture and application of progressive labour legislation in the agricultural sector.

3.1.2 Core strategies

- Creating equitable access and participation in the agricultural sector through deracialising land and enterprise ownership and unlocking of the full entrepreneurship potential of the sector;

- Promotion of global competitiveness and profitability in the agricultural sector's input supply, primary production, agri-processing and agri-tourism industries, and
- Enhancement of farmers' capacities to utilise resources in a sustainable manner and to ensure adherence to environmentally acceptable practices in carrying out farming operations.

3.2 Gauteng agricultural policy and strategic objectives

Agriculture policy is informed by the historical and current needs as determined by the government at each point in time during its governance. Previous apartheid government policies tended to focus on the needs of the white farmers. Programmes and development instruments were as a result narrow and centred around the needs of the minority. The current democratic government's policies, strategies and programmes are directed at

redressing the inequalities of the past whilst ensuring that South African agricultural business is competitive in terms of quality, price and speed with regard to delivery.

3.2.1 Gauteng agricultural policy

The agricultural policy objectives of DACEL are derived directly from the national ones. It is, however, expected that they would be adapted to the peculiar circumstances of the province. For example, the question of urban agriculture is more relevant to Gauteng than it would be to the Limpopo province. The influence of markets with regard to the type and quantities of products would also differ between these two provinces.

3.2.2 Strategic objectives

The strategic objectives of DACEL, similar to the core strategies of the NDA, focus on the following:

- Creation of access to the agricultural sector by the historically disadvantaged communities thereby ensuring household food security, income generation and sustainable job opportunities;
- Promotion of competitiveness and profitability of agricultural enterprises through, among others, public-private-community partnerships and market linkages;
- Enhancement of the farmer's capacities in the utilisation of national resources thereby ensuring sustainability and improved lives of the affected communities.

3.3 Relevance of the national and provincial policies and strategies to the EMM

The national and provincial objectives focus on the creation of access to the agricultural sector by the black people especially women, the youth and victims of opportunistic diseases, improvement of the competitiveness of the sector regionally and internationally and the utilisation of resources in a sustainable manner. The constitution of South Africa clearly outlines the competencies of the national and provincial levels of government with regard to agriculture. There is, however, no defined relationship between the provincial and the local government. The IDP of the EMM has identified the promotion of agriculture as one of the most important elements of the LED.

In a spirit of ensuring co-operative governance among the three spheres of government, it is desirable to develop guiding principles on agricultural competencies of local government. These principles would relate to delivery processes as well as project related matters such as by-laws, planning, land identification and usage and provision of infrastructure. Clearly project delivery and administration of public resources associated with it are a direct competency of the EMM.

The following projects are being implemented with the support of the EMM:

- **Sizanani farm**

This farm belonged to Mr. L. de Lange and is situated on the Brakpan, Nigel and Heidelberg border. It is about 458 hectares

and is farmed as a single unit. The farm was bought by the Town Council of Nigel through a grant from the Department of Land Affairs. It is currently leased to the Thusanang / Sizanani Communal Property Association (CPA) for R50,00 per hectare (per year and R100.000 per hectare per year from the second year.

According to the business plan, the aims and objectives of the project are:

- transfer of skills to the beneficiaries;
- equip the beneficiaries to acquire their own farms through the income derived from the project;
- implement resource conservation methods in the project; and
- create secondary jobs through seasonal labour.

The farm is managed by the previous owner through a contract with the Council. The number of beneficiaries is between twenty (20) and thirty (30). The beneficiaries have been selected in consultation with the Department of Land Affairs. It is expected that the current participating beneficiaries would be involved on the farm for a period not exceeding five (5) years after which they will be expected to go on their own.

Production on the farm focuses on field crops and vegetables such as maize, potatoes, sugar beans, kidney beans, wheat and sorghum. Viability of the project could not be established, as no financial records were available, It would be imperative for the

EMM to commission an evaluation of the project with a view to establish its impact on the beneficiaries as well as its sustainability. It has also been observed that the management contract with the previous is owner coming to an end and EMM would need to appoint new management.

- **Vlakfontein farm**

The Vlakfontein farm is situated on the Brakpan, Nigel and Heidelberg border and is about 454 hectares in extent. It is owned by the Council and leased to a group of emerging farmers. The aims and objectives of the project are similar to those of Sizanani. The crops currently under production on the irrigated and dry land sections are wheat, soya beans, maize, sugar beans, and sorghum. It is anticipated that livestock farming would be introduced at a later stage.

The farm is managed directly by the beneficiaries. They have reported that the most limiting factor is capital. This problem has resulted in the under utilisation of the farm because of lack of implements. They have had to borrow additional implements from the previous owner, Mr. Andrew Vermaak. During the first year, the project (according to Rev. Zitha) made a profit of about R57 000.00 and it is expected that R350 000.00 profit will be realised during the second year. The beneficiaries are concerned about the fact that they have to lease the land. In their view, they should be given an opportunity to purchase it so that they could develop it without any constraints. This project needs to be evaluated in order to establish its socio-economic impact.

