REALIZING AGRICULTURAL POTENTIAL IN LAND REFORM: THE CASE OF VAALHARTS IRRIGATION SCHEME IN THE NORTHERN CAPE PROVINCE

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ABSTRACT

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The effectiveness of the South African land reform programme has been at the centre of debates among land reform activists and within government. Empirical evidence shows that land reform has not only been moving at a slow pace, but has also had limited impact on the livelihoods of beneficiaries, due to the fact that many land reform farms have operated at a very low level since being transferred to their new owners. This study looks at the performance of land reform in South Africa, using the Vaalharts Irrigation Scheme in the Northern Cape as an example. The overall objective of the study was to identify factors contributing to the success or failure of agricultural production on land reform projects (farms) and to make recommendations as to how productivity could be improved. It focused on the eight redistributed farms in the Vaalharts Scheme, measuring 378 hectares in total, which were transferred between 1995 and 2006. The study used both primary and secondary data (in the form of structured interviews, focused discussions, and official reports), and includes a review of literature on land reform in South Africa and internationally.

The findings of the study show that production on the redistributed land at the Vaalharts Scheme is at a very low level compared to other farms in the areas, and that 113 of 378 ha, or 30% of the land, has never been planted since transfer. Factors contributing to this include lack of money for production inputs and limited knowledge and skill on the part of farmers.

This was evident in all cases where production was taking place, as recommended levels of inputs were not being followed, resulting in low outputs. Evidence from the study also shows that poor performance of projects can be attributed to the way these projects were designed and implemented. Many projects have big numbers of

beneficiaries, but their business plans fail to address how production will be organized within the group, or how benefits will be distributed. Post-transfer support to beneficiaries has been absent or minimal in most cases.

Overall, land reform projects at Vaalharts are making little contribution towards the livelihoods of the intended beneficiaries. It is for this reason that the majority of members have lost interest and stayed away from the new farms, as their expectations could not be met in terms of income and other livelihood expectations. The expectations of the state that these new farmers will contribute to the mainstream agricultural economy are also not being met. The study concludes that without immediate and comprehensive interventions the objectives of transforming the agriculture sector and improving rural livelihoods through land reform are unlikely to be realised, thus maintaining the apartheid status quo of a dualistic agricultural sector and perpetuating rural poverty.

May 2007

DECLARATION

I declare that R*ealizing agricultural potential in land reform: The case of Vaalharts irrigation scheme in the Northern Cape Province* is my own work, that it has not been submitted for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged by complete references.

Ramatsimele Jacqueline Maisela 15 May 2007

Signed.....

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Ramatsimele Jacqueline Maisela

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INTRODUCTION

1.1. Context of the study

For generations access to land, opportunity and growth has been based on race in South Africa. Over the past one hundred years the land policy in South Africa actively supported the emergence of white commercial agriculture and capitalist profiteering. Among the measures used to achieve this was the elimination of independent African production and the restriction of their access to land to small communal reserves designated solely for African occupation. This resulted in black people being restricted only to subsistence farming and on lands to which they could not have ownership. The situation was further exacerbated by the passing of the Land Act of 1913, which saw many black South Africans forcibly removed from certain areas of origin, particularly from prime agricultural lands which were intended for developments to benefit white South Africans only.

While acting as reservoirs of cheap and largely male labour, these communal areas were also 'dumping grounds' for those people (the elderly, women and children) deemed surplus to the labour needs of the white economy (Molefe, 2004). The resolution of the land question in favour of white capital was thus central to the making of contemporary South Africa.

South African agriculture has been built on particular natural resource bases, one of which is land, and with a systematically enforced racial division. This skewed distribution of land and other resources has given effect to the current agricultural sector in the country, which is dualistic. As noted by Deininger and May (2000) the South African agricultural sector comprises of two sectors. There are millions of the poor who rely on scarce natural resources, complemented by remittances and pensions from outside as part of a survival strategy, and then there is a small number of the privileged with an abundance of natural resources which is used to produce increasing surpluses on the white commercial farms.

Andrew et al (2003) refer to the dualistic nature of South African agriculture, stating that commercial farming is mainly on privately owned land and subsistence farming mainly in communal areas and further dismisses historical stereotype perceptions that subsistence uses of land have been wasteful and economically unproductive in comparison with commercial production systems. Redressing the imbalances in land distribution has thus been a crucial precondition for the legitimacy of the new democratic order. The challenge faced therefore is finding the best ways and means to achieve overall economic growth and reduction in the level of poverty and food insecurity, particularly at the household level (Makhanya, 2002).

Land reform is viewed by many as one of the key policies that can lead towards correcting the past injustices, increasing access and participation in the mainstream agricultural economy by the previously marginalised South Africans and addressing the problem of poverty and food insecurity in rural areas. As cited in Hall (2004) land reform further performs an important symbolic function in the new South Africa as tangible evidence of a nation addressing historical injustice as part of a wider process of nation-building. For Cousins (2004) access to land and resources for most of those involved in the land reform is not sufficient. Access to inputs, markets and marketing support, extension and training is also necessary.

1.2. Problem statement

The South African land reform programme was introduced in 1994 as part of the Reconstruction and Development Programme (RDP). The programme rested on three principal sub-programmes, namely, restitution, redistribution and tenure reform. Land restitution aims to restore the land rights lost due to racially discriminatory laws passed during the apartheid era. Land redistribution aims to provide the previously disadvantaged South Africans access to land for residential and productive purposes. Tenure Reform seeks to provide the security of tenure to people occupying land lawfully (Department of Land Affairs, 1997).

These three main sub-programmes, according to Deininger and May (2000), are complementary parts of a comprehensive approach to deal with the legacy of

apartheid and at the same time establish the basis for development of a diverse rural sector in South Africa.

Poverty is strongly linked to rural areas. Rural areas account for about 75% of South Africa's poor (Thwala 2003). Land reform should therefore form a significant part of redistributing assets and alleviating poverty.

Land reform in South Africa coincided with policy shifts in agriculture, amongst others the removal of direct government support, which was in the form of soft loans, tax breaks, single channel marketing and the state-supported co-operatives. The dismantling of trade barriers also saw the South African markets opening up to global competition (Hall, 2004). This was viewed by many - especially land reform beneficiaries and the new black entrants into farming who aspired to enter commercial farming - as a hindrance to participation in the sector, to which access had been denied for centuries. The new reforms meant access to those resources that were previously reserved for whites. On the white commercial side, the result of deregulation and liberalisation was, according to Hall (2004), a rise in the rate of bankruptcies and the consolidation of land holdings into fewer hands.

While there is consensus that there is a demand for land from the historically disadvantaged groupings, there are disagreements among role players as to how land should be managed and utilised once it has been transferred. Some studies suggest that the land reform programme is not leading to an improvement in agricultural production and income and many land reform beneficiaries are threatened with insolvency (Orthmann & Machethe, 2003). Many resettled areas are experiencing declining agricultural productivity and in situations where production has been realised by new farmers, lack of access to markets has forced them into extremely exploitative exchange arrangements which further erode their welfare and drive them into poverty (Van Schalkwyk et al, 2003). It is further argued by Monama (2006) that some of South Africa's vital contributors to food security and significant earners of foreign currency have withered and even collapsed since being transferred to beneficiaries of land reform.

The Ministry for Agriculture and Land Affairs (2005) concedes that while considerable institutional energy and funds have been expended on providing access to land for new entrants into farming over the past years, minimal efforts have been made with regard to the support that should see the redistributed farms coming into production, which is also sustainable.

This study examines the agricultural potential of land reform in South Africa, using as an example the case of the Vaalharts Irrigation Scheme in the Northern Cape Province.

The Vaalharts Scheme, as it is commonly known, was established in 1934 with the aim of supporting poor white people. The scheme comprises approximately 32 000ha of prime agricultural land, and is, according to Claasen (1989), the largest irrigation scheme in Southern Africa.

Land reform in Vaalharts has thus far been achieved entirely through the redistribution programme. The restitution claim has been lodged on the entire Vaalharts scheme by Chief Mankurwane on behalf of Mothibi community, but this is still at the research stage. If successful, it will obviously have interesting outcomes, which could be determined through further research.

The study will focus only on the redistributed land in the scheme. The land redistribution programme in the Vaalharts Settlement dates back to 1995, with the purchase of Silverdale farm through the Settlement and Land acquisition Grant (SLAG), a component of the land reform programme of the new Government after 1994. SLAG was later replaced by the Land Redistribution for Agricultural Development (LRAD) programme, which saw the redistribution of more land in the Vaalharts Scheme. There is a widespread belief that production on some of the redistributed farms/land has declined or is non-existent, but the reasons for this are not well understood.

In Vaalharts, 378 hectares (about 1.08% of the 32 000 hectares scheme) has been redistributed to date. Almost half of it is currently not in production (Department of Agriculture and Land Reform, 2006). In terms of agriculture's contribution to the

GDP and employment this has a negative bearing on beneficiaries' livelihoods, the economy of the area and of the entire province.

This study looked at factors constraining the realisation of optimal farm production and the reasons for declining production. This study will suggest possible ways and means of streamlining support interventions that are available to farmers. It also provides a basis for further comprehensive investigations of the potential of the Vaalharts Irrigations Scheme. This could inform future land reform projects and contribute towards the success and sustainability of similar projects which could be extended to other parts of the country.

1.3. Objectives of the study

The study was intended to explore the challenges facing the South African land reform programme and the factors that contribute to the success or failure of agricultural production on land reform projects. This was done through a review of the emerging literature on land reform in the country (including grey literature) and a detailed case study of the Vaalharts Scheme.

Specific objectives of the case study are:

- To understand current land use on the redistributed farms
- To understand the factors that constrain new farmers from realising optimum production
- To assess the effectiveness of the existing post-transfer support interventions
- To suggest ways in which the land reform process could be improved in order to deliver more land and improve the productivity of new farmers.

1.4. Research questions

More specifically, the research attempted to answer the following questions:

- How much land was transferred and to how many beneficiaries?
- How much land is under production?
- What crops are farmers producing and what influences their choice?

- What may be the reasons for low (or no) production and what are the limitations to greater achievements?
- What type and level of support is available to new land owners, and how do farmers themselves rate this support?

1.5. Research design

1.5.1. Scope of research

The study was conducted in the Vaalharts Irrigation Scheme in Phokwane Local Municipality in Northern Cape. It focused on the plots that have been transferred to emerging farmers through the land redistribution sub-programme under group ownership. Views from commercial farmers, NGOs and agribusiness operating in the area were solicited in order to establish another view point of land reform in the Vaalharts scheme.

1.5.2. Rationale for the choice of the study area

The rationale for the choice of study area is that Vaalharts is regarded as the bread basket of the Northern Cape Province and, according to the Department of Agriculture (2006), the area produces some of the country's finest quality agricultural products, such as cotton and wheat. The area also has high potential for agri-tourism because of its scenery. Land reform in Vaalharts should therefore serve as one of the vehicles through which previously disadvantaged black farmers and would-be farmers could have access to and participate in the mainstream agriculture.

The study therefore aims to suggests strategies and approaches that could be employed to ensure that post-transition processes are such that the land is used productively, thereby creating livelihoods and enabling new owners to become effective participants in the mainstream agricultural economy

1.5.3. Research methods

The study relied on both qualitative and quantitative research methods, using primary and secondary data. The methods used are outlined hereunder. Interviews with farmers who were beneficiaries of the eight land reform projects in the Vaalharts were conducted using a questionnaire developed for information gathering purposes. Respondents were also allowed to express their opinions, which exposed issues not necessarily covered in the questionnaire. Additional information was gathered during meetings with white commercial farmer from interactions with officials of the Provincial Department of Agriculture (PDA) and Northern Cape Provincial Land Reform Office (NCPLRO), from documentary reports from these two institutions and from focussed discussions with agricultural co-operatives and financial institutions active in the Vaalharts areas and from various internet sites.

The study relied on both qualitative and quantitative research methods, using primary and secondary data. Information for the survey was obtained from the following sources:

- Interviews with farmers who were beneficiaries of the eight land reform projects in the Vaalharts using a questionnaire developed for information gathering purposes. Respondents were also allowed to express their opinions, thus exposing issues not necessarily covered in the questionnaire.
- during meetings with white commercial farmers
- interactions with officials of the Provincial Department of Agriculture (PDA) and Northern Cape Provincial Land Reform Office (NCPLRO),
- from documentary reports from PDA and NCPLRO
- from focussed discussions with agricultural co-operatives and financial institutions active in the Vaalharts areas
- and from various internet sites.

The box below indicates each research question and the methods associated with it.

Research Question	Data Collection Method
How much land was transferred and to how many people/beneficiaries	- Data from reports – Department of Land (DLA) and Provincial Department of Agriculture (PDA)
How much land is under production and at what intensity?	- Structured interviews with new farmers - Data from PDA
What crops are farmers producing, and what influences their choice?	- Structured interviews with new farmers - Observations - Focused discussions with officials of PDA - Focused discussions with and reports from financial institutions (Banks)
What are reasons for low/no production and what are limitations to greater achievements?	- Structured interview with farmers - Focused discussions with officials of PDA and DLA - Reports from PDA and DLA
What type and the level of support is available to new land owners, and how do farmers themselves rate this support?	- Structured interview with farmers - Focused discussions with NGOs, Financial Institutions and Agricultural Co-operatives - Reports from PDA - Internet sites

1.6. Thesis outline

The context, problem statement and objectives of the study are discussed in the first chapter. Discussed also in chapter one is how the research was designed, outlining the scope of research and reasons why the study area was chosen as well as research methods employed to gather data.

Chapter two provides an overview of land reform and debates around farmer settlement looking firstly at international and African experiences, and then at South African perspectives.

The third chapter is an overview of agriculture in the Northern Cape Province, including production trends and the current and future prospects. The chapter in addition gives a description of the study area and the redistributed plots under investigation, highlighting key physical characteristics such climate and soils.

Chapter four presents the detailed research findings and analysis, while chapter five presents the summary, conclusions and recommendations of the study.

CHAPTER 2

LAND REFORM OVERVIEW

2.1. Introduction

An overview of land reform and debates around farmer settlement is given in this chapter. The views of various land reform scholars and activists are discussed, providing both international and African experiences. The South African land reform programme is also discussed. The literature shows that land reform alone will not achieve rural development or poverty alleviation, but must be combined with other agrarian reforms, such as access to capital, training and markets.

Land reform has throughout the world occurred under varying circumstances and for various reasons. Griffin et al (2002:317) attest that in Mexico, Bolivia, Nicaragua, Cuba, Russia in 1917 and China in 1949, major land reforms occurred as part of a social revolution. In Japan, Taiwan, South Korea, eastern and central Europe after 1945 they were an outcome of war and military occupation. In many parts of Africa reforms occurred as part of the process of liberation from the colonial power.

During the period immediately after independence (1940s to early 1980s), according to El-Ghonemy (2001), state-led redistributive land reform was a priority for many developing countries. Land reform has been at the heart of efforts to promote rural development and a response to the abject poverty, gross inequalities and social instability, especially in much of the world after the Second World War and in the post-colonial states of Asia and Africa. Although reform programmes in different countries had a different scope, pace and nature, the broader aim was to reduce poverty and inequalities, combined with emancipating the peasants from the former political power of landlords and their monopolies in the labour markets.

The late 1980s saw a shift away from government-implemented redistributive land reform towards reliance on the formal credit market and on landed property transfers

that are freely negotiated in an open market. This is referred to as market-led land reform (El-Ghonemy 2001).

State-led land reforms were redistribution programmes in which the government was the sole player. Such programmes were mainly characterised by both socialism and nationalism. Land reform programmes were mainly confiscatory, top-down and involved redistribution from big landlords to poorer peasants and the landless, either in the form of collectivisation or nationalisation. The decision and powers in terms of when and how land redistribution should be implemented rested solely with the state, which also had control over land use, production means and markets.

This style of land reform had been criticised by the proponents of market-led land reform as inefficient and leading to increased rural poverty. Dorner & Thiesenhusen (1990: 65-72) reflects some weaknesses of the state-led redistribution programme, citing China experiences of collectivisation method of land reform. Further reflections are on Latin America and the Soviet Bloc, in which the failures are attributed to state inefficiencies and markets distortion.

Market-based land reform was thus viewed as part of a strategy for agricultural liberalisation and rural development. Bernstein (2002: 447) relates this to the rise of neo-liberal thinking that emphasises the need for land titling for provision of security of tenure to producers to encourage investments and to foster efficient land markets in order to make it easier for land to be purchased and sold.

For its proponents, market-based land reform goes beyond land redistribution through the market to include other agrarian reforms such as access to credit, markets, production inputs, technical and extension support. Market-based land reform also promotes land titling, in the belief that private ownership is a prerequisite for investment and development, but this view is challenged by various scholars who argue that the supposed links between private property and investment are far from conclusive. For example, Migot-Adholla et al (1993) argue that in Kenya, Ghana and Rwanda people were more inclined to invest in their land if their user rights could be handed down to their children, than if user-rights could not be transferred. Furthermore, Ellsworth (2002) argues that gains in productivity in China occurred

when the country went communist and collectivised its assets, a fact that suggests that it might have been the size and acceptance of the institutional change that influenced such productivity gains, and not necessarily ownership. According to Riedinger et al (2001) the 1990s brought a new wave of agrarian reform in countries in Africa, Asia, Latin America and the states of former Soviet Union, which also involved a move from the traditional to a market-based land reform, an approach advocated by the World Bank amongst others. The Bank describes market-based approach as "voluntary land transfers based on the negotiation between willing buyers and willing sellers'' (Deininger & Biswanger, 1999).

Market-based land reform increasingly became the dominant policy approach of developing countries and was associated with the introduction of economic reform policies or structural adjustment packages by the World Bank and International Monetary Fund, over which the developing country governments had little or no control according to Tait (2003).

The developing countries were "faced with stark realities of large financial shortages and deficits that were normally filled in the form of loans and aid from foreign countries and development agencies, developing countries were more or less obliged to accept the conditions and policy frameworks of those that had the willingness and ability to support their development" (Tait, 2003: 5)

In the South African context the implication of voluntary land transfer has been that land owners decides when to sell, what land to sell and at what price (which is loosely determined by the market). The role of central government is arguably reduced to the provision of land purchase grants or loans to eligible beneficiaries. Potential beneficiaries are expected to take the initiative, e.g. negotiate the purchase price with the seller, and arrange for credit to finance the land and capital requirement. The ability to pay back the loan is often not considered, which has led to many land reform farms being repossessed or auctioned by the banks.

Critics of market-based land reform argue that the approach has not been effective in terms of expediting change in land ownership, but has instead delayed land redistribution and has failed to address rural inequality in all countries that adopted

this approach. Some scholars argue that there is no evidence yet that has shown a successful land reform programme that is market-based, as compared to the old state-led redistribution programme (see Lahiff, 2006 and Rosset, 2001). Riedinger (2001) also states cases of success of land reform in Mexico, the former Soviet Union, China, Taiwan, Japan and South Korea, which were state-led and compulsory. In the South African context the "willing seller-willing buyer" (WSWB) approach has arguably given land owners excessive power in the land reform process in that they have the right to decide as to when and to whom to sell the land. Lahiff (2005) has argued that the landless and the state have no guarantees on whether they will get the land they want.

For South Africa, the problems with market-led reform, according to Lahiff (2006), include "the reluctance of land owners to respond favourably to market inducements; tendency to push land prices up; exclusion of poorer beneficiaries; inappropriate farm planning (leading to project failures) and the failure of private sector agencies to effectively replace state agricultural services".

2.2. International experiences

In the 1940s and 1950s, land reform in countries such as Japan, Taiwan and South Korea followed a policy of ''land to tiller'' and distributed land ownership rights among households in a highly egalitarian manner (Griffin et al 2002: 303). In Taiwan land reform was introduced between 1949 and 1954, and had three distinct phases, namely rent reduction, the sale of public land and the land-to-the-tiller programme (Dorner & Thiesenhusen, 1990:74). The purchase of tenanted land by government was compulsory from those who had land in excess of a specified amount. The ceiling was set very low and the price paid by government was below the market price. Land was then redistributed among tenants and landless households at a low price and payments were financed by credit granted by government. Land reform was completed by measures that were intended to stimulate agricultural growth while improving the distribution of income. According to Griffin et al (2002:303) such measures included investment in rural infrastructure, the use of price incentives to encourage a shift in production away from rice to higher value crops and government-sponsored research in plant breeding and agronomy. For Griffin et al (2002: 305)

these interventions yielded positive results in that poverty declined and agriculture growth accelerated: pure tenancy reduced to 17% of farm households, 48% of farm households received land, total production grew by 5% a year and crop output per worker grew by 3% a year between 1953 and 1964.

