



DRAFT POLICY FOR MANAGEMENT OF MUNICIPAL AGRICULTURAL LAND

The matter to address with Agri -land is not;

Whether it is productive

but rather

whether it can be productive

2015

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1.1 DEFINITIONS

“acquire” in relation to land includes, but is not limited to acquisition by purchasing, expropriation, exchange, donation or leasing, or as a result of the conclusion of any form of land availability agreement, and ‘acquisition’ has a corresponding meaning;

“Asset” means a tangible resource capable of ownership;

“Basic municipal service” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health, safety or the environment;

“Capital assets” in terms of this policy, means land and other immovable capital assets which vests in the Municipality and municipal land and property has a corresponding meaning;

“Constitution” means the Constitution of the Republic of South Africa, 1996;

“Contract” means a Lease Agreement or Sales Agreement entered into between the Municipality and the successful tenderer/party; **“Council”** means the Council of the Stellenbosch Municipality as envisaged in chapter 3 of the Municipal Structures Act (Act No. 117 of 1998);

“Disposal” in relation to a capital asset, includes –

- (a) The demolition, dismantling or destruction of the capital asset; or
- (b) Any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership;

“Exempted capital asset” means a capital asset which is exempted by section (14) (6) or section 90(6) of the MFMA, that is, an asset that is not needed for the provisions of basic municipal services.

“Fair market value” in relation to a capital asset, means the value at which a knowledgeable willing buyer and a knowledgeable willing seller would sell the capital asset in an arm’s length transaction; or the value at which a willing Lessee is willing to lease such property.

“Granting of rights to use, control or manage” means where the granting of such rights do not amount to the transfer or permanent disposal of an asset, for example when a right is acquired through a leasing, letting or hiring out arrangement;

“High Value” capital asset means that the fair market value of the capital asset exceeds any of the following amounts:

- (a) R50 million;
- (b) One percent of the total value of the capital assets of the municipality as determined from the latest available audited annual financial statements of the municipality; or

(c) An amount determined by resolution of the council of the municipality which is less than (a) or (b).

“Immovable capital asset” means any immovable asset such as land, asset or building, referred to as capital assets in this Policy;

“Integrated Development Plan (IDP)” means the Integrated Development Plan of the Municipality as envisaged in section 25 of the Municipal Systems Act (Act No. 32 of 2000);

“LED Strategy” means the Local Economic Development Strategy of the Municipality;

“Local agenda 21” principles of sustainable development and environmental preservation;

“MFMA” means the Municipal Finance Management Act (Act No. 56 of 2003);

“Municipality” means the Stellenbosch Municipality as established in terms of PN 489/2000 (22 Sept 2000);

“Municipal Manager” means the Municipal Manager of the Municipality as envisaged in section 82 of the Municipal Structures Act;

“Supply Chain Management Policy” means the Supply Chain Management Policy of the Municipality as contemplated in chapter 11 of the MFMA and the Supply Chain Management Regulations (No. 27636 of 30 May 2005);

“Transfer” in relation to a capital or subsidiary asset, means transfer of ownership in the asset as a result of a sale or other transaction.

1.2 ACRONYMS

HDI	Historically Disadvantaged Individuals
IDP	Integrated Development Plan
LED	Local Economic Development
MATR	Municipal Asset Transfer Regulations
MFMA	Municipal Financial Management Act
PACA	Participatory Appraisal of Competitive Advantage
SCM	Supply Chain Management
SDF	Spatial Development Framework

1.3 INTRODUCTION AND BACKGROUND

For all South Africans, irrespective of colour or creed, land is an emotive issue. Throughout our history of more than three decades the biggest bone of contention was always ownership and access to land. Lately, by virtue of the exponential growth of our population, both as a result of natural growth as well as urbanisation, even more value is placed on ownership as well as optimal beneficiation of land that is available. This in turn can be directly ascribed to a looming scarcity of food, and a righting of a ship that listed dangerously to one side with regard to ownership.

Whilst this policy document is not meant to gloss over historical facts, one must nevertheless not forget that Stellenbosch Municipality has a very colourful past and that its history plays a particular important role to give the WCO24 area the ambiance and character which makes it one of the outstanding tourist attractions of South Africa. The same history and the “listing of the ship” mentioned above, however, also causes the drafting of a comprehensive, fair and sustainable policy document to be a challenging and formidable task due to the fact that some long term leases does not do justice to the guiding principles of economic optimization of agricultural land and fair and equitable distribution of what should be available.

It is equally important to maximise the potential of the scarce but high quality agricultural land to ensure that land is made available in an appropriate manner, as to ensure that other economic sectors such as tourism and conservation is not negatively affected. Retention and conservation of the historical treasures that lies within the borders of the Municipality must also be a priority.