- **Food security and poverty alleviation projects**

The Health and Social Development Portfolio (HSDP) embarked on a process of land identification and community mobilisation. This has resulted in the formation of twenty one (21) groups and individuals. The purpose of supporting the formation of the groups is to formalise the support given to them in a form of a memorandum of understanding. This will assist the HSDP to provide the focused support in terms of land allocation, inputs, linkages with DACEL and marketing institutions. For example, the HSDP is a member of a non-governmental organisation (NGO) called Food Gardens Foundation. Through this NGO, the HSDP is in a position to acquire seeds and other inputs at a reasonable price and distribute them to the groups and individuals.

It would be necessary to commission an evaluation of the HSDP programmes with a view to establish their impact as well as how they could be integrated within the agricultural policy and strategy of the EMM. It has been observed that the HSDP projects are quite popular among the beneficiaries because of their focus on job creation, nutrition, poverty alleviation and contribution to local economic development. There is, however, a need to ensure that these projects are sustainable in the medium to long-term thereby minimising dependency on the resources of the EMM.

3.4 Case study illustrating co-operative governance with regard to urban agriculture

Government planned urban farming in the Shanghai urban region

In the 1960s when the boundaries of Chinese municipalities were expanded, one criterion defining each municipality was nutritional self-sufficiency. In most larger cities, vegetable corporations were created, which in turn established relationships with the authorities responsible for land, solid waste, sewerage industrial waste and farmers co-operatives. Production and processing were integrated within a single system. Each city established or renovated public markets, and individuals and cooperatives could choose their market.

During a period of rapid urbanisation from the 1960s onwards, Chinese urban planners and managers supported urban agriculture. The urban regions (which are much larger than those in most other countries) have become self-reliant in perishable foods, at least half the major cities have some exports to surrounding areas. Fresh vegetables, fruit and meat were available in all small and large cities. Vegetables picked in the morning were available at retail for dinner and chicken, pork and fish were also available fresh on daily basis.

A number of factors contributed to the successful promotion of nutritional self-sufficiency in China. First, the authorities were philosophically committed to self-sufficiency and to seek less reliance by urban populations on rural ones. Second, the cooking customs created a demand for fresh ingredients even though there was no dependable transport system to provide them for a distance. Probably most important was the centuries-old traditional technology of urban agriculture, based on recycling urban waste into food.

Since the 1950s, the Shanghai municipal government has planned and manage food production in the municipal region to effectively satisfy the food demands of a population that now exceeds 14 million people. The government's objectives have been to create local food self-reliance within the urban region and to reduce transportation, storage and fuel consumption.

The municipal government divided the urban region according to the type of agriculture for which it is most suited - farming, forestry, fisheries or animal husbandry. An integrated urban food policy and technology research, assistance and extension programme were geared to local needs. The economic and managerial aspects of farming were integrated, and the city supervised the collection and usage (for farming) of solid and liquid waste, including night soil. Until recently the system supplied all of Shanghai's fresh vegetable demand. It also supplied a significant percentage of the grain, port, poultry, fish and other food demands. Fresh vegetables can be brought in the market within ten to fifteen hours of harvesting. The government supply system has successfully combated food shortages since 1949. However loss of agricultural land combined with looming populations have gradually led Shanghai and other Chinese cities away from self-sufficiency, with an increasing reliance on imported agricultural products.

4. AGRICULTURAL DEVELOPMENT PRINCIPLES, POLICIES AND OBJECTIVES OF THE EMM

Urban agricultural development should be guided and administered through a variety of policies, regulations and programmes that are the responsibility of the three spheres of government. Legislation (through bylaws) relates to land use, building, environment and health codes within the jurisdiction of the local government. Other powers could be delegated by either national or provincial government to the EMM. This delegation of power and relationships relating to urban agriculture requires formalisation in order to avoid confusion.

4.1 Principles

The following principles should guide agricultural development' within the EMM:

- Demand-driven and ensure participation by serious and committed community members;
- Utilise land that cannot be used for any other economically superior venture;
- Play meaningful role within the local economic development process;
- Yield a higher rate of return on investment than any other possible venture;
- Contribute decisively towards the eradication of poverty, unemployment and social ills;
- Environmentally friendly by not utilising toxic substances, inappropriate production methods, polluting the environment and instead utilising as much as possible solid and liquid waste;
- Guaranteed and profitable market outlets prior to the production of the commodity; and
- Do not incur exorbitant start-up costs such as purchase of expensive land from private operators who are out to exploit the process.

4.2 Policy statement

The agricultural policy objective of the EMM is:

“To actively promote agriculture within the EMM by utilising farms and vacant land owned by the Council, provide support to the participating communities such as planning basic infrastructure, start-up capital, training and capacity building, linkages to markets and other farmer support services and logistical support. The objective of the intervention should be:

- Improved household food security;
- Sustainable job creation;
- Significant contribution to local economic development; and
- Optimal utilisation of resources (e.g. land, water etc).

