



rural development & land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA



PORTFOLIO COMMITTEE ON RURAL DEVELOPMENT & LAND REFORM

16 MARCH 2016

1. INTRODUCTION

The Department of Rural Development and Land Reform working together with the Department of Agriculture, Forestry and Fisheries; the Economic Development Department; the Department of Science and Technology; Department of Trade and Industry, the Department of Cooperative Governance, the Department of Small Business Development, the Department of Water Affairs and Sanitation, the Department of Environmental Affairs, their respective agencies and the private sector have embarked on rolling-out Agri-parks to all 44 Districts in South Africa, including the Thaba Nchu area in the Mangaung Metro.



The project will kick start the Rural Economic Transformation for identified rural regions creating an estimated 89 340 jobs in production, farmer support, and processing by 2019.

2. AGRI-PARKS DEFINITION

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; provides some storage, some processing for the local market, and extension services including mechanization.
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;
 - i. Linking and contracting rural, urban and international markets through contracts.
 - ii. Acting as a holding-facility; releasing produce to urban markets, based on seasonal trends.
 - iii. Providing market intelligence and information feedback, to the AH and FPSU, using the latest Information and communication technologies.



3. GUIDING PRINCIPLES AND CRITERIA FOR ASSESSMENT OF AGRI-PARKS

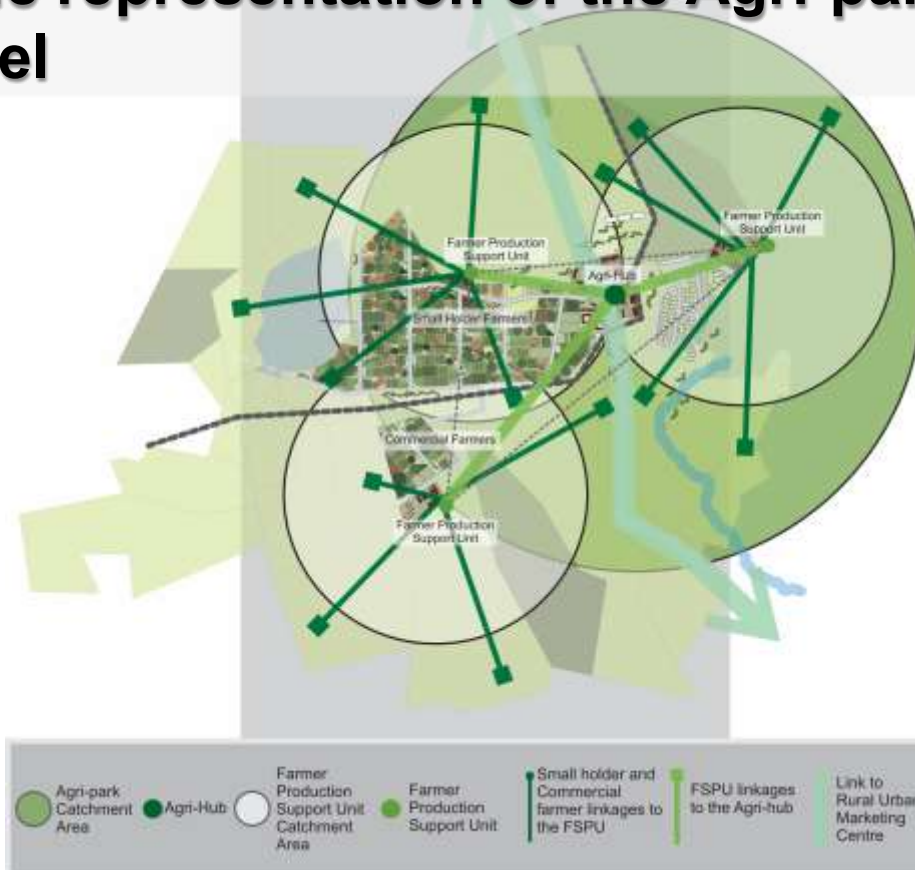
1. One Agri-Park per District Municipality
2. Agri-parks must be farmer controlled
3. Agri-parks must be the catalyst around which rural industrialization will take place.
4. Agri-parks must be supported by government (10 years) to ensure economic sustainability.
5. Strengthen partnership between government and private sector stakeholders to ensure increased access to services (water, energy, transport) and production on the one hand, while developing existing and create new markets to strengthen and expand value-chains on the other.
6. Maximise benefit to existing state land with agricultural potential in the provinces, where possible.
7. Maximise access to markets to all farmers, with a bias to emerging farmers and rural communities.
8. Maximise the use of high value agricultural land (high production capability).
9. Maximise use of existing agro-processing, bulk and logistics infrastructure, including having availability of water, energy and roads.
10. Support growing-towns and revitalization of rural towns, in terms of high economic growth, high population growth over past 10 years and promote rural urban linkages



