

ADDENDUM –A

Evaluation of the small-scale farming on land redistribution case-
studies in the Northern Province with specific reference to the
Northern Region

by

A.N. MTHOMBENI

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Supervisor:

Prof. A de Villiers

DECLARATION

I declare that the dissertation hereby submitted to the University of the North for the degree of Master of Public Administration has not previously been submitted by me for the degree at this or any other University, that it is my own work in design and in execution, and that all material contained therein has been duly acknowledged.

Signed: -----

Date: 15/08/2001-----

(i)

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ABSTRACT

The monitoring of agricultural development as a sub-programme of the land redistribution programme is essential in the Northern Province, as it regards agriculture as its top priority. The starting point should be evaluating the small-scale of farming section, thereby learning how to develop the level needed to realize commercial production. In the South African context, the assessment of small-scale farming should take into account the legacies of the past. The issues of agricultural development in South Africa cannot be divorced from land reform. Therefore, it should be borne in mind that the collective aim of land reform is to ensure the transfer of 30% of all agricultural land to previously disadvantaged people over a period of 15 years. However, over that period the land reform process should not compromise the commercial potential of the country, but should be handled in an orderly manner.

The problem issues of the Northern Province government arises from post 1994 amalgamation of Transvaal Provincial Administration and three homelands administrations into one administration which in the past had unique approach to agricultural development. It is worth noting that the current problem issues in the former homelands is the movement of small scale farmers towards commercial production thereby contributing to provincial economic growth. Therefore, some case studies in the former homelands were selected for investigation with the aid of both quantitative and qualitative data collection, for example, structured interviews, physical observation and review of literature.

The suggested issues for a low level of commercial production in the case studies include, for instance, the complex legal and administrative frameworks hindrance, inappropriate training, lack of credit facilities, marketing and guidance from project management, the land use and type of farming. The issues alluded above will be tested by the evidence to be gathered in the projects thereby making conclusion and recommending solutions to solve the problem at our disposal.

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CHAPTER 1 - BACKGROUND TO THE STUDY

1. INTRODUCTION

The Northern Province has the highest rural based population of any province in South Africa. The rural people depend to a large extent on their farm production for food requirements. This unique opportunity is being acknowledged by the provincial government, hence, the idea of putting agriculture amongst the top three priority sectors, namely, tourism, agriculture and mining, to enhance job creation and strengthening the economy. The national government policy for the settlement of small-scale farmers needs to be examined to ascertain favour of developing commercial oriented farmers. The developing of commercial oriented farmers includes the extent of agricultural and non-agricultural support services being rendered by the government.

The Draft National Land Policy Framework (RSA, 1995: 8) provides that South Africans currently hold land under a variety of tenure systems, including freehold and customary nature, and under various forms of tenancy. With this in mind, the study will investigate the land use arrangements in the identified case study projects.

In general terms, the previous apartheid government systems dominated agriculture, either through fostering white commercial farmers, or by creating parastatals in the former homelands that managed large-scale farming projects.(Mthethwa, 2000: 68). The research seeks to evaluate the extent of small-scale farming in the two former homelands found in the Northern Province, that is, the case study projects in the former Lebowa, Venda and Gazankulu.

In this chapter, the research problem and the hypothesis of the research will be stated. A brief explanation of the sources consulted and the purpose of the study will be spelt out. The key concepts of the study will be defined. The case studies, a clear demarcation of the field of study and its respondent groups, will be presented.

A description of the methods of data collection used and methods of data analysis will be highlighted. Furthermore, the sequence of chapters, with an indication of the topics of the respective chapters will be given. Lastly, the reference technique to be used in the study will briefly be explained.

1.1. PROBLEM STATEMENT

(i) Purpose

To investigate the extent and causes of insufficient commercial production in the sampled land redistribution projects in the Northern Region of the Northern Province.

(ii) Problem statement

The small scale farming in the Northern Province, especially in the former homelands, remains mainly on a subsistence level without commercial basis, which at present is unable to make any meaningful contribution towards economic growth.

(iii) General overview

The former homelands in the Northern Province have a predominantly rural character. The main characteristics of these areas are high population densities, low productivity, widespread poverty, and a large dependence on external employment opportunities. (Anim, 2000:136)

Anim's description of the Northern Province situation challenges one to launch an investigation into government policies to address the socio-economic problems alluded to above through job-creating sectors like agriculture. It also suggests a need to develop guidelines for small- scale development.

1.2. MOTIVATION FOR THE STUDY

The research came as a result of the concerns raised by the Northern Province African Farmer's Union (NOPAFU) upon the briefing sessions to the Provincial Legislative Standing Committee on Agriculture, Land and Environment which is under my mentorship in both first (1997) and second sessions (1999) of the legislative terms. The concerns were primarily about the government role to support the emerging farmers.

It could be further stated that the research is important because the enabling legislation for farmers' support will be considered, the state agricultural administration arrangements will be scrutinized and the practical problems experienced by farmers on the ground, will be unearthed. At the end of the study, the recommendations based on the findings will be tabled before the Legislative Standing Committee for their consideration and if possible to call the executive authority to appear before it in case of irregular practices. Therefore, the research is of significant for both small-farmers on the ground and the decision-makers at political level. The former need support from the government to develop themselves and the nation, while the latter as the elected representatives, need factual advice to make proper decisions that will enhance agricultural development in the province.

1.3. HYPOTHESIS

From the research problem, the following hypotheses were formulated, and to be tested in the identified case studies:

- 1.3.1. The low level of commercial production on the projects is as result of the complex legal and administrative frameworks, which have a bearing on farmer development.
- 1.3.2. The low level of commercial production in the projects is as a result of:

- (i) Inappropriate training for farmers
- (ii) Lack of credit facilities for farmers
- (iii) Lack of marketing services
- (iv) Lack of guidance and support from project management

1.3.4. Lack of individual land use security contributes to the low level of commercial production.

1.3.5. The Communal Property Association (CPA) type of commercial farming is not a suitable basis for commercial farming.

1.3.6. Individual farming projects is better approach than communal projects and could be a basis for commercial farming.

In a nutshell, the complex legal and administrative frameworks, lack of training, credit facilities, marketing services, project management, land use security and type of farming are independent variables and contribute to low or insufficient commercial production which is a dependent variable. Secondly, the type of farming whether communal, or individual has, a bearing in attaining maximum productivity in agriculture. In other words, it is through these two farming types wherein effectiveness and efficiency could be measured.

1.4. DEFINITION OF KEY CONCEPTS

1.4.1. Small-scale farming is a type of farming wherein farmers involve themselves in agro-business at a low level. De Villiers and Critchley (1997: 103) argued that the concept differs according to countries, regions and districts and defined a 'small-scale farmer' as a person engaged in working the land either full-time or part-time. Some distinct characteristics are uneconomic land units, lack of full land security, mainly served by family labour and limited marketing.

1.4.2. Land redistribution is a government programme that makes it possible for poor and disadvantaged people to buy land with the help of a Settlement/Land Acquisition Grant. (RSA, 1998: 35)

- 1.4.3. Land restitution is a process that involves returning land, or compensating victims for land rights lost because of racially discriminatory laws, passed since 19 June 1913. (RSA, 1998: 35)
- 1.4.4. Land tenure reform is the complex area of land reform aimed to bring all people occupying land under a unitary legally validated system of landholding. (RSA,1998: 35)
- 1.4.5. Farmers Support Programme is a programme aimed at assisting emerging farmers (agricultural or non-agricultural) to realize their maximum production.

1.5. RESEARCH DESIGN

The research report will be designed as follows:

1.5.1. Literature review

The literature on land reform and agricultural development and policies were consulted to back up the research. The literature gave an overview of the policy directions and the current situation on small-scale farming in the Northern Province, as well as the constraints.

1.5.2. Case studies

The research is targeted at the following case study projects:

- (i) Limafuwa project (former Venda);
- (ii) Mavungeni project (former Gazankulu) and
- (iii) Faranani-Tshitale project (former Venda).

Additional projects reached:

- (i) Marobala Chickens (former Lebowa) and
- (ii) Waikato (former Lebowa)

These five case studies were selected because they represent a move from subsistence farming by applicants from people in the former homelands, towards commercial production. In addition, these projects are administered by the Provincial Department of Land Affairs under the Land Redistribution Programme for agricultural development.

1.5.3. Respondent groups

The respondent groups of the study will be among others, farmers, Extension Officers, Non- Governmental Organisations dealing with the projects and local authorities. The stratified random sampling will be used in the study for farmer groups. In other words, a relatively small sample of farmers will be selected in each and every project.

1.5.4. Methods of data collection

The following techniques will be deployed to collect data:

- (i) Structured interviews with illiterate and questionnaires with literate, targeted stakeholders.
- (ii) Physical observation of projects and
- (iv) Literature review for additional information.

The same set of questions was prepared for both illiterate and literate respondents (see Annexure 1). The only difference was in terms of the mode of data collection. Structured interviews, i.e. where the questions that were asked orally matched the questionnaire exactly, were conducted with illiterate respondents and the interviewer marked off their responses on their behalf. Copies of the printed version of the questionnaire were distributed to literate respondents, who marked off their own answers themselves. The purpose of interviews and questionnaires is to obtain both

information on production and management issues from the case studies, as well as perceptions of the different respondents on land matters and farming matters.