Land reform in these Asian countries was viewed to be successful, which has been attributed to the factors such as the adoption of low ceiling of land ownership which implied that more people acquired land; the alignment of land redistribution with the necessary support measures for production; and strong civil organisations at local level.
These organisations advocated the rights of peasants and played a critical role in monitoring transactions, thus minimising fraudulent and corrupt actions.

From the mid-1990s, countries such as Brazil, Columbia, and the Philippines adopted the market-based approach to land reform. Notably, market-based approach had not yielded positive results in some of these countries. For instance, in Colombia the failure was attributed to among others, high land prices, backed also by cumbersome government bureaucracies, resulting in delays in land transactions and transfers. In the Philippines, lack of honesty[1] and resistance on the part of landowners as well as inadequate funding resulted in many delays in land redistribution (Riedinger, et al, 2000). Rosset (2001)'s argument is that market-led redistribution favoured land owners because they had a choice as to which land they could sell and often chose to sell mainly marginal and economically fragile plots, many of which were not in production and at exorbitant prices. In most instances, this resulted in the inability to make the redistributed land "farmable". Adams (2000:19) holds the same view, arguing that although the state offered grants to the poor to acquire land, the increased demand pushed up land prices, making land still unaffordable to the majority of the targeted beneficiaries.

The change of government in Brazil in 1995 placed land reform high on the government's agenda, with social movements also exerting pressure for land delivery. Some of the policy interventions included an increase in land reform budget (from

[1] Land owners selling low-quality land, which was also overvalued, Riedinger, et al (2000)

US$0.4B in 1994 to US$2.6B in 1997) and the improvement of the legal and administrative framework for the federal expropriation program (Peixoto 2005). The World Bank-supported negotiated land reform pilot project was also extended nationwide, making land reform an integral part of National Poverty Reduction Strategy of government. According to Barros et al (2003) land reform in Brazil entailed two main redistribution programmes, namely the market-assisted or land credit programme, which involves voluntary agreement between land owners and beneficiary association, with the state involvement and has support from the National Confederation of Agricultural Workers (CONTAG); and the federal programme, which is based on expropriation and supported by the Landless People Movement (MST).

The recognition by Government of the two social movements as partners in the implementation of the land reform pilot project nationwide was related to the claimed success of the market-based land reform (Borras, 2003). Analysts however suggest that land reform in Brazil still faced many challenges, among others, land owners contested the listing of farms for expropriation and land valuations, thus raising land expropriation costs significantly. Landlords sold low-quality land, and complex administrative and legal procedures made land transactions cumbersome (Borras, 2003). Further arguments are centred on the inefficiencies of post settlement programmes and the ability of the resettled farmers to make a living out of the land. According to de Janvry & Sadoulet (2002) most families, because of absence of support, do not harvest enough to feed their households and are unable to pay back the loans.

Market-based land reform in Columbia was marked by similar challenges, which saw a limited success of the programme. Amongst other limitations were high prices as a result of coercion from landowners, the refusal of intended beneficiaries to purchase and high transaction costs which prohibited small peasants from participating in land transactions (Deininger, 1999). This had thus resulted in a low rate of land transfers.

In the case of the Philippines, Borras (2006) argues that the claimed achievements were as a result of poor and in some instances, deliberate flawed reporting on the part of state: for instances the listing of cases where land exchange hands between families

and cases of 'lease-back' arrangements, which according to Borras lack the real element of redistributive reform. Landlords would sell the land at a very low price, with the intention of leasing it back for longer periods at lower rental and worker-beneficiaries would remain as workers. The lease period is so long that most beneficiaries would have died without ever owning the land they were supposed to have obtained through land reform.

2.3. Land reform experiences in Africa

As in other part of the developing world, rapid population growth, environmental degradation and the slow rate of economic development in many parts of Africa have left many people dependent on small-scale farming. This has resulted in increasing competition and contest over land. Coupled with this were the effects of social, political and environmental crises, which emanated from inappropriate development policies and, in some instances, wars. This had, according to Zulu (1993), put pressure on governments to transform land ownership structures to reflect democratic principles of equitable access and to redress the histories of dispossession and exclusion suffered during the colonial period.

Land reform has been regarded as a key part of national development strategies, aimed at reducing rural inequality, improving agricultural productivity and food security and increasing incomes and overall welfare of the rural population. The approach and motivation for land reform has, however, varied from country to country and over time.

Kenya's market-based land reform in the 1960 entailed the privatisation of customary land, consolidation of fragmented holdings and the promotion of land-title transfers through the market (Konyimbih, 2002). This approach followed some of the recommendations of the Swynnerton Report of 1954, which Kenya continued to implement even after independence. While Kenyan land reform seemed to be successful, i.e. it was able to achieve 90% of the land reform target within a time frame of between five to ten years (Mburathi, 2005), it is worth noting that the reforms, coupled with reduced social spending and deteriorating living conditions of low-income groups (as a result of economic reforms) contributed to extreme land

concentration. Furthermore, with land titling certain groups of people, particularly women, pastoralists, hunter-gatherers and people belonging to minority tribes who have traditionally enjoyed subsidiary or derived rights, were denied legal recognition of their customary rights to land during the registration process (Platteau, 2000). This also led to increased rural poverty and loss of food security due to landlessness, among these groups (El-Ghonemy 2001). The positive aspect of Kenya's land reform is that it was accompanied by other agrarian reforms, which opened access to and participation of black farmers in large scale production and markets. A notable example was access by African farmers to suitable highland areas to keep dairy cattle and grow high-value crops such as coffee, and the expansion of tea production through contract farming (Williams, 1996).

In Zambia, the market-based land reform followed donors' requests to the Zambian government in 1995 to implement land reform legislation (the 1995 Land Act) with the aim of stimulating investment and agricultural productivity, and sought to change the 94% of Zambian land held under customary tenure[2] to private tenure, or leasehold in some instances. This was nearly two and half decades after independence, during which Zambian land tenure policy had been heavily influenced by both socialism and nationalism (Brown, 2005).

The Land Act had led to an increase in foreign investment in the Zambian agriculture and tourism sectors and an increase in the number of title conversions to leasehold[3]. Munanula, Muyakwa, & Munanula (2003), however, argue that the reform has generated economic and social exclusion in some parts of the country, with market-based land reform viewed to have accrued to the local elite and outside investors and not to poor villagers. Its negative impact, particularly on the part of the rural poor, was largely due to the enclosures of common resources as a result of the transfer of customary land to leasehold. Conflicts became apparent as villagers and chiefs disagreed over title conversions (Brown & Siamwiza, 2002). Inefficiencies on the part of government (limited human, financial and technological resources) also led to

[2]The land is owned by Government, which grants Chiefs legal authority to oversee customary lands, grant occupancy and use rights to the land and oversee its transfer between subjects (Brown, 2005)
[3]There has been a significant increase in the amount of land in Zambia owned by foreigners, 240 investment certificates were issued to large scale commercial farmers between 1995 and December 2002, Brown, 2005)

flawed land administration processes owing to perverse actions of government officials at both local and central levels, the local elite and traditional leaders.

In some parts of Southern Africa, particularly the former settler colonies of Namibia, Zimbabwe and South Africa, land reform debates were mainly influenced by colonial histories, with the three countries sharing a similar profile of racially skewed land distribution owing largely to dispossession of black rural population, which was confined to overcrowded communal lands. Land reform in these countries broadly seeks to decongest overpopulated areas; to promote equitable distribution of agricultural land, to de-racialise commercial agriculture; and to resettle and secure land tenure of the landless. There are, however, some distinctions between countries' approaches and processes (Moyo, 2005). Notably, land reform in the three countries has been based to some degree on the land market as a mechanism for availing land for redistribution. Namibian and Zimbabwean experiences are debated extensively elsewhere, and will not be repeated in this study[4].

2.4. South African land reform programme

In post-1994 South Africa, land reform became a significant part of the reconstruction and development programme of the new African National Congress (ANC) government. The South African land reform policy centred mainly on addressing the racially skewed land ownership, which emanated from the 1913 Land Act and subsequent legislation; reducing poverty and contributing to economic growth, particularly in areas that were marginalised through apartheid laws, and securing land and tenure rights of the marginalised people (Department of Land Affairs, 1997). As a result the South African land reform programme had three main elements, namely land redistribution, land restitution and land tenure reform.

(a) Land Redistribution is a broad programme which aims to provide the disadvantaged and the poor with land for residential and productive purposes. The government developed a single, yet flexible, grant mechanism to embrace the wide variety of land needs of applicants. Land redistribution can take the form of individual and group settlement, and/or with production;

[4] See Palmer (1990); Moyo (2001); Moyo (2005); Werner (1997); and Tyehimba (2006).

commonage schemes; or share equity schemes;

Under the Provision of Land and Assistance Act, 126 of 1993, the DLA assisted eligible individuals and groups to obtain a Settlement/Land Acquisition Grant to a maximum of R16 000 per household for the purchase of land directly from willing sellers, including the state. This was followed by the Land Redistribution Programme (LRAD) in 2001, which according to the Ministry for Agriculture and Land Reform (2001) has a more commercial focus.

(b) Land Restitution aims to restore land and provide other compensation to people dispossessed by the 1913 Land Act. This is being done in such a way as to support the process of reconciliation and development, and with regard to the over-arching consideration of fairness and justice for individuals, communities and the country as a whole (DLA, 1997).

The government's policy and procedure for land claims are based on the provisions of the Constitution[5] and the *Restitution of Land Rights Act, 22 of 1994*. A restitution claim qualifies for investigation by the Commission on Restitution of Land Rights provided that the claimant was dispossessed of a right in land after 19 June 1913, as a result of racially discriminatory laws or practices, and was not paid just and equitable compensation (DLA, 1997). Restitution can take the form of:

- restoration of the land from which claimants were dispossessed;
- provision of alternative land;
- payment of compensation;
- alternative relief comprising a combination of the above; or
- priority access to government housing and land development programmes.

The State may compensate successful claimants where restoration of the land or other remedies is not appropriate. Land owners whose land is expropriated for the purposes of restoring land to successful claimants must be compensated in a just and equitable manner.

[5] Section 25 of the Constitution of the Republic of South Africa (RSA, 1996)

(c) Land tenure reform is to provide security of tenure. Under the new Constitution, the South African government was obliged to develop laws which set out the types of interests in land which were undermined by discriminatory laws and ensure that such interests in land are legally secure. New laws include the Interim Protection of Informal Land Rights Act, 31 of 1996 (IPILRA)[6], which was used as an instrument to deal with certain development decisions while still awaiting the promulgation and implementation of Communal Lands Rights Act, 11 of 2004, the Labour Tenants Act, 3 of 1996 and the Extension of Security of Tenure Act, 62 of 1997 (ESTA).

ESTA provides for tenure security in two ways: first, by helping people living on rural or peri-urban land to obtain stronger rights to the land on which they are living, or to land close by; and secondly, by laying down certain steps that owners and persons in charge of rural or peri-urban land must follow before they can evict people. The Act also regulates day-to-day relations between owners and people living on rural or peri-urban land and it is enforced by the magistrate's court, the Land Claims court and, in certain instances, the provincial High Courts (DLA, 1997).

South Africa adopted a market-based approach for its land reform, focusing largely on the "willing seller, willing buyer" (WSWB) concept. Although the WSWB is essentially not a new concept in South Africa (it was, for example, practised under the 1975 Expropriation Act), there is a common view among land reform scholars that adoption of the concept had mainly to do with the World Bank's advice to the new ANC government, by promoting voluntary land transfers based on negotiations between the willing buyer and the willing seller, see (Riedinger et al, 2000; Hall, 2004, and Lahiff, 2006). This also came as a policy choice, a shift in economic thinking of the African National Congress (ANC) in line with more investor friendly macro-economic strategy.

The concept appears to have also been influenced by the course of land reform in Zimbabwe in early 1990s, which is rooted in the Lancaster House Agreement of 1980

[6] A mechanism to protect those with insecure tenure from losing their rights to, or interest in land pending long-term reform measures (DLA, 1997)

(Lahiff, 2005). However, the South African concept of WSWB is distinct in that the state does not have power of first refusal as was the case in Zimbabwe. Thus, landowners can avoid offering their land for sale for land reform purposes, but still dispose of their land on an open market, a view shared by Molefe (2006). As the state does not have the power of first refusal, the intended beneficiaries have to compete for available land on the open market and at a market price.

The WSWB principle in South Africa means that land redistribution is based on willing seller, willing buyer arrangements, with government's role limited to assisting the poor with grants to acquire land, including financial support for planning processes. The process implies that people interested in buying land search for the land that is on the market and negotiate the sale with the owner or the agent, then approach the Department of Land Affairs with an offer to sell from the land owner, at a price determined by the seller, based on the current market price to apply for grants. The Department of Land Affairs would then take the process from that point and institute further processes, which would lead to the land purchase, if the grant application is approved.

In South Africa, land that has been acquired through land reform programme, particularly communally owned land, is largely held and managed by either of the two main communal property institutions, namely the Communal Property Association (CPA) or the Trust. This arrangement is seen mostly on SLAG, Restitution and some LRAD projects that have big numbers of beneficiaries. Those with fewer members often register as Close Corporations. Land holding institutions in the study area mostly fall under CPA,; only two projects had Trust arrangements.

The CPA is a legal entity registered in terms of the CPA Act, 28 of 1996. This Act enables communities to form legal jurisdiction persons in order to acquire, hold and manage property in common, on a basis agreed to by members of a community, in terms of a written constitution[7]. Provision is made for communities to be structured in terms of the framework of communal property associations rather than in the form of individual common-law ownership. By so doing, this affords individual members

[7] Communal Property Association Act No. 28 of 1996. www.dla.gov.za

equal rights and it incorporates a strong lineage to the land. Further providing guidelines on how individual land rights should be recognised (Section 12, subsection 1- 4). The CPA Act was promulgated to ensure the security of tenure for all members and beneficiaries of communally owned land, thus protecting members of those communities from discrimination either of ethnic or social origin.

The Trust in this instance is established in terms of the Trust Property Control Act, No. 57 of 1988 to hold and manage the land that has been acquired communally. The Trust Deed is developed, as a document that sets out the terms of a Trust, i.e. the purposes of the Trust, how the management structure or executive committee is appointed, their powers and the use to which they must put the property acquired.
These two pieces of legislation have varying legal implications in terms of the role the Department of Land Affairs could play in the event of these institutions not being able to function normally. While the CPA Act makes provision for the Director General of Land Affairs to intervene on ailing CPAs, with powers to either restructure or deregister the institutions, with the Trust it is only the court that has the power to amend provisions of trust a deed. This is arguably impeding on the Department of Land Affairs to make interventions in cases where institutional problems persist.

The pace of land reform in South African has been slow. The target was to redistribute 30% of white owned agricultural land to the poor and the landless, initially over a period of five years (from 1994 to 1999), which was later extended by 20 years, to 2014. Land delivery through the three branches of land reform was at 3.6% by June 2005, according to the Ministry for Agriculture and Land Affairs (2005). This is over an 11 year period and the question is whether the remaining 26.4% would be achievable within the remaining 9 years to meet the target of 30%[8] by 2014, which translates to the delivery of 2.2 million per year. The Government has also set itself a target of finalising all restitution claims by March 2008 (Mbeki, 2006). It appears however that the Land Claims Commission is faced with severe capacity problems, which might affect the achievement of this target. When reporting to the Parliament's Agriculture and Land Affairs Committee, the Chief Land Claims Commissioner stated that 72,326 out of total 79,696 land claims lodged were settled

[8] 25 million of the 82 million hectares of prime agricultural land that is owned by white commercial farmers (Ministry for Agriculture and Land Affairs, 2005)

by June 2006, and cautioning that time might not be enough to complete all the claims by 2008, attributing this to high staff turn over in the department (Hamlyn, 2006).

The volume of land redistribution through private transactions is not known. Although these transactions seem not to have made a significant impact, further research is required to determine their extent of contribution to the overall land reform programme.

Seemingly, the State has taken note of the widespread criticism and a call from all quarters to fast track land reform, hence the decision to start proactive land acquisition and also linking it with some agricultural development programmes as stated in Didiza (2006) and a review of "willing seller, willing buyer" principle (Mbeki, 2006). This could be seen as the beginning of attempts to fast-track land reform in South Africa, which analysts see as long overdue. Lahiff (2005) argues that to fast track redistribution, state should also play an active role by facilitating between the seller and the buyer, and that the state should be proactively acquiring land for redistribution. Land delivery in South Africa over the 11 year period 1994-2005 is shown in the table below.

Table: 2.1: South African land delivery, 1994 to 2005.

Programme	Hectares transferred	Percentage delivery per programme
Restitution	916 470	28%
Redistribution	1 347 943	43%
Tenure Reform	100 175	4%
State land disposal	772 626	25%
Total	**3 137 214**	**100%**

Source: Ministry for Agriculture and Land Affairs, 2005

In the Northern Cape Province 982 962 hectares were transferred from 1994 to June 2006, which is 3.32% of total white owned agricultural land (approximately 30 million) in the province (Department of Agriculture & Land Reform, 2006). The table below shows the extent of land transferred in the Northern Cape from 1994 to June 2006.

Table: 2:2: Extent of land transferred in the Northern Cape, 1994 to June 2006.

Programme	Hectares	Beneficiaries
SLAG	105, 590	3, 137
LRAD	95, 718	1, 076
Municipal commonage	493, 675	N/A[9]
Restitution	287, 764	5, 912 h/h (41, 722 individuals)
Tenure Reform	215	497
Total	**982, 962**	**51, 847**

Source: Department of Agriculture and Land Reform, 2006

2.5. Post transfer support

The struggle of land reform beneficiaries does not end with the receiving of land, as post settlement support seems to be the next challenge in line to deal with.

For many land reform beneficiaries, access to the necessary support is still a major challenge. There has never been a well structured support package that is comprehensive (i.e. inclusive of training, finance, access to production inputs, appropriate technology and extension service) either from government nor private sector. Support that is available is in many instances not adequate to meet all the needs of the farmers and has not been available to all the projects (Bradstock, 2005).

Some analysts argue that the failure to provide post settlement support is due to the disjuncture between land reform policies and development intentions of government, and failure to conceptualise land reform beyond the land transfer stage (Lahiff, 2006). For Kepe & Cousins (2002) land reform will only be effective if embedded within broader programmes to restructure the agrarian economy, i.e. access to support mechanisms by beneficiaries, e.g. finance and markets. A similar view is put forward by Windfuhr (2002), who argues that agrarian reform is central to land reform, which should also be integrated into broader rural development. De Villiers & van den Berg (2006) cite various experiences of land reform cases, which provide some positive

[9] Number of beneficiaries is not applicable to Commonage because, according to DLA, commonages are open to everyone and farmers come and go, thus difficult to keep a constant number. Commonage, in this instance, refers to land bought by DLA to extend the municipal land that is used for grazing by communities (DLA, 2004)

lessons that could contribute to a more effective programme of post-settlement support.

Until 2004, the government did not have a dedicated programme for post-settlement support. The Comprehensive Agricultural Support Programme (CASP) was introduced during 2004/05 financial year as a support programme primarily for beneficiaries of land reform. The six pillars of CASP, according to DOA[10] (2003) are aimed at promoting and facilitating agricultural development targeting beneficiaries of the land reform and agrarian reforms programmes. The first and second years of CASP implementation focused mainly on on-farm and off-farm infrastructure development. CASP money is given to provinces as a conditional grant from the National Treasury. The number of land reform beneficiaries is taken into consideration when working out the provinces' allocations. Provinces are required to indicate how the money is going to be spent and on what. Plans are assessed by a panel at the National Department of Agriculture, which then makes recommendations for approval by the Minister of Agriculture and Land Affairs.

2.6. Conclusion

The essence of land reform is to redistribute assets and empower the landless in a context of rural development, poverty alleviation and the addressing of social disparities. Access to land has been a fundamental need for rural people in particular, and inequitable distribution of land exacerbates poverty and destitution. Some experience of land reform, however, shows that despite the varied approaches followed by different countries, the proposed beneficiaries (the rural poor) are not always the ones benefiting. While privatisation and individualisation of property rights in public and communal lands have varied outcomes, in most cases these are unfavourable to the rural poor (Borras, 2005). The issue of administrative deficiencies and in some instances, lack of political will for speedy reforms is at the centre of most land reform failures. Land reforms in Kenya and Zambia, for example, have left many of the rural poor in poverty while benefiting the elite.

[10] Draft Programme for a Comprehensive Agricultural Support Package

South Africa's slow pace of land reform is widely attributed to the government's laissez faire approach to redistribution and reluctance to consider an approach of more radical expropriation, and inadequate attention being paid to post-transfer support. For South Africa guidance was provided by the National Land Summit of July 2005, in the form of resolutions, as to what the public and private sectors should do to reach the 30% redistribution target and, most importantly, to make land reform a success[11]. It is for government to implement the strategies recommended by the summit. Maintaining the status quo might have negative consequences as it has become apparent that the current mechanisms for land reform are incapable of achieving the expected redistribution of land and the restructuring of the agricultural sector.