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Static representation of the Agri-park Model



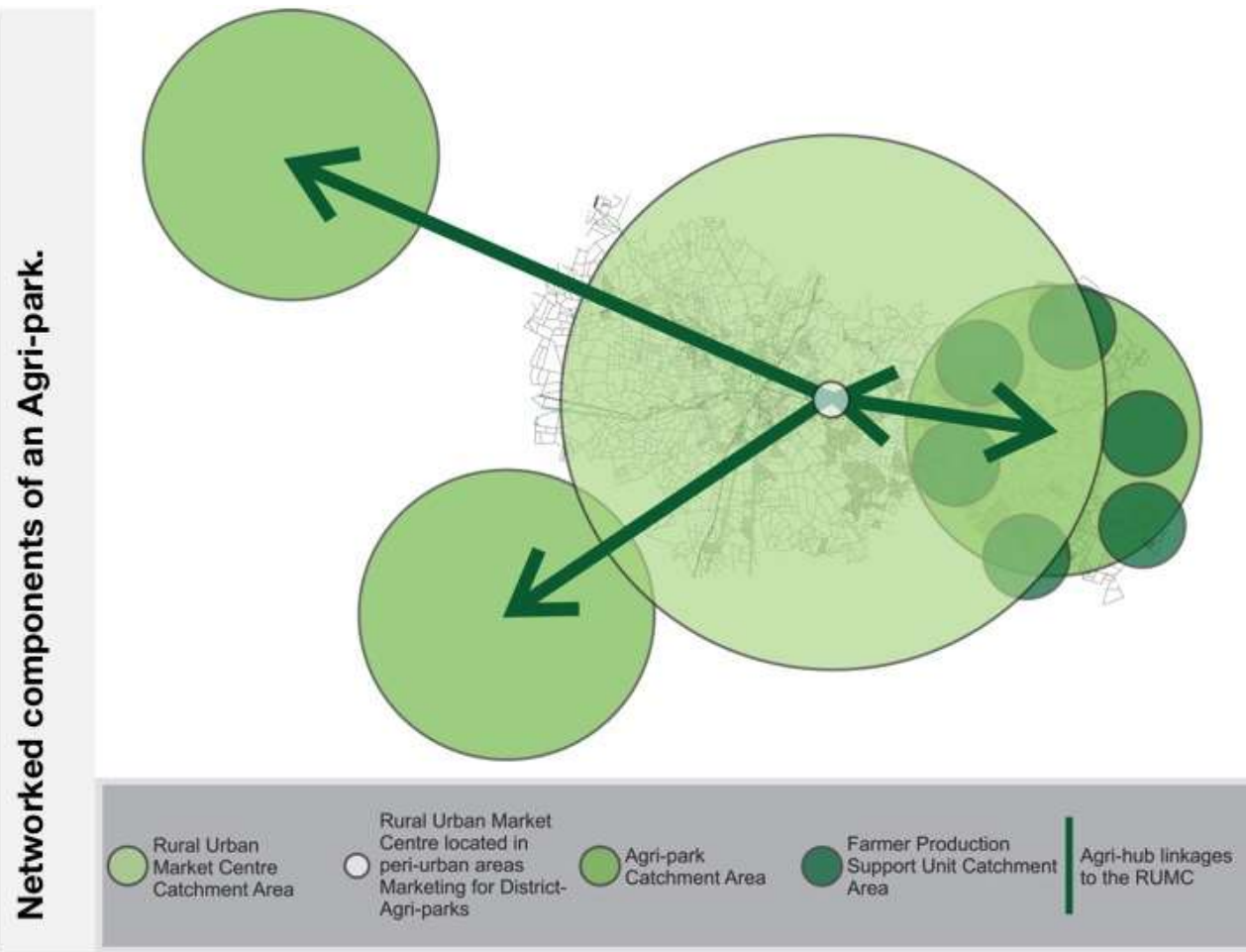
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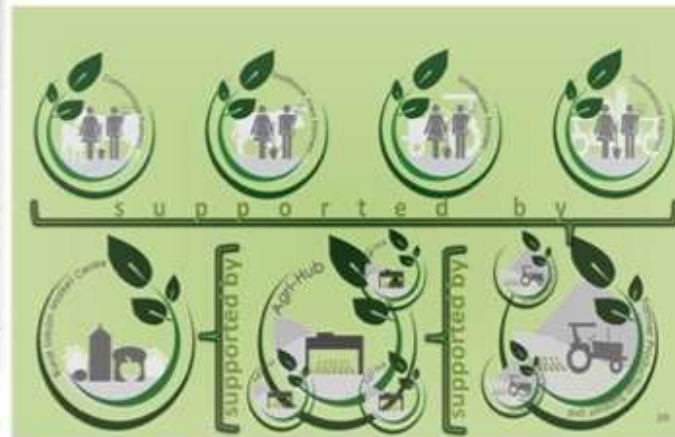
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A Rural Urban Marketing Center (RUMC):