4.3 Specific objectives

- Formalise the relationship between DACEL and other agriculture supporting institutions within the EMM that specifies roles and responsibilities of each stakeholder;
- Identify all agriculture/farming operations in the EMM that belong to the private/non-Council individuals and entities' and quantify their potential and real contribution to the LED;
- Establish the current and potential contribution of the Springs Fresh Produce Market (SFPM) to the agricultural development of the EMM;
- Identify farming and vacant land that belongs to the EMM and report on its existing contractual arrangements, current use and potential contribution to the development of agriculture in the EMM;
- Develop project proposals and business plans for the identified farms and vacant lands owned by the EMM;
- Identify technologically driven farming methods such hydroponics, fish farming and others that could be linked to the SFPM and other value adding agri-processing operations; and
- Establish at least two viable projects within the EMM that are intended to provide support to the victims of HIV/AIDS and other opportunistic diseases.

5. STRATEGY, STRUCTURE, PROCESS FLOW-CHART AND PROGRAMME SCHEDULING

In formulating a strategy for agricultural development within the EMM, it is imperative that basic SWOT analysis is undertaken. Such an analysis should be cursory at best and reliant on information obtained from existing documentation, Council and DACEL officials as well as other relevant stakeholders. The delivery structure for the process will be informed by the strategy, realities of the sector and possible agreement between EMM and DACEL relating to roles, responsibilities and resource contribution.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ➤ Highly developed infrastructure; ➤ Recognition of the importance of agriculture in the EMM's IDP; ➤ Location of the SFPM within the EMM area; ➤ Active DACEL within the EMM area; ➤ Proximity to the JHB international airport for export purposes; ➤ Potential financial support from big business in the EMM area. 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ➤ No formal linkage between the EMM and DACEL; ➤ No agricultural policy and strategy for the EMM; ➤ Poor co-ordination of stakeholders within the sector; ➤ Very limited involvement of black people in the sector; ➤ No record of existing agricultural operations in the EMM; ➤ Poor records of available land for agricultural development
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ➤ Support by the private sector for agricultural development projects is high; ➤ Value adding such as agri-processing has a strong potential; ➤ SFPM provides a huge outlet for product from the envisaged projects; ➤ Private sector-community partnerships has high potential; ➤ Rehabilitation of mine dumps could provide more land; ➤ Mines and local public institutions could be additional outlets for produce. 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ➤ Products from other areas could enter the EMM/SFPM at relatively low prices; ➤ Cost of water, electricity and other inputs could be prohibitive; ➤ By-laws could prevent certain enterprises from being introduced; ➤ HIV/AIDS could deplete the number of workers in the projects; ➤ Crime especially around the townships could disrupt the operations of the project ➤ Utilisation of farming land for the purposes e.g. dumping, housing etc.

Figure 1: SWOT analysis of the agricultural sector in the EMM

5.1 Strategy

The SWOT analysis indicates that there are several strategic areas of focus that need to be addressed. These are largely in line with the objectives as reported in 4.3 above. In formulating the strategy, the approach would be an attempt to change the weaknesses into strengths as well as develop capacity to access the identified opportunities. In as far as the strengths and threats are concerned, they are external factors that cannot be controlled internally but need to be managed in line with the objectives in 4.3. The vision of the EMM with regard to agricultural development is in with the policy statement in 4.2. The strategic areas of focus are as follows:

- **Formal linkage between the EMM and DACEL**

There is a need for a thorough discussion of roles, responsibilities and envisaged contribution by the EMM and DACEL. Resolutions of such a process should result in a formal memorandum of understanding (MoU) and a plan of action. It is expected that other partnerships would be guided by such an agreement

- **Co-ordination of stakeholders' involvement in the agricultural sector**

Stakeholders who are participants in the agricultural sector in the EMM need to be identified and recorded. Their activities should be documented in detail so that their contribution to the local economy could be quantified. About two meetings per year of stakeholder representatives should be organised in an attempt to promote interaction and exchange of information.

- **Black economic empowerment (BEE) in agriculture within the EMM**

In order to address the limited involvement of the black people in agriculture, a special programme should be developed by the EMM in line with the recommendations of the Black Economic Empowerment Commission (BEEC) that would promote participation by black people in the agricultural sector. The principle of such an intervention should be demand-driven and be open to poor, not so poor, small and large agri-businesses.

- **Develop a data base of existing agricultural operations and available land within the EMM**

It has been observed that there is no data base of existing agricultural operations within the EMM. Such information is critical in establishing the role of agriculture in the LED and whether such a role corresponds with the economic potential of those entities. This would enable the EMM/DACEL to provide whatever support is necessary to optimise productivity. Similarly, there is a need for an accurate data base of vacant land and farms belonging to the EMM. These vacant lands and farms should be developed in line with the objectives in 4.3.

- **Local Economic Development (LED) Fund**

An LED Fund should be established as an attempt to mobilise funding from external parties such as local businesses, Land Bank, Umsobomvu and fiscal transfers from the national government. Such a fund should be used to provide finance to the processes and programmes that relate to agricultural development within the EMM. It will be necessary for the LED Fund to create partnerships with the public/private sector(s) instead of distorting the market by offering cheap money on an unsustainable basis.