The economic development of the WCO24 area depends on the sensible use of its land resources. In managing its agricultural land portfolio, a policy for the management of municipal agricultural land, based on the principles of sustainability, equality, efficiency, fairness and good governance is required. It is widely acknowledged that policies that facilitate access to land play a significant role in reducing poverty and income inequality. Stellenbosch Municipality boasts large tracts of high value agricultural land especially commonage land. However, very little is available since approximately 80% of the land is currently under long term lease agreements. Furthermore, in the absence of a clear policy framework, the process for accessing municipal agricultural land has been very cumbersome.

Stellenbosch Municipality, through its Local Economic Development Department and Property Management Department as part of its contribution to sustainable development have thus embarked on a process of developing a policy on the management of municipal agricultural land based on sustainability principles.

CHAPTER 2: SCOPE AND PURPOSE OF THE POLICY

2.1 Scope of the policy

The sound Management of the Municipality's agricultural land resources is crucial if it is to be conserved for future generations. The scope of this policy is to set out the decision-making guidelines for the management of municipal agricultural land with due regard to the legislative provisions in particular of the Local Government: Municipal Finance Management Act, 2003, Supply Chain Management Legislation and the Asset Transfer Regulations, 2008.

Furthermore, the aim of the policy is to provide for the core principles, mechanisms, processes and procedures that are necessary to enable the Municipality to manage and administer municipal agricultural land, of which Council is the custodian.

It allows for social and sustainable economic development and encourages the involvement of individuals, communities and community organizations and regulate the management and use of municipal agricultural land. It is, however, important that land disposal is treated on its own merits although alternative methods of disposal, not specifically mentioned in this policy, may be used where appropriate, subject to obtaining proper authority.

2.2 The Purpose of the Policy is to:

- (a) Provide a policy framework for the management of the Council's capital assets with specific reference to municipal agricultural land in accordance with the Municipality's Supply Chain Management Policy.
- (b) Promote the acquisition and use of municipal agricultural land mainly through leasehold, preferably by historically disadvantaged individuals, as envisaged in section 25(5) of the Constitution.
- (c) Regulate the use, acquisition and disposal of municipal agricultural land in accordance with the applicable regulations.
- (d) Ensure that municipal agricultural land held by it, which is not envisaged for or already used for public purposes and/or in the public's interest, be dealt with in a manner that will ensure the greatest benefit to the Council and the community, rather than an individual.
- (e) Ensure that current long term lease agreements pertaining to agricultural land are periodically revisited, especially where land is not currently being optimally used and provide for the necessary procedure for the termination of the lease of such land .
- (f) Ensure fairness, equity, transparency, cost effectiveness and competitiveness.
- (g) Ensure speedy availability of land to residents.
- (h) Provide for a standard process to be followed for the application and allocation of municipal agricultural land in line with the MFMA and the Municipal Supply Chain Management Policy.

- (i) Provide for the institutional arrangements for the management and administration of municipal agricultural land and guide the establishment of an intergovernmental and public/private sector body to monitor implementation and provide support.
- (j) Discourage the disposal of municipal agricultural land, unless the transaction would facilitate the acquisition of alternative land, better suited for the specific need(s).

The Council may dispose of land or other immovable capital assets only once it is satisfied that such an asset is not needed to provide the minimum level of basic municipal service and only after it has considered the fair market value for the asset and the economic and community value to be received in exchange for the asset, in accordance with section 14(2) of the MFMA and Council has complied with subsections (1) to (6) thereof.

However, the above must be done with the greatest circumspection as it is imperative to keep a balance between righting wrongs of the past, with conservation of the WCO24 area's greatest cultural and economic asset – its historical treasures that gives the region its special ambiance.

2.3 Legislative Framework

The legislative framework for the management of the Stellenbosch municipal property is contained and governed in a number of pieces of legislation, including but not limited to:

- 2.1.1 The Local Government: Municipal Finance Management Act 2003, Act 56 of 2003 (MFMA), in particular section 14, which deals with disposal of capital assets;
- 2.1.2 The Local Government: Municipal Asset Transfer Regulations, 2008 (MATR), which governs –
 - 2.1.2.1 The transfer and disposal of capital assets by municipalities and municipal entities; and
 - 2.2.2.2 The granting by municipalities and municipal entities of rights to lease, use, control or manage capital assets;
- 2.2.3 Supply Chain Management Policy of Stellenbosch Municipal Council;
- 2.2.4. Any other applicable legislation, regulations and policies that may govern the disposal, letting or transfer of ownership of municipal land and related activities that are not in contradiction with the primary legislation referred to above.

2.4 Further relevant pieces of legislation governing property management include the following:

- Constitution of the Republic of South Africa, 1996;
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Local Government: Municipal Structures Act (Act No. 117 of 1998);
- Local Government: Municipal Systems Act (Act No. 32 of 2000);
- Property Rates Act (Act No. 6 of 2004);
- Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993).