RUMCs are located on the periphery of large urban areas, these facilities provide:

- a) Market intelligence
- b) Assist farmers, processors in managing a nexus of contracts.
- c) Large warehousing and cold storage facilities to enable market management.
- d) Logistic and transport in collection of produce from FPSUs or Agri-hubs
- e) Both FPSU's and Agri-hubs provide inputs to the RUMC.
- f) Agri-parks share RUMCs.



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Provincial selected Agri-hub Sites (44 +1)

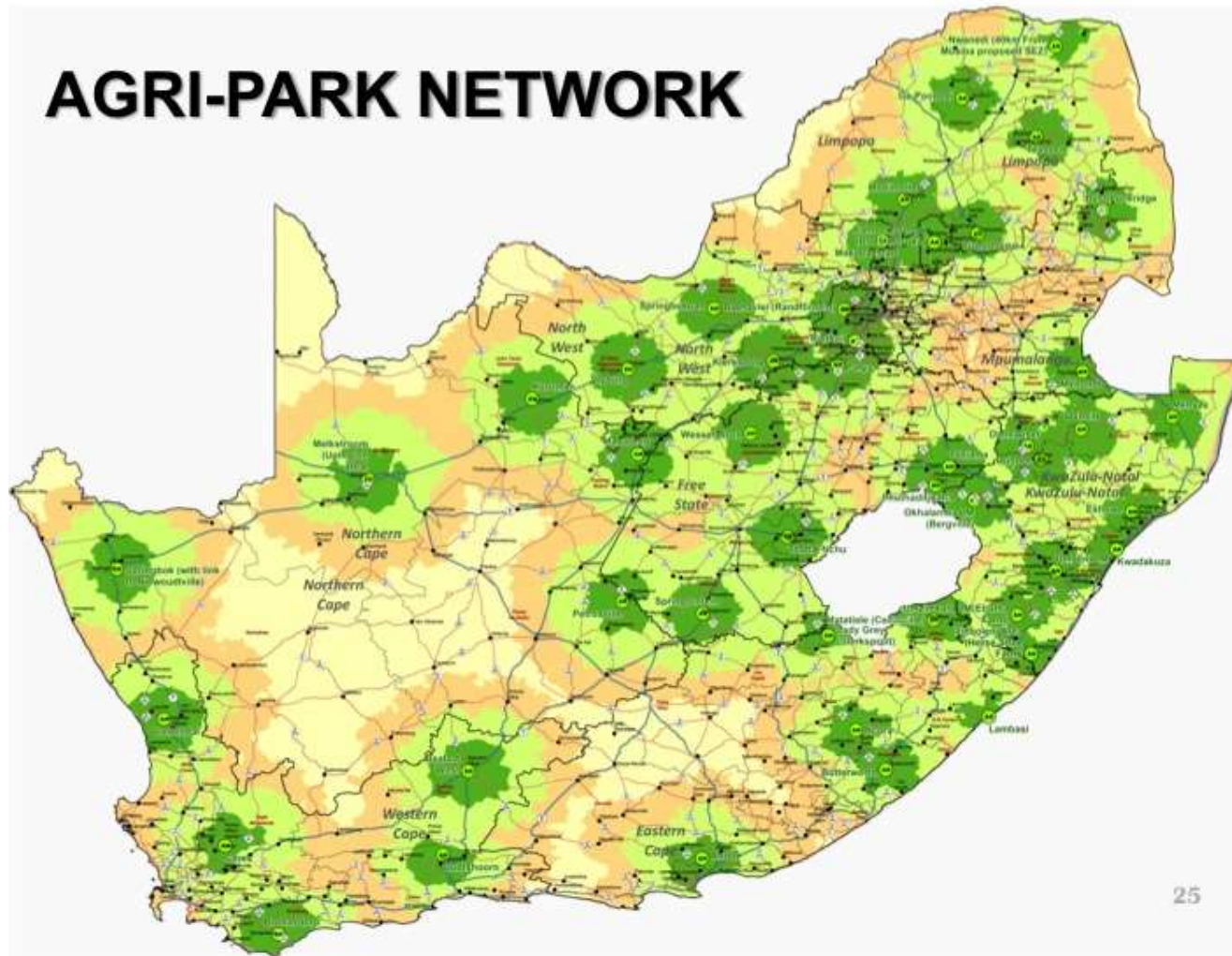
PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Sites	PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Sites	PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Site
Eastern Cape	Alfred Nzo	Cedarville (Matatiele)	KwaZulu Natal	Amajuba	Danhauser	North West	Bojanala	Makapanstad
	Amathole	Butterworth		Ilembe	Kwadakuza		Dr Kenneth Kaunda	Klerksdorp
	Sarah Baartman	Addo		Harry Gwala	Umgungundlovu LM(Ebutha Farm)		Dr Ruth Segomotsi Mompoti	Vryburg
	Chris Hani	Ncora			Izingoloni Area (Horse Shoe Farm) & Ugu Fresh Produce market		Ngaka Modiri Molema	Springbokpan
	Joe Gqabi	Lady Grey (Sterkspruit)		Ugu				
		Lambasi (Port St Johns)		Umgungundlovu	Umgeni LM	Northern Cape	Frances Baard	Magareng
	O.R.Tambo			Umkhanyakude	Mkhuze		John Taolo Gaetsewe	Kuruman
Free State	Fezile Dabi	Parys	Limpopo	Umkhanyakude	Dundee			Springbok (with link to Niewoudtville)
	Lejweleputswa	Wesslesbron		Uthukela	Okhalamba LM (Bergville)		Namakwa	Petrusville
	Mangaung	Thabanchu		Uthungulu	Eshowe		Pixley ka Seme	Melkstroom (Upington area)