It is increasingly clear that land reform alone will not achieve rural development or poverty alleviation, but must be combined with other agrarian reforms, such as access to capital, training and markets.

[11] Viable and sustainable redistributed farms for rural economic development, Department of Agriculture, 2006

CHAPTER 3

AGRICULTURAL PROFILE OF NORTHERN CAPE PROVINCE

3.1. Introduction

In this chapter an overview of agriculture in the Northern Cape Province is presented, looking at production trends and current and future prospects in terms of production. The chapter further describes the study area and the target farming units (redistributed plots), highlighting the historical background of the Vaalharts Irrigation Scheme. Features such as climate, soil and rainfall patterns are described.

Although the Northern Cape is in general drier than the rest of South Africa, with relatively little high potential agricultural land, it produces some of the country's finest quality agricultural products (Department of Agriculture and Land Reform, 2006). The province has become a major exporter of table grapes produced along the Orange River and is world renowned for the quality of its meat, namely Karoo lamb, ostrich, beef and venison (Northern Cape, 2005). The Northern Cape is also well known for the production of wool, mohair and karakul pelts as well as dates, citrus products, wine and raisins. High temperatures and low rainfall in the irrigated areas of the province normally see the production of good quality lucerne, in demand for both the dairy and poultry industries.

Central to agricultural activities in the province is its climate and natural resources. The province is prone to drought. Even in years of adequate overall rainfall, rains may start late or finish early, with dry spells at crucial times in the growing season. According to Heyns (2001) rainfall in the province averages 450mm per annum. The dryland agricultural potential of the province is thus very low. Most crops produced are dependent on irrigation, thus making irrigation the major source of agricultural activity in the Northern Cape Province. The Orange and the Vaal rivers provide the basis of the thriving agricultural sector. The majority of horticultural and viticulture crops are grown under irrigation along the Orange River, while the Vaalharts irrigation scheme on the Vaal River produces mainly wheat, fruits, peanuts, maize and

cotton. The extent of land used for production of these crops is discussed in Section 4 (below).

Groundwater sources provide the main supply of water for domestic consumption and for livestock. Approximately 30% of the population in 87 settlements are dependent on ground water resources of variable quality (Meyer, 2006). This source is, however, limited in the western and southern sections of the province, which are dryer with limited ground water. Boreholes are the main source of water supply in the Namaqualand area, while the Hantam area relies mostly on water from the Calvinia dam and, to a lesser extent, boreholes.

The rich natural resource endowments of the Northern Cape are a significant driver of economic activity in the province. Agriculture and agro-processing are responsible for more than 10% of the Northern Cape's economic activity, and approximately 22.8% of employment (BSG Investments, 2003).

3.2. Land use patterns

The total land area of the Northern Cape Province is approx. 36 million hectares, which is 29.5% of the total area of South Africa. Of this, approximately 33.8 million ha is classified as farmland, of which 86% constitutes grazing land, 13% is used for nature conservation and 1% is classified as potential arable land (Department of Agriculture, 2000). The Northern Cape is characterised by a diverse agricultural sector with two main production systems, namely, extensive livestock farming and intensive irrigated cropping.

Cattle farming is concentrated mainly in the north-eastern areas while sheep farming is predominant in the south-eastern parts of the province. Irrigation farming occurs mainly along the major rivers, the Orange and Vaal. Some tributaries such as the Harts, Riet and Modder rivers also make a significant contribution to irrigation. Rain-fed crop production is limited to the winter rainfall area in the south-western section. Game farming is predominantly found in a band across the centre of the province, with smaller concentrations to the south.

The present land use pattern in the province is shown in the table below. Most of the surface area of the province, about 94% is utilised for agricultural or other natural resource based activities[12]. Mining also forms part of the natural resource based activities in Northern Cape, although the proportion of land used by the mining industry is small.

Table 3.1: Land use patterns in the Northern Cape Province.

Land use	Hectares	Percentage
Grazing	29, 089, 367	80.8%
Arable	454, 465	1.26%
Nature conservation	4, 295, 068	11.9%
Other	2 ,161, 100	6.0%
Total	**36, 000, 000**	**100.00%**

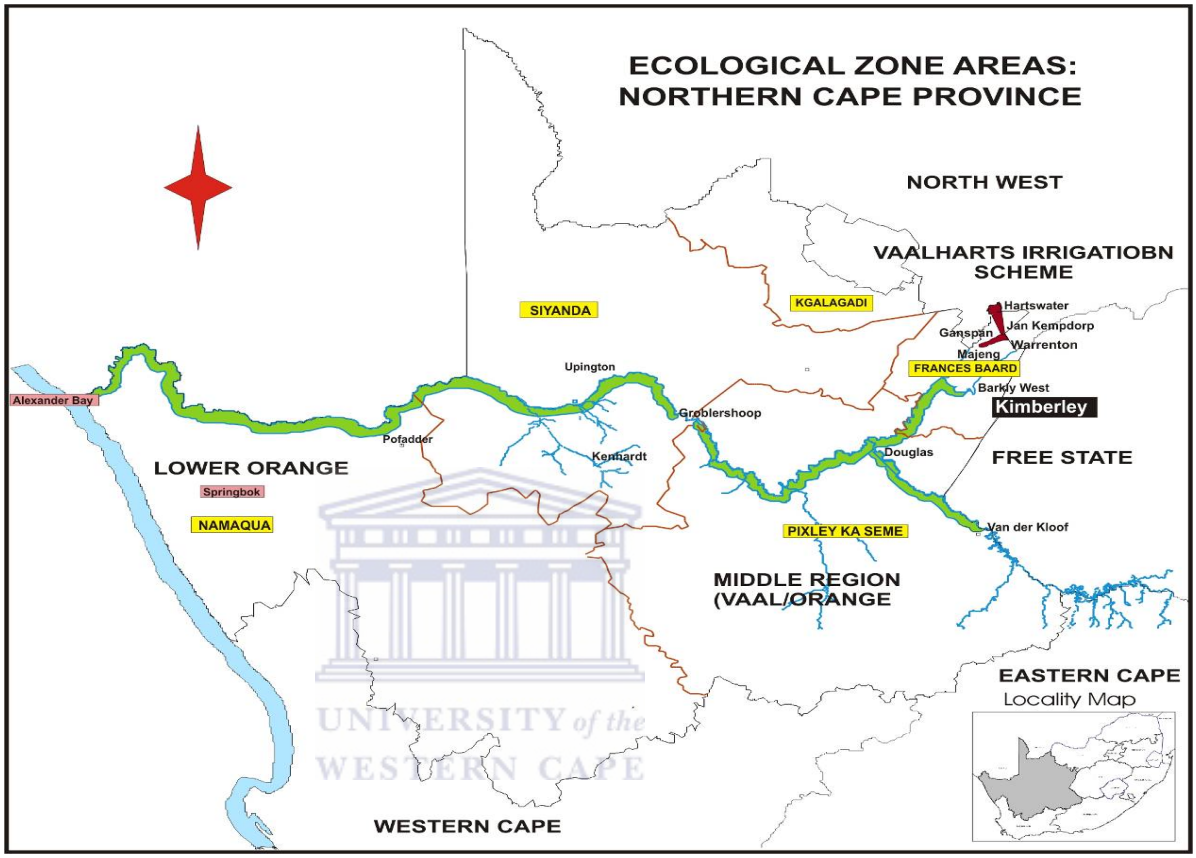
Source: Meyer, 2006

According to the Department of Agriculture, Land Reform, Environment & Conservation (2003), the Northern Cape has four agro-ecological zones (Fig 3.1). The zones are as follows:

- **Vaalharts Irrigation Scheme** situated in a valley between the Ghaapseberg to the west and the Marroccan ridges to the east, about 110km away from Kimberley.
- **Middle Region** (Vaal/Orange) covering the Vaal River from Barkley West to the Orange Vaal confluence near Douglas. It also covers the Orange River from van der Kloof Dam to Boegoeberg Dam.
- **Lower- Orange River** stretching from Boegoeberg Dam to the West Coast.
- **Karoo corridor,** running from Colesburg through to Groblershoop, which is the centre of sheep, goats, ostrich and game farming.

[12] Nature conservation, eco-tourism and game farming

Figure: 3.1



Source: De Bruyn, 2006

Irrigated agriculture along the banks of the Vaal and Orange Rivers offer the best potential for the production of high value agricultural commodities for export and domestic markets. The extent of the area under irrigation in 2005 was 140 500 hectares. The breakdown is given in the table below.

Table 3.2: Land under irrigation in 2005

Area	Hectares
Vaalharts	32 000
Barkley West	8 500
Kalkfontein	3 500
Vanderkloof to Boegoeberg (Petrusville, Hopetown, Douglas, Prieska)	47 000
Boegoeberg to Vioolsdrift (Lower Orange River)	45 000
Total	140 000

Source: ABSA, 2005

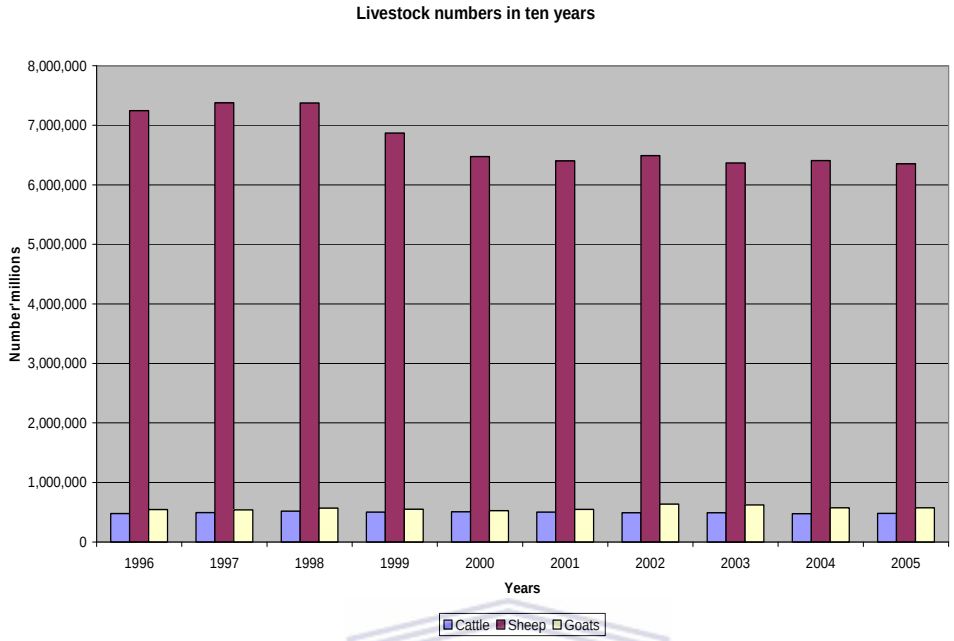
In terms of extensive rangeland utilisation, low carrying capacity is the limiting factor for growth in the livestock industry, which is primarily dependent on natural grazing (DALREC, 2003). Recommended carrying capacity ranges from 120ha per large stock unit in the far north western part to 8ha per large stock unit in the north eastern part of the province. The focus, according to the Department, should rather be on increased efficiency through utilisation of indigenous breeds and the development of niche markets, such as organic meat and goat meat. ABSA (2005) asserts that there is a growing potential in Boer goat farming for the purpose of meat production due to good demand. Table 3.3 and Figure 3.1 below shows trends in livestock numbers over ten year period, from 1996 to 2005. The indication is that there has not been a significance increase in livestock numbers over this period, which could be attributed to limited veld carrying capacities.

Table: 3.3: Livestock numbers, 1996 – 2005

Year	Cattle	Sheep	Goats
1996	479 360	7 245 844	545 711
1997	492 763	7 376 655	537 923
1998	516 047	7 373 739	569 224
1999	503 384	6 870 087	550 099
2000	509 856	6 475 785	526 858
2001	502 929	6 399 567	546 230
2002	491 810	6 490 010	636 241
2003	490 761	6 367 823	623 074
2004	477 005	6 406 501	573 903
2005	482 726	6 353 562	574 285

Source: Meyer, 2006

Figure 3.2



3.3. The role of agriculture in the Northern Cape provincial economy

Despite the largely semi-arid and arid environment, the agricultural sector in the province is regarded as among the main contributors to employment, food security and economic growth. Northern Cape's economy is dominated by primary production in mining, agriculture and tourism. According to the Northern Cape Provincial Government (2004) the contribution by the agriculture, forestry and fishing sector to the provincial GDP have increased from 6.2% in 1996 to 7.3% in 2002. The table 3.4 below shows the percentage contribution of the various economic sectors to the GDP of the Northern Cape.

Table 3.4: Sector contribution to the GDP of the Northern Cape, in 2002.

Constant 1995 prices – Rand million	1996	Percentage (%)	2002	Percentage (%)
Primary Industries	**3 748**	**32.0**	**3 900**	**31.0**
Agriculture, forestry and fishing	725	6.2	921	7.3
Mining and quarrying	3 023	25.8	2 979	23.7
Secondary Industries	**1 308**	**11.2**	**1 269**	**10.1**
Manufacturing	514	4.4	532	4.2
Electricity and water	545	4.7	502	4.0
Construction	249	2.1	235	1.9
Tertiary Industries	**6 655**	**56.8**	**7 406**	**58.9**
Wholesale & retail trade; hotel & restaurant	1 359	11.6	1 320	10.5
Transport and communication	1 382	11.8	1 611	12.8
Finance, real estate and business services	1 438	12.3	1 717	13.7
Community, social and other personal services	908	7.8	1 031	8.2
General government services	1 568	13.4	1 727	13.7

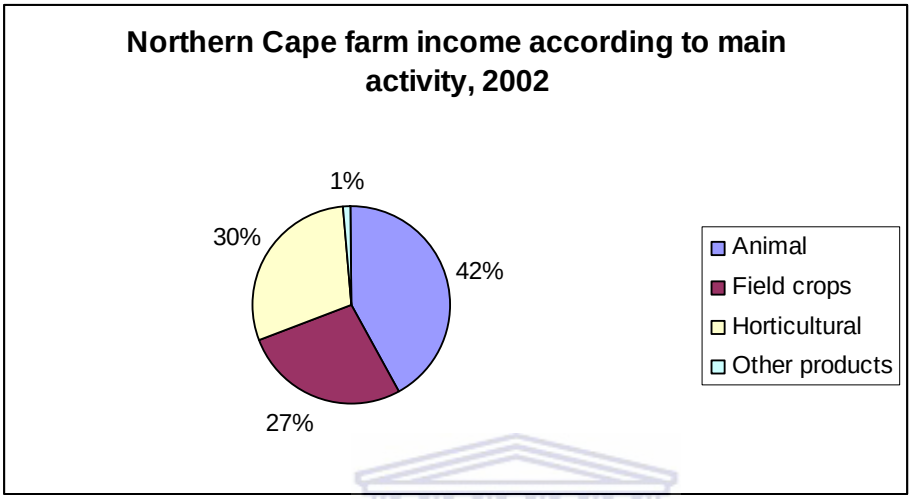
Source: Northern Cape Provincial Growth and Development Strategy, 2004

According to Statistics SA (2002), the contribution of agriculture, forestry and fishing industries to the Province's GDP was 8.6% in 2002, an increase of 1.3% from 1996, which illustrates the importance of agriculture in the province.

The sector is also the second largest employer of labour after mining, accounting for 22.8% of employment (formal and informal). Employment is largely casual and seasonal, which accounted for 69% of the total employment in 2002. The 2002 national census of commercial agriculture states that Northern Cape agriculture sector had an increase in the number of paid workers of 23,4% between 1993 and 2002, from 75 969 to 99 251, compared to a 13,9% decrease nationally (Stats SA, 2002). In terms of export earnings about 35% of agricultural produce in the province is exported, which accounts for 32% of total export earnings in the province ABSA, 2005). More than 80% of table grapes produced in the Lower Orange River area are being exported. Export for citrus stands at between 60 and 70 percent, while raisins stand at 80%.

According to Stats, SA (2002) farm income in the Northern Cape in 2002, according to main activity was 42% for animal and animal products; 27% for field crop while horticultural crops were at 30%. 1% was for other products (Figure 3.1)

Figure 3.3



3.4. Northern Cape agrarian structure

A total of 95% of agricultural land in the Northern Cape is held in freehold title, mainly by white commercial farmers, with some portions (information on the extent not available) belonging to mining houses such as De Beers and Khumba Resources. Approximately 5% of the farm land is owned communally and this is mainly for small scale stock farming (Department of Agriculture & Land Reform 2006). Land reform has redistributed 982 962 hectares through various branches of land reform programme, from 1994 to June 2006, which translates to 3. 32% of the Northern Cape's land.

The table below compares the structure of Northern Cape commercial agricultural production within the national context. From the data it is evident that farms are larger than the national average, the production processes are less labour intensive (i.e. 10.5% of total workers on 35.9% of the total agricultural land in the country), while remuneration (i.e. the wage bill of the workers) is considerably lower than the rest of the country. Gross farm income is lower than the average for the country.

Table: 3.5: Comparison of Northern Cape commercial agricultural production with national in 2002

	Northern Cape	RSA total	Northern Cape/RSA %
Farming area (ha)	29 734 987	82 748 886	35,93
Average farm size (ha)	4 863	1 806	269,29
Number of farms	6 114	45 818	13,34
Number of farm workers	99 251	940 815	10,55
Gross remuneration R'000	442 211	6 215 583	7,11
Gross farm income R'000	3 671 881	52 971 232	6,93
Spending on intermediate inputs R'000	2 730 673	42 092 135	6,49
Capital expenditure R'000	259 240	2 946 773	8,80
Total debt R'000	3 086 128	30 857 891	10,00

Data source: Statistics South Africa, 2002

3.5. Major agricultural industries in the province

This section provides a brief description of major agricultural industries in the Northern Cape, with the aim of showing the potential areas for growth in the agricultural sector of the province.

3.5.1. Table grapes

Northern Cape is the second largest producer of South Africa's table grapes after the Western Cape. It produces 25% of the country's total production of 481 077 tons. More than 80% of Northern Cape's table grapes are produced in the Lower Orange River area and are exported mainly to the United Kingdom and Europe. According to Orange River Producers Alliance (ORPA) (2005) the 2004/05 season saw the export of 14, 64 millions cartons (65 000 tons). An increase of up to 20 million cartons for export was estimated. But, due to changing marketing and economic conditions, as previously stated exports stabilised to 14 million cartons per annum.

3.5.2. Wine

The Northern Cape is home to the Orange River Wine Cellars Co-op, the second largest wine making co-operative in the world with over 740 members who produce wine grapes and 445 farmers who produce juice grapes. According to Cruywagen[13] the co-operative has also opened up a market for small black farmers who are not necessarily members, with a 6% market quota. At present most of the Orange River wine produced is intended for the South African market with a small proportion for export market. According to ABSA (2005) both export and domestic markets experience shortages of white wines at present, which may lead to a positive price outlook and a positive effect on South African producer prices.

3.5.3. Dried fruit

The Northern Cape produces approximately 4% of the total world production and 90% of South Africa's total dried vine fruits. In the Lower Orange region, raisins are mainly produced from Sultanina vines, while cultivars such as Merbein are increasing in popularity. The majority (75% - 80%) of raisins are exported to markets worldwide, primarily to Europe, but also to Asia (Japan, Taiwan & Korea), Canada and the USA (ORPA, 2006).

3.5.4. Field crops

Wheat and maize are the province's biggest field crop enterprises, contributing 17.9% and 4.6%, respectively, of South Africa's total production (Crop Estimates Committee, 2005). Other field crops that make significant contribution to the agricultural earnings are groundnuts, cotton and lucerne.

Wheat: Field crop production in the Northern Cape is dominated by irrigated wheat. The value of output of this crop has grown from R139m in 1990/91 to an estimated R216m by 1994/95. The area planted to the crop has remained fairly constant at

[13] Meeting with Herman Cruywagen and Johan Olivier: Wine Trust initiative for emerging farmers in NC, 10 July 2006

between 52 000 and 55 000 hectares, and yields have increased slightly in recent years reflecting improving farming productivity.

Maize: Maize production has grown steadily during the 1990s. The area under maize stood at approximately 47 000 hectares in 2001, representing 4.6% of national maize output.

Cotton: Between 4 000 and 18 000 hectares of cotton have been planted in the Northern Cape. Cotton has been produced on a larger scale in the past but falling producer prices in the late 1980s discouraged production of this expensive-to-grow and management-intensive crop. Cotton gross income in the province is estimated at between R8.25 million and R14.13 million for 1993/94 and 1994/95 respectively.

