

## Agropark Gauteng

Investment potential for Dutch private sector  
December 2013, Matthijs Montsma

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## Background and starting points

- Fast growing population in Gauteng (Johannesburg and Pretoria) requires food security

Province	2011 Census	NDP 2030 Forecast	IFs 2030 Forecast	IFs 2050 Forecast
Eastern Cape	6,6	6,9	7,7	8,8
Free State	2,7	3,1	3,1	3,4
Gauteng	12,3	14,1	17	23,1
KwaZulu-Natal	10,3	11,9	13	15,6
Limpopo	5,4	6,4	6,9	8,2
Mpumalanga	4	4,5	5	5,8
North West	3,5	3,9	3,9	4,4
Northern Cape	1,1	1,4	1,3	1,5
Western Cape	5,8	6,4	8,8	12,2

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## Background and starting point

- From extensive to intensive agriculture
- Local policy: development of agro-hubs (vision 2055)
- Agro-hubs suitable for efficient agro-business: Agroparks
- Client: Unlimited Group
  - 50ha + 1000ha to be developed
- Products: beef, chicken, vegetables and fruit
- Dutch companies desired for hardware and knowledge input

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## Planned agro-hubs in Gauteng

The Gauteng Agricultural Potential Atlas

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## Target market

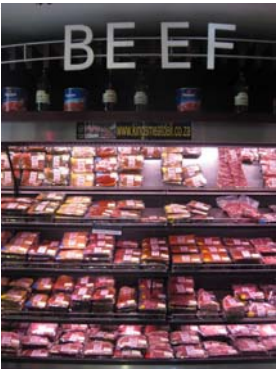
- Fast growing population Gauteng (Johannesburg and Pretoria)

Year	South Africa	Gauteng	% Of total
2011	51.8	12.3 mln	23.7%
2020	58.9	15.6 mln	26.5%
2050	83.6	23.0 mln	27.5%

- Decrease fresh market; increase retail, wholesale, process
- Calculations on beef, chicken and tomato

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### Beef



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### Beef

Year	Consumption /capita [kg]	Local production [million heads]	Needed land [ha]	Investment installations [M€]
2011	16.7	0.68	228	137
2020	16.7	0.87	289	173
2050	16.7	1.28	426	256

- 2020 – 2011 = 61ha (tot. investmnt 188M€ (37M€ inst.))
- 2050 – 2011 = 199ha (tot. inv. 608M€ (119M€ inst.))
- Investment installations for primary production, processing not included.

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### Chicken



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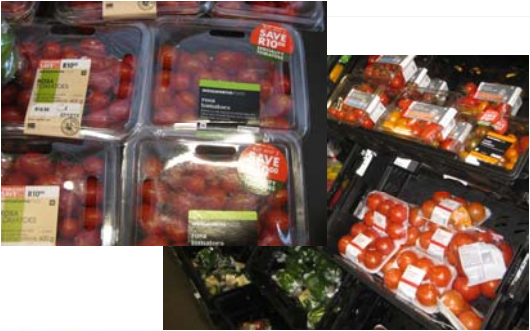
### Chicken

Year	Consumption /capita [kg]	Local production [million heads]	Needed land [ha]	Investment installations [M€]
2011	30.8	39.9	332	222
2020	30.8	50.6	421	282
2050	30.8	74.6	621	416

- 2020 – 2011 = 89ha (tot. investmnt 134M€ (60M€ inst.))
- 2050 – 2011 = 289ha (tot. inv. 434M€ (193M€ inst.))
- Investment installation processing not included.

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### Tomato



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### Tomato


Year	Consumption /capita [kg]	Local production [million kg]	Needed land [ha]	Investment [M€]
2011	13	7196	36	26.9
2020	18	16848	67	67.4
2050	23	39675	132	165.3

- Conservative scenario
- Maximum self-sufficiency of 75% in 2050.
- Low consumption per capita (actual in EU 23kg)
- For each 100ha glasshouse 30 ha for packaging/processing is needed with an investment of 60 M€.

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### Potential synergies

- Plant material greenhouses
  - Plant trimmings + manure: biogas > 50 kWh electricity per ha
  - Plant stem: animal bedding
  - Rejected produce: cow feed (10% of feed)
- Drain water greenhouses for open field production
- Diverse qualities, example carrot:
  - Fresh: €350/ton
  - 2<sup>nd</sup> quality: €200/ton
  - Carrot for feed: €35/ton
  - Energy production: €0/ton
  - Composting: -€100/ton



### SWOT

- Strength
  - Close to increasing market
  - Employability increase
  - Fits in local policy
- Weakness
  - Complexity, feasibility study is needed
- Opportunities
  - Create employment
  - Black empowerment
- Threats
  - Bureaucracy (government change)
  - Investors



### Partners Agropark Gauteng

- Commitment:
  - Horticulture – Greenhouse technology (HortiMax)
  - Meet – Cooling/freezing (Van Abeelen koudetechniek)
- Other consortium partners:
  - Storage fruit/vegetables (Van Kempen Koudetechniek?)
  - Processing
  - Others depending on feasibility study



### Partners Agropark Gauteng

Riël Malan – Managing Director Unlimited Group:

*“The time is right for the development of an Agropark. I see a participation for Dutch technology, service and knowledge. The year 2014 will be decisive”*




### Planning

- January/February 2014 – Presentation Agropark
  - Local government Metropole Tshwane
  - DTI Gauteng (Trade and Industry)
- March 2014 – ‘Under Cover farming conference’ Pretoria
- Forming a consortium with Dutch stakeholders
- Start with 50ha




Thank you