1.5.5. Data analysis

The data collected through the methods described in paragraph 1.5.4 were analyzed and selected in terms of the topic of the research, the three hypotheses made and the objectives of the research. The quantitative data is reported through raw scores, percentages, and bar graphs.

1.6 SOURCES

The sources already consulted in connection with the study include the following:

- 1.6.1. Books;
- 1.6.2. Previous research on the topic;
- 1.6.3. Policy documents;
- 1.6.4. Annual reports and
- 1.6.5. Conference materials related to the topic

The study is not a duplication of previous research since the issues of small-scale farming have been researched before, but not through these identified case studies. The previous research focused on land reform lessons for the Northern Province, while this research will keep a specific focus on agricultural land, its *status quo* and other policy related issues.

1.7. SEQUENCE OF CHAPTERS

Chapter 1 – Background to the Study

Chapter 2 – Literature Survey

Chapter 3 – Small-scale farming in the Northern Province

Chapter 4 - Description of case studies

Chapter 5 – Research Findings

Chapter 6 – Conclusions and Recommendations

List of Sources

Annexures

CHAPTER 2 - LITERATURE SURVEY

2.1. UNEQUAL ACCESS TO LAND

The current land ownership and land development patterns in the South African context, strongly reflect the political and economic conditions of the apartheid era. Racially based land policies were a cause of insecurity, landlessness and poverty among black people and the cause of inefficient land administration and land use. (RSA, 1998, V)

Identifying forms of land tenure in place and the task of reforming the pre-1994 land tenure arrangements within the framework of rural household access and use of land for agricultural purposes, is imperative. To achieve this objective data provided by Statistics South Africa's (SSA) 1997 Rural Household Survey are used. According to the survey, in mid-1997 about 12.7 million people (31.4% of the population) lived in rural areas in the former homelands. (Kwaw, 2000:52)

(a) Method of gaining access to land for farming

According to the Rural Survey, the Northern Province was identified together with other provinces in the country that more than 74.1% of households have shown interest in having access to land for agricultural purposes. In the analysis, the table below shows how respondents obtained rural land. (Kwaw, 2000:52)

Table 1: Method of gaining access to land in the Northern Province

Method of gaining access to land	No	%
Through tribal authorities	376 377	79.6
Inheritance	98 603	10.4
Rental & lease	47 821	0.5
State land	3 628	0.4
Informal	9 499	1.0
Others	4 204	0.5
Unspecified	72 579	7.7
Total	946 049	100

Source: SSA, 1997: 39

(b) Permission to occupy land

The analysis of whether households in the Northern Province have permission to occupy the land on which they live, 62,9% of the households responded positively that they have the permission to do so, while 32,7% of the households responded that they have no permission. This demonstrated that some households are illegal, or informal, occupants of the land on which they live and work. (Kwaw , 2000:53)

(c) Size of land available for farming purposes

In a survey of three former homelands of the Northern Province in 1990, the average size area allocated for crop production varied between 2 to 5 ha per household. The small size of land holdings and low physical yields result in unattractive net returns. (De Villiers, 1996:7)

Throughout the Northern Province, greater portions of a variety of farming activities occur on farmlands less than a hectare. As the size of land increases the number of

households gaining access to land for each of the farming activities diminishes. For these reasons, some school of thought argue that small holder farmers should be assisted to produce more from the available land because the prospects for increasing agricultural productivity through land expansion are not good. (Kwaw, 2000: 55). The total state land available in the Northern Province is 207 000 ha. (De Villiers, 1997: 14). Therefore, it could be argued that the release of state land could increase agricultural productivity.

2.1.1. The current thinking on land tenure arrangement in rural areas

Against the above background, there is enough reason to justify the broad consensus underlying the current thinking on the negative impact of communal land tenure arrangement on agricultural development (RSA: 1997). The communal tenure is defined by proclamation as unsurveyed land provided with permission to occupy (PTO). (De Villiers, 1996:7)

Problems constraining small-scale farming can be summarised as follows (RSA, 1997):

- (i) There is inadequate access to land for agricultural development.
- (ii) Lack of protection for people with long-term vested interests due to insecure tenure rights, which exists in practice but not legally, recognised.
- (ii) There is unwillingness of financial institutions to issue loans for the purchase of basic requirements, such as implements and seeds.
- (iii) Lack of rules and regulations for securing property rights to land and thereby attracting investment and providing the basis for land transactions.
- (iv) The need to eliminate discrimination and cultural repression against women in rural areas and
- (iii) Lack of policy mechanism that allows for the transfer of land to efficient land.

From the discussion, it could be clearly stated that the land reform issue in a South African context is a very crucial one. Therefore, it goes without saying that land and agricultural policies are designed to accommodate the diversity of production in order

to reverse the destruction of black farming in South Africa that occurred as a deliberate act of policy over the last century of apartheid rule.

2.2. DIFFICULTY FOR COMMERCIAL FARMING IN THE FORMER HOMELANDS

2.2.1. Misconceptions

The delivery of agricultural services has in many developing economies been impaired by distorted agricultural policies. In the 1950's, rural poverty and lack of agricultural development was often explained by the backwardness of traditional small holder agriculture. The Agricultural policies in many countries were based on serious misconceptions that led to the development of the sector. Some of the misconceptions were: (De Villiers and Critchley, 1997: 102)

(a) Small farmers are unenterprising

Small farmers were viewed as impoverished, unenterprising and backward: that is, these farmers are unwilling to learn new techniques, or to respond to market signals.

(b) Large farms are believed to be more efficient than small farms

Despite the lack of empirical evidence, policy makers in both socialist and market economies believed that large farms were inherently more efficient than small ones. This was based on the ability of large farms to obtain better access to both production and output subsidies such as credit, fertilizers, chemicals and higher quality land.

c) Agricultural subsidies should go to 'rich farmers'

Some of the services that were subsidised include irrigation, credit, fertilizers and marketing. The lion's share of such privileges went to the rich, or large-scale farmers, partly because they were the biggest producers and partly because they were able to

manipulate the bureaucracy and to form alliances with the politically powerful in urban areas.

(d) Women farmers and workers can be ignored

According to the World Bank Report, 1995 in much of Africa, women effectively head farm households. In Burkina Faso and Mali, for example, an estimated 93% and 78% respectively of active women work in agriculture.

(e) Underestimating the impact of agricultural growth on poverty reduction

There is substantial evidence to show that agricultural growth can have a major impact on poverty reduction. It can generate rapid growth of rural employment and self-employment in rural areas. Ravallion and Datt cited by Van Zyl *et al* (1995) show that rural growth had a strong effect on poverty reduction in India during the 1951-1990 period.

From the misconceptions alluded to in the above paragraphs, it could be stated that they are mere misconceptions. However, if actions to correct the situation is not taken care of, the misconceptions become a reality. It is however imperative for the appropriate bodies dealing with rural development to set realistic goals to counteract the misconceptions. Furthermore, if the misconceptions are also left unattended, the future agricultural development will be based on such misconceptions.

2.2.2. Other constraints

The Rural Development Framework (RSA, 1997:33) states that the obstacles to the expansion of the small farming sector are due to the many institutional and capacity constraints. The small farm sector, including the former homelands, faces many obstacles, for example:

- (i) There is inadequate access to land for farming.

- (ii) There is unwillingness for financial institutions to lend money for the purchase of basic requirements such as implements and seed.
- (iii) Due to decades of discrimination, repression and lack of training or experience, there is a lack of skills and knowledge.
- (iv) In many areas, there is a lack of basic infrastructure such as access to water, electricity and roads for transporting goods to market.
- (v) There is a lack of markets at which small produce at local level can be exchanged locally, be processed and be bulked at low cost for export to regional and national markets.
- (vi) There is a lack of information which would enable small-scale producers to operate profitable.

The Northern Province Rural Development Programme (2000:9) highlights other constraints that need to be addressed, for example:

Firstly, the villages of the former homelands in the Northern Province are characterized by low income and high unemployment. The small-scale agriculture is geared primarily for domestic consumption, only small amount of surplus is to be sold.

Secondly, the local community organizations are being established and still suffer from teething problems due to low literacy level and limited access to resources and finance.

Thirdly, the HIV/AIDS infection rate among the population over the age of 15 is estimated at 20% in South Africa. As a consequence, the impact of this epidemic is enormous in rural communities.

2.3. POLICIES

The White Paper on Land Policy (RSA, 1998:V) outlines the government's land reform policy objectives as follows:

- (i) To address the injustices of apartheid

- (ii) To foster national reconciliation and stability
- (iii) To underpin economic growth, and
- (iv) To improve household welfare and alleviate poverty.

Land reform policies aimed at the redistribution of land and provision of support services are central to the government employment strategy. The government's agricultural policies should strive to promote greater diversity of scale and type of farm production in South Africa. This is expected to increase the efficiency and vitality of the sector. (RSA, 1997: 41,43)

The promotion of small-scale farming is expected to increase employment and provide products for immediate local market and for local agro-industry. It is therefore part of an integrated strategy for Local Economic Development (LED).

