

PHA SOCIO-ECONOMIC AGRICULTURAL PLAN MEDIA BRIEFING DOCUMENT

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INTRODUCTION

The Western Cape Department of Agriculture commissioned a study in July 2017 to develop a Socio-Economic Agricultural Plan for the Philippi Horticultural Area. The study was initiated in response to growing stakeholder concern about the lack of policy certainty regarding the protective status of the PHA. The Study was awarded to Indego Consulting who led a consortium of specialist firms.

The Indego team was required to review the significance of the PHA in terms of: agricultural production, the natural environment and its broader socio-economic role and contribution. The study was located within the context of the negative impact of climate change and severe drought on agricultural production within the Western Cape.

The Indego team adopted a participatory approach to the research and engaged a broad range of stakeholders throughout the PHA value-chain. In addition to primary research that included a farmer survey, an extensive literature, legislation and policy review informed the findings of the research.

BACKGROUND

The remaining “core” of the PHA constitutes about 1 884 hectares of agricultural land within the Cape Flats District of the City of Cape Town (CCT). The “greater” PHA area comprising 3168.65ha includes a broad range of both formal and informal land uses, including residential and industry, creating so-called “buffer areas” around the core PHA. There are nine informal settlements within the “greater” PHA area, with only one been located within the “core”.

In the past, a broadly-held and long-established policy consensus was in place that the greater PHA is unique and should be retained for horticulture, sand

mining and silica sand mining. However, since 1988 a sequence of planning decisions has led to a reduction in the core PHA footprint. In recent years, the policy certainty around the land-uses of the PHA has been further eroded by:

- inadequate policing of zoning scheme regulations that have resulted in an intrusion of non-conforming land uses in areas on the fringe of the PHA;
- precedent-setting land development applications in the southern quadrants of the PHA; and,
- amendments to the City of Cape Town's SDF and urban edge in 2011 and 2014.

This has placed the PHA under severe stress owing to a changing urban edge and rezoning of land from agricultural to mixed use. The remaining farm land is under pressure from illegal dumping, conflicting land uses and safety and security concerns. There is a lack of proactive management of the underlying Cape Flats Aquifer. Encroachment of industrial, informal and residential increases the risk of aquifer contamination and decreases the available recharge area due to natural vegetation being replaced with impermeable concrete.

KEY FINDINGS OF THE INDEGO PHA STUDY

The Indego Study has reconfirmed the findings of a number of previous studies that the PHA is an area of agricultural, environmental and heritage significance that should be retained for its original intended land uses – horticulture and sand mining.

The significance of the PHA as an agricultural area relates to its unique combination of climate, water and soil. Its lower average monthly temperatures during the hot Summer months (compared to other vegetable-producing areas in the Western Cape) gives PHA farmers a competitive edge when supplying markets when demand is high, and production elsewhere is low. This enables farmers to extract higher turnover figures per hectare during

this season than during other times of the year. The underground water available throughout the PHA enables at least 3 to 4 crop cycles per annum. A key study finding is that there is sufficient ground water for expanded agricultural activity. The Witsands geological formation has been mined for construction sand for generations and a symbiotic relationship exists with the PHA farmers. Even today, as the sand is mined, horticultural activity immediately follows. The PHA soil is valued more as a growing medium than a source of nutrients.

The PHA growing conditions are not replicable within a 120-kilometre radius of Cape Town and have made the PHA more drought-resilient than other areas according to both market and producer feedback.

The environmental significance of the PHA is owing to its location over the portion of the Cape Flats Aquifer (CFA) with the greatest groundwater potential and some of the best water quality. This results in a network of vleis and dams across the production area and means that much of the PHA is unsuitable for low-cost housing owing to the low water table. Mines have been granted permission to mine to 1 metre above the water table and the ground level is dependent on whether the mining was undertaken in winter or summer months. The PHA remains a natural recharge area for the PHA. The protection of the CFA will increase the climate change resilience and food security of the City.

The PHA's heritage is evident in the: discovery of the prehistoric Cape Flats Skull; findings of San and Khoi artefacts; the designation of the land for production by the Colonial government; the transformation of the PHA into the "vegetable pantry" of Cape Town by German settlers; and the establishment of a number of Cape Flats settlements through the passing of the Group Areas Act and the District 6 forced removals.

All these factors above support the designation of the PHA as a "unique Growing area" that requires formal protection, management and regulation.

