

## **AGRICULTURE DIRECTORATE**

### **GAUTENG AGROPROCESSING**

#### **What is agro-processing?**

According to the United Nations Food and Agriculture Organisation (FAO (1997), “Agro-processing industry is a subset of manufacturing that processes raw materials and intermediate products derived from the agricultural sector. Therefore, agro-processing means transforming products that originate from agriculture, forestry and fisheries.

Agro-processing involves value-adding transformation of products that originate from agriculture, forestry and fisheries industries. It involves, onsite growing, harvesting, processing and packaging of agricultural products and then delivering them to the market as finished and value-added products.

Under this farming method, very small pieces of land to produce higher volume agricultural products. It differs from farming methods that involve production of agricultural products on large tracts of land.

The Standard Industrial Classification categorises the following 11 economic sectors under the agro-processing industry. These include food, beverages, paper and paper products, wood and wood products, textiles, clothes, furniture, tobacco, rubber products, footwear and leather and leather products.

#### **Why Agro-processing**

The Gauteng Provincial Government supports agro-processing agricultural production methods because they have great potential to create socioeconomic benefits for emerging small-scale farmers. The benefits include food security, job creation, entrepreneurial skills development and increase the Province’s potential to become South Africa’s agricultural powerhouse.

In the Gauteng Province, some of the transformed and value-added products from the agro-processing projects supported by the Gauteng Department of Agriculture and Rural Development (GDARD) include oil, mealie-meal, vegetables, stock feed and beverages.

The agro-processing industry is among the sectors identified by the Industrial Policy Action Plan, the New Growth Path and the National Development Plan for its potential to increase economic growth and create jobs because of its strong backward linkage with the primary agricultural sector.

### **Potential of start-up Agro- processing**

#### **Potential to create jobs**

Whilst large enterprises in the agro-processing industry contribute a significant share of the income and employment, the relative share of small and medium agro-processing enterprises to the total employment is higher; compared to their share of total income in the industry (Quantec, 2014). Accordingly, small and medium agro-processing enterprises have a great potential of generating sustainable jobs.

Considering the forward and backward linkages and the spill over effect, the potential to create jobs is even greater within the agriculture, forestry and fisheries and the manufacturing sectors (NDP, 2010).

#### **Enhance food security**

Smallholder producers experience high post-harvest losses which negatively affects the financial sustainability of operations. According to Africa Post Harvest Loss Index (2014) losses for roots and tubers were at 10-40%, fruits and vegetables at 15-44%, whilst fish and sea food at 10-40%. Such losses mean that food security in rural communities is threatened because rural-based smallholder farmers are particularly affected.

Fortunately, the Gauteng Province's agro-processing development agenda aims to reverse these losses; using both indigenous knowledge and modern technology. Under the indigenous knowledge approach, post-harvest crop loss is prevented through drying, salting, crushing and pre-cooking the produce. On the other hand, modern technology based post-harvest crop preservation methods include extraction, canning, bottling and concentration. Therefore, agro-processing activities have a potential to positively contribute towards food security.

#### **For further information on agro-processing contact:**

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