2.3.1. Components of land reform policy

The government's response to land reform has three major elements (RSA, 1998:9):

Firstly, redistribution which aims to provide the disadvantaged and the poor with access to land for residential and productive purposes. Its scope includes the urban and rural poor, labour tenants, farm workers as well as new entrants to agriculture.

Secondly, land restitution covers cases of forced removals which took place after 1913. They are being dealt with by a Land Claims Court and Commission, established under the Restitution of Land Rights Act, 22 of 1994.

Thirdly, land tenure reform is being addressed through a review of present land policy, administration and legislation to improve the tenure security of all South Africans and to accommodate diverse forms of land tenure, including types of communal tenure.

In terms of the second component of land reform, the Department of Land Affairs follow a cycle to handle production projects, for instance: (RSA, 1999:3):

1. Initial assessment of application
2. Allocate order of priority to the application
3. Prepare project identification report
4. Notify applicant in writing
5. Arrange assistance and help the applicant with the preparation of a settlement/land
6. Help applicants in the development of the project business plan
7. Prepare land approval memo
8. Arrange land transfer
9. Land title is transferred to legal entity
10. Development support – implementation of business plan

2.3.2. Present Situation

The first five years of the South African land reform programme focused mainly on political restructuring through the restitution of land rights and redistribution of land for settlements. Land redistribution for farming was channeled to communal farming projects within the Communal Property Associations, which proved to be an unsuitable basis for increasing agricultural production and incomes. (De Villiers, 2000, 42-43). The Communal Property Association Act, 28 of 1996 established a new form of legal body through which members of disadvantaged and poor communities may collectively acquire, hold and manage property in terms of a written constitution. (RSA, 1998:59). Many communal systems are suffering from internal breakdown. Individuals flout group rules and there is no means to discipline them. Many black tenure systems are characterised by endemic violence. (RSA, 1998:32)

The land redistribution policy seeks to provide the poor with access to land for residential and productive uses, in order to improve their income and quality of life.

The strategy thereof is the redistribution of land to the landless poor, labour tenants, farm workers and emerging farmers for residential and productive uses, to improve their livelihoods and quality of life. Special attention will be given to the needs of women. (RSA, 1998: 36). The government provides Settlement/Land Acquisition Grant, set at R 15 000 per household which was increased to R 16 000 IN November 2000, to be used for land acquisition, related on-farm capital items, enhancement of tenure rights, and investments in internal infrastructure, top structure and fencing, according to beneficiary plans. (RSA, 1998:41)

The present Minister for Agriculture and Land Affairs has recognised the limitations of Community Property Associations as a basis for farming projects and has indicated a shift in policy focus towards supporting individual farmer development. (De Villiers, 2000:43) The new policy proposals provide opportunities for black South Africans to acquire land from the present owners on a willing seller basis, through accessing government grants for this purpose. The proposed future grant differs from the present land grants in terms of size and flexibility, as well as the requirement of own contributions, as indicated in the following table:

Table 2: Land grants for purchasing commercial farm units

Project Size	Land Grant (Rand)	Own Contribution (Rand)	Land Purchase Price (Rand)	Own Contribution (%)
Small-scale	20 000	5 000	25 000	20,0
Medium-scale	40 000	35 000	75 000	46,6
Medium to Large-scale	70 000	145 000	215 000	67,0
Large-scale	100 000	400 000	500 000	80,0

Source: RSA, Ministry of Agriculture and Land Affairs, 2000.

The proposed new grant system holds a number of positive advantages in supporting the development of a new class of black farming entrepreneurs: (De Villiers, 2000:44)

- (i) The sizes of the grants provide for different categories of farmers, from small-scale to large-scale farming entrepreneurs.
- (ii) The size of grants, coupled to the required own contributions and loans, place the focus on the possibility to engage in individual commercial farming ventures.
- (iii) The proposed new grant system introduces the discipline of financial commitment for beneficiaries, by requiring own contributions and loans to be coupled to the grant.
- (iv) As the new grant system aims to assist new farming entrepreneurs to access land through the willing seller principle, the scheme will not damage confidence in the agricultural sector as with the expropriation of land in Zimbabwe. (De Villiers, 2000: 44-5)

2.4. SUPPORT SERVICES TO SMALL SCALE FARMERS

De Villiers and Critchley (1997:103) argued that there is no universally accepted definition of a small-scale farmer. The concept differs according to countries, regions, and districts. However, some of the factors taken into consideration when defining or classifying farmers include total land area under cultivation, total production output, purpose of farming (subsistence or commercial). 'Small-scale farmer' refers to all persons engaged in working the land either full-time or part-time, with the following characteristics:

- (i) They farm on relatively small plots of land;
- (ii) They often don't have access to credit, fertilizers and other improved farm input;
- (iii) They depend largely on family labour;
- (iv) They often have inadequate resources to achieve self-sufficiency from on-farm activities; and

- (v) Even within the category of small-scale farmers, a wide variation still exists in terms of access, opportunities and constraints.

Among others, the strongest motive to support small-scale farming is its intrinsic capacity for efficiency. The administrative cost of delivering services and input to small, marginal farmers is very high; and administration is also very difficult. An alternative way of reducing these costs is to promote farmers' organisations which can assist in supplying information on local resources and requirements.

The RSA (1995/1996:2), states that the National Department of Agriculture is in the position to support the provincial departments and their farmers to achieve the following objectives:

- (a) Farmers require official recognition by government of the value of agriculture to the economic and social progress of the nation.
- (b) Access to resources, especially credit, on reasonable terms.
- (c) An efficient, competitive, input supply sector, marketing system and infrastructure.
- (d) Farmers are dependent on good consultative procedures between representative farmer organisations and the government.

On the basis of De Villiers and Critchley's definition of a 'small-farmer' in relation to the profile of the sample projects to be discussed in chapter 3, it is fitting to categorize them under small-scale farming.

2.4.1. Requirements

The Rural Development Framework (RSA, 1997:43) states that small-scale agricultural enterprises and agri-business are regarded as Small Medium Micro Enterprise's (SMME's) by the department of Trade and Industry and it will be able to profit from its services. But the major support for small-scale agriculture should come from the provincial department of Agriculture, into which the department of Agriculture's Broad Access to Agriculture Trust (BATAT) programme has now been integrated.

Mthethwa (2000:66) distinguished between agricultural and non-agricultural support services. It is stated that agricultural service, such as input (financial services, fertilizers, seeds, implements, extension, management) are directly linked to agricultural development, whilst non-agricultural services such as social and physical infrastructure (electricity, roads, water, welfare, clinics) generally contribute to economic development. There should be a balance in the provision of agricultural support services and non-agricultural services.

Van Rooyen (1995) stated that Farmer Support Programmes funded by the Development Bank of South Africa were intended to provide access to resources and support services to small scale farmers in the territories which were then known as 'homelands'. These programmes consisted of a set of complementary elements. Their purpose was to enable farmers to use their own resources more efficiently, produce a larger and more valuable output and become better and more businesslike farmers.

2.4.1.1. The structure of provision of support services

Mthethwa (2000:71-72) cited three ways in which support services were provided in South Africa through various types of institutions:

First, were the subsidised parastatals that dominated agriculture through their management systems and provided services in less liberating conditions that had no understanding of farmer preferences and they were themselves limited by legal, social institutional and physical infrastructure obstacles in rural areas. Secondly, the State favoured its 'project farming' or large-scale agricultural schemes. This potentially disregarded the opportunities for developing a class of agricultural entrepreneurs, especially black farmers.

The third factor in structuring the distribution of support services stemmed from the role of Agricultural Development Corporations (ADC's), which were informed by the Development Bank of Southern Africa's concept of Farmers Support Programme (FSP). The latter included ideas of developing subsistence agriculture. The ADC's approach is generally seen as a 'supply-driven approach' not based on expressed, legitimate needs of farmers. (Mthethwa and Callear, 1996:8)

(a) Credit Services

Mthethwa (2000:79) suggested that the role of government lies in facilitating a formation of strong financial institutions that increase black commercial farmers access to financial providers. The work of the Strauss Commission 1996 pioneered the formation of wholesale financial institutions that lend to intermediaries who thereafter lend directly to the agricultural entrepreneurs on cost recovery basis.

Currently, the Department of Land Affairs formed a financial wholesaler called Land Reform Credit Facility (LRCF). It was formed using R31m of donor resources and R32m of Department of Land Affairs funds. To date, the LRCF has funded agreements totalling R14, 64m in joint ventures involving owner-partner agri-business schemes.(Mthethwa, 2000:79) South Africa has other financial institutions that can enrich the current initiative for providing capital to emerging new commercial farmers as outlined in the Table below:

Table 3: Retail financial institutions in South Africa, providing support for small-scale farmers

Institution	Source
Public sector institutions:	
SA Land Bank	Public/Private
Agriculture Credit Board	Public
Department of Corporations	Public/Private
Agricultural Banks	Public
Small Business Development Corporation	Public/ Private
Private sector institutions:	
Commercial Banks	Private
Community Banks	Private
The Employment Bureau of Africa Cash	Private
Co-operatives	Private
Credit Unions	Private
NGO financial providers:	Public/ Private
Get Ahead Foundation	Public/Private
Small Enterprise Foundation	Public/ Private
Rural Finance Facility	Public/ Private
Women's Development Bank	Public/ Private
Other Informal Lenders	Private

Source: Mthethwa (2000:80) as adapted from Nhlapo and Coetzee, 1993: 161

The NGO financial providers have been shown to have a bigger outreach to small-scale producers through their micro-finance programmes. The commercial banks also provide farm and non-farm financial services, either through overdraft, or revolving credit.