Groundnuts: Approximately 20% of groundnuts produced in South Africa are grown in the Northern Cape, on an average of 5 000 hectares; this generated sales of around R34.6 million in 1992/93.

Lucerne: Lucerne is planted on over 20 000 ha in the Northern Cape, and represents an important crop for the province. The climatic conditions of the province facilitate the production of high quality hay from lucerne, exported to European and Middle East markets for the chicken, dairy and horse racing industries.

3.5.5. Livestock and animal products

Livestock - sheep, goats and beef cattle - enterprises collectively contribute up to 37% of provincial gross farming income (Meyer, 2006).

- **Sheep**: Sheep farming for meat represents the second largest sector in Northern Cape agriculture, after wheat production. The industry benefits from the low price and abundance of land in the province. Branding of Karoo lamb has grown in recent years, with the product able to command premium prices.
- **Cattle**: Approximately 4% of South African beef emanates from the Northern Cape, largely from the Kalahari District.
- **Goats**: About 8. 7% of the national goat number of 6.44 million was recorded for Northern Cape at the end of November 2005.

- **Wool and Mohair**: Wool production in the Northern Cape represents approximately 11% of South Africa's national wool output. The Northern Cape is responsible for approximately 7% of South African mohair output.
- **Game Farming**: This sector is one of the fastest expanding farming activities in the Northern Cape, replacing traditional livestock farming. Estimates from the mid-1990s suggest that there were about 800 game ranches in the Northern Cape, with a total area of 4.2 million ha. Although there are no confirmed statistics depicting the size and value of the industry, anecdotal evidence suggests that the industry is growing at around 10% per annum, mostly in the North East of the province, as game farming is increasingly being viewed as a commercially attractive and relatively to low-risk alternative to traditional animal husbandry.

3.6. Description of the study area

3.6.1. Background of the Vaalharts irrigation scheme

The Vaalharts scheme derived its name from the two rivers, the Vaal and the Harts Rivers which flow through it. According to Van Garderen et al (1934) the potential of the valley as an irrigation scheme was realised as early as the 1880s, although the actual development of the area only started in 1934. The weir on the Vaal River was completed in 1938 with first plots allocated the same year, starting at Jan Kempdorp (North Canal area) and expanding to the north-west (Snyders, 2006). The irrigation scheme is divided into the West Canal Area comprising about 5 000ha and the North Canal Area of about 24 000ha. The latter area consists of 1 000 plots of 25ha each, of which 24ha on each plot is under irrigation.

Vaalharts scheme was established by the government to settle poor white people, most of who were combatants from the World War II. According to De Bruyn[14] the community that was staying close to the area where the scheme was established was forcibly removed because government did not want any black settlement closer to the scheme.

[14] Personal interview on the history of Vaalharts, 11 July 2006.

Each family received 30 morgans (25 hectares) plot to cultivate and make a living out it. The land was purchased for R8 000 with a loan funding from government, to be repaid over 15 years. For each plot the state provided 4 mules and a plough, and a soft loan for production inputs. A market was guaranteed as the produce was sold through a central marketing channel. Loan repayments were deducted from the proceeds of sales and the farmer would get the difference thereof. The support package, which included extension services and production loans, was compulsory. Government established and subsidised co-operatives, which provided such services. Farmers who failed to meet the prescribed yield, or could not repay their loans were, according to De Bruyn, immediately replaced. Government also provided housing facilities (for free) on each plot and provided other social amenities such as schools and health facilities.

Irrigation water for the scheme is diverted from the Vaalharts weir between Christiana and Warrenton. The weir receives water from the Bloemhof Dam which in turn is augmented from the Vaal Dam.

3.6.2. Soils

The Vaalharts irrigation scheme is known for its deep sandy soils which are prone to water logging and salinisation due to insufficient natural drainage. Vaalharts area is characterised by two types of soil, namely, Hutton and Clovelly/Sunbury. Typical soils in the Vaalharts scheme consist of 8% clay, 2% silt, 68% fine sand and 22% medium and coarse sand (Streutker, 1977). Soils are typically prone to compaction, both under flood as well as overhead irrigation.

3.6.3. Climate and Rainfall

Vaalharts is situated at an altitude of 1175m above sea level. Vaalharts is known for its cold winters and long warm summers with the occurrence of frost, hail and storms. The average frost period lasts 103 days and typically stretches from 20 May to 31 August. An average of 30 frost days is expected during this period (Gerber, 2006).

The area receives the annual rainfall of 450mm on average with 89% of precipitation occurring from October to April. Peak rainfall occurs from January to March.

The average maximum temperatures for January and June are 32ºc and 18º respectively, while the average minimum for the same periods are 16ºc and 1ºc respectively. The table below shows means temperatures and rainfall of Vaalharts over 36 year period.

Table: 3.5: Mean temperatures and rainfall over 36 years

VAALHARTS												
Max. Temp	**J**	**F**	**M**	**A**	**M**	**J**	**J**	**A**	**S**	**O**	**N**	**D**
Average	32.4	30.9	28.8	25.5	22.0	19.2	19.6	22.3	26.2	28.6	30.4	31.9
Highest	41.2	38.4	37.0	33.4	37.7	27.7	27.5	31.3	35.4	38.2	38.8	40.3
Min. Temp												
Average	17.1	16.6	14.7	10.2	5.4	1.9	1.5	3.4	7.6	11.0	13.7	15.8
Lowest	5.1	2.8	3.5	-2.8	-5.6	-7.8	-8.9	-8.2	-6.1	4.5	3.9	3.1
Mean Temp												
Average	24.8	23.8	21.7	17.9	13.7	10.5	10.5	12.8	16.9	19.8	22.0	23.9
Rainfall												
Average	75.9	63.5	71.8	51.6	19.9	9.5	4.3	8.6	11.3	24.6	45.7	58.0

Source: Gerber, 2005

The mean annual evaporation is more than 2 300mm which is equivalent to 6.65mm daily evaporation throughout the year. Evaporation peaks in December at above 9.5mm per day.

3.6.4. Suitability of the area for agricultural production

According to the prevailing soils and climate, a wide range of annual and perennial crops excluding tropical fruits, are suited to be planted at Vaalharts. The table lists some of the crops that are well suited for the Vaalharts geographical area.

Table: 3.6: Suitable crops for Vaalharts area

Summer field crops	**Remarks**
Cotton	Well adapted
Maize	Well adapted
Groundnuts	Well adapted
Dry beans	Adapted
Soya beans	Adapted
Winter field Crops	**Remarks**
Wheat	Well adapted
Barley	Well adapted
Canola	Adapted
Perennial field crops	**Remarks**
Lucerne	Adapted, but prone to losses due to summer rain.
Tree crops	**Remarks**
Pecan nuts	Well adapted but slow growing.
Olives	Well adapted but slow growing
Citrus	Marginal due to frost
Wine grapes	Generally low yields
Vegetable crops	**Remarks**
Tomatoes	Well adapted
Pumpkin	Well adapted
Cabbage	Well adapted
Root vegetables	Prone to nematodes
Onions	Well adapted

Source: Gerber, 2005

3.6.5. Production data for crops produced in the Vaalharts Irrigation Scheme

Field crops, such as maize, wheat, barley, lucerne and groundnuts are the main crops in the area. All the crops are cultivated under irrigation. Flood irrigation comprises approximately 70% of the irrigation, while pivot irrigation contributes to the remainder (Venter, 2006). According to Griekwaland Wes Ko-operasie (GWK) (2003) some farmers are starting to replace annual cash crops with permanent crops like pecan nuts, olives, citrus and wine grapes. ABSA's view however is that the trend

will not last long because of initial high establishment costs of permanent crops versus low producer prices. Yield fluctuations, especially in olives and wine grapes also increase the risk. Table 3.7 below indicates hectares and volumes of production for main crops in the Vaalharts Scheme for the past five years. Annual cash crops, such as maize, wheat, cotton, groundnuts and barley are mostly planted on rotational basis.

Table: 3.7: Hectares and volumes of main crops produced in Vaalharts for the past five years

Crop	Hectares planted	Average tons/hectare
Maize	6 500	9.0
Wheat	12 000	6.0
Barley	200	6.0
Groundnuts	7 000	3.0
Cotton	2 000	3.5
Lucerne	7 500	16.0
Olives	400	6.0
Pecan nuts	100	5.0
Wine grapes	300	9.5
Total	**36 000**	

Source: Venter, 2006

3.6.6. General challenges of production faced by farmers in the Vaalharts scheme

This section gives a brief description of commercial agriculture in the Vaalharts scheme, with a particular focus on the challenges faced by established commercial farmers.

As it is the case in other parts of South Africa, horticultural enterprises in Vaalharts are experiencing low profitability due to a variety of factors, among them a strong rand in the past two years and increased competition in international markets. It is a widespread view among commercial farmers in Vaalharts that price volatility due to imports, particularly of wheat and cotton, and yield fluctuations of maize pose particular risks in the production of these commodities.

Water logging and soil salinity in the scheme could also contribute towards the decline in agricultural production if not given attention. According to Van der

Merwe[15] waterlogging and salinity have become serious problems due to the poor state of the sub-surface drainage system. Apparently, the drainage system has never been upgraded since the establishment of the scheme in 1938. The National Department of Agriculture has made available R250 million, over a ten year period to address this problem (Van Coller, 2006). Farmers would also be required to use water sparingly by adapting their irrigation systems so as to avert the recurrence of the problem.

Another challenge that farmers are faced with is the uncertainty around the pending restitution claim on the Vaalharts scheme. A claim was registered by the Mothibi community, under the leadership of Chief Mankurwane in 1998 with the North West/Gauteng Regional Land Claims Commissioner (RLCC). The claim is at the research stage and although it is widely disputed by land owners (commercial farmers), it has brought uncertainty and uneasiness among the farmers and is affecting their planning for their farms (Van der Merwe, 2006). If successful, the claim will also have an effect on the redistributed land. According to Ms Nkoane[16] of Northern Cape Provincial Land Reform Office, in the event that the claim is successful, alternative land could be acquired for the claimant community.

3.7. Conclusion

Agriculture undoubtedly forms a significant part of the economy of the Northern Cape Province and indications are that it will remain so for a long time. It is imperative, therefore that this sector should undergo transformation so that previously excluded farmers can participate as equal members. This is the challenge that is taken up by all spheres of government, particularly through programmes of land and agricultural development. A key part of this response is the establishment of black farmers in the high potential areas, such as the Vaalharts irrigation scheme, which is the subject of the chapters that follow.

Furthermore, production for the export market is expanding rapidly and provides a window of opportunity for new entrants to the sector. To remain competitive, the quality of products will have to be maintained and improved continuously, which

[15] Discussion after the meeting with AgriNC and NAFU, 15 June 2006
[16] Telephonic discussion on 27 July 2006

warrants the provision of relevant knowledge and expertise at all stages of the production process. Thus, the importance of training and capacity building for those who benefit from land reform is critical so that they can take part when such opportunities arise.

The agricultural sector in the Northern Cape is amongst the principal sources of employment in the province. It is therefore important that the redistributed farms maintain their productivity status, so that the benefit could also extent to those who depend on them for livelihoods.

Vaalharts scheme is intensive horticulture farming, which is characterised by rapid crop rotations, irrigation dependence, intricate and precise management. It is of primary importance therefore that new entrants into farming at the scheme are well prepared and supported in order to keep up with the demands of this farming environment.

Vaalharts scheme is currently faced with a problem of water logging and salinity, which warrants serious attention if its agricultural potential is to be sustained. Sustainable use and management of the present resources (soil and water for example) becomes critical and new land reform farmers should be made aware of this. Coming from a different farming environment, they would need to be informed about suitable farming practices that would contribute towards sustainable farming in terms of conserving the available resources.

CHAPTER 4

FINDINGS OF THE STUDY

4.1. Introduction

This chapter presents and analyses the findings of the field research carried out on land reform projects at Vaalharts irrigation scheme from March 2006 to August 2006. It also provides a description of land redistribution projects, land sizes and intensity of production on recently transferred land at the Vaalharts scheme. A total of 377.8772 ha of land have been redistributed to 453 beneficiaries through SLAG and LRAD sub-programmes of the land reform programme. The views of various stakeholders in land reform in the Vaalharts area and the challenges faced by farmers, including the support available to new farmers, are analysed. The views of commercial farmers, as well as other stakeholders, on the performance of land reform projects in the Vaalharts scheme are also reflected.

Data on farming activities is drawn from interviews with beneficiaries who were somehow engaged on the land. Additional information was also gathered during meetings with farmers, both (white) commercial and (black) emerging, interactions with officials of the Provincial Department of Agriculture (PDA) and Northern Cape Provincial Land Reform Office (NCPLRO), and documentary reports from these two institutions. Information was also obtained from focussed discussions with agricultural co-operatives and financial institutions active in the Vaalharts areas and from various internet sites. The focus was on identifying factors that constrain agricultural production as well as reasons for declining or lack of production on the redistributed plots in the scheme.

4.2. Land redistribution in the Vaalharts Scheme

The land redistribution programme in the Vaalharts Scheme dates back to 1995, with the purchase of Silverdale farm and Plot B25 in 2001 through the SLAG programme, a component of the land reform programme of the Department of Land Affairs

(DLA). SLAG was later replaced by the Land Redistribution for Agricultural Development programme (LRAD), which brought acceleration in the redistribution of land in the scheme.

From 1995 to June 2006 approximately 378 hectares, which is about 1 % of the land in the Vaalharts Scheme, was redistributed through SLAG and LRAD to 453 beneficiaries organised in eight groups, or projects (Nkoane, 2006). Projects in this instance involve portions of land that were redistributed to groups of between 16 and 185 black farmers through the aforesaid land reform sub-programmes (Ministry of Agriculture and Land Affairs 2001). A breakdown of hectares redistributed, total number of beneficiaries per project and an average number of hectares per beneficiary is shown in the table below.

Table 4.1: Breakdown of hectares redistributed in the Vaalharts Scheme, total number of hectares redistributed, total number of beneficiaries and number of hectares per beneficiary.

Project	Size (ha)	No. of beneficiaries	Hectares/ beneficiary
Boichoko (Silverdale)	128.4796	185	0.6944
Moso	40.9763	40	1.0244
Tswaraganang	84.0000	90	0.9333
Kopano	23.3075	25	0.9323
Batsamaya Mmogo	48.8035	45	1.0845
Ditaung	21.7722	21	1.0367
Bonita Park Olives	9.5881	11	1.1472
Iphemeleng	20.9500	36	0.5819
Total	**377 8772**	**453**	

Source: Nkoane, 2006

Land area per beneficiary on these projects ranges from 0.5819ha to 1.3125ha, with an average of 0.95 hectares per beneficiary.

4.3. Research findings

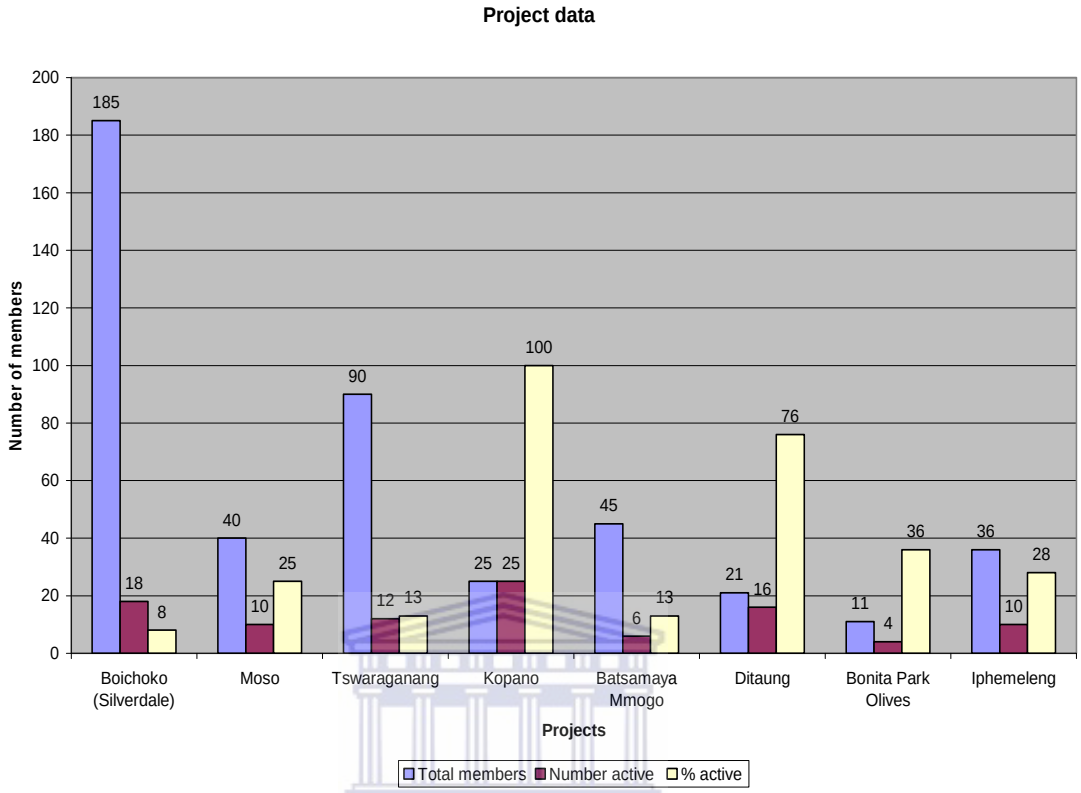
4.3.1. The Beneficiaries

For this study, a total of 101 farmers were interviewed. This constitutes 100% of the active farmers and comprises 22% of the 453 beneficiaries of land reform projects in the scheme. Interviews were mainly with members who were found working on the land, especially where production was underway. In instances where production was not happening, interviews were conducted with members who turned up at the site for interviews. Several attempts were also made to contact other beneficiaries who were not active on the project or had lost interest in the project without success. For instance it was the same small group of 18 out of a total of 185 members who turned up for both the interview sessions arranged for Boichoko.

"Other members will not bother to come because they do not recognise the current interim executive committee and have dissociated themselves with any activity on the farm", said Mr. Siko, chairperson of the interim committee.

There is, however, very little activity on the farm and it would appear that, except for the 18 that are busy with lucerne production, the rest do not see any reason to come to the farm. More details on this are discussed later in the chapter. The proportion of members interviewed thus ranged between 9% and 100% of the original members per project (Figure 4.1). Kopano has the highest percentage of active members (100%), followed by Ditaung with 76%. As already stated Boichoko had the lowest number, at just 8%.

Figure 4.1



4.3.2. Case studies of land redistribution projects in the Vaalharts Scheme

This section provides brief descriptions of the surveyed projects, summarising information obtained from interviews of the projects' beneficiaries, and interactions with PDA and NCPLRO officials and representatives of agricultural co-operatives and commercial farmers.

4.3.2.1. Moso

(a) Background information

Plot No. 5A8, measuring 40.9763 hectares, was bought through LRAD in 2002 at a cost of R650 000 for 40 members. The land is registered in the name of a Trust, called Moso Trust. An executive committee has been elected, which is responsible for the

day to day running of the project, carrying out functions such as fund raising, making decisions on production and marketing of crops, and management of finances.

According to the project's business plan, farming is intended to be a group activity, and the arrangement was that all income would be paid into the trust's bank account. The money was to cover production costs and the surplus, if any, was to be shared equally among the members who worked on the project. This is what the business plan prescribes. However, such benefits have never materialised as the income has never been enough to cover inputs costs or to pay back production loans (details of which are discussed later in the section).

Members who are no longer active sometimes show up on the farm, but only when it suits them, for instance at harvest period with the expectation of a share of profits. According to the business plan all members shall have joint responsibilities, and benefit, and share the labour.

"We realised that if we do not share labour equally amongst ourselves, others would be overworked and that is usually a recipe for friction. But, unfortunately our tension was caused by other factors that we did not really expect", said Mr. Oganne.

The CPA committee was accused of misappropriating the project's money, which some members saw as the reason for not repaying the loan. This, according to members, has led to the destabilisation of the project and members losing interest in the project. Out of 40 members, only 10 are still active. Loss of interest by most beneficiaries could also be due to the fact that there were little prospects of generating an income and because of the accumulating debt and continuing inability to produce.