CHAPTER 3: POLICY GUIDING PRINCIPLES

3.1. Guiding principles

The following guiding principles will guide the implementation of this Policy:

- 3.1.1 Promote social integration, provide redress to the Council's existing spatial inequalities, build strong and dignified communities and provide adequate infrastructure for easier access to places of work.
- 3.1.2. Optimizing property, in particular municipal agricultural land as a sustainable resource to provide better economic growth and improve agricultural diversity with regard to value adding to fresh produce.
- 3.1.3. Promote land reform by fundamentally changing unequal land ownership patterns through optimization and redistribution of long term leased land, especially that which is lying fallow.
- 3.1.4. Use property as a catalyst for economic development by establishment of agriculture beneficiation nodes.
- 3.1.5. Acquisition of additional land to further the Municipality's strategic objectives.
- 3.1.7. No rights or usage of municipal owned land shall be sublet or ceded to a third party without the prior approval of Council.
- 3.1.8. Under no circumstances should any mining of land, excavation of soil for selling purposes or any permanent damage to land be allowed.
- 3.1.9. No new buildings shall be permitted on leased, whether long term or not, municipal land unless with specific agreement of the Council and then for a use and in a style that complements the environment.
- 3.1.10 Utilization of land and other immovable assets is guided by the Municipality's Integrated Development Plan (IDP), the Spatial Development Framework and the Local Economic Development Strategy.
- 3.1.11 Create an enabling environment to users of the land to participate meaningfully in agricultural activities to:
 - a) Promote entrepreneurship
 - b) Contribute to food production and economic opportunities
 - c) Leverage the expertise and markets of existing commercial farmers to assist emerging farmers through strategic partnerships and/or shareholding especially new entrants.
 - d) Provide access to agricultural land and security of tenure

3.2 Bill of Rights – Equality

Fundamental human rights are entrenched in Chapter 2, sections 7 to 39, of the 1996 Constitution. *‘The Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom. The state must respect, protect, promote and fulfil the rights in the Bill of Rights.’*

Rural development is a central pillar of the struggle against unemployment, poverty and inequality. High levels of rural poverty and inequality inhibit the growth of the economy and undermine any efforts to ensure that growth is more equitably shared amongst citizens.

Although agriculture is not a local government mandate, Council has a developmental role to play in facilitating and advancing rural development to bring about sustainable change in socio-economic situation of the area and supporting economic growth. This developmental role is further emphasized in sections 152 and 153 of the South African Constitution.

The important objects of Local Government in particular are set out in section 152 of the Constitution, which reads as follows:

- “(1) *the objects of local government are-*
- (a) *to provide democratic and accountable government for local communities;*
 - (b) *to ensure the provision of services to communities in a sustainable manner;*
 - (c) *to promote social and economic development*
 - (d) *to promote safe and healthy environment and;*
 - (e) *to encourage the involvement of communities and community;*
 - (f) *Organization in the matters of local government.*
- (2) *A municipality must strive with its financial and administrative capacity to achieve the objectives as set out in this sub-section”.*

The Constitution further determines that local government shall have the developmental duties as set out in section 153 which reads as follows:

”A municipality must-

- (4.4) *Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and*
- (4.5) *Participate in national and provincial development programs.”*

A reformist policy, particularly incorporating previous disadvantaged groups is to be implemented in line with the above objectives prescribed for local governments. This

policy must at all times include the fair distribution of the land with particular reference to optimal production and allocation to suitable qualifying beneficiaries.

Considering the fact that the bulk of the municipal agricultural land has already been allocated in long term leases, there is limited agricultural land available which can be gainfully applied. A further hindrance is the limited availability of water without which agricultural land is virtually worthless as far as viticulture and fresh produce is concerned.

It is therefore incumbent on the administration of the Municipality to ensure that the limited land currently available is optimized for the benefit of the community as a whole without taking away from the historical heritage which ensures economic progress.

3.3 Sustainable development

Implicit in the concept of sustainable development is the requirement that a broader view of the WCO24 area's economy is always at the forefront of the process; the towns and surrounds are highly dependent on the historical heritage and tourism and agriculture which are the main sources of job creation.

Sustainability in this instance implies the usage of land to feed the urban residents and to provide for additional economic value, but then not to cause any harm to the aesthetic appearance and ambiance of the countryside which is the attraction for tourism income.

Due regard for the scarcity of water and prudent use of other resources together with the application of innovative new methods of farming lies at the bottom of these efforts.

Recognition should be given to the wealth of farming experience on the one hand but a lack of business acumen on the other which should direct any training efforts towards access to markets and proper planning for the longer term. It is also essential that new farmers pool their resources to obtain maximum value for their produce.

3.4. Council Powers

3.4.1. Council is entitled to reserve and manage immovable property in its ownership for municipal purposes in a manner that supports its strategic objectives and permit such property to be enclosed and cultivated.

3.4.2. Council is entitled to reserve and manage immovable property in its ownership for municipal purposes aligned with operational needs.

3.4.3. Council is entitled to acquire immovable property and rights in property by way of private treaty, cession, donation and expropriation to support its strategic objectives.

- 3.4.4. Council is entitled to alienate immovable property and rights in property by way of direct sale, public tender, auction and donation.
- 3.4.5. Council is entitled to let immovable property in its ownership on a long term or short term basis by way of direct negotiation or public tender.
- 3.4.6 Council may acquire, use or dispose of any capital assets owned by the Municipality, unless it is precluded from so doing by law or the conditions under which such immovable assets were acquired by the Municipality.