(b) Extension, research and information

There is a general consensus that farmers need extension, research and information as part of agricultural services in order to increase agricultural productivity. The Rural Survey of 1997 results show that in the 'former homelands' the majority of farming households spend a year without seeing an extension officer. In the Northern Province, for example, 93% of the people spend a year without getting extension services. (Mthethwa, 2000:80). Information is of critical importance to agricultural productivity. Makhura (Farmers Weekly, 2000: 7) argued that farmers 'who know where and how to buy cheaper seed and fertilizer, where to obtain mechanical services, do better than those who don't.

(c) Marketing

The Rural Development Framework (RSA, 1997:44) states that a greatly amended Marketing of Agricultural Products Act (1996) restricts the extent of government intervention to specified and much more limited aims. There will no longer be single channel marketing and no marketing boards, so prices will follow stronger market orientation. This provides new opportunities for entrants into marketing and processing.

In general, there is a small section of rural producers especially in a former 'homeland' like in the Northern Province, who are actively engaged in marketing their crops. Even the small sections of black farmers who practice commercial agriculture find it hard to market their crops. One concurs with the identification of the obstacles that were illuminated by the World Bank (1994:82). A study on South African agriculture within homelands has shown that the poor roads system leads to isolated markets and the development of monopolistic market conditions.

On the economics and marketing aspects at national level, the Chief Director of Marketing of National Department of Agriculture stated that the BATAT Marketing Drive business plan was developed to specifically broaden market access to the target

clients. In 1995 and 1996 assistance was given to a large number of developing co-operatives in various provinces. The aim of these co-operatives are to render services to members, to promote their own economic and social activities and to create employment for their members. (RSA,1995/96:27)

(d) Training Services

Training in the general aspects of management in farm management and record-keeping, are important services that farmers needed, particularly the commercially-oriented farmers. Findings of the Rural Survey (1997:94) show that the majority of farmers from the former homelands only received advice on crop or animal production from extension officers, but they lacked training on farm management. The commercial farmers can get such service from the private sector, but the small-scale farmers can either use agricultural co-operatives, or get such training and advice from a local or regional business center.

2.5. General conclusion

From the review of the literature, it could be stated that land reform in South Africa is very complicated, therefore, appropriate policies and programmes should contribute towards national reconciliation, growth and development.

Both communal and individual land ownership systems have advantages and disadvantages. Communal systems provide free, or cheap, access to land for the poor. The social structure which goes with communal ownership also provides an important survival safety net function to the poor, as does the fact that the land cannot be sold to raise cash in emergencies. Where people are producing for the markets there have been major changes towards individualisation of land rights with an active land market emerging. (RSA, 1998: 31) However, it is crucial that different tenure options be developed so that people are in a position to make informed choices.

Comprehensive support services are imperative for commercial farming. The support services, among others, should be geared towards assisting small-scale farmers to access land, as well as, to exploit market opportunities as they are currently not single channeled. But people should be involved in the whole process of land reform. The continuous dissemination of information, provision of extension and research could assist a great deal.

As per the findings of Rural Survey 1997, it is recommended that a collaborated effort by multi-bodies be made in dealing with lack of skills in farm management by small-scale farmers. This aspect will be tested in the findings of the case studies.

CHAPTER 3 - SMALL-SCALE FARMING IN THE NORTHERN PROVINCE

3.1. Institutional arrangements

According to Schedule 4 of the Constitution of the Republic of South Africa 1996 (Act 108 of 1996:143) agriculture is classified as a functional area of concurrent national and provincial legislative competence. However, a national agriculture policy is needed as the framework of the provincial policy. With that constitutional framework in mind, the Department of Agriculture and Environment, Northern Province is responsible for facilitation and provision of support services towards efficient and sustainable use of natural resources in agriculture development.

3.2. Households production

The Northern Province Rural Development Programme (2000:7-8) states that the production systems in rural areas are characterized by dry land farming, with no, or few, input like fertilizer and pesticides on a typical 2ha plots per family. Land is communally owned and the chiefs control the distribution of land. (Anim, 2000: 136) revealed that with small-scale farmers in the Northern Province, the small size of land holdings compared to high population density and low physical yields results in low net returns. To maximise the household's labour returns the logical step is to assign members with a low opportunity cost – the younger and higher skilled males – to external employment.

3.3. Gross Domestic Product

The Northern Province contributed only 3% to the Gross Domestic Product of South Africa even though it accounted for nearly 13% of the country's population. The following table reflects on the formal employment and production situation in the Northern Province. (De Villiers, 1996:5)

Table 4: Sectoral distribution of formal employment and contribution to the Gross Domestic Product of the Northern Province, 1993

Sector	Employment %	Gross Domestic Product %
Agriculture	20,3	15,0
Mining	8,3	15,0
Manufacturing	8,1	8,8
Construction	8,0	11,2
Trade	11,9	9,1
Transport	3,9	4,4
Financial services	2,4	6,4
Community services	37,1	30,1
Total	100,0	100,0

Source: (De Villiers, 1996:5) from DBSA, 1994

3.4. Land inventory

De Villiers (1996:13) revealed that until the 1994 change of government, the access to the ownership and use of land has been highly skewed, in the ratio of 86% of the land area allocated to the white minority and 14% earmarked for the black majority. Not all the agricultural land so allocated is suitable for production due to soil and climatic conditions.

An analysis of the agricultural land use pattern in the province can be divided between the commercial farming sector occupied mainly by whites, and the developing farming sector of the small-scale and subsistence farming sector in the former homelands. (De Villiers, 1996:13)

Table 5: Functional agricultural land use distribution within the Northern Province, 1994

Land use	Commercial farming		Developing farming		Total
	Ha	%	Ha	%	Ha
Arable	661 000	55.5	531 000	44.5	1 192 000
Grazing	3 834 000	59.2	2 646 000	40.8	8 480 000
Forestry	59 000	90.8	6 000	9.2	65 000
Nature conservation	1 024 000	90.1	127 000	10.9	1 161 000
Other	101 000	54.3	85 000	45.7	186 000
Total agriculture	5 689 000	62.6	3 395 000	37.4	9 084 000
Total land	8 348 000	69.8	3 612 000	30.2	11 960 000

Source: (De Villiers, 1996: 13) extracted from DBSA, 1994

Within the Northern Province State land, tribal land and private land can be considered for redistribution programme, as summarized in the following table.

Table 6: Potential land for redistribution programme in the Northern Province, 1994

Area	State land: Ha	Tribal land : Ha	Private land: Ha	Total : Ha
Non-homeland	207 000		5 482 000	5 689 000
Lebowa	1 149 000	466 000	487 000	2 102 000
Gazankulu	680 000	25 000		705 000
Venda	584 000	4 000		588 000
Total	2 620 000	495 000	5 969 000	9 084 000

Source: (De Villiers, 1996: 14) from Northern Province (b), 1995

De Villiers (1996: 14) also outlined that if it is accepted that state land and private land will be considered for redistribution, and that tribal land in the former homelands, and state land allocated for nature conservation, forestry land allocated to both the public and private sectors, and miscellaneous non-agricultural land, is left from the equation, the 30% redistribution guideline will have the following theoretical implication for the Northern Province:

Item:	Hectares
Total state land	2 620 000
Minus land allocated for conservation ¹	161 000
Minus non-agricultural land	186 000
Plus all private land	5 969 000
Minus public and private forestry land	65 000
Balance	7 177 000
Redistribution: 30%	2 153 000

According to the Directorate Support Services of the Department of Agriculture, Land and Environment, the current situation of land tenure arrangements is that emerging

farmers have been given access to land. However, because of pending restitution cases on state land, full ownership to farmers has not been granted. Instead, the farmers lease the land, which then allows them to approach financial institutions for further funding. A new Land Redistribution drive for agricultural development sub-programme will be launched soon, providing grants to black South Africans to access land specifically for agricultural purposes. (Mannya, 29/01/2001)

3.5. Marketing

The provincial Department of Agriculture has a provision of marketing information, including current prices on farmer's products and market locations. As well, the department has links with agricultural marketing organisations, such as Progress Mills and Lewisco, and help to facilitate contracts between farmers and these companies. (Mannya, 29/01/2001)

3.6. Training for farmers

The provincial Department of Agriculture also provides training in marketing to farmers. As well, the department is overseeing 14 land reform projects in the province, for 15-20 people in each project. Training takes place once a week, and beneficiaries are being trained in project management, conflict management and primary agricultural training. A constraint of this particular programme is that some of the beneficiaries thought they would receive the R 15 000 grants directly, instead of towards the project, and consequently they do not participate fully. (Mannya, 29/01/2001)

3.7. General conclusions

From the discussion in the above paragraphs, it could be stated that functional agricultural land use within Northern Province is skewed between the commercial and developing agricultural sectors if the number of farmer participants are taken into account. Therefore, developing agriculture, or the small-scale sector, need more developmental attention in terms of appropriate support services such as access of land, secure tenure rights, marketing and training, among others.