- **Promotion of value-adding projects**

Agricultural development in the EMM should not only be confined to primary production, instead agri-processing opportunities should be ventured into. It would be advisable as a starting point to identify established potential partners who are keen to participate in joint ventures with identified entrepreneurs in the EMM area. Funding for such ventures should be facilitated.

- **SFPM to provide an outlet to the produce of the identified projects**

SFPM is the fifth largest fresh produce market in South Africa. It is located strategically within the EMM. There should be discussions with them with a view to establish a formal arrangement that would ensure that the produce from the projects is given special attention. This may not be in line with the current operations of the market but there should be flexibility on the side of the SFPM to put such arrangements in place. The best thing would be for them to establish a special agency that is controlled by them to do that.

- **Private sector-community partnerships**

Partnerships between the private sector and the communities should be promoted based on the fact that the former often have experience, networks and credibility with the financial institutions. Such relationships could take the form of equity holding by the communities with representation in the management and the board. It should be ensured, through an effective monitoring and evaluation mechanism, that there is community empowerment through training, capacity building and skills transfer. Through dividend payments, loans and other financial obligations should be paid.

- **Rehabilitation of mine dumps for agricultural development**

There are several mine dumps in and around the EMM and these should be identified. Their suitability for agricultural development should be established and only those that have potential for rehabilitation should be worked on. This project has a lot of short to long-term benefits in terms of temporary employment during rehabilitation and permanent employment when production takes place. Funding of the projects could be through partnerships with the mining houses and the Department of Minerals and Energy.

- **Procurement of produce (from the projects) by the mines and public institutions.**

Over and above the SFPM as an outlet, approaches should be made to the mining houses and public sector institutions (eg hospitals, prisons, schools etc) to buy (on contract) the produce from the projects. Most of these institutions procure agricultural supplies on a tender basis and this could pose a problem especially if prices are not competitive. It would therefore be imperative for projects to produce high quality products at competitive prices on a sustainable basis.

5.2 Structure

The structure in figure 2 is informed by the potential/existing relationships between the NDA, DACEL, EMM and other relevant stakeholders (e.g. Land Bank, non-governmental organisations, research institutions, private sector etc). It is, however, important to note that agricultural development in South Africa is guided by the policies and strategies developed by the NDA. The provincial policies and strategies are derived directly from those of the NDA. As indicated earlier, roles and responsibilities of the NDA and DACEL are guided by the constitution of the country. There is no formal relationship between DACEL and EMM. Support institutions are part of the agricultural development process and their role is specific to their functions.