(b) Land use

The Moso project received a production loan of R200, 000 from ABSA in 2004, which was to be repaid over five years, for the establishment of wheat and lucerne crops. An agreement was reached with ABSA and SENWES Co-operative to supply production inputs as well as farm management support for the project. SENWES Co-op was also to buy the produce from the farmers. In 2004, lucerne was established on

15 hectares, while 17 hectares was used for wheat, which is rotated with maize. An area of 8 hectares already had olive trees, which according to members were not bearing fruit any longer and it was therefore decided to take them out with the intention of expanding lucerne production. They assumed that the trees were old and that was the reason why they could not bear fruit. There was never an attempt though to verify if failure to fruit was due to the trees' lifespan or if this was related to poor orchard management. The Department of Agriculture and Land Reform (2006) states that olive trees remain in production for centuries and alternate bearing occurs if trees are not properly managed.

The expansion of lucerne did not materialise and the 8 hectares is currently not utilised (Fig. 4.2). Records from members show that 22 tons of lucerne was harvested in 2005 (an average of 1.46 tons per hectare) from the first cut. Subsequent cuts were not recorded anywhere. Although record keeping has been very inconsistent wheat and maize were recorded at 3 tons/ha and 2.6 tons/ha, respectively, with total yield of 51 tons for wheat and 44 tons for maize during 2005/06 harvest. SENWES Co-operative[17] confirmed the figures for wheat and maize but not for lucerne, as they did not buy the lucerne and therefore had no records.

According to Mr van der Merwe, a commercial farmer at Vaalharts, the average yield of maize and wheat on Vaalharts is 9 and 6 tons per hectare, respectively, with lucerne at 16 tons per hectare. Moso's yields were clearly much lower than the average in the area. According to OABS (2006) the price of lucerne in 2005 was R600/ton for prime class, R500/ton for class 1, R400/ton for class 2 and R300/ton for class 3. The grade of Moso's lucerne is not recorded anywhere. The assumption is that from 22 tons, at a minimum price of R300/ton, a gross income of R6, 600 was realised from lucerne. Maize and wheat prices for 2005/06 were R740/ton and R1 180/ton, respectively. The sale of 51 tons of wheat is estimated to have generated R60 180 and R32, 708 from the sale of 44 tons maize.

[17] Meeting with Mr. Smit on 29 June 2006

SENWES prescribed levels of inputs they should use, particularly for maize and wheat, but the recommended amounts were not followed.

"We were afraid that the costs to produce maize and wheat will be too high and we did not want to use all the money as we wanted to plant lucerne as well", said Mrs Mochwaledi.

"We were supposed to use the money to hire tractors and ploughs and harvesters also, and we had to see to it that the loan money that we received covers everything so that we do not have to go to the bank again", added Mr Dire.

It seems that the R200, 000 was stretched to include costs for the three crops, i.e. maize, wheat and lucerne, which obviously compromised on the recommended levels of inputs. This might have contributed to the lower than average yields of the area. It appears that the income generated (R99, 488) was used for other purposes, presumably consumption, instead of paying back the loan. This is shown by their inability to plant maize and wheat for 2005/06 and 2006/07 and the chances are that they might not be able to plant for the following seasons unless they get further assistance in grant form.

Records for the harvest of lucerne for the 2006/07 season were not available. According to Mr. Mosiapula, they sold 15 tons of lucerne to Mr. Marais (who farms on the nearby farm and offered to cut and bale for free) for R270/ton, generating R4, 050. He stated that because the lucerne was getting damaged on the land he wanted to put it to better use as a feedstock for his livestock.

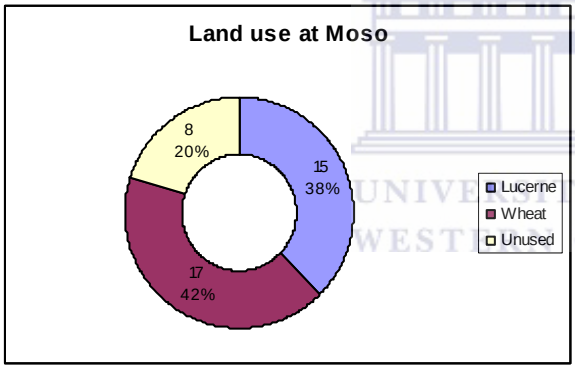
"The condition of the lucerne was deteriorating and I thought it is better to rescue it, but at the same time compensate the owners," he said.

The amount received was very far from meeting their loan repayment of R43, 000 for 2005. Interest on the debt accumulated and ABSA was, at the time of study, considering auctioning the farm to recover the money owed.

The problem at this project is that after receiving the loan the assistance they got was not adequate to enable them to plan properly and apply correct production practices so that they were able to produce economically and profitably and be able to pay back the loan.

It appears that failure to repay the loan and poor communication had created confusion and tension within the Trust, thus resulting in other members staying away from the project.

Figure 4.2



4.3.2.2. Tswaraganang

(a) Background information

Tswaraganang Small Farmers bought portions 2, 4, & 6 of Plot No. B25 of Vaalharts Settlement B through SLAG in 2001, with 90 members. The size of the land is 84 hectares. The project was registered in the name of Tswaraganang Small Farmers Trust and is managed by a Board of Trustees consisting of ten members, with a five-member executive committee. Twelve of the 90 original members are currently active. Some of the intended beneficiaries only come in as workers during planting and harvesting periods and are not involved in day to day activities of the project. Other

members are too old to work (age ranging from 76 to 97 years), while others have employment elsewhere. The business plan states that all 90 beneficiaries should be participating in the farming activities of the project, divided into four sub-groups, each headed by a member of the executive. The subgroups were supposed to be for:

- Permanent crops (citrus, olives, pecan nuts) (30 beneficiaries)
- Specialist crops (paprika, tomatoes, onion, potato) (30 beneficiaries)
- Vegetables (butternut, cabbage, carrot) (20 beneficiaries)
- Conventional crops (maize, wheat, groundnuts, cotton, lucerne) (10 beneficiaries)

The business plan further states that an implementation manager should be appointed at the infant stage of the project. The plan was never implemented and wheat, maize and lucerne were produced collective by 12 remaining members instead. The citrus that already existed on the farm was kept.

It appears that failure to implement the business plan due to the lack of a clear implementation plan, and to lack of knowledge of the beneficiaries in how to do so.

"This business plan was developed by some lawyers in Kimberley, Willem Strauss Attorneys and Conveyancers, and it was brought to us when the land was transferred and nobody explained it to us", said Mr. Segopa.

Moreover, as 35 of the 90 members were between 76 and 97 years of age, it was unrealistic to expect them to be actively involved in day to day activities of the farm, which are intensive in nature, as the business plan prescribes.

Initially, 55 members were active, especially during the first year of production. But this changed when, after the maize and wheat seasons (2001/02), the project could not repay the Land Bank loan (see below). The executive committee was blamed for the project's poor state of finance and many started drifting away from the project, probably because they lost hope and no longer saw possible income generation prospects from the project. As already stated only 12 were active at the time of study.

But, according Ms Gaoagwe, the loss was because returns were lower than production expenditure due to a drop in wheat and maize prices.

"Our yield was not that bad, but we were knocked by low maize and wheat prices and our income was not enough to cover all the costs of production, that is why we could not repay the loan", she attested.

The situation resulted in most members not wanting to participate in activities of the project actively, and they eventually stopped attending meetings. Trustees on the other hand stopped calling general meetings and as a result most members were excluded and were uninformed of the developments on the project, including financial matters. Activities came to a stand-still for two consecutive seasons (2002/03 & 2003/04) as the project could not raise capital, and meanwhile interest accumulated on the debt. Mr Van Niekerk[18] (a local commercial farmer and one-time mentor of the Tswaraganang small farmers) confirmed the situation, but also related the poor financial management to lack of skills on the part of the trustees.

"Theirs was a problem of poor planning and cash flow management. They should not have doubled the costs by buying old implements and hiring some at the same time, because they ended up spending more and should have paid the loan instalment before they use the money for other things, repairs, for instance", he asserted. The situation later improved, following intervention by the PDA and FARM-Africa, which involved financial support, details of which are discussed in the next section.

(b) Land use

An area of 10 hectares is planted with citrus, 49 hectares with lucerne and 25 hectares are currently not utilised, but may be used to grow vegetables in the future (Fig 4.3). The project received a loan of R625, 000 from the Land Bank in 2001, which was for production inputs (R280, 000) and farming implements (R345, 000). The R280, 000 loan was to be paid over five years, while the R345, 000 was for ten years. It appears that implements which were bought were not in a good working state, leaving them

[18] Informal discussions after the meeting with Agri-Northern Cape on 15 June 2006

with no option but to hire some, thus increasing costs even higher. Irrigation is by a centre pivot, which was also in a poor state and needed constant repairs. It was ultimately replaced with money from CASP in 2005. The project has not been able to repay the loan within the agreed terms.

The focus of the farmers at present is mainly on lucerne, which they say helps to generate income. Wheat and maize were the main crops before lucerne was established. In 2001/02 harvested quantities were a total of 55 tons of wheat and 40 tons of maize, at 5.5 tons/ha and 4 tons/ha, respectively. This is estimated to have generated a total gross income of R97 280 from the 10 hectares that was planted. R66, 000 of this was from wheat, which sold for R1, 261/ton. Maize generated a total of R31, 280 at R782/ton. According to the beneficiaries, production costs amounted to approximately R82, 210.

"After consulting Mr. de Kock (the previous owner of the farm) for advice with regard to quantities of production inputs, which were estimated at R280, 000 (equal to the loan amount granted), we decided to save on costs and not use the whole loan amount, but put something aside for our[19] wages throughout the season and for the repair of implements", said Mr Sebego.

He further stated that they did use the quantities of seeds, fertilisers and irrigation as recommended by Mr. de Kock, but had to cut on other inputs such as pesticides.

"We were hoping that if the implements are back in good working conditions, we will certainly not need to hire for the coming seasons", said Mr. Segopa.

With production costs of R82, 210 and income of R97, 280, it is estimated that they had a net income of R8, 570, which, according to members was paid into the project's account.

There was no planting for 2002/03 and 2003/04 seasons and therefore no yield was recorded. The loan was not repaid for these two seasons. Repayment instalments

[19] Wages for trustees and three more workers, who are also beneficiaries

escalated with interests, and members cannot remember exact amounts. According to members, the switch to lucerne was as a result of low prices relative to production costs of wheat and maize, which is not the only factor because their financial situation could also be attributed to other factors as already discussed.

Lucerne was planted in 2004 with assistance from FARM-Africa (an NGO giving support to land reform beneficiaries). Initially FARM-Africa gave the project a grant of R175, 000 for the establishment of lucerne on 37 hectares, followed by another R30, 000 for the expansion of lucerne on 12 more hectares in January 2006[20]. An average of 11 tons/ha were harvested with 2 cuts in the first year of harvest (2005), giving an estimated total of

1, 617 tons. Their lucerne grade has not been recorded anywhere, but according to members their price ranged from R450/ton to R500/ton, depending on the condition of lucerne at the time of sale. According to lucerne grading system in OABS (2006), Tshwaraganang lucerne thus fell between Class 1 and 2 grades. This is estimated to have given them a minimum gross income of R242, 550 per cut from 49 hectares, and a total of R485, 100 from the two cuts in 2005. They spent approximately R90, 000 on mechanisation (hiring of lucerne cutter, rake and baler) per cut, totalling R180, 000. According to the Extension Officer, Mr. Gaobuse, the project at the time of study, was managing to pay R20, 000 monthly to the Land Bank as loan repayment, which amounts to R240, 000 per annum. Lucerne thus generated a gross income of approximately R485, 100. Production and harvest costs are estimated R287, 359, with a net income of R177, 741 after loan repayment.

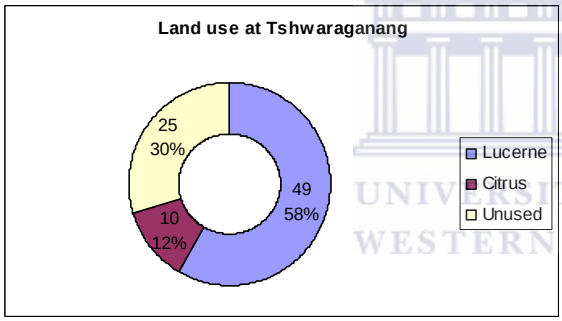
Quantities of oranges harvested have never been recorded. It appears that the plantation was neglected for a long period and was never really considered for income generation. Costs for the revitalisation of the citrus and maintenance are estimated at R17, 500 per hectare per annum, totalling R175,000 per annum, with, if recommended levels of inputs are used, an estimated gross income of R250,000.[21] However, that was not the case and the income was only R15, 000 for 2005, from 2.15 tons (2 150 bags of 10kg) at an average price of R7/bag. The money earned was paid into the trust account.

[20] Discussions with Mr. Groeners of Farm Africa, 10 May 2006
[21] Tshwaraganang NIF calculations by the Department of Agriculture, December 2005

"We are currently focusing on lucerne production and we do not have enough time and money to start looking at the citrus, but we are planning to revive it as soon as we are able to manage our debt because the inputs (for citrus) will need extra funding", said Mr. Segopa.

The provincial Department of Agriculture (PDA) has given them funding under the Comprehensive Agricultural Support Programme (CASP) during 2005/06, amounting to R300, 000. This money was used to buy a centre pivot irrigator, replacing the old one. CASP is a funding mechanism by the Department of Agriculture aimed to assist mainly beneficiaries of land reform for their production, marketing and training needs[22].

Figure 4.3



4.3.2.3. Boichoko

(a) Background information

The Farm Silverdale was bought in 1998 under the SLAG sub-programme for 185 members, for an amount of R1.4 million. It measures 128.4796 hectares in extent. There was a balance of the grant, after the land purchase, which was used to buy implements that were already on the farm. The land was registered in the name of the Boichoko Communal Property Association (CPA) and the CPA elected an executive committee of 10 members to manage affairs of the project, for a term of 2 years. This

[22] Department of Agriculture, www.nda.agric.za

Committee was re-elected for a second term in 2001, which ended in 2003. Elections for a new committee have not taken place since due to conflicts within the CPA, which has divided the CPA into two groups.

The conflict was over the rental money from the lease of 94 ha by M. van Jaarsveld, of which details are discussed below. The previous committee is being accused of using the funds for their own personal use because the electricity and water accounts were not paid as agreed. Other members were in support of the committee, thus resulting in tension and division among beneficiaries.

"Most of our people lost hope in the future of this project and stopped participating", stated Mr. Siqoko.

There was effectively no committee until 2006 when an interim one, comprising 10 members, was put in place by the 18 beneficiaries who were still active.

"We have decided to have this committee in place to guide our operations, although it is not recognised by the other group", said Mrs Tawana.

According to this group of 18, a constitution was developed under the leadership of the previous committee, but they do not have it in their possession. What they can remember from the constitution is that farming was supposed to be communal, with proceeds going into the project account; the executive committee was to be elected for a two year term and all members were supposed to contribute R50 monthly towards the project. They are not sure if there was ever a business plan.

"Land Affairs should know as they were the facilitator of the project" remarked Mr. Ndaba.

Attempts to get a copy from PLRO were not successful.

Boichoko farmers did not have any capital to start farming and the CPA took a decision in 1999 to lease the land to a white commercial farmer with the aim of raising funds from rental. An area of 94 hectares was leased at R80 000/annum for

five years. The lease began in June 2000 and ended in May 2005. It was then renewed for another five years, until 2010, but instead of rent the lessee would now share profit on a 50/50 basis with the lessor (Boichoko CPA). The present (interim) committee does not agree with this arrangement and, according to Mr. Ndaba, they want to nullify it.

"We have approached the Legal Aid Board to assist us with this matter because we were never consulted as the beneficiaries", he asserted.

By the time of the lease (2000) the farm had a water debt of R102, 000 owed to the Vaalharts Water User Association (VWUA). According to members, the debt was discovered after the farm was transferred, the point also confirmed by PLRO. There was also R31, 000 owed to Eskom for electricity, which is probably from irrigation related usage though beneficiaries seem not to know how it came about.

"Lot of things went wrong here and we were too excited when we received the farm to take note of that. But, Land Affairs [responsible for the land transfer] should have picked up these things", remarked Mr. Marks.

The agreement with Mr. van Jaarsveld in 2000 was that he would, instead of paying the whole R80, 000 rental, rather pay R30, 000 directly to VWUA and R10, 000 to Eskom (towards debt payment) plus his current usage bills. He was to pay the other R40, 000 into the CPA account. This, however did not materialise as the lessee only paid R32, 000 into the CPA account in 2001 and no other payments were made ever since. As already stated, the interim committee has begun a legal process to recover the outstanding rental money from the lessee and to get the new lease agreement nullified as they are not in agreement with its terms.

(b) Land use

As described above, 92 hectares of the farm are currently leased to a commercial farmer. Lucerne was established on another 15 hectares, under flood irrigation, in 2005 by the group that is currently active on the farm, who are 18 in number. The

remaining 21 hectares is currently not used (Fig. 4.4). Members are intending to use it for the expansion of lucerne and for vegetable production.

The quantity of lucerne harvested was a total of 60 tons (4 tons/ha), from the first cut (the only one they have had so far). A gross income of R27, 000 was realised, at R450/ton. They expect to have the next cut during February/March 2007 with an estimated yield of 53 tons and R23, 850 gross income. The farmers attribute the likely lower yield to the fact that the crop did not get enough irrigation as the main pipes from the canal kept on bursting, thus disrupting irrigation during the growing season.

"We are experiencing problems, the pipes are too old, and our wish is also to get the sprinklers because much water is wasted with this flood irrigation. These old pipes makes the problem even worse", said Ms Mokopelwa.

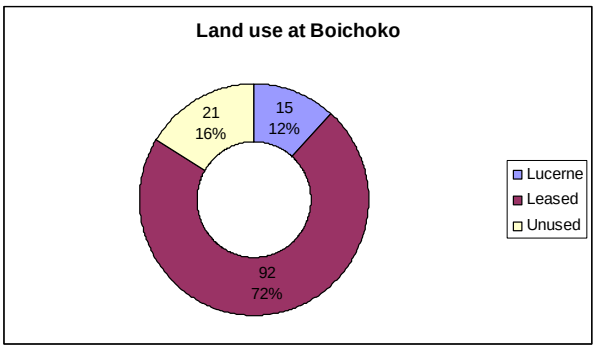
They did not use any fertiliser or pesticides. This implies that production costs were minimal, though not recorded anywhere, which also makes it difficult to determine whether production was profitable or was at a loss.

"Even if we could have afforded fertilisers and sprays (pesticides) it could have been a waste because fertilisers need enough water and regular irrigation", she added.

Their market for lucerne is informal, to local livestock farmers. Their reason for choosing lucerne is because it is easy to market and does not get spoiled easily. They think wheat is more labour intensive and they might not afford costs associated with production of wheat. The project has never received any financial assistance. Members only receive technical advice from the Extension Services Unit of the PDA, although not enough according to the members. They expect the Extension Officer to visit them more frequently, at least two times a week as compared to twice a month at present, which might not be actually necessary given their current scale of operation. Beneficiaries possess some farming skills but lack farm management and financial skills. Some feel that their technical skills are not enough to enable them to farm better than they are doing presently, especially as they have intentions to expand their lucerne production. Assistance is also required to sort out the water and electricity

debt. Management and organisational problems with the CPA committee have to be addressed so that if external support is obtained it can be used effectively.

Figure: 4.4.



4.3.2.4. Batsamaya Mmogo

(a) Background information

The Batsamaya Mmogo project started in 2004 with the purchase of 48.8035 hectares of land (on Plot 2GX1) for 45 members. The farm was bought for R780, 000 through LRAD and was registered in the name of Batsamaya Mmogo CPA and members are farming as a group. Only six out of 45 members are active. Some members have jobs elsewhere while others stopped coming to the farm because there has not been much activity due to lack of capital to start production. No business plan for the project could be located. According to the members, the land was intended to produce vegetables, wheat and maize. Produce would be sold and proceeds would go into the project's account, which should have been in the name of the CPA, with CPA executive committee members as signatories but, because none of the committee members were still active, the account had still not been opened by August 2006.

The few members who are currently involved have opened their own joint account in the name of Batsamaya Mmogo Small Farmers, which is outside the control of the official CPA committee.

"We have decided to open our own account after agreeing that we want to start with production and we had to start somewhere. Although we could not cover everything as inputs are expensive, we managed to plant 12 ha of lucerne from the R15, 000 that we raised", said Mr Moleko.

Members also attribute the lack of activity on the farm to a drainage problem that has affected a large portion of the farm (approximately 35 ha), with only 13 ha being cultivatable. This was confirmed by Mr. Venter, Extension Manager for the area, who attested that the farm is among those being surveyed to determine the extent of water logging, after which drainage has to be done, as part of the Vaalharts rehabilitation programme. As stated in the previous chapter Vaalharts rehabilitation programme is part of the initiative of the Department of Agriculture at national level to revitalise irrigation schemes in South Africa, aimed at promoting and improving efficiency in agricultural water use and increasing productivity of those schemes.
According to Mr. Leburu, the Extension Officer has assisted them to draw up an application for CASP funding for 2007/08 financial year.