CHAPTER 4 - DESCRIPTION OF CASE STUDIES

4.1. Preliminary study

As already highlighted in Chapter 1, the study commenced with three projects, namely, Limafuwa, Faranani Tshitale and Mavungeni. It is worth mentioning that during the period of data collection through interviews guided by questionnaire designed for the case studies, one came to a realization that other case studies have to be added to enrich the study. The reason was that the three case studies seemed to have similar characteristics and problems. Therefore, one thought that it is appropriate to have two other projects for comparison purposes. The other case study projects identified are, namely, Waikato Earth Work (former Lebowa) and Morabala Chickens (Soekmeaar).

The purpose of choosing the case studies was to review the effectiveness of Land Redistribution Programme under the Provincial Department of Land Affairs. In addition to investigate prospects of projects still on proposal phase such as Limafuwa, Mavungeni and Faranani- Tshitale and those projects where farmers are already settled Waikato and Morabala. Interestingly, all these projects have, or propose the same type of organisation, that is, a Communal Property Association (CPA) or a Trust.

4.3. Detailed description of selected case studies

Amongst the five case studies highlighted, two case studies were therefore selected for detailed description, namely, Mavungeni and Morabala.

4.2.1. MAVUNGENI

(a) Background

Mr Chauke (08/02/2001) stated that the project comprises of people currently residing in Tshitale-Elim, Hlangananai, Levubu-Vuwani municipality (this include tribal areas of Shirley, Elim, Bungeni, Mbhokota, Riverplaats and N'waxinyamani and Waterfal township), in the former Gazankulu. This area is overcrowded, has poor soil conditions, rugged slopes and semi-arid climate. Due to these conditions there is very little opportunity for local agricultural production and very few job opportunities.

In May 1998, the group at Mavungeni came together and decided to buy a farm through the government land redistribution grant. With the assistance of Nkuzi Development Association, they submitted a proposal to access redistribution grants from the Provincial Department of Land Affairs in 1998. They identified Lovedale Park which has four portions and it measures 764.4589ha which is owned by Mr Keith Johnson who is based in Johannesburg. He has experienced difficulties in managing the farm from a distance and he is willing to sell the farm to the group. The project has 97 potential beneficiaries and among them there are women who are household heads. The farm which the people of Mavungeni used to occupy, is now owned by the state and is administered by the Department of Agriculture and Land.

(b) Land identification

Proposed farms: Lovedale Park - Vleifontein Portion 1, Boschkopje Portion 6, 7 and 8.
Farm size: 764. 4589 ha.

(c) Type of organisation**Table 7: Profile**

Name of community or individual	Mavungeni CPA
Number of households	97
Number of people involved	256
Number of women with/out dependants	58

Source: (Mavungeni Business Plan, 2000: 9)

With the reference of Mavungeni (Vleifontein Portion 1), The Business plan (August 2000, 36) states that it is the responsibility of the project co-ordinators to workshop the Constitution with the community and establish the legal entity for the Mavungeni group. Each of the four beneficiary groups will have its own Communal Property Association.

The Mavungeni Steering Committee has adopted the formation of the Communal Property Association (CPA) pending the ratification by the Department of Land Affairs. Secondly, the business plans for the four targeted portions of farms were developed. The business plan management will be entrusted to the envisaged project management committee. (Maluleke, 08/02/2001)

(d) Proposed land use

The Mavungeni Business Plan (2000: 14) shows that the present activities on the farm in question are veld grazing cattle and a small dairy of 20 cows, producing some 240 litres of milk per day during the lease period by Mr FPW Oldrieve from the original owner Mr. Keith Johnson. The lease expired on 30 June 1998. Meanwhile, the Mavungeni beneficiary groups are practicing their subsistence farming such as maize, groundnuts and fruit trees at their respective villages.

Table 8: Land potential, Vleifontein Portion 1

ITEM	Ha
Irrigation potential	28
Dry land potential	104
Eucalyptus plantation	12
Dam	9
Natural grazing	408
TOTAL	561

Source: Mavungeni Business Plan (2000: 10)

(e) Management structure

The enterprise will be managed cooperatively by the sub-groups accountable to the Trust and they will determine their own *modus operandi*. Profit will be shared among members of the smaller groups. (Mavungeni Business Plan, 2000: 19). Mavungeni community advocates for strong management committees that will ensure effective management of the business plan. (Mr Chauke, 08/02/2001)

(f) Development model

The Mavungeni Business Plan (2000: 19) explains that the beneficiary group will be divided into several smaller groups and that each group takes responsibility for an enterprise or part thereof. Each group will operate its land independently. The group will provide the labour input for the enterprise.

(g) Financial implications

According to the Chairperson of the Steering Committee, Mr Chauke (08/02/2001) the initial asking price of the whole farm was around R1,6 million. But after the valuation made through the facilitation by Department of Land Affairs the price of the farm became less and it was found that out of four farm portions only one (Vleifontein Portion 1) is said to be productive.

4.2.2. MAROBALA**(a) Background**

Mr Mabula (07/03/2001) stated that this project draws its members from Marobala Village in the Soekmekaar area. The members live approximately 20 kilometers from the farm. Their co-ordinator, Mr Ramalatso Justice, had approached the Provincial Department of Land Affairs to establish if they could be considered in the Land Redistribution Programme.

The project includes nine farm workers who are currently working on the farm and will be staying permanently on the farm. Seventy-nine (79) beneficiaries are from the village. The project deals mainly with activities such as cash crops, chickens, cattle and marketing activities. (Mr Mabula: 07/03/2001)

(b) Land identification

Farm name: Portion 6 of the farm Driefontein 777 LS

Size: 231, 9702 ha

(c) Type of organisation**Table 9: Profile**

Name of community	Marobala Chicken CPA
Number of households	88
Number of people involved	412
Number of Women with/out dependants participants	66

Source: Marobala Business Plan (1998: 8)

It could be stated that the Trustees under this project also have the business plan which guide the present activities. The following chapter will highlight management prospects of the business plan.

(d) Proposed land use

The proposed land use will be based on the present programmes, that is, crop production where 30 hectares is irrigated on a rotational basis for potatoes, butternuts, cabbage, avocados and maize. Broiler production where broiler facilities are available and broilers are marketed at an age of approximately 6 weeks and cattle production where 50 cows and calves will be purchased.

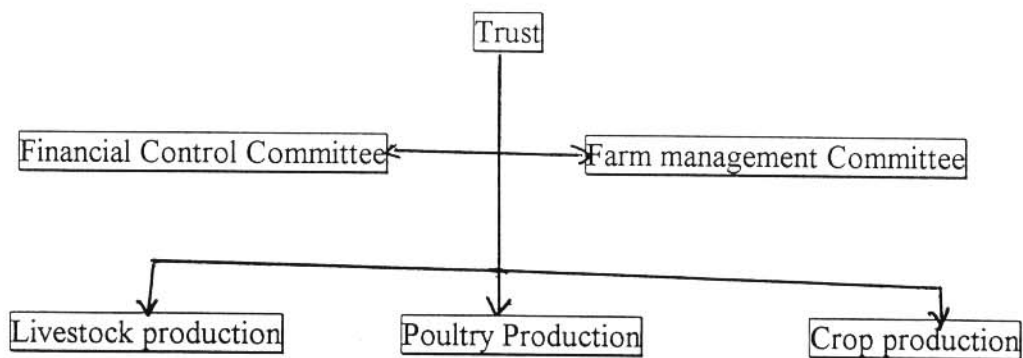
Table 10: Proposed cropping programme

ITEM	HA
1. Irrigation	25
- Potatoes	6
- Butternuts	7
- Cabbage	7
2. Dry land	
Maize	30
TOTAL	55

Source: Marobala Business Plan (1998:12)

(e) Management structure

The Management structure of Marobala is illustrated as follows (Business Plan, 1998:25):



The Marobala Business Plan (1998:25) also provides for the establishment of the joint management committee with the Project Manager overseeing Marobala Chicken Trust, Mapiribiri Trust and Mmatshehla Trust. The Association members maintain that a

project manager will assist the Trust to implement the programmes contained in the business plan and that a financial committee will oversee financial matters and be responsible for budgetary control.

(f) Development model

The development model of this project is making beneficiaries involved in the management and operation of farming activities, especially on business units that have been designed. (Marobala Business Plan, 1998: 14)

(g) Financial Implications

The financial implications for this project is summarised as follows in a Table below:

Table 11: Financial implications of Marobala project

LAND ACQUISITION GRANT	R 1 408 000
ASKING PRICE	R 1 010 000
LAND BANK OPINION	R 490 000 – R 510 000 (FLAG C)
COMMERCIAL VALUATION	R 950 000 (FLAG D)
AGREED SELLING PRICE	R 940 000
AMOUNT PER HECTARE	R 4095/ha
BALANCE: LAND ACQUISITION GRANT	R 458 000
BALANCE: PLANNING GRANT	R 49 720

Source: Department of Land Affairs Memo (NPH 0125, 2000:3)

4.3. Conclusion

From the discussion in the preceding paragraphs, it could be stated that the development models outlined seeks to empower the beneficiaries to participate fully in the farming activities, that is, planning and overall farm management. It is commonly accepted that sound management has a bearing on the effectiveness and efficiency of any organisation. In these case studies it could be said that they both have limitations of management skills. Therefore, it is recommended that the training programmes proposed in the business plan should be accordingly implemented. The research findings in the following chapter will also test the farm management prospects of these projects towards the commercial production objectives.