The execution of these powers is guided by the responsibilities of the municipality as set out in the Draft Policy for the Management of Stellenbosch Municipality's Immovable Property. The Disposal of Immovable Property and awarding of rights in Immovable Property will be done in terms of the applicable legislation as set out in Chapter 5 of the aforementioned policy (when approved by Council).

3.5 The Policy prescribe the following guidelines to be followed by Council for the allocation and management of municipal agricultural land

Ensure compliance with applicable legislation and regulations.

- 3.5.1 Any disposal of municipal agricultural land shall not unfairly discriminate against individuals not defined as HDIs.
- 3.5.2 In a bid for municipal agricultural land, where bidders are equally competitive; preference will be given to HDIs, in accordance with the Supply Chain Management Policy of the Municipality.
- 3.5.3 Special affirmative measures towards HDI's may be applied by the Municipality to ensure fairness in the disposal process of agricultural land
- 3.5.4 Ensure the protection or advancement of persons, or categories of persons, disadvantaged by previous unfair discrimination.
- 3.5.5 Market forces will always be the point of departure in any land or property transaction and this must be recognised and acknowledged.
- 3.5.6 Preference will be given to bids that support economic development initiatives on a macro scale, including tourism initiatives;
- 3.5.7 May enter into public-private partnership agreements,.
- 3.5.8 Must aim to redress past land ownership patterns to reflect the population demographics of the Municipality, allowing access to municipal land by PDI's

CHAPTER 4: STELLENBOSCH MUNICIPALITY –CURRENT SITUATION

4.1 Historical context

Stellenbosch town is one of the first settlements in the Cape Colony at the founding of South Africa. It is arguably one of the most beautiful parts of the country and its climate is conducive to excellent agriculture production.

The WCO24 municipal area comprises of Stellenbosch, Franschhoek, Pniel, Klapmuts and some minor hamlets in the area. Whilst its economy is primarily built on financial and business services sectors, the area boasts a vibrant tourism industry. The area's wine lands are a major draw card and are also well-known for the close linkages in the agri-tourism industry, manufacturing and services sectors.

Stellenbosch is also home to a vibrant education sector, including a leading world renowned university and hosts a range of innovation industries, as well as the headquarters of major multi-national and national companies.

The municipal area comprises 900 square kilometres with a population of 165,000 people. The region's largest portion of export products, namely wine and vegetables are produced in Stellenbosch. The majority of arable land is used for the production of wine, with only a small proportion of the region's food being produced locally.

Whilst significant investments have been made in the farming sector, not all are related to productive uses of the land. This has led to fertile land being rendered unproductive, and this in turn has diminished employment opportunities for low skilled workers and increased reliance on food imported from elsewhere. The unemployment rate of 26% together with the steady rate of urbanisation adds to the pressure of the availability of jobs in the area.

Properties, especially agricultural land (commonage) provide an enormous opportunity for Council to achieve its strategic objectives. Therefore this policy provides for the implementation of a process of identifying agricultural land which is currently available as well as land under long term lease which is not being optimally used and which is aligned to the Spatial Development Framework, LED strategy, the IDP and the objects of local government as set out in the Constitution.

4.2 Land situation and infrastructure available

Stellenbosch is one of the municipalities in the country with the most municipal land under its control; however, most of the arable land has been leased to established farmers on long term lease contracts. The capital investment in developing and using the land requires these long term leases to allow lessees to redeem the large investments.

To this end, 80% of the 2,000 ha municipal land has thus been taken up by established farmers whilst another 10% is being farmed by new entrants (small farmers) in various widely spread out locations. The current available 200 ha that is available should be allocated to eligible emerging farmers who have sufficient skills and experience to make a success of small holder farming.

4.2.1 Land currently under long term leasehold

Property Description	Size	Lessee	Contract Period
29	40 ha, no water	Vacant	
165/1	0,14 ha, no water	Vacant	
165/1A	10,5 ha, no water	Vacant	
183	1,55ha, no water	Vacant	
183A	35.54 ha, 12,0 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183B	11 ha, 3 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183C	8,5 ha, 2 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183D	24 ha, 8 ha water	Joretha Boerdery	01/04/1994- 31/03/2044
183E	21,84 ha, 7 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183F	8,13ha, 3 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183G	0,43 ha, No water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183/23	20,5 ha, 8 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
203/2A	4,36 ha, 2 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
279A	6,8 ha, 5 ha water	Asara Properties (Pty) Ltd	01/04/1994- 31/03/2044
279BN	25,3 ha, no water	Vacant	
279D	5 ha, no water	Vacant	
295/3 Remainder Erf 376 Remainder Erf 9190	70,4 ha, 10 ha water	Stellenbosch Golf Club	20/12/1994- 31/03/2041
352/2	.0297 ha, no water	Okkie Jooste	24/03/1934-23/03/2033