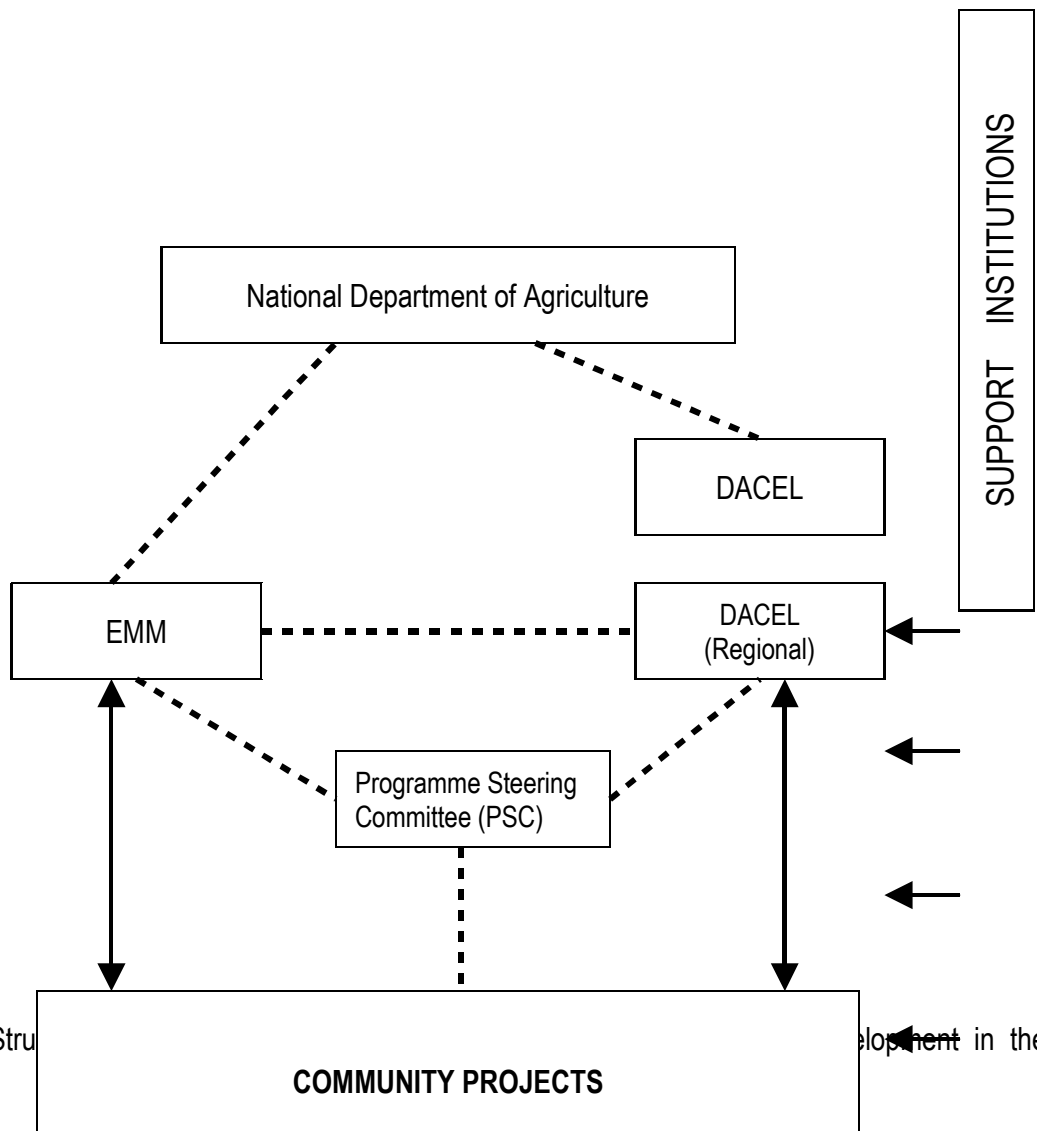
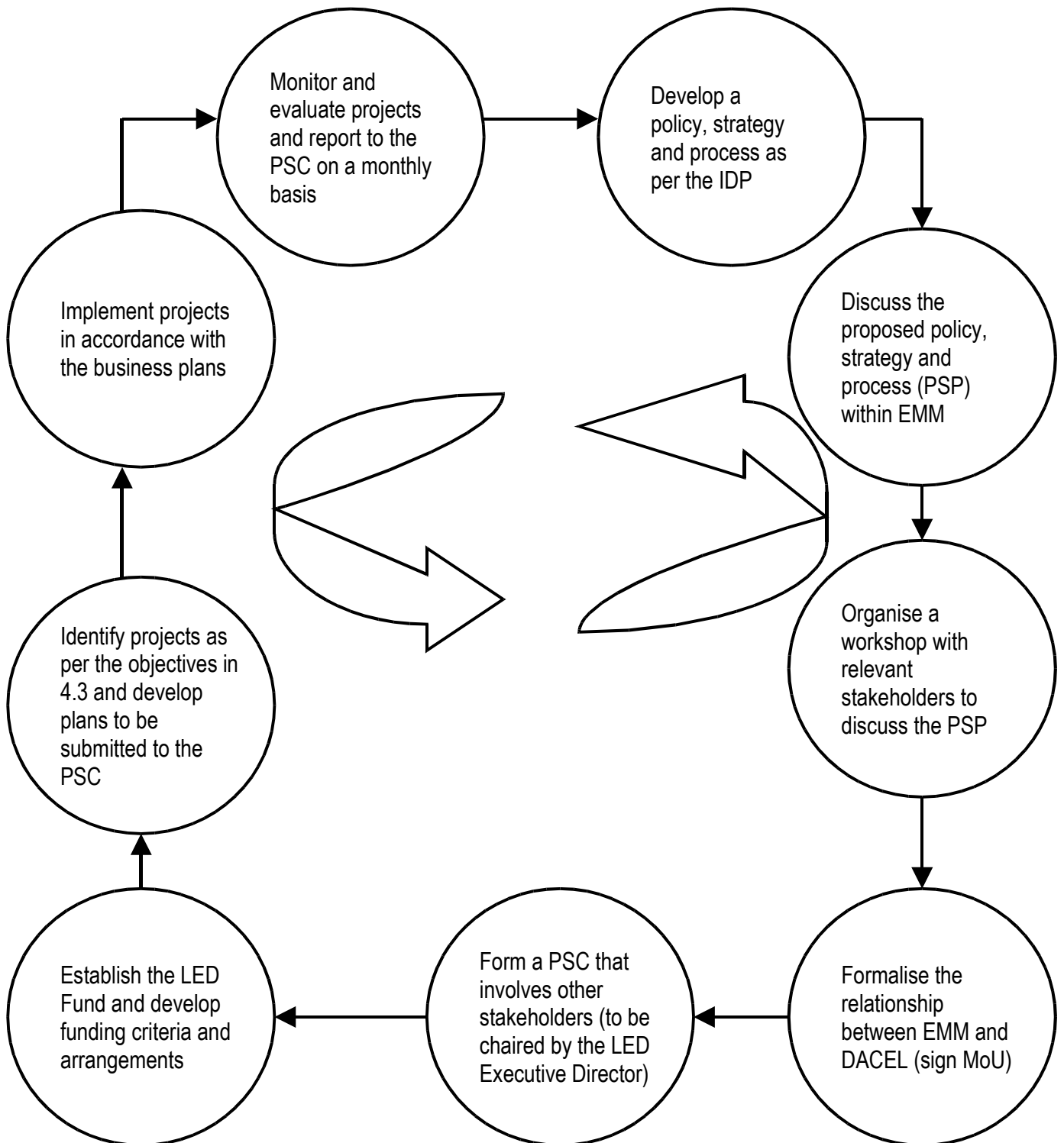


Figure 2: Structure of EMM

Stru

development in the

5.3 Process flow-chart for agricultural development in the EMM



6. OVERVIEW OF AGRICULTURAL SUPPORT SERVICES REQUIRED AND PROVIDERS THEREOF

According to Mosher (1971), agricultural support services can be divided into non-commercial (ie. research, extension, training and capacity building and infrastructure development) and commercial (ie. production and distribution of farming inputs, marketing, processing, distribution of farm production and production credit for farmers). The non-commercial services are often the responsibility of the government or its appointed agencies. Commercial services, on the other hand, are normally provided by the private sector and parastatal organisations. It is worth noting that these support services should be offered to the farmers as a package because if one or more are not available the whole process could be flawed.