	Thabo Mofutsanyane	Tshiame (Harrismith)		Zululand	Vryheid		ZF Mgcawu	
	Xhariep	Springfontein				Western Cape	Cape Winelands	Ceres
			Mpumalanga	Capricorn	Ga-Poopedi		Central Karoo	Beaufort West
Gauteng	Sedibeng	Rietkuil		Greater Sekhukhune	Groblersdal		Eden	Oudtshoorn
	West Rand	Brandvlei (Randfontein)		Mopani	Tzaneen		West Coast	Vredendal
				Vhembe	Nwanedi (40km from Musina proposed SEZ)		Overberg	Bredasdorp
				Waterberg	Modimolle			
			Mpumalanga					
				Ehlanzeni	Bushbuckridge			
				Gert Sibande	Mkhondo			
				Nkangala	Kameel Poort A (Dr JS Moroka)			



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AGRI-PARK NETWORK



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4. BUDGET ALLOCATION FOR THE PROJECT

R 2 billion has been committed by the department for 2015/16 financial year. Other stakeholder departments and agencies will also contribute to towards the development of the Agri-parks per district

The state land will be used for this purpose and to ensure economic sustainability Agri-parks will be supported by government for 10 years.

5. BENEFITS OF AGRI-PARKS

a) NDP (National Development Plan)

- 1 million additional jobs will be created in the agricultural sector by 2030;
- 1 million hectares will be under production

b) NGP (New Growth Path)

- 145,000 new jobs will be created in agro-processing by 2020;
- 300 000 smallholders

c) MTSF (Medium-Term Strategic Framework)

- 1 million new jobs will be created in rural economy by 2030;
- Reduction of rural unemployment from 49% to less than 40% by 2030