		Kampterrein	
352/2 other	174,8 ha, no water	MTO	24/03/1934-23/03/2033
368/2	3,5 ha, no water	Vacant	
369/C	3,5 ha, no water	Vacant	
369F	8,5 ha, 2,5 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369P	60,5 ha, 25 ha water	KWV (Pty) Ltd	01/04/1991-31/03/2041
369T	1,2 ha, no water	Paradyskloof Tennis Club	21/06/1999-20/06/2041
369U	0,31 ha, 0,1 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369V	2,84 ha , 0,9 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369W	38,1 ha, 11,4 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
377A	9,42 ha, no water	Vacant	
377B	16,27 ha, no water	Goedvertrouw (Kirsten)	01/04/2007-31/03/2032
377C	36 ha, 10 ha water (Originally 39,4ha see erf 9190)	J.P Roux & Son	01/09/1999-31/03/2041
Lease Area 2 of over Rem Erf 9190 (Originally part of 377 C)	3,4 ha, no water	J.P Roux & Son	01/09/1999-31/03/2041
Lease area 1 over Rem Farm 377 (Originally part of 377F)	16,2241 ha, 12 ha water	Blaauwklippen Agricultural Estate	01/09/1999-31/03/2041
Portion 13 of 491/1	11,36 ha, 5 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041
502AA	11,1 ha, 6 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041
502AB	17,5 ha, 9 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041

502AC	3,5 ha, 1 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AD	8 ha, 3 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AE	27,4 ha, 8 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AF	14,1 ha, 4 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AG	13,3 ha, 4 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AH	7,2 ha, 2 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AJ	10,7 ha, 3 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AK	22,5 ha, 8 ha water	Poker Hill Vineyards (Pty) Ltd	01/04/1999-31/03/2041
502AL	13,5 ha, 4 ha water	Poker Hill Vineyards (Pty) Ltd	01/04/1999-31/03/2041
502AM	8,56 ha, 3 ha water	Vacant	
502AN	28,5 ha, 9 ha water	Paul Roos Boerdery (Edms) Bpk	
502AP	7 ha, 2 ha water	Vacant	
502AQ	8 ha, 3 ha water	Paul Roos Boerdery (Edms) Bpk	
502AR	4 ha, 1 ha water	Paul Roos Boerdery (Edms) Bpk	
502AS	26,5 ha, no water	H. W Gebers	
502AU	8,9ha, no water	Vacant	
205AW	6 ha, no water	Vacant	
502AX	6,96 ha, 2,3 ha water	R Myburgh Boerdery	01/04/1991- 31/03/2041
502AY	4,28 ha, 1,3 ha water	H.C Myburgh Boerdery	01/04/1991- 31/03/2041
502BB	18,84 ha, 6 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BC	8,5 ha, 2,5 ha water	H.C Myburgh Boerdery	01/04/1991- 31/03/2041
502BD	8,5 ha, 3 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BE	11 ha, 4 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BFN	15,5 ha, 6 ha water	Vacant	
502BH	65,5 ha, 26 ha water	Organic Small Farm Holding Trust	01/04/1991- 31/03/2041
505BJ	5,9 ha, 3 ha water	Limberlost Berry Farm	01/04/1991- 31/03/2041

502BK	72 ha, 22 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BL	12 ha, 4 ha water	Medi-Prop cc	01/04/1991- 31/03/2041
502BM	5,35 ha, 1 ha water	Vacant	
502E	15,5 ha, 5,2 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502L	28,2 ha, 2 ha water	Stellenbosch Vliegveld Maatskappy	01/04/1991- 31/03/2021
502M	5,1 ha, 3 ha water	Higgs Trust (Pty) Ltd	01/04/2002- 31/03/2041
502N	4,2 ha, 1,5 ha water	Stellenbosch District Riding Club	01/04/1991- 31/03/2021
502R	28, 8 Ha, 8 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502S	23,6 ha, 7,9 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502T	11,3 ha, 3,8 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502V	21,6 ha, 8 ha water	Vacant	
502W	9 ha, 3 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502X	7,8 ha, 2 ha water .6855ha – sub-leased	Die Groothoek Trust Sub-lease of 6855 ha to Stellenbosch Restaurant CC	01/04/1991- 31/03/2041
527A	2 ha, 1ha water	G.JC Norval	
527E	14,78 ha, 7 ha water	Blaauwklippen Agricultural Estate	01/09/1999-31/03/2041
527F	53,5 ha, 8 ha water	Redlex 421 (Edms) Bpk	01/04/1991- 31/03/2041
527J	28,3 ha, 9 ha water	Nietbegin Boerdery	01/04/1991- 31/03/2041
528A 529C	20,3 ha, 2 ha water	Mountain Breeze Caravan Park cc	01/04/1991- 31/03/2021
529A	51,7 ha, 25 ha water	P.G Du Toit Boerdery	01/04/1991- 31/03/2041
529B	17,4 ha, 9 ha water	Redlex 421 (Edms) Bpk	01/04/1991- 31/03/2041
619/1	26 ha c/water	Vacant	
1024/1 Franschoek	43,7 ha, no water	Franschoek Trust	11/08/2012
1135/1	127,2 ha, no water	Theewater Bevaria	20/06/2032
Lease area 1 over Rem Erf 9190	6,418 ha, no water	Blaauwklippen Agricultural Estate	01/09/1999-31/03/2041