6.1 Overview of agricultural support services required

6.1.1 Non-commercial

- **Research**

Research is a critical element in agricultural development with regard to soil fertility, suitability of crops/plants, rainfall/water requirements, pest control and other physical factors. 'It is a catalyst for the development of urban agriculture as it provides a clearer understanding of the industry's contributions and limits. Without this knowledge, credit and investment will be difficult to attract' (UNDP, 1996: 148)

- **Extension**

Extension officers have been regarded as change agents in agricultural development because of their perceived role as agents of skills and technology transfer. This view is problematic because no one can be expected to know everything relating to agribusiness. Their role should be viewed as that of agricultural development facilitators who operate between the farmers and resources institutions.

- **Training and capacity building**

Training and capacity building is an important element of agricultural development. It covers aspects that relate to the enhancement of technical, business and general knowledge of the farmers. The capacity of the farmers to establish their own institutions (eg. farmers associations, co-operatives etc) and manage them is critical to the success of agri-business. This service is highly specialised and should be provided by accredited institutions.

- **Infrastructure development**

Infrastructure such as electricity, roads and telecommunications plays an important role in agricultural development. Such infrastructure within the EMM is of a high standard. This is viewed as a strength that should be utilised for the benefit of the sector. Local government is usually responsible for providing such a service to the public within its own area of jurisdiction. It is expected that any economic venture would first seek and get approval of local government before it establishes its operations.

6.1.2 Commercial

- **Production and distribution of farming inputs**

These relate to seeds, fertilisers, tools, fuel, pesticides and others. It is important that valuable inputs be manufactured and supplied at a close proximity to the farmers so that they can get them as and when they need them. Most agricultural sub-sectors are oriented primarily towards serving the needs of rural farming making it difficult for urban farmers to access these sub-sectors efficiently. Producers of agricultural inputs manufacture for rural markets and do not cater for the needs of small urban producers (UNDP, 1996:152).

- **Marketing of agricultural produce**

Marketing of agricultural products in South Africa has always been regulated until 1994. Prior to 1994, the responsibility for marketing of agricultural products was that of the commodity boards. Currently, marketing services have been deregulated and are in the hands of private sector institutions. In as far as fresh produce markets is concerned, national fresh produce markets (eg. SFPM) are responsible for marketing services. SFPM belongs to the EMM and provides a marketing service to the farmers within and beyond the boundaries of the EMM. UNDP (1996) has reported that in most countries “many municipal markets and supermarkets do not consider small local products when obtaining supplies, turning instead to large scale suppliers or wholesalers that purchase mostly from rural farmers”. This practice needs to be changed with the SFPM.

- **Processing**
Value adding contributes significantly to a higher ROt and is desirable in meeting the objectives of urban agriculture. It is a complicated process and may not be possible for emerging producers. The strategy would be to promote partnerships between urban farmers and the private sector. “Food processing facilities are often located close to or in urban areas, offering urban farmers the advantage of proximity thus slaughtering and canning facilities may purchase animals, fruit and vegetables directly from local out-growers” (UNDP, 1996: 21).

- **Distribution of farm production**
Urban farmers have an advantage of being located close to large numbers of buyers of their produce. There is therefore a shorter marketing chain and this contributes to higher prices for the farmers. There is also an opportunity to utilise the wide network of hawkers who are normally found around the SFPM and taxi ranks. These hawkers buy at good prices and sell to the consumers at highly reasonable prices thereby creating a high turnover. Opportunities for further distribution of farm production exist at the local public institutions, namely, hospitals, schools, prisons and the school feeding programme of the government.

- **Production credit for farmers**
The poorest and the poor urban producers should be the recipients of the production grants from the EMM, Department of Social Development and other grant making organisations. It is expected that such food security grants would continue to the same groupings for a period of about three years. DACEL allocates about R3 000,00 per beneficiary over a three year period. Normally such an intervention is not expected to be viable in the short to medium-term and could be so in the long-term.

Middle to large-scale producers usually obtain production credit from specialised government institutions such as the Land Bank. Co-operatives also provide production credit mostly to their members. Commercial banks are also very active in financing these farmers although their terms are purely commercial without any developmental support. Although the pre-1994 government offered subsidies to the farmers, the current government no longer provides such support except for floods and drought relief.