CHAPTER 5 - RESEARCH FINDINGS

5.1. Physical inspection and interviews

In loco inspections to the case studies were undertaken, for example, Limafuwa (27/08/1999), Mavungeni and Faranani-Tshitale (08 and 09/02/2001), Waikato (07/03/2001) and Marobala (08/03/2001). However, questionnaires were designed (See Annexure 1) and interviews conducted to gather data from the targeted stakeholders. The findings are focused on the two selected case studies because of their distinctiveness, namely, Mavungeni and Morabala projects. In brief, 18 households were reached for the former case study, while 14 farmers in the group context for the latter and findings are summarized as follows:

(a) Legal and administrative frameworks

One has learnt through the interaction with Project Officers of the projects that there are specific legal and administrative guidelines highlighted in Chapter 2 that should be adhered to when processing land redistribution projects acquisition grant application, for instance:

Mavungeni

- (i) In terms of the cycle, it is found that Mavungeni project is still on step 7 (prepare land approval memo). The Minister of Agriculture and Land Affairs still has to approve the purchase of the farms in order to settle beneficiaries. The recommended productive farm is Vleyfontein Portion 1 with 561 ha. The cost price is about R 1,6 m.
- (ii) The cycle seems to be not clearly communicated to beneficiaries, as only 10 out of 18 respondents (i.e. 56%; see Figure 1 below) indicated that they

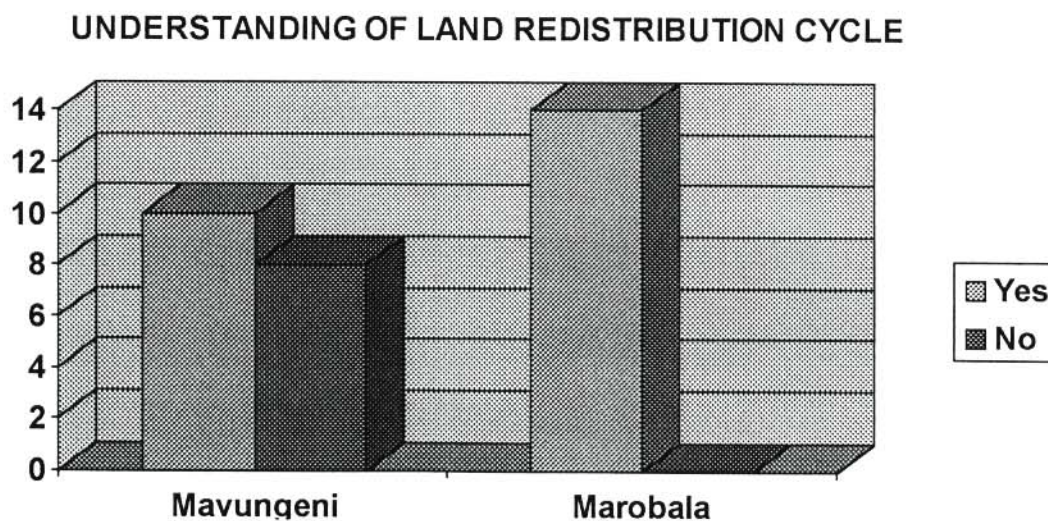
understand the land redistribution cycle. It seems that the information now is only a manual for officials.

- (iii) Beneficiaries seem not to be well informed on the restitution and redistribution administrative procedures.
- (iv) The project is currently in the planning phase and the beneficiaries are still scattered in their respective villages.

Marobala

- i. The beneficiaries of this project indeed received a settlement grant for the purchase of farms and land transfer on June 1999 with a view to commercial exploitation thereof.
- ii. The cycle does seem to be clearly communicated to beneficiaries, as all 14 out of 14 respondents (i.e. 100%; see Figure 1 below) indicated that they understand the land redistribution cycle.
- iii. There is a decline in the number of beneficiaries, for example, it was found that there is a decline from 88 to 14 beneficiaries who are practically involved in farming. The reasons cited for this was that farmers need income now to feed their families as the projects are faced with teething problems.
- iv. The beneficiaries were issued with certificates of farm holdings by the Department of Land Affairs.
- v. In terms of the administrative cycle of land redistribution, the Department is currently in the last phase of the process wherein they support the implementation of the business plan.

Figure 1: Understanding of Land Redistribution Cycle

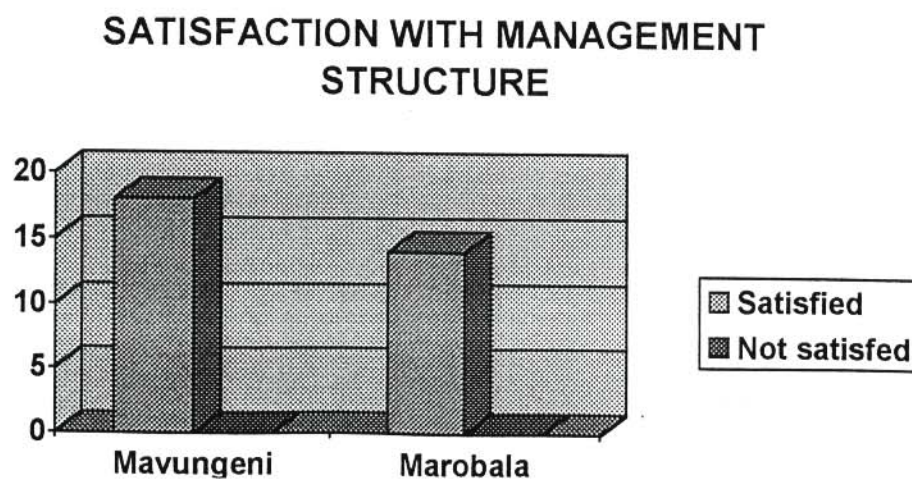


(b) Project management

On this question it was found that:

- (i) The Mavungeni group appeared to be very satisfied with the management structure, since 18 out of 18 respondents (i.e 100%; see figure 2 below) said that the business plan specifies a management structure and they find it acceptable. However, they also recommended in their business plan of the appointment of a specialist or a consultant to take care of administrative and management functions.
- (ii) The Maraobala group appeared to be very satisfied with the management structure, since 14 out of 14 respondents (i.e 100%; see figure 2 below) said that the businessplan specifies a management structure and they find it acceptable. However, the Farm Management Committee was instituted but it seemed to be non- functional. The fact that most beneficiaries left the projects could justify this argument. For example, the Provincial Department of Land Affairs conducted a meeting on the day of my visit at the project to beef up the Committee.
- (iii) It was further discovered that most of the members of the Marobala Management Committee were physically not found in the projects and seems to have temporary employment elsewhere.

Figure.2: Satisfaction with management structure



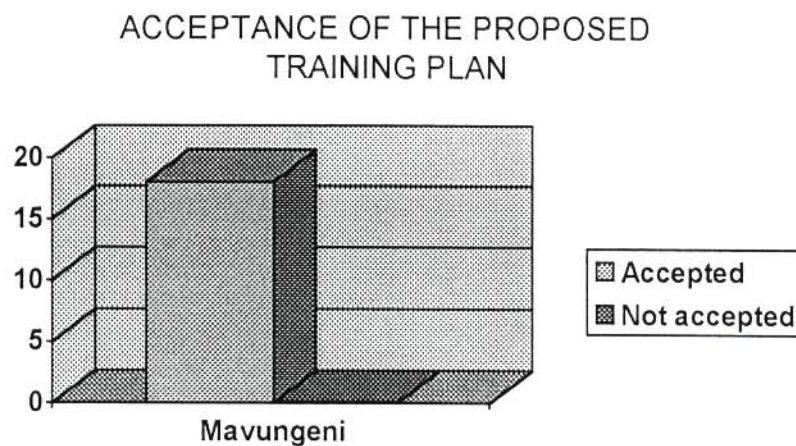
(c) Training and Support services

From the respondent groups, it was found that:

Mavungeni

- (i) The Mavungeni group seem to be supportive of the proposed skills training plan in their business plan, as all 18 out of 18 respondents (i.e. 100%; see figure 3 below) indicated that they accept the skills training plan.
- (ii) They concur that one of the major weaknesses is the lack of formal training in management, particularly in administration and finances. Most of the beneficiaries have some farming skills that will develop further in time. Training programs by Nkuzi Development Association in the form of workshops are on-going to capacitate beneficiaries especially the project steering committee members. The steering committee members in turn are expected to report-back to their constituencies on the issues they are trained upon.
- (iii) The respondents confirmed that the kind of support rendered to the beneficiaries is non-agricultural, or technical, since the project is in a process phase. The Mavungeni group envisages technical support from the Agricultural Research Council (ARC).
- (iv) Most of the beneficiaries have an age distribution of above 21 and are not educated, but exposed to agricultural activities as they worked in adjacent farms. It is therefore, very difficult for departments and NGO's to organize a training session for all the beneficiaries, because they are scattered in different villages.
- (v) The Mavungeni project is a success story as it has two women among the beneficiaries who have formal education in agriculture