(Originally 377F)			
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Total: 1416.79ha

Figure 1: Long term lease agreements

Total leased	1 416.79ha
Total Vacant	207.77
Total	1624.56

4.2.2 Current vacant (fallow) land

Property Description	Size	Total	Water
29(26)	40 ha	40	No water
165/1A	10.5 ha	10.5	No water
165/1B	0.14 ha	0.14	No water
279BN	25.3 ha	25.3	No water
368/2	20ha	20	
369/C	3.5 ha	3.5	No water
377A	9.42 ha	9.42	No water
502AM	8.56 ha	8.56	3 ha
502AP	7 ha	7	2 ha
502AU	8.9 ha	8.9	No water
502AW	6 ha	6	No water
502BFN	15.5 ha	15.5	6 ha
502BM	5.35 ha	5.35	1 ha
502V	21.6	21.6	8 ha
619/1	26 ha	26	c/water
		207.77 Ha	20 Ha

Total

207.77ha

The column to the far right shows that approximately 10% of the available land has water rights allocated to it.

4.2.3 Stellenbosch municipal land under BEE projects

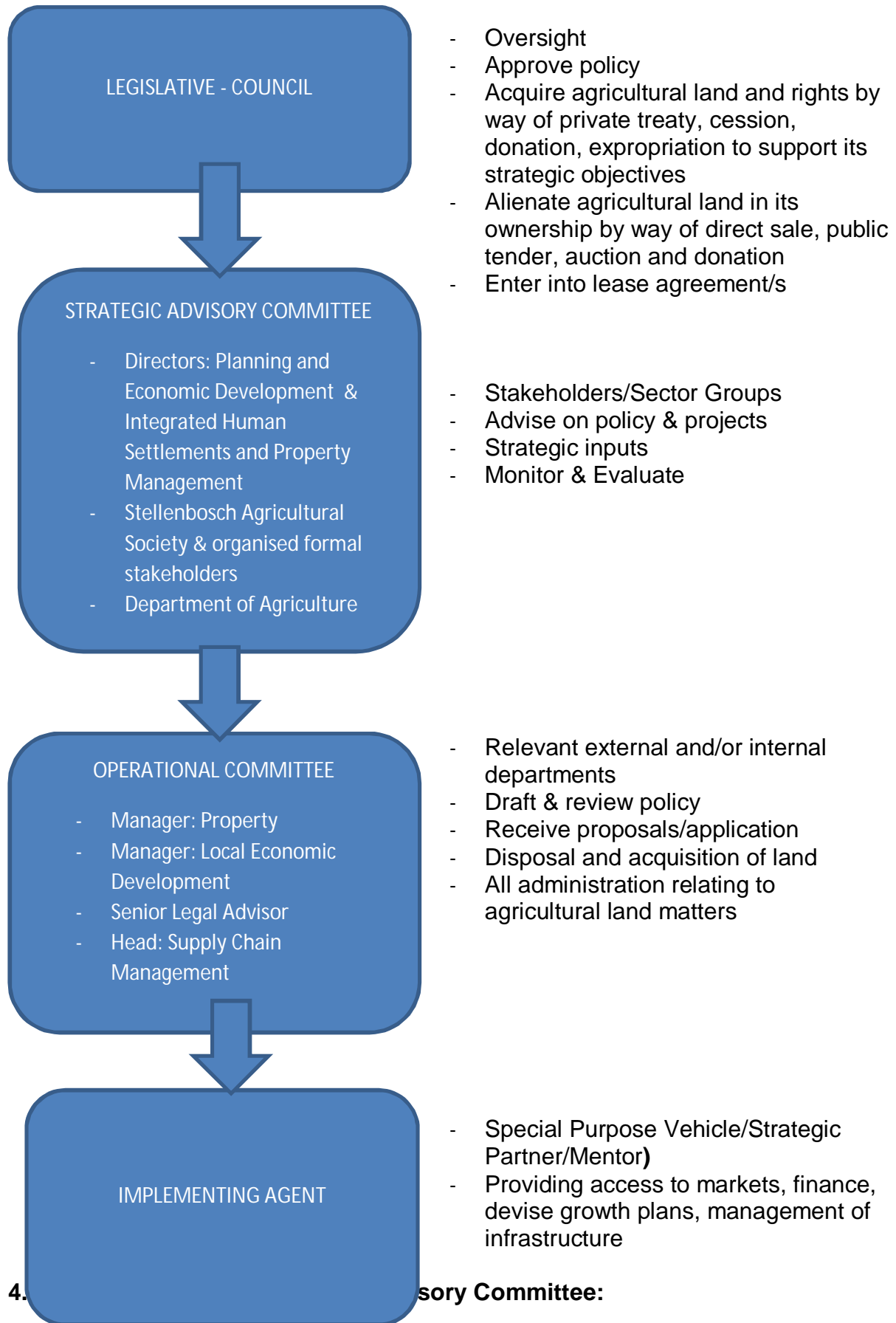
Farm Number	Size (approximate)	Owner	Water available
377c	36 Ha	Eerste Oorkant Boerdery	10 ha water
2/9190	3.4 Ha	Eerste Oorkant Boerdery	No water
AX 502	TBC	TBC	TBC
502AY	TBC	TBC	TBC
502BC	TBC	TBC	TBC
502BH	65 Ha	Organic Small Farm Holding Trust	26ha water
502BL	12 Ha	Medi Prop	4ha water
502M	5.1 Ha (60%)	Higgs Trust (Pty) Ltd J de Munk	3 ha water
527F	53.5 Ha (51%)	Redlex 421 (Edms) Bpk	8ha water
529B	17.4 Ha (51%)	Redlex 421 (Edms) Bpk	9ha water
Total	212.16 Ha		