The PHA is currently actively farmed with at least 89% of the “core” land under production. Thirty horticultural products are being produced with carrots, lettuce, cabbage, spinach and cauliflower being the top 5 crops. There are about 30 active farmers in the PHA, of which 5 are classified as large commercial. The PHA producers are firmly embedded in the Western Cape agricultural value chain through the sourcing of inputs, logistics, services and markets. For every R 1 million spent in the vegetable industry 4.65 direct jobs are created and 46.5 indirect jobs translating into the PHA contributing about 3000 direct jobs and 30 000 indirect jobs to the regional economy. The PHA further contributes about R 484 Million direct and R 938 Million indirect turnover into the regional economy. This could grow further through more land being made available for farming and the adoption of new technologies. The farmers supply both formal and informal vegetable markets with some the large commercial farmers dominating the retail market and small commercial and small holders focusing more on supplying the Cape Town Market, the bakkie traders, middle-men and direct sales. The spread of markets supplied by the PHA makes the area critical for food security across all income groups.

The agricultural activity within the PHA has broader socio-economic significance as a contributor to:

- the CCT and Western Cape's climate change resilience;
- sustainable and inclusive urban development;
- CCT, regional and national food security and positive food price regulation;
and
- regional economic competitiveness.

In addition, all the elements are in place for a successful agrarian reform model – the availability of land, water, climate, skills, market access and knowledge. There is enormous potential for a broad multi-stakeholder partnership model,

which can integrate small - medium enterprise development and commercial opportunities throughout the agricultural value-chain – to drive future social and economic development within the PHA that is linked to broader regional opportunities.

There is substantial stakeholder consensus that the PHA needs to be retained for horticultural purposes. This is translated into provincial and CCT spatial plans and development frameworks. The latest draft of the Metro SDF identifies the PHA as a “Critical Natural Area” owing to its agricultural and heritage significance and broader regional economic contribution that must be protected. City and provincial human settlements and public transport spatial and investment plans are within the so-called Metro South East and Blue Downs Corridor that lie to the north and east of the PHA. ACSA’s plans, with the support of the CCT and province, to utilize the Cape Town International Airport as a catalyst for an aerotropolis recognizes the importance of a production area in close proximity that can fill excess cargo capacity and support linked agro-processing activity.

Whilst Indego’s research has reconfirmed the significance of the PHA and has shown that substantial agricultural production continues to take place, the PHA faces significant risks linked to: the failure to manage and regulate the PHA; farmer and community safety and security; land invasions; illegal land-use and dumping; and low levels of social trust.

PROPOSED PHA SOCIO-ECONOMIC AGRICULTURAL PLAN

The dream is for a PHA that is protected, productive, sustainable, inclusive, safe and secure for all who work, live and visit there. This would be achieved by farmers, farm workers, suppliers, markets, adjacent communities and the public

sector actively collaborating to protect the PHA for horticulture and driving agrarian reform and compatible economic activity. Sustainable economic growth will be supported through expanded market linkages, technology, support to informal vegetable traders and agro-tourism related activity such as urban farm tours, good eating and vegetable growing courses, food stalls and markets, hiking and cycling. The human settlement needs of farm workers and informal settlement dwellers must be addressed and ethical business practices and sound labour relations encouraged. Greater productivity and linkages to the Aerotropolis and its services, logistics and markets must be facilitated to increase the contribution of the PHA to regional economic competitiveness.

The immediate required actions towards this dream and to stabilize the PHA are:

1. Providing policy and planning certainty regarding the protection status of and land use within the PHA through all the legal and planning instruments available;
2. Proactive land-use and environmental management and regulation of the PHA core horticultural area and its “buffers”;
3. Proactive management of the Cape Flats Aquifer;
4. Enhanced agricultural production and competitiveness driven through agrarian reform and regional market linkages; and
5. Addressing the safety and security concerns of PHA farmers, farm workers and communities.

A “Whole of Society” approach will be adopted that is driven through the coordination of multi-stakeholder and “inter-governmental” commitments.

Core public sector partners are the:

- CCT (represented by a range of departments responsible for spatial planning and land use management; water and sanitation; urban development (human settlements and public transport); economic development; community safety and area-based management);

- WCG (especially the Office of the Premier, Department of Agriculture, Community Safety, Human Settlements and Economic Development and Tourism);
- National government (especially departments responsible for water and sanitation, land reform, agriculture, disaster management and minerals);
- National and provincial parastatals such as SANRAL, ACSA, SAPS, WESGRO and Heritage Western Cape; and the
- Private sector and civil society in terms of: supplier development programmes; BBBEE; knowledge and skills sharing; job creation; technology transfer; promotion of sustainable agricultural practices; branding and marketing; regulation; corporate social investment; protection of the PHA for its intended land use; and research and innovation.

The intention is for the Department of Agriculture and CCT to jointly lead an inter-governmental project management team to facilitate alignment of government plans and budgets and implementation and for the CCT to investigate the establishment of a precinct management structure that is inclusive of stakeholders and financially sustainable that would manage the implementation of stakeholder commitments in the long-term.