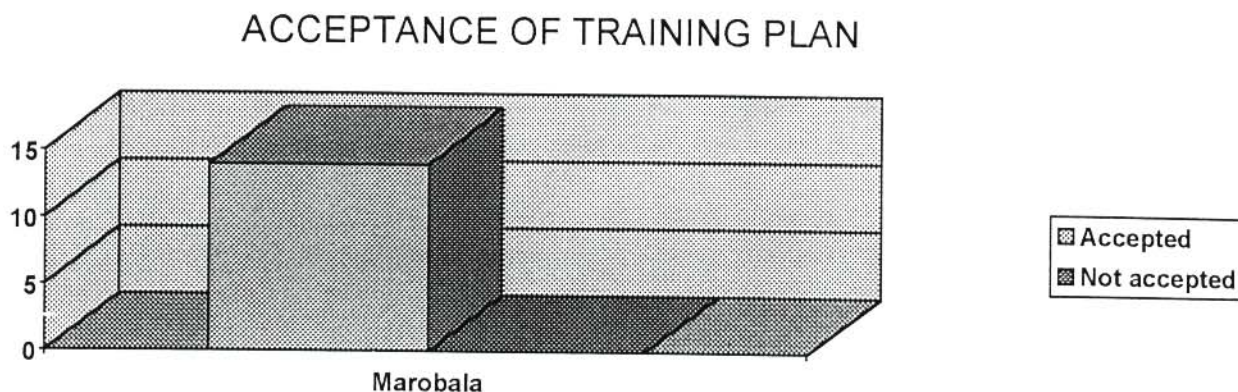
Figure 3: Acceptance of the proposed training plan



Marobala

- (i) The fourteen out of 14 of respondents group (i.e. 100 %; see figure 4) confirmed that they presently have little knowledge on financial management and leadership as it was reflected in the business plan. They all accept that a training program should unfold as planned.
- (ii) They confirmed that technical support and a training programme by the University of the North, especially the Faculty of Agriculture is on going. On the day of the visit, there were some attached students in the Animal Production component of the University busy training farmers.
- (iii) The respondent groups also indicated that there is also technical support coming from Northern Province Rural Development Foundation. They also cited that the Provincial Department of Land Affairs through its project Officers provides the required after-care support and monitoring function.

Figure 4: acceptance of training plan



(d) Marketing and credit services

Mavungeni

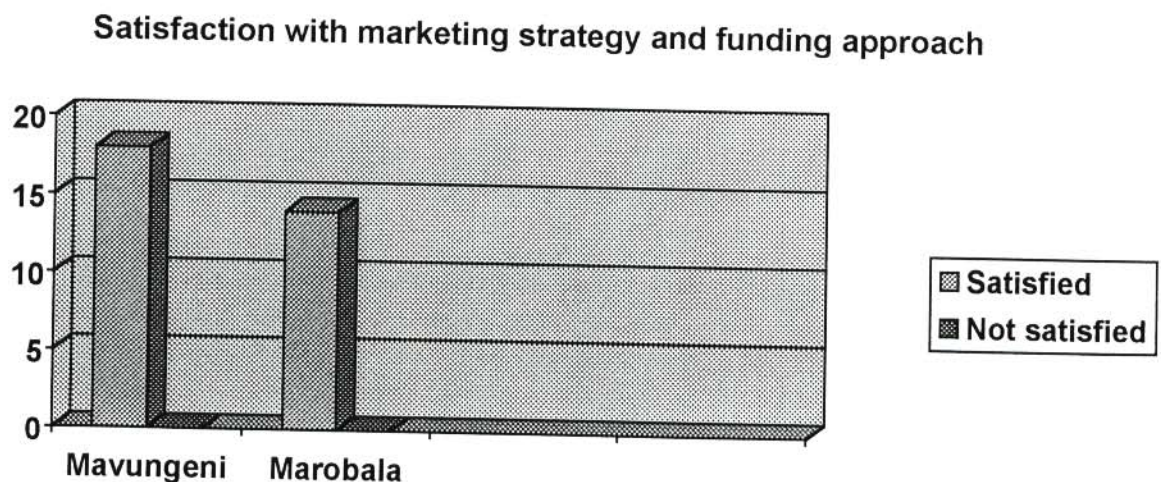
- (i) On this aspect, it was found that 18 out of 18 of the respondent group (i.e. 100 %; see figure 5) seem to be satisfied with the marketing strategy and funding approach captured in the business plan. That kind of support service seemed to be regarded as after-care to beneficiaries that will be executed during the implementation of the business plan.
- (ii) The group proposes to approach the Land Bank, commercial banks and the Industrial Development Corporation for loans. On the other hand post-transfer production grants, Community Facilitation and Support Fund will supplement the financial base.
- (iii) Beneficiaries under this project except Steering Committee Members seemed to have little knowledge about the new grants system and still emphasise the R16 000 grants.

Marobala

It was found that:

- (i) Fourteen out of 14 of the respondents group (i.e. 100 %; see figure 5) seem to be satisfied with the marketing strategy and funding approach contained in the business plan.
- (ii) The Land Bank is the principal loaning institution for Marobala Trust and farmers are jointly servicing the loan. However, the respondent groups were not willing to disclose the capital loan made available to the project.
- (iii) Participants are aware of the new loans, but never used it and they seemed to be willing to make individual contributions in order to use it.
- (iv) The farm management has a cash flow problem, which has resulted in an electricity cut in the project and which caused water shortage as they use electric pump machines.
- (v) The Morabala Trust markets their products locally and in Gauteng, especially the avocados.

Figure 5: Satisfaction with marketing strategy and funding approach



(e) Land use pattern and business plan management

Mavungeni

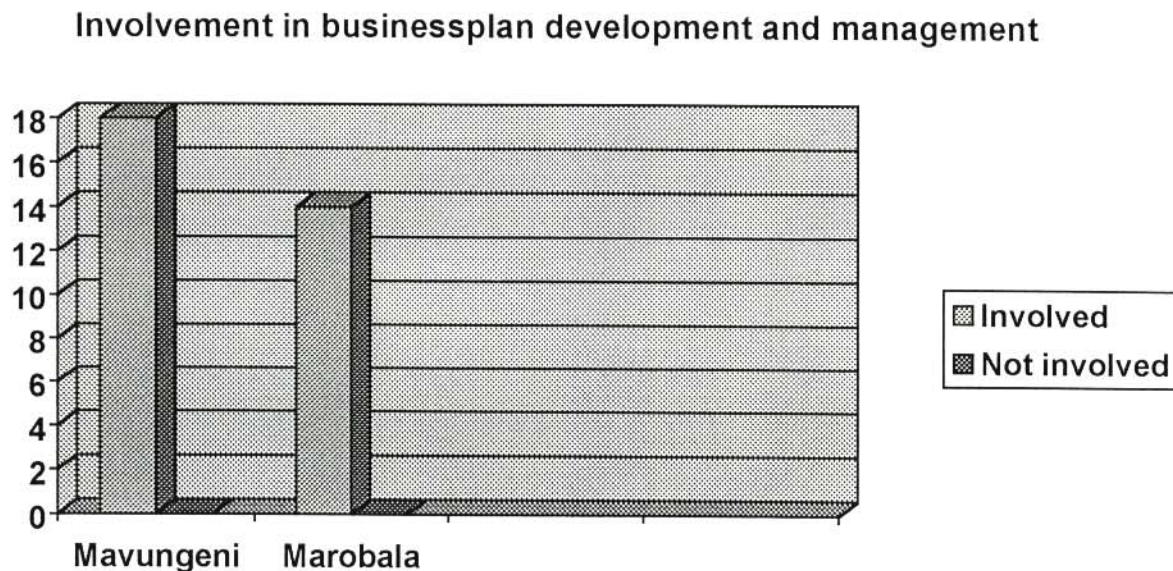
The respondent group, 18 out of 18 (i.e. 100%; see figure 6) indicated that they were fully involved in the development of the business plan and that they will proceed with production or land use in line with the business plan proposals after the project is approved.

Marobala

The respondent group, 14 out of 14 (i.e. 100%; see figure 6) indicated that they were involved in development of the business plan and they also take part in its implementation. As far as development is concerned, it was found that the beneficiaries were settled on farms that already had existing land use patterns. The development model for these projects was based on making beneficiaries involved in the management and operation of farming activities. In line with the principle of supporting farmers to implement their business plan, the following facts were detected:

- (i) The cropping programme is ongoing, for example, avocados trees as planted by original owner, are still well maintained. There are about 6 ha of potatoes currently cultivated and last year they cultivated around 20 ha of maize and 5 ha of cabbages, as well.
- (ii) The cattle enterprise is ongoing and the project currently has about 31 cattle with 24 calves.
- (iii) The chicken enterprise is on hold due to financial constraints.