Figure 3: BEE projects

Current long term lease agreements pertaining to agricultural land should be revisited, especially where land is not currently being optimally used, with the aim of achieving socio-economic development, providing access to land for eligible emerging farmers and in fulfilling council's strategic objectives. Local Economic Development should therefore on a continuous basis verify that land allocated on long term leaseholds to established farmers; industry and other bodies is used for the purpose for which it was allocated every 12 months from date of allocation.

From the above it is clear that, out of the total of 1624.56ha, 207.77ha is currently vacant, i.e. available for allocation. Of the 1624.56ha only 212.16 ha (13%) is under BEE control.

4.3 Institutional & Governance Structure



It is suggested that a Committee be established to play a key role in municipal agricultural land administration and management in line with the applicable legislation as explained in Chapter 2. The committee should ideally comprise of:

- The Municipal Manager (or assigned)
- Director: Planning and Economic Development, (Including officials from LED),
- Director: Integrated Human Settlements and Property Management, (Including officials from Property Management)
- Senior Legal Advisors of Legal Department;
- Provincial Department of Agriculture;
- Stellenbosch University
- National Department of Rural Development and Land Reform
- Strategic partner/Special Purpose Vehicle
- Organised stakeholders with formalised relationships, e.g. Agricultural Society

4.3.1.1 Functions of the Strategic Advisory Committee:

Guided by the Policy principles as stated in previous chapters, the responsibilities of the Strategic Advisory Committee are varied and include providing strategic land access management and information to Council (among others):

- Changing the existing land ownership patterns whilst respecting and upholding current property rights. This should be undertaken by renegotiating current leases where municipal agricultural land is not currently being used optimally;
- Ensure the productive and sustainable use of land to attain both household and food security as well as increase agricultural output;
- Provide sound and competent advisory service regarding municipal agricultural land allocations and matters of access;
- Identify where to acquire land from and identify eligible occupants based on specified criteria
- Ensure compliance with the relevant strategic plans, policies and legislation;
- Ensure equitable balance between interests of the public,
- Ensure that inter-departmental and inter-sectoral cooperation and alignment takes place;
- Ensure alignment with National Development Plan, Municipal Integrated Development Plan, Municipal Spatial Development Framework and other relevant development plans;
- Supporting the formulation and implementation of limitations on land holdings and monitor ownership patterns in the Stellenbosch Municipal area;
- Coordinate the municipal agricultural land allocation system to ensure the success of implementing this policy;

4.3.2 Compilation of Operational Committee:

Guided by the Policy principles as stated in previous chapters, the responsibilities of the Operational Committee are varied and include providing land administration and information to Strategic Advisory Committee. It is recommended that the following departments form part of the Operational Committee:

- Property Management
- Local Economic Development
- Supply Chain Management
- Legal Services

4.3.2.1 Functions of the Operational Committee

- Facilitate partnerships between established and emerging farmers, industry and government to facilitate investment, sustainability and efficiency of farming enterprises.
- Coordinate local support services.
- Receive and review land applications and/or proposals in terms of principles and specified criteria as set out in this policy and the applicable legislation.
- Maintain a database or register of land inventory and conduct a land audit periodically.