"We have applied for CASP for next year and we hope that things will improve for the better, especially around water logging. Although CASP does not buy us inputs, the thought of knowing that the land is drainable will bring us relief", he stated.

They have applied for a grant of R1.4 million with which they plan to install a sub-surface drainage system to address the drainage problem, as well as a centre pivot irrigator, a tractor and lucerne implements. They indicated that members who are not presently active are welcome to rejoin the group as long as they are able to match the financial contribution they have made thus far. This group of six is looking at the possibility of leasing the land from the CPA so that they can continue farming as a sub-group, but they are constrained by the fact that the executive committee has not met in a long time and no meetings, of the executive or an annual general meeting of the CPA, have been called where this proposal could be discussed.

(b) Land use

An area of 12 hectares has been planted with lucerne, which is under flood irrigation and the rest of the farm is not used because of the drainage problem, as already stated (Fig.4.5).

The R15, 000 contributed by members was used for production inputs and was augmented by R19, 420 (including 12% interest) credit they received from SENWES, which brought their total input costs to R27, 160. R17 340 was spent on seeds, at R1, 445/ha R7 740 on diesel for planting and harvesting, broken down as follows: R2, 700 (R225/ha) for planting and R5, 040 (R420/ha) for cutting and baling. The neighbouring commercial farmer assisted them with planting by using his tractor and implements for free, including cutting and baling of lucerne. They only paid for diesel. According to Mr Moleko, they opted not to use fertilisers, fearing that their costs would increase. According to recommended input levels their production costs would have increased by R17, 000 if fertilisers were included.

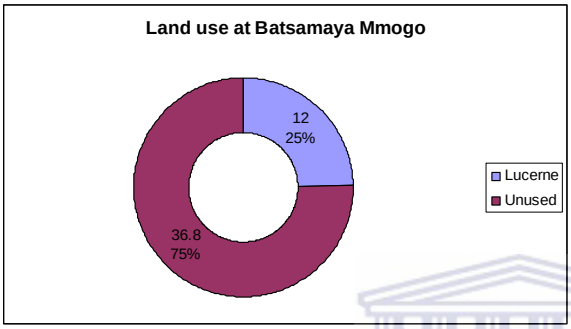
"We decided not to use fertilisers because we did not want a bigger debt, hence we squeezed out costs to remain within the manageable amount. We know however, that fertilisers are important, but we thought we would rather buy them after our first sales, if the income is good", he said.

The first lucerne harvest was during October 2006. The yield was 61 tons (5 tons/ha), which they sold for R450/ton, a gross income of R27, 450. This was marginally above their total cost of production, a profit of just R290.

"Although we were able to pay back the credit, the balance was still not enough to cover the next cut and baling and we still could not afford fertilisers. For the next year we will have to go back for another credit to supplement the R8, 000 that we have because we members feel another contribution will be a bit pressing on them. But, I told them that we need fertilisers to improve our yield so that our income could increase so that we are also able to expand the 12 hectares", commented Mr Sethlabi.

This will obviously require them to borrow an amount that will cover fertilisers as well, possibly the same amount they previously borrowed. Considering the possibility of not getting the same assistance (implements) from the neighbour farmer they might be required to hire them. The total cost of production is likely to be in the order of R18, 144 including 12% interest, i.e. R7, 200 for cutting and baling and R17, 000 for fertilisers, with the assumption that they will still have the R8, 000 available.

Figure 4.5



4.3.2.5. Kopano

(b) Background information

Plot No. 5R2 of Vaalharts Settlement A was bought in 2003 under the LRAD sub-programme for 25 members for R366, 000. The size of the land is 23.3075 hectares. Implements were bought with the land for R118, 000. Land ownership is registered under Kopano Small Farmers Communal Property Association.

The CPA has elected a committee to manage the farm on its behalf. According to DLA (2003)[23] the farm will be managed in terms of the prescripts outlined in the CPA registration document. However, members interviewed did not have a copy of this document, but do have a CPA constitution which, they said, is governing the operations of the project. All 25 members are currently active. From observation, their high level of participation could be due to the fact that they had a balance of R83 500

[23] Memorandum for approval of the LRAD application, June 2003.

of their grant left after purchase of the land, and that the farm was purchased with implements, thus making it possible for them to start production.

Farming is carried out collectively with the arrangement that proceeds from sales of produce are paid into the project account, which should be used to "run the farm" according to Mr. Wesi, chairperson of the management committee. Implements however, wore out with time and some were at the time of study no longer functioning: namely a tractor, fertiliser spreader and lucerne implements (cutter & rake). This has put the project at a disadvantage because they are now compelled to hire, thus increasing production costs and creating other challenges, details of which are discussed in the next section.

"When we purchased the farm with implements we were hopeful that we will save on hiring costs, which are high and the owner of the farm and Mr Deysel (Agricultural Engineer from the Department of Agriculture) assured us that the implements were in good working condition", remarked Mr. Mokgele.

It appears that because of this assurance members overlooked the fact that they should, despite the condition of the implements, have made provision for maintenance costs or even replacement costs.

The farm is using flood irrigation method but received CASP funding in 2006/07 for a centre pivot irrigator, which has been installed. It is hoped that this will result in more efficient water use and reduce water logging, which is already showing on some parts of the farm. The change of irrigation method has also been recommended by Badenhorst (2002), stating that "the plot is well drained, but this could be maintained or improved for the better by a sprinkler system."

(b)Land use

An area of 10 hectares was already planted with lucerne when the farm was bought in 2003. When their production started during 2004/05 season (with first maize planting in December 2003), they rotated maize and wheat on the other 13 hectares (fig 4.6). In 2005 they decided to replace maize and wheat and expanded lucerne to the 13 ha. Planting of the 13 ha was during April 2005. The decision to switch to Lucerne,

according to members, has been influenced by the fact that lucerne is easy to manage, coupled with the strong local demand, which guarantees them an income.

"Our preference for lucerne is because we have seen from other local farmers, even commercial farmers, that lucerne does not require a lot of labour and it brings income more than once in a year. The fact that planting is once-off is an important cost saving, especially for us who still struggle to make ends meet", remarked Ms Modise.

By contrast, other common crops such as maize and wheat were considered more labour intensive and their sale prices are often lower than production costs.

"Although we did not do badly on maize and wheat for 2004/05 season in terms of price received (about R88, 000 gross income) our fear was that the next season might not be the same as these prices keep on changing" she added.

According to Mr. Venter (the Extension Manager of the area) quantities harvested for maize and wheat were 3 tons and 4 tons per hectare, respectively in 2004/05. The produce was all sold to the local co-operative (SENWES) for R1 100/ton for wheat and R810 for maize, with gross income of R88, 790. As with other projects, expenditure and income was not properly recorded. But according to Mr. Wesi, they could have spent around R60, 000, which they got from the balance of grant.

"Land Affairs did not give this money directly, but paid SENWES for the supply of seeds, fertilisers, and sprays (pesticides)", he explained.

For lucerne, members reported that they had cut 200 bales, translated into a total of 10 tons from 10ha by July 2006. All bales were sold to local stock farmers at R45/bale. Income received should thus be R9, 000. From discussions with members, it came out that no inputs, such as fertiliser dressings or pesticides were used on the 10ha, except for irrigation, which was also sporadic because according to Ms Molelekoa their focus was mainly on maize and wheat.

"We had to concentrate on these two because we had to make sure that the money paid to SENWES gives us something in return", she said.

She further stated that for the 13 ha of lucerne, they decided only to spend on seeds and fuel during planting, which was around R26, 000 (from the maize and wheat income).

"Luckily, our tractor and plough could still work and we decided to leave out fertilisers because we could not afford them as Land Affairs could no longer pay for inputs because the balance of our grant was finished, and we had to hire a lucerne cutter, rake and baler for ours were not working properly. We also did not want to use all of our savings from maize and wheat income so that we can always have something for emergencies. Only
R1, 500 (R37, 500 in total) was distributed to each member as an income (once-off) because we do not pay ourselves salaries".

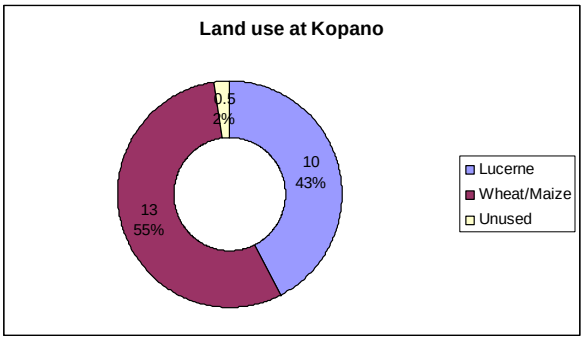
Their next lucerne harvest was during September 2006. A total of 69 tons was harvested from the 23ha, which gave a gross income of R31, 051, from R400/ton, with net income of R5, 050, which was paid into the project's account, according to Ms Molelekoa.

As stated earlier, their implements have worn out over time. For 2004/05 season the project was already experiencing problems as most implements were no longer in a good working state, compelling them to hire, particularly a lucerne cutter, rake and baler. The problem was however addressed in late 2005 when the project received a tractor and other implements through CASP funding, to the value of R345, 000. Sub-surface drainage was also put in to improve soil drainage.

Another R800, 000 was allocated in 2006 for a centre pivot irrigator and water storage dam. FARM-Africa is currently running training a capacity building programme for land reform beneficiaries, which will also "address issues of records keeping and assist members to develop clear marketing plans[24]".

[24] Groeners, 10 May 2006.

Figure: 4.6.



Compared to other projects Kopano has shown a high level of participation and commitment by beneficiaries, with the whole land under production. It is the only project that has 100% involvement of beneficiaries. It appears that availability of money for inputs enabled the project to start production immediately after land transfer and had created an environment where members had something to engage in, thus increasing cohesion.

In addition, the fact that members decided to re-invest income they received from the first crop back into production and not use it for other things outside the project, might have reduced chances for conflicts, which could possibly have emanated from differing views on how the money should be spent, as was experienced at other projects.

Furthermore, Kopano has positive signs for sustainability because of the management ability members have portrayed through good planning and effective utilisation of income earned. To the author, this is an indication that the project could sustain itself once the grants run out. Although the benefits, in terms of income that go into members' pockets, may appear small at the moment, the indication is that they should increase over time with the sound management portrayed thus far, which could see improved livelihoods of the members.

4.3.2.6. Bonita Park Olives

(a) Background information

Bonita Park Olives started in 2005, with the purchase of 9.5881 hectares on Plot 6G14 through LRAD. The project consists of 11 members, of whom only four are active. The land was purchased for R320 000 and, according to NCPLRO[25], the title deed has not yet been formally transferred as the title deed number is still awaited from the Deeds Office. Nonetheless, Bonita Park Olives CPA was registered in 2005 as the entity to which the land will be transferred. The farm was already planted with olive trees at the time of purchase and according to members, was supposed to be managed collectively by all 11 members. Although the four members confirmed that the project had a business plan, they could not find it and attempts to get a copy from PLRO were not successful. According to Mr Visser (the owner of the olive pressing factory) the project has been targeted as one of the potential suppliers. His concern though is poor management of the orchard, which might delay the fruit bearing and result in fruit that are not of the required standard.

"I'm concerned that those trees are not well taken care of and nobody seems to care anymore. Phokwane municipality was in the forefront of this project, but now everybody seems to have forgotten about it", he said. "I think the department of agriculture has a critical role to play in terms of extension service and help beneficiaries sort out management issues as well", he added.

When the project started in 2005, all members received training through the National Development Agency, which was the only training they received.

(b) Land use

About eight hectares is planted with olive trees. The other one hectare forms part of the boundary of the farm, which is rocky and not cultivatable (Fig. 4.7). The four active members complained of a lack of money and said all they can do is give the

[25] Northern Cape data: Presentation to the LRCC on 16 November 2006

trees water, with no fertilisation or other inputs such as insect and disease control. There was not much happening on the land at the time of this study except for the tending of trees, which is done by the four active members. The four take turns, coming twice a week to water the trees and check if there are weeds, which they would then control. Those four think that other members lost interest because there is not much happening on the farm and were demoralised when they realise that there is no other means of income, at least for the next seven years.

"We were supposed to be alternating in coming to irrigate and control weeds, but the rest seem no longer interested", said Ms Motshabi.

"It was out of our own choice to continue caring for the trees, though we are not coming everyday", added Mr. Schalkwyk..

It appears that they have other engagements elsewhere besides taking care of the trees. Their intention is eventually to lease the farm from the CPA so that "their current efforts could be justified and legalised", according to Mr. van Wyk. "Although we are struggling now, we are still hopeful that there are business opportunities especially that this farm can supply the olive pressing factory."

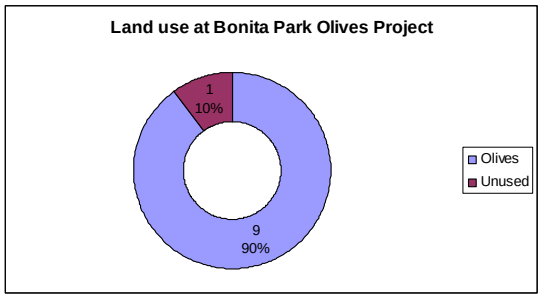
For Ms Setlhabi, the lease can also provide security for their present efforts on the farm.

"We know our people, they might come later and cause trouble, wanting to claim the benefits even though they were not here when we struggled", she added.

The trees are still at a growing stage. They were planted in 2004, immediately after the grants were approved, with the help of Phokwane municipality who provided funds to purchase the trees. The first harvest is expected only six or seven years after planting. It the probable that the main reason for their continued willingness to work on the project without income is because the four are engaged in casual jobs elsewhere and are not necessarily dependent on the income from the project, which will only be realised in six to seven years time. Moreover, their commitment could, as already stated, be that they see a potential business opportunity in the olive project (as

suppliers to the olive pressing plant). It appears that the other members lost interest once they realised there would be no income until then and as a result were not motivated to continue working at the project.

Figure: 4.7.



4.3.2.7. Iphemeleng

(a) Background information

Plot 2G5 was bought through LRAD by 36 members of Iphemeleng group for R520 000 in 2005. The size of the plot is 20 hectares. The land is registered in the name of Iphemeleng CPA. A six-member committee was elected upon registration of the CPA. Ten of the 36 members are still active, including the members of the committee. Those interviewed attribute lack of activity on the land to a poor state of irrigation infrastructure, and assume that this might be what made the rest of the members stay away, as not much could be done without proper irrigation.

"We must first get the irrigation right before we can even think of money for planting. Most people could not just hang around here doing nothing, some were lucky to get "diskropo" (casual work) in town as there is nothing happening here", remarked Ms Mocumi.

She also confirmed that amongst the ten, most are receiving social grants as their ages range from 65 to 70 years. Attempts to get hold of the other 26 beneficiaries were not

successful. The ten had applied for CASP funding for 2007/08 financial to, amongst others, replace old pipes with new ones and to install a centre pivot irrigator.

The project does not have a business plan. There is however a CPA constitution that was developed after the land was transferred. The constitution stipulates that the project will be administered by the executive committee, which shall hold office for two year. It further states that farming will be carried out collectively and sets out a code of conduct for members. The farm was under sprinkler irrigation, and old pipes and sprays could be observed lying around the field. According to the members, the irrigation system was in a rundown state when they came to occupy the farm. It appears that they could not engage in any activity before proper irrigation infrastructure is put up

"We indicated to Land Affairs that all these pipes and sprinklers have to be replaced, and Mr Mojapelo (the former planner responsible for the area) promised that they will assist us, but up till now nothing has happened. We then went to see Mr Gaobuse (the local extension officer) after hearing from other projects that there is money from the Department of Agriculture and he helped us with the papers (CASP funding proposal)", said Mr. Nosi. "The problem is that information does not reach us on time and we expect the extension officer to be informing us of all these (programmes), but he indicated that he is the only officer in this area (Phokwane municipality, which Vaalharts falls under) and he does not have enough time", he added..

(b) Land use

The whole 20 hectares was lying fallow at the time of study and as already stated their production will only start once the irrigation is sorted out. The requested funds (R900, 000) will be for the purchasing and installation of a centre pivot and building of a reservoir for water storage. The members' intention is to plant lucerne because they heard from other projects that it is relatively cheap to produce and generates an income quickly.

"We heard from other projects that lucerne does not need lot of money, and we are looking at approximately R3, 000. Hopefully, SENWES will give us credit for that

amount and we think we will be able to pay it back, if not we will contact the department of agriculture to help us, just for the first year", said Mr. Sediti.

Their estimation of R3, 000 for 20ha is however, far less than what "other projects" had spent, which was R25, 000 on average. As conditions vary from one project to another (for instance, others received assistance from farmer neighbours, therefore saving on certain costs) it would be difficult for Iphemeleng to base their costs on other projects' expenditure. What they need is to get recommended levels of inputs, which they could use as the basis for their decisions.

4.3.2.8. Ditaung

(b) Background information

Plot 1GX1, measuring 21.7 hectares, was bought through LRAD in 2004 for 21 members. The farm was purchased for R400, 000 and it is registered in the name of Ditaung CPA. The executive committee was elected in 2005 to manage the farm on behalf of the CPA, with a committee of seven members. According to the chairperson, Mr. Latha, there was never a business plan on the application for land purchase, which was confirmed by Ms Booysen, the Planner from NCPLRO and farming is done jointly in a group. Only 16 members were interviewed as, according to the chairperson, Mr. Latha, others had commitments elsewhere.

"All members are still involved, the five that are not here have other family commitments", he stated.

The project applied for R1. 3 million from CASP funding for 2007/08 financial year. The money is for water storage dam, a tractor, plough and lucerne implements (cutter and baler). Compared to other projects already discussed, there seemed to be no conflict among beneficiaries of Ditaung, which one member attribute it to the fact that they belong to related families and they know and understand each other's strengths and weaknesses. They stated that they are contributing equally to the project by allocating specific tasks to each member, and according to their abilities.

“One cannot expect an older lady to do the same work as a younger lad would” said Mr. Latha.

Their choice of lucerne is mainly because of the strong local demand. They do not struggle to sell it and in many instances people come to collect it on the farm.

”Our only problem is that we do not have the necessary mechanical equipment, such as a tractor, cutter and baler, and we have to hire contractors to cut and bale, which is very expensive for us. We are spending approximately R6, 000 for hiring of implements”, added Mr. Segami.

(b) Land use

An area of 20 hectares was already planted with lucerne when the farm was bought, under flood irrigation (Fig. 4.8). They plan to replace 14 ha with wheat in 2007. According to the chairperson, the lucerne has reached its maturity period (after six years), hence the decision to plant wheat.

“We will start with wheat on 14 ha and maize will be on the remaining six if funds allow us. Lucerne will then be re-planted on the whole 20ha during April/May 2009. The remaining 1.7 hectares on the farm is rocky and therefore not cultivatable”, he said.

The farm uses flood irrigation and, according to Mr. Jantjie it is not possible to use a centre pivot irrigator because the land is V-shaped. In response to a widespread concern of water logging in the area, he pointed out that they have not experienced any problem yet.

“We have not experienced water logging yet, but that does not mean we should relax because the chances are we might be affected as well, more so that we are on flood irrigation”, he added.

Costs incurred to maintain the lucerne were not recorded anywhere. They have indicated though that to date they have only been irrigating, and had used herbicides once, early in 2006, when they tried to control broadleaf weeds. A total of 109 bales

(5.45 tons) of lucerne were produced from the first cut during November 2005, and 94 bales (4.7 tons) from the second cut during May 2006, totalling 203 bales (10.15 tons) harvested by the time of study.

This is estimated to have given a gross income of R9, 135, at R45/bale. Mr. Mocwana, the treasurer, estimated costs of approximately R6, 000 for hiring in cutting and baling equipment; R2, 756 was spent on herbicides, leaving a net income of approximately R379.

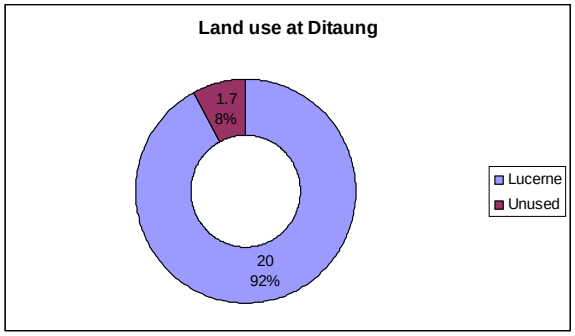
Although Ditaung Small Farmers are not sure of the actual costs of all the inputs required for producing lucerne, they believe that by having their own implements they can save on hiring costs, thus increased net income. The next and probably the last harvest of the current lucerne crop is expected during January 2007.