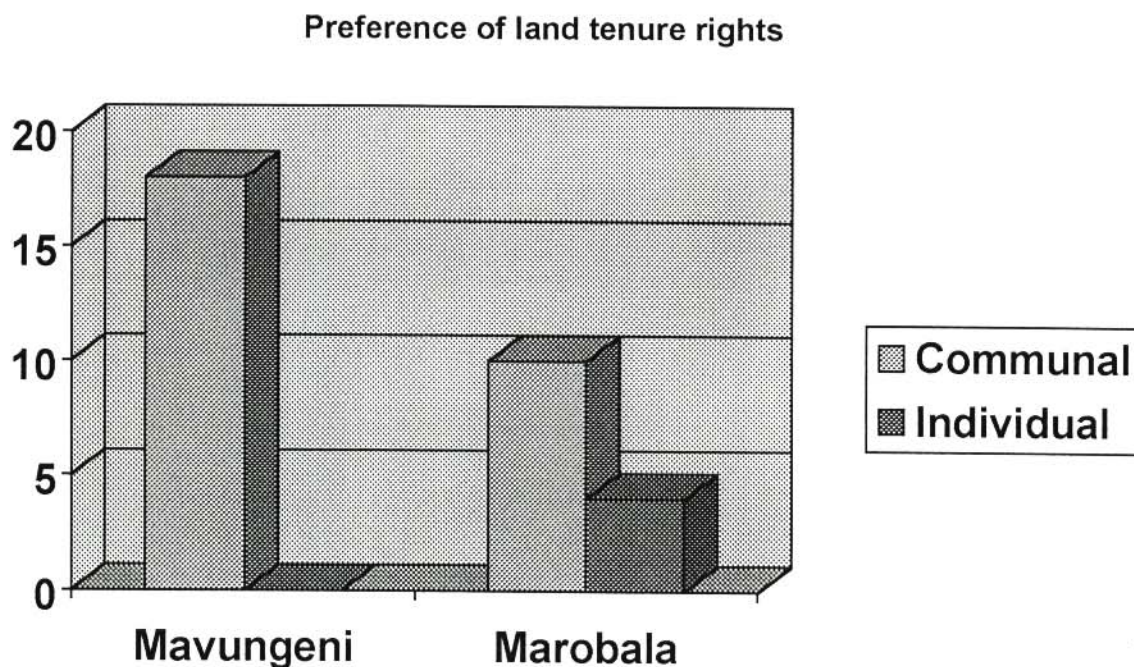
Figure 6: Involvement in business plan development and management



(f) Viability of Communal Property Associations

It was found that the Mavungeni group has constituted a Communal Property Association and adopted the Constitution. The respondents group, 18 out of 18 (i.e. 100%; see figure 7) regards the CPA as a viable option for commercial production given the fact that the group is comprised or formed of Maluleke family and not other families. On the other hand, it was found that the Marobala CPA is now functional but has structural problems, for instance, the decline of membership. For instance, 10 out of 14 (see figure 7) showed preference of communal tenure system while 4 preferred individual tenure system

Figure7: Preference of land tenure rights



From the above figure, it could be stated that firstly, the respondents group of Mavungeni, are still practicing subsistence farming and those who participate in the communal schemes prefer to farm individually, rather than in a group context. But they feel that since the process was started in a group context, it has to be put to a test first to determine its success, and requires a strong project management committee.

Secondly, all farmers interviewed at Marobala are comfortable with the current set-up of communal type of farming more over now that the number of farmers has reduced. They cited the fact that natural selection has taken its course wherein dedicated people remained in the projects despite the teething problems. The lack of financial resources by individual farmers as they have low or no income is another reason why they prefer group farming.

5.2. General

As already stated in Chapter 1, the tribal authorities were among others, part of the respondent group. The general findings were that almost all of these institutions seem not to be actively taking part in the development of the projects. This situation seems to be as a result of communication problems between tribal authorities and the project committees. For instance, most of these names attached to the projects seem not to be known to some people within communities, which makes an outsider take more time to identify a project. Perhaps the reason for the problem is due to the lack proper consultation when the projects were initiated. In a nutshell, the tribal authorities were of little assistance in terms of data gathering because instead of providing the needed input I was referred to committees of the projects.

Secondly, with regard to Mavungeni project, it seems that there is general lack of trust that the Department of Land Affairs will finalize their application due to delays experienced.

CHAPTER 6

6. CONCLUSION AND RECOMMENDATIONS

In conclusion, for the small-scale farming in the Northern Province to move a step further along commercial lines, concerted efforts for public, private and non-governmental organisations is important. These efforts should be geared towards bringing integrated programmes to improve competitiveness of rural areas and also outreach programmes.

It could also be stated that the sufficient commercial production of the identified case studies largely depends on the provision of agricultural and non-agricultural services. The study has shown that to administer land redistribution projects along agricultural lines is a complicated process and not an event. Therefore, the process, long as it is when completed, should be used as a benchmark or pilot project for the future projects. The emphasis could be made that the support services provided to beneficiaries by various institutions is commendable but should be effectively managed and integrated.

On the basis of research findings, it is concluded that:

- 6.1. The unclear understanding of the applicable systems and procedures of the Department of Land Affairs in projects under planning phase like Mavungeni supports statement that legal and administrative frameworks have bearing on farmer development.
- 6.2. The acceptance and implementation of business plan proposals on aspects of training, funding approach, marketing strategy, land use patterns and project management structure in the projects support the idea that those aspects are critical for commercial production.
- 6.3. The Communal land tenure rights are preferred in all case studies which negates the statement that Communal farming is not a suitable basis for commercial

farming. However, with reference to Marobala project where farmers are engaged in commercial farming, the current cash flow problems and loan debts one can conclude that it highlights negative aspect of their type of farming.

Based on the above findings in the previous Chapter, the following is recommended:

- (i) The Provincial Department of Land Affairs should collaborate with the Provincial Department of Agriculture to effectively guide the beneficiaries in the implementation of the business plan. The silo effect that seems to be prevailing should be dealt with, the pre-care, care and after care for agricultural development should be done interdepartmentally.
- (ii) For an increased awareness on land reform programme, the Department of Land Affairs should conduct workshops to beneficiaries especially in projects that are still engaged in the planning phase of land redistribution. In those workshops, the Department should strive to explain the context of Communal Property Associations so that the beneficiaries should choose the suitable tenure system.
- (iii) In order to address the frustrations of beneficiaries and to avoid land invasion, the Department of Land Affairs should 'fast track' processing of Mavungeni application and other similar projects.
- (iv) The project steering committees for Mavungeni and other projects in the planning phase should in the meantime, be empowered through attachment programmes to operational projects like Marobala, to assess the strengths and weaknesses of the existing CPA's. On the other hand, farmers under these case studies who are currently participating in communal schemes while waiting to be settled should be encouraged to proceed with their production.
- (v) The Provincial Department of Land Affairs in collaboration with the Department of Agriculture should arrange credit facilities for farmers' prior settlements to avoid cash flow problems. Above all, appropriate training programme should be conducted to equip farmers so that they are not set to fail.

- (vi) Lastly, beneficiaries should be clearly informed that being settled on farms simply means that they are employers and therefore should be committed to ensure that their farms succeed. They should also be informed as well that at some stage the support they are enjoying is to be discontinued.

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ANNEXURE 1

Questionnaire on small-scale farming in the Northern Province			
1. Name of the project			
2. Number and dates of formal applications submitted to Dept of Agriculture & Land Affairs		1 st Application	2 nd Application
3. Number of participants in your project			
4. Location			
5. Size of project land (hectares)			
6. Present use of land (hectares):		6.1 Crops	
		6.2 Vegetables	
		6.3 Grazing	
		6.4 Other	
7. Does the project have a formal business plan?		Yes	No
8. If 'yes', who compiled it?	Dept of Agriculture and Land Affairs		
	Consultants		
	Community Committee/ Beneficiaries		
	Other		
9. Were the members of the community committee or beneficiaries fully involved at all stages in the process?		Yes	No
10. Does the business plan specify a management structure?		Yes	No
10.1 If 'yes', is the management structure acceptable to you?		Yes	No
10.2 If 'no', why not?			
11. Does the business plan specify the different ways in which the land will be used for production?		Yes	No
11.1 If 'yes', are these forms of production acceptable to you?		Yes	No
11.2 If 'no', why not?			
12. Does the business plan specify a marketing strategy?		Yes	No

12.1 If 'yes', is the marketing strategy acceptable to you?		Yes	No
12.2 If 'no', why not?			
13. Does the business plan specify a funding approach, e.g. loans on credit, etc.?		Yes	No
13.1 If 'yes', is the funding approach acceptable to you?		Yes	No
13.2 If 'no', why not?			
14. Does the business plan specify a skills training plan?		Yes	No
14.1 If 'yes', is the skills training plan acceptable to you?		Yes	No
14.2 If 'no', why not?			
15. Has your project received any support services?		Yes	No
15.1 If 'yes', from which organisations?	Dept of Agriculture and Land Affairs		
	Universities		
	Research Institutions		
	Non-governmental organisations		
	Other		
16. Which land tenure rights do you prefer?		Communal	Individual
17.1 Are you aware of the new financial grants?		Yes	No
17.2 Have you used, or do you intend to make use of, the new grants?		Yes	No
17.3 If 'yes', what size grant did you apply for and/or actually receive?			
18. Do you understand the land redistribution cycle?		Yes	No
19. What are any other general problems you or your project have experienced, and what solutions would you recommend?			