4.4 Criteria to obtain access to land

It must be stated upfront that rural development is not a municipal function per se, however, rural development has a spatial dimension and is implemented in municipal spaces. Therefore, the role of local government in rural development cannot be overemphasized. As the custodian to relatively large tracts of land, Stellenbosch can make a meaningful contribution to Government's efforts to correct disparities in land use as a result of policies of a previous dispensation. The Municipality has a core responsibility to acquire and avail land, in the first instance, for its own use for purposes of developing and maintaining municipal infrastructure, promoting service delivery and for facilitating social and economic development and spatial integration. The Municipality has a further responsibility in terms of acquiring, managing, developing and releasing its land and other immovable assets and rights on behalf of its residents and ratepayers. In this regard, the key consideration is that the best interests of the Municipality (and thus its residents) should be paramount in all land transactions that the Municipality enters into. Beneficiaries will be selected from lists compiled from advertising in all the printed media in Stellenbosch. The advertisements will specify the size and type of land available and for which type of farming or land use the land is earmarked. Applicants for land lease must complete a set of documents obtainable from LED which will specify inter alia:

- What documents should be attached to the application (ID's etc)
- Type of application (Cooperative, Trust or individual Farmer)
- Farming category: Community gardens; emerging farmers; commercial farmers
- Agricultural beneficiation: Development or use of existing or agreed infrastructure for value adding by refinement, bottling, packaging, processing, etc
- A business plan covering:
 - Proposed business model
 - Production viability
 - Market access
 - Financial Viability
 - Support Services

- Financial model.
- Must have been a resident of Stellenbosch municipal area for a period of 10 years or more.
- Must have a related agricultural sector background, with manufacturing or farming experience and preferably an oversight background in manufacturing or farming.
- Must not earn a family income less than R7 500,00 or in excess of R20 000,00 per month
- Must ascribe to the policies of the Municipality and other applicable legislation and be prepared to conform to the rules and regulations as set out by the Municipality from time to time.

4.5 Exclusions

Land allocation will exclusively be made available for agricultural purposes and beneficiation of locally produced products. Due to the fact that the historical character and rural ambiance is important to maintain the status quo of Stellenbosch WCO24 area as destination of choice which is responsible for an important part of the local economy, all efforts must be made to conserve the natural environment. Unless by special decision of the Municipal Council, no agricultural land will be made available for industrial, residential, special nodal developments or any such developments that may take away from the charisma of the District.

- No permanent land rights for inefficient land users. Therefore continuous review, evaluation and increased productivity checks will be put in place;
- Immediate exclusion for any fraudulent activities by beneficiaries in application, during process or after allocation resulting in disqualification and prohibition of future participation (of the beneficiary or beneficiary group);
- Ensure land access only to capable, skilled, hardworking groups without farming activities in other regions of South Africa or internationally;
- Discourage speculative and unproductive land use.
- Save with prior approval, the municipal agricultural land may only be used for the purpose for which occupation was granted and purposes regularised by the relevant zoning schemes.

4.6 Process to acquire land

Note: A distinction should be made between


- a) Disposal: MFMA & ATR
- b) Awarding of rights: ATR & Policy

The disposal of land will be dealt with in terms of the MFMA, the Supply Chain Management Policy and the Draft Immovable Asset Management Policy when approved by Council.

Step 1: Identify unused vacant land: LED request Property Management to identify vacant land



Draft terms of reference, include criteria for application
Sign-off: Director Planning

- Step 2:** Obtain Council approval to follow tender process
- Step 3:** Advertise in all relevant newspapers
- Step 4:** Panel of internal departments evaluate and provide recommendations (Operational Committee)
- Step 5:** Supply Chain Management processes
 Bid Evaluation Committee
Bid Adjudication Committee
- Step 6:** Inform successful bidder/s subject to objection period
- Step 7:** Property Management conclude lease agreement with all conditions
- Step 8:** Provide copy of contract to the relevant department (Legal Services & Finance) to activate water and rental accounts
- Step 9:** Successful bidder receives copy of contract
- Step 10:** LED introduce bidder to strategic partner/mentor and register project on its database
- Step 11:** Strategic partner and LED assesses interventions required
- Step 12:** Induction and programme of production schedule.
Develop indicators of measurement
Quarterly evaluation of progress

4.7 Monitoring and evaluation

The municipality does not have the capacity to monitor and evaluate the progress of every piece of allocated land. It will therefore adopt the modus and condition of Rural Development and Land Reform that a Strategic Partner must be contractually involved to ensure long term sustainability. Such a Strategic Partner will be selected from a list of approved service providers who are financed by the Department of Rural Development and Land Reform. Should any complaints of the public emerge alleging abuse or neglect of such land, the matter should be reported to above Operational Committee who must advise the Manager: Property Management to:

- Enter into a formal process to ascertain:
 - That the holder of the lease is aware of their obligation in terms of the leasehold;
 - Enquire what the plans for development for agricultural purposes are;
 - Serve the lease holder with a notice that steps will be taken to cancel the leasehold and repossess the land;

- Give such a leaseholder a six months period to commence with active farming activities or be able to prove that a process is underway for planning to cultivate the land or prepare it for production.
- If the lessee fails to comply with the instruction duly issued, notice of eviction and cancellation of the lease in terms of the lease agreement must be served on the lessee that the lease is terminated and the case must be:
 - Referred to the Legal Department to formally repossess the land;
 - Notify LED that the land is available for reallocation, preferably to a deserving Previous Disadvantaged Individual(s) complying with the selection criteria as described further in this document.

4.8 Policy Review process:

- This Policy shall come into effect on the date of the council resolution;
- This Policy may be reviewed annually and when required by way of Council resolution.

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