7. ORGANISATIONAL RESPONSIBILITIES FOR FARMER SUPPORT SERVICES WITHIN THE EMM

Name of service	Provider	Service level	Remarks
Research	Agricultural Research Council (ARC)	High	Require formal agreements
Extension	DACEL	High	Require formal agreements
Training and capacity building	Private sector	Vary	Need, a more reliable supply and quality
Infrastructure	EMM/DACEL	Vary	Need focus attention by EMM
Supply of inputs	Private sectors/EMM/DACEL	Vary	Require coordination by EMM
Marketing of agricultural products	Private sector/SFPM	High	Require more support for emerging producers/hawkers
Processing	Private sector	High	Require partnership with HDIs
Distribution of farm production	SFPM.	Vary/High	Require more analysis
Production credit	EMM/DACEL/Land Bank	Vary	Require involvement of the Land Bank and others

8. MONITORING AND EVALUATION OF AGRICULTURAL DEVELOPMENT WITHIN THE EMM

Monitoring of the agricultural development processes within the EMM would focus on the Key Performance Indicators (KPIs) such as the number of emerging farmers who have been established, their gender, number of victims of HIV/AIDS who are beneficiaries, impact of the intervention on unemployment and other socio-economic factors. Production and income related aspects, of each operation form part of the KPIs. Evaluation, on the other hand, relates to the impact of the intervention as measured against the objectives of the programme.

8.1 Monitoring

The KPIs need to be identified and captured in a Management Information Systems (MIS) for reporting to the PSC on a monthly basis. The MIS should be developed by both the EMM and DACEL and be linked to both for monitoring and evaluation purposes. It is appropriate for the EMM to appoint young unemployed graduates as agricultural development facilitators (ADFs) and their role, among others, should be to collect and capture the information into the MIS. At the start of the project(s) most of the information would relate to base-line data and as the process continues it would relate to the production and other KPIs. DACEL should be responsible for analysing the information and providing professional reports to the PSC. Information from the MIS will assist management in adjusting processes towards meeting the KPIs.

8.2 Evaluation

Evaluation should focus on whether the intervention is attaining the set objectives as well as addressing the strategic areas of focus. Unlike monitoring, evaluation has to be undertaken over a longer period, for example, on a quarterly basis. It should also be borne in mind that evaluation should not be conducted at the end of the programme otherwise important information would be lost to the process. Evaluation should establish whether the following issues have been adequately addressed:

- Policy objectives;
- Strategic areas of focus;
- Structural participation and effectiveness of each stakeholder;
- Contribution to the eradication of identified social/economic problems;
- Contribution to the LED; and
- Value for money in terms of the invested resources into the programme.

9. CONCLUSION AND SPECIFIC RECOMMENDATIONS

The EMM has taken a decision to promote urban agriculture within its area of jurisdiction. It is expected that agriculture will contribute towards the eradication of poverty, provide support to the unemployed people and the victims of HIV/AIDS, contribute to the LED and create value adding economic opportunities. There are, however, various actions that would require to be addressed if urban agriculture would be developed within the EMM. Relationships would need to be formalised with DACEL and other important stakeholders in the sector.

9.1 Conclusion

National and provincial agricultural policies and strategies should provide guidelines for the EMM's agricultural policy objectives. The EMM should be responsible for implementation (be the PIA) on behalf of DACEL and other stakeholders. Each of the farmer support service providers should be part of the PSC and be formally expected to play their specific roles in accordance with their mandates/competencies/business focus. The farming activity should be by the communities/farmers and should be supported by the extension officers. Each farming activity should be as intensive as possible with a high ROt compared to other possible ventures.

9.2 Specific recommendations

The EMM should implement the following short-term and medium to long-term specific recommendation:

SHORT-TERM

- **Workshop of relevant stakeholders**

A workshop of relevant stakeholders in the agricultural sector within the EMM area should be organised by the 31 July 2002. The purpose of the workshop is to discuss in detail the Agricultural Policy and Strategy document of the EMM with a view to secure buy—in and participation by the stakeholders in the roll-out process. Among the stakeholders to be invited should be DACEL's regional office, Departments of Land Affairs, Labour, Social Development and Public Works (provincial), Land Bank, farmer representatives, SFPM, private sector and donor institutions. Relationships should be formalised at that workshop or immediately thereafter.