According to the CPA chairperson, the project has not received any financial support.

"The only support that we are hoping for is from CASP, which we have applied for, but our challenge now is how to raise money for wheat and maize", attested Mr. Latha. "We were hoping that the department would assist with money for these crops, which income we can then use for lucerne. We just don't want to go into big debt (from borrowing) because we are not even sure if wheat and maize prices will be good", he added.

For Mrs Segami, training is also what they need. "We hear that people are attending courses, but it seems as if we were forgotten. What are we going to do if we get all these things (implements) that we have requested, but not knowing how to use them", she said.

Figure 4.8



4.4. Summary of the findings and analysis

This section gives a summary of findings and analyses the study results, drawing from the case studies.

The study shows that crop income is generally less than production expenditure. This is attributed to factors such as low quality of produce. Proper production practices are not being followed, for instance, failure to apply recommended levels of inputs, which in turn reduces yields.

Although records are not being kept on most projects, the available evidence suggests that yields are comparatively low, for instance lucerne yields on land reform projects are ranging from 11 tons/ha to 2.9 tons/ha per cutting (Tshwaraganang as highest and Moso the lowest).

Lucerne was found to be the most common crop for new farmers in the Vaalharts scheme because the farmers see it as a crop that is easily managed. The strong local demand for lucerne has also made it possible for most projects to sell their crop, and some became profitable, e.g. Tshwaragang, thus making it the most preferred crop by emerging farmers at the Vaalharts scheme. Lucerne plantings cover 121 hectares (32 %) of the total land redistributed, while maize and wheat crops account for just 8% or 30 hectares. 18 hectares is used for citrus and olives (5%). The relatively small areas planted with maize and wheat can be attributed to low prices relative to costs, which recur seasonally.

As already stated, lucerne yields are extremely low compared to the average of 16 tons/ha per cutting from white owned commercial farms. According to OABS (2006), lucerne is able to give nine harvests (cuttings) per year, and emerging farmers rely on it for cash flow. But, the findings of this study show that none of the projects had nine harvests, but only up to two harvests. From the price they have been selling at, their lucerne quality falls between the second and third grades. This is because with the sole exception of Tshwaraganang, none of the farmers did a proper financial planning, whereby production planning included recommended levels of inputs and at Tshwaraganang, that only happened after FARM-Africa's intervention. This limitation saw farmers failing to use the necessary inputs, thus lower yields and lower grades were achieved.

There is also a perception among beneficiaries that because of lucerne's lifespan of five to six years, they do not need to apply fertilisers continuously during this period and as a result they view lucerne as a cheaper crop to produce than annual crops such as maize or wheat. However lucerne requires fertilisation throughout its lifespan.

Poor financial management within the land reform projects was found to be a problem and has evidently resulted in an imbalance between what they put in and what they got out. In cases where projects managed to secure capital for production, deliberate decisions were made not to follow recommendations, but to use less so that the money could cover unplanned costs.

Although new farmers do not spend much on inputs such as fertilisers and irrigation costs, considerable amounts go mainly to mechanisation costs, including hiring of implements.

There is a common reluctance among land reform projects to take loans, for fear that they might not be able to pay them back, which might result in them losing the farms. This is because of experiences such as the threats of the land being auctioned at Moso and Tswaraganang.

Findings from the case studies show that beneficiaries of land reform projects in the Vaalharts scheme are struggling to get their new farms into production. The situation they find themselves in is definitely not conducive for them to achieve their hoped-for expectations, i.e. land ownership, which would enable them to generate income and become better off. This had led to most members losing interest and staying away from the projects. At the time of study only 101 out of 453 members were actively involved in the projects. The problem is that members who are no longer active did not relinquish their membership and might possibly return later when circumstances improve. This creates discomfort among those who have remained and the possibility of future conflict arising that could possibly cripple achievements already made.

4.5. Conclusion

The settlement of black farmers in the Vaalharts scheme was intended to provide opportunities for black farmers to improve their livelihoods and play a meaningful part in the agricultural economy of South Africa. The results of this study, however, suggest that this is not happening.

The study has found that the land reform programme at Vaalharts is not leading to an improvement of agricultural production, and that those land reform projects actually produce below average production in the Vaalharts scheme. Moreover, as is the case in Moso and Tswaraganang, some projects are now threatened with insolvency, due to an inability to recover costs incurred in agricultural production. Lack of necessary skills and conflict amongst members had resulted in the inability to service production loans.

One of the purposes of land reform is to make beneficiaries better off in terms of livelihoods. In addition to maintaining productivity on the redistributed land, it is important that project members are able to improve their livelihoods from the farming activities they are engaged in. However this case studies analysis fails to show that this has been the case. Except for Kopano, no other project has ever reached the stage of having a disposal income, wherein members were able to share dividends from the returns realised. Tshwaraganang members even went to an extent of taking a portion of the production loan to share among themselves, which shows a sense of

desperation and emphasises the need for viable enterprises that can create livelihoods for farmers.

Of great concern is the minimal support provided by the PDA to these projects. Even the support given was too little to make a difference (only two out of eight projects received assistance).

There seems to be little effort from either the private sector or from civil society to support land reform projects in Vaalharts. FARM-Africa is the only NGO involved in post-settlement support.

Collaboration between a range of stakeholders is necessary to provide an enabling environment for land reform farmers.

The study has also shown that an underlying cause of the weakness of these land reform projects lies in the way they were designed. Poor project planning seems to be the root cause of the unfortunate situation in which the land reform farmers in this case study projects found themselves. The expectation that so many people could make a living from one farm previously owned and operated by just one commercial farmer or one family, had proven impractical and unrealistic.

Redesigning these projects should be considered because even if the necessary resources are provided, institutional problems might still hinder the operations and management of the projects. Amongst other changes, the CPA's institutional arrangements and terms of operations should allow the use of land by active members who have shown commitment.

CHAPTER 5

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

This chapter discusses the argument presented in the thesis, giving a broader analysis of the land reform situation in the Vaalharts scheme. It draws out key conclusions and gives recommendations for the South African land reform programme.

5.1. Introduction

The study has looked at production on land reform projects in the Vaalharts Scheme, where most new farmers are failing either to produce or realise positive returns from their farming activities.

The study commenced by giving a brief history of land distribution in South African prior to 1994 as it relates to the current land reform, highlighting some imbalances that existed in the South African society and that led to the dualistic nature of South African agriculture. It further gives a detailed history of land reform with reference to the international and regional experiences, highlighting also some theoretical and conceptual issues of land reform based on the work of various land reform scholars. The South African land reform programme is also discussed briefly, assessing its performance from 1994 to date; exploring challenges in general that face the programme and factors contributing to failing production on many land reform projects. This was done through a review of the emerging literature on land reform in the country (including grey literature) and a detailed case study of land reform projects in the Vaalharts irrigation scheme.

Empirical analysis of production patterns of land reform projects in the Vaalharts scheme shows that production, where it is taking place, occurs under extremely difficult conditions. Except for Bonita Park Olives and Kopano, none of the farms had been fully planted since the transfer.

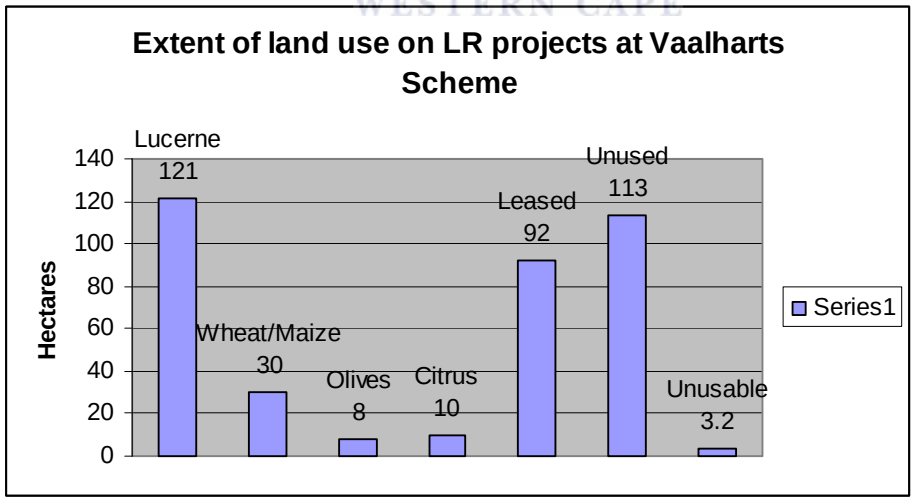
The study attempted to provide an understanding of current land use on the redistributed farms in the Vaalharts scheme; of factors that constrain new farmers and an assessment of the effectiveness of the existing post-transfer support interventions. Findings, conclusion and recommendations are drawn from this analysis.

5.2. Analysis of the land reform situation at the Vaalharts scheme

This section gives a broader analysis of how the situation of land reform projects in the Vaalharts scheme came about, looking at how the current problems were created and highlighting also key lessons emerging from the case studies.

The study has shown that 30% of the redistributed land in Vaalharts has not been under production since transfer and that 45% is being used at a very low level. A project like Iphemeleng has never been on any production since the land was transferred in May 2005. Figure 5.9 gives the extent of land use on land reform projects in the Vaalharts scheme.

Figure 5.9



Land redistribution in Vaalharts started in 1998 with the purchase of Silverdale Farm for Boichoko farmers; 11 years later, members are still struggling to get the land into production; 72% of the farm is leased to a commercial farmer for purposes of generating income.

Factors such as absence of support systems in terms of working capital and insufficient extension service, lack of skills and the poor state of irrigation infrastructure to a certain extent were found to be the main causes of general under production or no production on some projects. Flawed design and implementation of these projects also contributed largely to their poor performance.

5.2.1. Extension support

There is a general lack of effective support services to land reform projects at the Vaalharts scheme. Where support was being given, it was too little too late with lots of damage already done, for instance debts that were incurred and that cannot be serviced. In the case of Tshwaragang for example, a significant loan (R650, 000) was granted with no support measures put in place to see to it that production is planned in such a manner that returns are realized and that the loan is repaid. Moreover, the purchase of implements that were already worn out was tantamount to setting the Tshwaraganang farmers up for failure.

The provincial Department of Agriculture became involved long after the beneficiaries had settled on the land, which made matter even worse. Before CASP, which is the main support that the Department of Agriculture is providing, the department's support on these projects was non-existent.

The case studies show that extension service of the Department of Agriculture is not visible on the majority of projects, and in instances where it is given, it is ad hoc, i.e. there are neither structured programmes nor clear plans of support for those projects. Participants in projects had to fend for themselves, and ended up in deeper debts, which are difficult to pay off, for instance in the cases of Tshwaraganang and Moso. The example of the plans by the Ditaung farmers to plant wheat, even though unsure whether this would be advisable, shows that extension advice is badly needed. They should have been assisted to explore possibilities of planting other crops, which could do well in terms of prices.

The fact that there is only one extension officer in the Vaalharts area, who is also servicing other areas, confirms the PDA's failure to provide the necessary level of support and this inadequate support has contributed towards the failure of the projects. As already noted, one of the reasons for the failure of projects to advance is the absence of extension support. Extension support is critical as the emerging farmers need to be advised what, when and how things should be done so that they can make informed decisions. The availability of resources (inputs and others) is fruitless if advice in how to use these properly is lacking.

5.2.2. Working capital

The unaffordability of inputs had also resulted in a situation where farmers cannot apply the required levels, leading to lower yields and poor quality produce.

Lucerne is found to be the preferred crop at Vaalharts scheme, including the land reform farms, but the study has shown that yields on land reform farms are far below average for the area. This is because most projects do not use the required inputs such as fertilisers and pesticides, in particular[26]. There are cases where farmers choose not to follow what has been recommended because they wanted to remain within their budget. For instances, Moso decided not to follow the levels of inputs recommended by SENWES because they wanted to stretch the loan amount, for maize and wheat, to cover costs for lucerne as well. The study shows that lucerne is preferred over other crops such as maize, wheat and cotton mainly because it can be produced with minimal use of inputs such as fertilizers and pesticides, and does not require intensive irrigation. But such 'savings' come at a high cost, as both quality and quantity of yields is being severely compromised. As already stated in the previous chapter, the quality of lucerne from the land reform projects is mainly third grade.

Although the recommended levels are derived for production under commercial farming practices, it is important that project members follow them as well so as to be able to achieve better yields in terms of quality and quantity. With better yields

[26] OABS (2006) states that lucerne needs, for the first year of planting are as follows: Nitrogen, Phosphorus, Potassium and micro-elements of Cluco Zinc, of the following quantities: N (60kg/ha), P (44kg/ha),K (100kg/ha) and CZ (4kg/ha) and pesticides Cysure+ Iniboost (2*l*/ha) and Fusalate (1.2*l*/ha); the second to the sixth year is N(60kg/ha), P(44kg/ha),K(100kg/ha) and Alfalfa Pholate (4kg/ha).

projects members would realise a better income and in turn an improved livelihood, which has not yet been witnessed at Vaalharts scheme.

Lack of capital also resulted in the complete absence of production on some farms as beneficiaries could not afford production inputs and the necessary implements, resulting in less activity on the farm.

Most project members lost interest and stopped participating when the low levels and absence of production on the farms, showed no prospect of income generation or any other form of benefits. It therefore brought no financial benefit to their families who still had to be provided for, they left to find another source of income.

As a result institutional arrangement for most projects are disrupted and affected, leading to conflict, because those few active members who are active are left to devise means to get production going. They are sometimes compelled to make unilateral decisions, which the absent members do not usually support. These conflicts had notably disrupted the relationships among project members, thus disturbing the social network that was created among themselves them as a farming community.

With regard to implements, the case studies show that land reform projects do have access to what they need, but hiring is costly, thus contributing even more to lower returns. A few projects were awaiting CASP funding so that they can purchase the necessary implements. Proper financial planning is therefore of critical importance because they would need to include running costs, such as fuel and maintenance.

Other costs that land reform projects seem to take lightly are for irrigation water. As stated by Mr. Segopa (chairperson of Tswaraganang Trust), water costs might soon be a problem in future for many projects if costs are not included when planning is done. Most projects were still within the subsidised range as set by the Department of Water Affairs and Forestry at the time of study. The subsidy works as follows: new farmers pay no charge for the first year of farming; 20% of the standard irrigation charge in the second year; 40% in the third year; 60% in the fourth year; 80% in the fifth year and in the sixth and subsequent years emerging farmers pay 100% of the water charges paid by established commercial farmers (DWAF, 2004). This will obviously

increase their cost of production and could only be offset by substantial levels of productivity.

Production inputs could be acquired through production loans, which are not necessarily a problem for land reform beneficiaries to acquire. The challenge however, is the widely held view among land reform beneficiaries in the Vaalharts scheme associating credit with a risk of land repossession. This is because of experiences from those projects that had difficulties in repaying the loans.

5.2.3. Skills to farm productively and economically

In each of the projects that were studied and which are in production, one of the main challenges facing new farmers were their limited farming skills. The case studies also indicate that very little training is offered to members of projects upon settlement on their new farms, particularly those at Vaalharts. They had to find their way through trial and error. On very few occasions would the previous owner of the farm, who had experience of the farm and knew what is required or needs to be done, be approached by new land owners for advice.

Furthermore, participants in these land reform projects failed to keep records of their farming activities, because of lacking or limited appropriate skills, thus making farm management difficult. Records are essential for any business for the simple reason that the owner should be able to know whether the enterprise is profitable or running at a loss, and what areas within the business require intervention. None of the projects have proper farm record keeping systems and where these are kept, these are very inconsistent. Farmers need to have a fundamental understanding of profit and loss, and need to be able to understand why it is necessary to retain money from one harvest for use the following season and also why it is necessary to invest in the maintenance of implements.

Skills are also critical to enable a farmer to do proper production planning and to understand those plans. The study shows that negative returns on most projects are as a result of failure to understand the significance of following recommended levels of inputs. Had these been followed, the yields and the quality of the crops might have

improved. For some, there was money from loans for production, but instead that money was spent on other costs that were not included, thus compromising the yield and quality of the planned crop. To make informed decisions, farmers need to be both knowledgeable and skilful, and have access to external support and advice.

5.2.4. Irrigation infrastructure

The poor state of irrigation infrastructure emerged as one of the main challenges with which land reform projects have to deal. In the case of Batsamaya Mmogo, this was found to be a limiting factor and led to the non-utilisation of much of the land. Most redistributed plots in the Vaalharts scheme initially used flood irrigation, but the infrastructure for this was generally run down and the farmers are moving to centre-pivot irrigation, also with the aim of saving water compared to flood irrigation. Some projects have already received assistance from CASP funding in this regard (Tshwaraganang and Kopano) while others have applied and are waiting for an official response (Batsamaya Mmogo, Bonita Park, Iphemeleng and Ditaung). The use of a centre pivot system will, however, increase their overall production costs because of additional costs for. Electricity and maintenance, and it is critical that this is taken into consideration when production and financial planning is done.

5.2.5. Project design

The main problem observed in most of the projects originated in the project design, whereby the number of people who could benefit from a project took precedence over the feasibility and viability of that particular project, for instance 185 people at Boichoko on 128 ha of land without a clear business plan as to how they should operate. Project design and implementation did not take into account the number of members, in terms of how the production was to be organised within the group, or how the benefits were to be distributed.

In instances, where business plans were developed, they were developed by outsiders without involvement of project members. As a result members were often unable to implement these, for instance at Tshwaragang members did not have a clear understanding of what they should do and members who were identified for certain

enterprises could not do so because of limitations, such as old age. In such instances, the projects opted for what was within their means and capability and ignored what was prescribed by the business plan. This is not necessarily wrong because, instead of trying to work on something that they could not understand, their decisions and actions were largely informed by the resources at their disposal and what was possible for them at that point in time. There is no point in carrying out a business plan if the implementers (project members) cannot make sense of it and it does not relate to their situation.

Moreover, because of large numbers, members had no choice but to farm as a group on a small piece of land.

The average land size of land reform projects at Vaalharts is 48.25 ha, and the average number of members on the land is 57, giving each member 0.95ha on average. Large numbers of project members is due to inappropriate planning, which in most instances had contributed to members losing interest and staying away from projects.

Institutionally, ineffective management structures (e.g. CPA committees) have resulted in a lack of direction in most of the projects. Although in many instances a lack of activity on the farm contributed to members losing interest in the project, there is also an element of conflict among project members, in which committees were blamed for allegedly misusing project money, for failing to pay back loans (Moso) and for poor management of the project (Tshwaraganang).

The committees are supposed to be democratically elected by CPA members to manage the affairs of the project on their behalf. These structures are expected to carry out administrative responsibilities, which include drawing up and managing budgets, keeping and managing records of the projects operations. Without the appropriate skills, it is difficult to operate these projects properly.

It appears from the case studies that for most projects annual general meetings have not been arranged. The reasons being that there are very few active members, many have lost interest and would not bother to come to meetings. Another reason could be that the active few are too busy, struggling to make farming work to worry about

AGMs. Some members have indicated the need for these meetings so that certain decisions or proposals could be approved or sanctioned. The failure to hold AGMs means that committees can not be replaced, as elections never take place. This results in non- functional structures that impact on operations of the project because the active members will always have doubts regarding the legitimacy of their decisions in the absence of the majority of the membership.

5.2.6. Effectiveness of support programmes and services available to new farmers in the Vaalharts scheme

This section analyses support programmes and other services, such as financing that are available to new farmers at the Vaalharts and its effectiveness. Support in this instance, entails development assistance that is provided, subsidised or freely available, by government or NGOs, while services refer to services that are paid for, e.g. from credit providers or financial institutions.

5.2.6.1. Provincial Department of Agriculture (PDA)

The PDA's role in land reform is supposed to be to provide pre- and post-settlement support to land reform projects[27]. Pre-settlement support involves evaluation of the agricultural potential of the farms to be bought and in some instances development of business plans[28]. Post-settlement should include extension service, training and assistance with infrastructure development and advice on marketing of produce. However, the practice at present is far from the ideal.

According to the findings of this study, the PDA support to new farmers in Vaalharts is limited to the development or upgrading of irrigation infrastructure and provision of tractors and implements through CASP and extension service to a lesser extent, which according the study has not been effective because of its ad hoc nature, as already noted. The PDA's involvement began with the introduction of CASP in 2005, whose support had only reached three out of the eight projects at the time of the study.