- **Formation of a programme steering committee (PSC)**

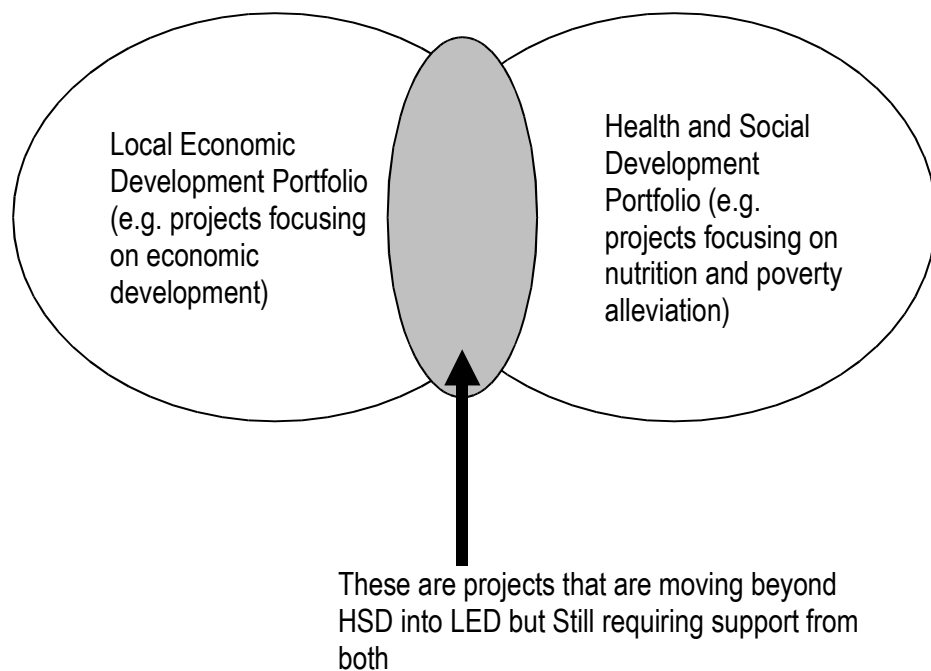
A PSC should be formed by relevant stakeholders who are active in agricultural programmes within the EMM area. Its purpose should be to co-ordinate the various agricultural initiatives within the municipal area. Farmers (both small and big) should be represented in the PSC so that their participation could be secured. The PSC should be co-ordinated and chaired by the Executive Director of the LED.

- **Evaluation of agricultural projects currently sponsored by the EMM**

Several agricultural projects that are sponsored by the EMM have been visited. Business plans have been drawn up as source documents for these projects. At the time of the commencement of the projects under the EMM, there were no agricultural policy and strategy guidelines in place. It would be necessary to ensure that those projects, at least, have performed in accordance with their business plans and that they do not contradict the agricultural policy and strategy guidelines of the EMM as developed through this document. This process should take place by the end of September 2002.

- **Develop a co-ordination mechanism and programme plan between the LED and Health and Social Development (HSD) Portfolios.**

Both the LED and HSD Portfolios are by virtue of their mandates involved in agriculture. Their emphasis, however, is different, namely, economic development and eradication of poverty | hunger respectively. In order to ensure co-ordination and effective delivery, there is a need for a joint programme plan that addresses the areas of overlap between LED and HSD Portfolios. The following diagram best describes the desired scenario



Because of the importance of this aspect, it is proposed that it be addressed by the end of August 2002. Based on the agreed modus operandi, monthly meetings of the LED and HSD Portfolios should be organised.

- **Identify new projects that meet the criteria of the LED and HSD Portfolios**

New projects that meet the criteria of the LED and HSD Portfolios should be identified and presented to the PSC. These projects should be financed either through the EMM or funding be sought from the external institution. Business plans for these projects should follow the guidelines of this agricultural policy and strategy document. There should be a request for proposals (RFPs) from various interested parties. The RFPs should be evaluated by the PSC with the assistance of an external expert group. Such a process should be completed by the end of August 2002.

- **Restructuring of the SFPM with a view to improve its profitability and promote black economic empowerment (BEE)**

The SFPM can play an important role in the promotion of urban agriculture in the EMM area. There is, however, a need to restructure the market with a view to:

- > Improve its operational efficiency and profitability; and
- > Promote BEE by introducing black and female service providers such as agents, wholesalers, security companies and other; and attract private sector participation in the operations of the market as investors, equity holders and other business possibilities

Restructuring of the SFPM is an urgent matter that would require to be commenced with by the end of August 2002 and completed three months later.

- **Develop a data base of farmers and agri-business within the EMM area**

There is currently no data base of farmers and agri-businesses who operate within the EMM area. Such information is critical to the EMM with respect to regulatory issues, support and quantification of the contribution of agriculture to local economic development. These farmers should be invited and motivated to register in the EMM data base. They should be provided with a producer / agri-business number as well as incorporated in the EMM web page. This would assist the operations with the marketing of their, produce. The development of such a data base and web page should be finalised by the end of October 2002.

MEDIUM TO LONG-TERM

- **Establish an LED Fund for the promotion and support of agricultural development;**

Agriculture is an important sector within the EMM area. It is increasingly becoming so in view of the decline in the mining sector in places such as Nigel and surrounding areas. The EMM should establish an LED Fund whose objective, among others, would be to promote agriculture and provide support towards value adding activities and job creation. The fund should also promote agricultural export and black economic empowerment within the sector. Contributors to the fund could be the EMM, big business operating within the EMM area (e.g. Caesars Palace and others). It should be managed by the EMM and appoint external people. The fund should be established by the end of August 2002.

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10.3 People interviewed

- Mr. A. M. Kgole - DACEL
- Mr. T. Mhlauli - DACEL
- Mr.G.Nel - SFPM
- Mr. N. Kara - SFPM
- Mr. M. Ndlela - EMM
- Mr. S. Mokwena - EMM
- Mr. O. Mofokeng - Nigel Service Delivery Centre
- Mr. T. J. Mavhungu - HSDP
- Rev. J. O. Zitha - Vlakfontein Communal Property Association