[27]Strategic Plan of the Department of Agriculture and Land Reform, 2005-2010, DOALR.
[28]Some business plans are outsourced using the planning grant, which is part of LRAD grant

The marketing of produce on the surveyed projects was also found to be an initiative by farmers themselves and because of the local demand (particularly for lucerne as their main crop) marketing did not seem to be a problem. However, PDA's assistance should have been on improving yields and quality of produce. Training from PDA was found to be lacking, and where training took place it was only by FARM-Africa (on projects where it is involved) and by the National Development Agency which occurred once for Bonita Park Olives project. A widespread view among beneficiaries is that the extension service does not reach them. For instance in the case of Iphemeleng, members had to go to the Extension Office to seek assistance with the CASP application, after hearing about CASP from other projects.

From discussions with project members it appeared that the preferred norm is for the Extension Officer to visit these projects twice weekly, especially where production is taking place, compared to twice a month, which is the case currently.

5.2.6.2. FARM-Africa

FARM-Africa has been giving support to land reform beneficiaries in the Northern Cape since 1998. The support initially was just for training and capacity building, mainly on land and resource management. The assistance has lately expanded to include some financial assistance, such as livestock banking and money for production inputs in some instances, for instance Tshwaraganang. It currently supports 35 projects throughout the Northern Cape but their only projects in the Vaalharts scheme are Tswaraganang and Kopano. According to Joseph (2005) the expansion of support to more land reform project, Vaalharts included, will obviously be determined by the availability of more funds, which would also increase capacity in terms of staff.

FARM-Africa's support appears to be making a difference in projects in which it is involved, for instance in Tshwaraganang and Kopano. The question though is whether the current progress could still be maintained after FARM-Africa's exit, which could be the area for future research. According to Joseph, it is their plan to reach out to more projects, and it is what their proposal for funding (donor funding) always attempts to do.

5.2.6.3. Financial support and services

Some of these projects, like Kopano, received grants from DLA (in the form of the balance of their LRAD grant); Tshwaraganang and Kopano were assisted by PDA through CASP, while Batsamaya Mmogo, Iphemeleng and Ditaung have applied for 2007/08 funding. Tshwaraganang also received R150 000 grant from FARM-Africa. Projects do not receive money from CASP or from the balance of LRAD grants, but obtain payment for services rendered and purchases are made on behalf of the projects.

It was clear from discussions with members that most projects are not keen to approach banks for assistance out of fear that they may not be able to repay the loan, resulting in the their farms being put on auction and the subsequent loss of what they value most. As echoed by Gittinger (1982: 31) small farmers are not prepared to take risks that could involve losing what they see as a source of livelihood. A common view amongst project members is that the PDA should see to their financial assistance, whether directly (financial assistance) or indirectly (by paying for the services/equipment needed) until such time as they have generated sufficient capital to manage by themselves. As no time frame is suggested for such grant funding, it is possible that such support is expected to be there always.

This raises a question around their readiness to be independent and operate economically without subsidisation. While grants should be provided to land reform beneficiaries, as a start-up for production, they are not supposed to be infinite and such projects should be sustainable. As stated in the CASP document[29], CASP is a once-off grant. Although it has six pillars of support that it must provide, its implementation has so far failed to address all six pillars, attending mainly to infrastructure and ignoring the critical pillar of training and capacity building so important for the sustainability of the projects.

With regard to financial services, most land reform projects in the Vaalharts scheme have not approached banks for credit, except Tshwaragang and Moso which were

[29] Comprehensive Agricultural Support Programme, www.nda.agric.za

funded by Land Bank and ABSA for production loans of R650, 000 and R200, 000, respectively. Neither of the two projects managed to service their loans because they have been producing at a loss.

Access to credit from agricultural co-operatives to new farmers in Vaalharts has been minimal. By the time of this study, it was only SENWES Co-op that supplied inputs and assisted with the marketing of wheat and maize for Moso project. GWK is providing credit services to land reform projects in other parts of the province but not yet in Vaalharts. According to Borman[30] they are planning to extend their services to Vaalharts' new farmers in the near future.

As evidenced from the case studies, a comprehensive package of support and services is greatly needed if the redistributed farms are to get into real production. Given the availability and potential for other role players it would be unreasonable for the state to pay for everything as project members seem to be demanding, for instance the expectation of Ditaung farmers, who will soon be getting a tractor and implements from CASP funding, but feel that they might not be able to start production because they still need inputs, looking at PDA to provide for that as well. This might create over-dependence, where farmers will never see themselves ready to face the challenges of the liberalised economy, of which agriculture is part.

If the state could provide basic support such as farming infrastructure, equipment and the provision of skills training, farmers should be able to solicit production inputs through other means, e.g. credit or even some form of grants from other role players in the private sector. If the state were to assist it should only be for the first cycle of production, which must be planned properly in terms of production and market for the produce. It must be clearly understood that the income gained from this must be used for the next cycle. This would require skills along with proper extension support for advice and guidance, which can be complemented with support from private institutions, most of which are already involved as the case studies have shown.

[30] Meeting between GWK and the Department of Agriculture and Land Reform, 5 June 2006

Of critical importance though is commitment and willingness to make projects work from the farmers, in this instance, project members, so that all the support that is given becomes fruitful and is able to make a difference to their livelihood. Farming, like other business endeavours, requires people who can see the business opportunity, who are willing to take and manage the accompanying risks and who are ready to acquire the needed resources, skills and knowledge to ensure the successful operation of the farm as a business venture. This inherent characteristic has not yet been found in most land reform farmers.

There is a need also for the new land reform farmers to understand that farming like any other business venture is risky and that knowledge and skills are the main tools for survival, not necessarily money alone, hence the need to build their capacity.

5.2.7. Views of other role players on the performance of land reform projects in the Vaalharts scheme

This study involved interactions with various role players, as discussed above. They included commercial farmers, agricultural co-operatives, banks and NGO such as FARM-Africa. Such interactions were intended to establish the views of role players, other than the intended beneficiaries of land reform in Vaalharts, to establish what could be constraining land reform projects from realising optimum production.

A widely shared perspectives among those interviewed is that land reform fails to achieve its objectives because of poor co-ordination within and between government departments. Ideally the departments should ensure that land transfer to the new farmers is followed up with the necessary support. Planning between DLA and PDA for instance, has never integrated nor aligned. As a result there is always a gap between land purchase and post- transfer support.

Commercial farmers made the point that there is a general misconception common among intended beneficiaries that farming is a quick and easy money-making venture. This often results in insufficient and inappropriate planning.

According to Mr. van der Merwe (Agri Northern Cape chairman in Vaalharts) "people tend to ignore some of the risks associated with farming, such as natural disasters and prices volatility. These are the main factors that usually break farmers, as the farmers would get less than what they expected. The result is low or in some instances no profit at all".

He argued that all these factors should be taken into account when production is planned. This has not been the case with many land reform projects because of the constraints they are faced with as already discussed in previous sections.

This opinion was echoed by representatives of the commercial banks, who also emphasised the challenge of keeping records of farming operations. For Mr. Symington[31] (Agri-business manager at Standard Bank), keeping of records is critical for any business venture so that the owner should be able to know whether the business is making a profit or is operating at a loss.

"This is also important information that is looked at when a loan has to be granted", he said.

From FARM-Africa's point of view, lack of skills in land use management, along with lack of production inputs and the necessary tools or implements, are the main factors that lead to failure or under-performance of projects.

The problem of excessive numbers of members in projects was also raised. In the opinion of Mr. Moller (President of Agri Northern Cape), projects that have large numbers of members should have a qualified farm manager to would work with selected members on specific tasks.

"This will also ensure a clear division of labour and responsibilities, thus minimising tensions".

[31] Discussion of 3 August 2006, at provincial female farmer of the year awards in Colesburg

The success of this will be dependent on the availability of financial resources and a feasible business plan. The farm manager should also be there to transfer skills to members to prepare them to take over management at some point.

For SENWES, another factor is the limited potential of the land relative to the number of intended beneficiaries per project, which is often not taken into account when land is redistributed. It should be evident that most members are unlikely to obtain benefits from the project.

5.3. Conclusion

1. The success of land reform in South Africa is highly dependent on sound pre- and post- transfer planning that will see sustainable utilisation of the land after transfer.

   From several statements and comments made by the Minister of Agriculture and Land Affairs[32] and officials within the Ministry of Land Affairs[33] it is evident that the land reform process in South Africa is beginning to make new moves towards meeting the target of having 30% of productive agricultural land in the hands of blacks by 2015, though this is still on paper and has not yet been realised. This could be viewed as an implicit acknowledgement of criticism and pressure from all quarters that land reform in South Africa is proceeding at a snail's pace and ought to be fast-tracked. Of concern though is whether post-transfer support services will be able to catch up if this fast-tracking materialises.

2. Support takes too long to realise and most transferred land takes years to come into production, and even then is at a very low level. Plans to fast track land reform should therefore proceed along with plans to fast track post-transfer support so that the existing gap does not grow bigger. There is already a backlog of support services on the transferred land and this study has shown how the majority of land reform beneficiaries are struggling to make ends meet and are left

[32] Key message from the Minister's media briefing, 7 September 2006, www.dla.gov.za
[33] "Gwanya reveals new land acquisition plans" Farmer's Weekly, 8 September 2006, page 14. Refer also to comments by Mr. Thomas, Land Affairs Director General, City Press, 11 February 2007, page 11

to survive on their own. Hence, it is critical that measures are put in place for immediate support after transfer.

3. The question of the intended farmer's livelihood has not been taken into consideration when projects were planned. To the new owners/ beneficiaries, it is of primary importance that the farm generates economic profits which they can share.

4. A widespread view among land reform and development activists is that land reform alone will not address the inequalities in mainstream agriculture in terms of access and participation by previously marginalised groups. Land reform should therefore be embedded within a broader economic reform, where other necessary resources, such as production inputs and relevant skills are made available.

5. Production on these land reform projects is not sustainable because of lack of money for inputs. In instances where returns are realised, from the previous crop for example, they are often low and are used for other purposes, such as consumption, instead of being invested back into the farm for the next season's production.

6. Along with the necessary inputs should be the improvement of farming skills and know-how for new land owners, which is critical to their farming practices and the management of their farms. This has not been the case for many land reform cases in South Africa. Vaughan and McIntosh (1993), discussing the importance of farming skills in agricultural commercialisation holds a view that: "… with most commercial crops, it is necessary for traditional farmers to unlearn their previous farming practices before they can become successful farmers."

7. PDA's involvement in providing support to land reform farmers was found to be lacking. It was supposed to be through extension service that farmers' training needs were identified and production planning done to assist new land owners to understand their farming requirements better so as to be able to farm properly.

8. A market exists for crops such as lucerne, which land reform farmers are in a position to produce, and this should serve as the basis for proper production planning, together with good farming practices.

9. Projects are under pressure to redistribute income among members, and repayment of loans is not prioritised. Equally, financial and farm management skills are lacking, implying that projects will continue to run at a loss.

10. In some cases project members have resorted to leasing the land to interested white commercial farmers in order to raise capital. However evidence from the case study shows that, if not handled with the necessary expertise, especially on the part of project members as lessor, leasing the land might not necessarily achieve what was intended for, but get members into unnecessary legal battles with which they might not be able to deal. The other challenge is that renting might be indefinite, project members regarding it as source of income and they might end up not wanting to get into their own production.

11. LRAD is intended for commercial production, but the commercial aspect especially in the study area has not been realised. This shows that as long as the design of LRAD projects remains unchanged, the commercial intentions of this sub-programme of land reform might never be accomplished. It had become clear that the "large group" projects that characterised SLAG was not the appropriate land delivery mechanism, hence the replacement of SLAG with LRAD. It however appears that the same SLAG approaches are still embedded in the LRAD.

12. The current grant scale of R100, 000 maximum grant per individual compels applicants to group together in order to meet the land purchase price, otherwise they will not afford to buy the land, especially if they cannot secure the loan from the Land Bank and complement the grant to make up the price. As already discussed the loan later becomes a burden because projects often find repayment difficult. The inference is that land value and prices were never taken into account when the grant scale was developed. A review of the scale is warranted to make

the land affordable and to address the issue of too many members acquiring a small piece of land.

Land reform in South Africa is considered to be among the key national development strategies aimed at reducing rural inequality, improving food security and livelihoods and overall welfare of rural population.

This study concludes that the land reform farms in the Vaalharts scheme have not realised their agricultural potential.

- The farms are making very little contribution towards the livelihoods of the intended beneficiaries.
- The expectations of the state that these new farmers will contribute to the mainstream agricultural economy are not being met.
- Without immediate and comprehensive interventions the objectives of transforming the agriculture sector and improving rural livelihoods through land reform are unlikely to be realised and the status quo of dualistic agricultural sector will remain, thus perpetuating rural poverty and unemployment, which is estimated at R3.2 million Africans and Coloureds[34]

5.4. Recommendations

The main recommendation from this study is that land transfer to black emerging farmers for purposes of land reform should be done in conjunction with a complete support package that includes capital for production inputs and marketing costs; training to develop and improve farming skills; relevant technology transfer through extension service and market for the produce. Many land reform beneficiaries have never farmed before and getting them into farming without the necessary resources is setting them up for failure.

To make land reform projects realise their agricultural potential, the following support systems are necessary, not only at Vaalharts scheme but also elsewhere in South Africa as well:

[34]Michael Aliber (2003), *Testimony before the TCOE Tribunal*, Human Sciences Research Council (HSRC)

5.4.1. Aligning land transfer with required support

Any land reform project that is approved should immediately receive post-transfer support, which is comprehensive enough to get them into production. Looking at the few projects in this study where support has been given, it has been inadequate and for that reason farmers could still not farm effectively after receiving production loans. There was still a need for training to ensure that those inputs are efficiently utilised, which should have been provided by PDA.

The situation has also been difficult for other stakeholders, such as NGOs, in that in instances where capacity building is offered by NGOs, either the infrastructure is not up to scratch or implements are lacking, as was the case at Tshwaraganang and Kopano where FARM-Africa is involved.

The time elapsed between the land transfer and provision of support is also unacceptably long. PDA support to all projects that were studied, came very late, and only after the introduction of the CASP grant in 2004, and extension services were still lacking. For some projects, like Moso and Tshwaraganang, support came four years after transfer and for Boichoko, eleven years after transfer there is still no support, resulting in an unfortunate legal battle between project members and the lessee over unpaid rent, which they had hoped would contribute towards resolution of their financial problems.

This clearly shows that a disjuncture exists between the departments of Agriculture and Land Affairs. To address this, there must be integrated planning that will see the two departments synchronising budgets and activities so that projects that are approved by PLRO are also budgeted for by PDAs through CASP grant funding or other sources, such as Food Security fund, in the case of Northern Cape PDA.

Nationally, CASP is the only funding programme thus far that is specifically aimed at supporting land reform projects. Currently planning and allocation of CASP money is done a year preceding the funding and for projects that were transferred either during the year of planning or in previous years. This implies that projects that are approved

during the year of CASP implementation can only be funded a year or more after the transfer and not all of them can get funding due to budgetary limitations.

The study therefore recommends the review of CASP planning and disbursement that will see CASP money available throughout the year so that projects that need funding do not have to wait too long. Delays have resulted in lands lying fallow and project members losing interest in their projects. The Department of Agriculture should therefore start a process of negotiations with the National Treasury as early as possible.

5.4.2. Developing farming skills for land reform beneficiaries

Farming, like any other business venture requires particular skills to be successful. The findings of this study show that access to production inputs alone is not enough to make a success out of farming. Most land reform farmers at the Vaalharts scheme have not received any training, either technical or managerial, that could have enabled them to manage their farms.

As a recommendation for PDA, training for land reform projects must be developed to meet specific needs for specific farmers, in other words it must be enterprise specific. For instance, training for land reform farmers in the Vaalharts scheme should be on lucerne, which is their main crop. This should be complemented by continuous extension support for technical and business advice.

The training should also designed in such a manner that it is hands-on and with follow up sessions on site (on the field) to ensure that farmers are able to implement what they have learned. The fact that the literacy level of the majority of land beneficiaries is low makes practical on-the-field training more vital.

As part of a turn around strategy for projects that have a commercial focus, such as Tshwaraganang, Boichoko and Moso in the Vaalharts scheme, PLRO and PDA should consider revising these projects' institutional arrangement. The arrangement could be that a small team of beneficiaries, obviously the ones that are currently active, be allowed to lease the land from the CPA so that their current activities on the

land could be formalised and legalised because the study has proven that if the rest decide to return to the project, it will be difficult for them all to get involved in farming at the same time. The other option could be de-registration of members that are no longer participating. This will not only guarantee security of the active ones (in terms of land ownership and earnings generated from the farms), but also make capacity building much easier and more focused.

5.4.3. Support for credit management

This study has shown that access to credit by land reform beneficiaries in the Vaalharts scheme is not a constraint, but the problem is how that credit is managed.

As evidenced from the case studies, failure to repay loans was due to poor production, compounded by poor financial planning and management on the part of project members. It is therefore crucial that, over and above skills training for day to day management of the farm, especially where credit is involved, creditors or lenders should assist land reform farmers with risk mitigation strategies. This should include prudent production and financial planning to minimise financial risks. The farmers must understand the importance of this and learn to follow the recommended plans. After receiving loans, projects were left to fend on their own and the only time when contact was made with the bank was when repayments have failed and interest accumulated. Creditors/lenders must keep constant contact with the farmers for possible early warning signs.

Of critical importance for financiers as well is that financing must not be in excess of the farming operations' ability to repay the credit, as it has been the case with some of the projects in this case study. The projects were granted loans without really checking and without confirmation that they had the capacity to repay. It appears that the decision to grant such amounts was informed by the value of the collateral - which is the land and fixed assets - rather than on the track record or ability to repay of the farmers concerned.

The Government's MAFISA (micro credit) programme has also not yielded fruitful results at Vaalharts. Although a report from a pilot study conducted in Limpopo,

KwaZulu Natal and Eastern Cape provinces is still awaited[35], preliminary findings indicate the failure of the programme to meet emerging farmers' credit needs, especially the 8% interest rate, which many feels is too high for emerging farmers to manage as well as the credit limit of
R100, 000, which is often inadequate to purchase essential equipment and implements. If MAFISA was designed with emerging farmers in mind, its products should be designed to meet the needs and requirements of the targeted beneficiaries. Addressing these concerns could possibly change the attitude of land reform farmers in Vaalharts towards taking production loan.

5.4.4. Increasing extension capacity

Although the study shows a certain degree of involvement and assistance to land reform beneficiaries in the Vaalharts scheme (e.g. in preparation of business plans as part of applications for CASP funding), very little is done in term of after care support. Traditional extension support, in terms of advice and technology transfer to ensure good farming practices and to ensure that a return on investment is realised is the most critical service that can be supplied to new farmers. As already stated most farmers do not have much farm management capability. This calls for carefully planned and clearly focused post-settlement programmes led by PDA.

As projects are not homogeneous each project must have its own extension programme to meets its specific requirements. To achieve this, PDA should consider increasing the current capacity of extension service, not only in the Vaalharts area, but throughout the province. There is at present one Extension Officer who is responsible for Phokwane local municipality, under which Vaalharts area falls, who services 1 581 emerging farmers. Although support is also given to the 1 045 commercial farmers, it is very minimal because most commercial farmers are resource sufficient as compared to emerging farmers and the main official focus is, in theory, on emerging farmers.

[35] MAFISA progress report, presentation by D. Kekana, 5 December 2006, Kopanong Conference Centre

Considering the intensity of agricultural activities in the Vaalharts scheme there should be at least one Extension Officer assigned for that area alone. Collaboration between extension officers and other role players involved in agricultural development could also assist in terms of complementing one another with regard to knowledge and information to the benefit to farmers. Considering the rapid change of technology, it would be appropriate that Extension Officers are also capacitated through advanced training courses so that they are able to keep up with new technologies, and are able to advise on appropriate services. Specialist training for Extension Officers on the specific needs of first-time farmers would also be appropriate.

5.4.5. Addressing excessive numbers of members within land reform projects

Land reform projects in South Africa are characterised by large numbers of beneficiaries because of the way the land reform programme has been designed, particularly the size of grants relative to the size of the parcels of land that come onto the market. These big numbers have in many instances made management of projects difficult and frustrating for those management structures that are elected to manage and administer the affairs of the projects. Negative group dynamics are contributing to the non-sustainability of many projects.

For the redistribution programme, on which this study is based, it is recommended that DLA considers the increase of the LRAD grant. Because people must pool their grants in order to acquire a property, the market value of a farm effectively determines how many people will settle on the land; not the number of people that the land can support. The current maximum grant of R100, 000 has proven insufficient for individuals or small groups to make up the purchase price. For those who are ineligible to augment this with Land Bank loans, the only option left is to club together with a large number of people so as to acquire a sizeable grant to enable them to cover the purchase price. The problem is that that not everyone in these big groups has equal commitment and interest in the project. This gives rise to conflicting ideas and interests among new land owners. The result is unsustainable and unmanageable projects that struggle to ensure equal (or any) input from all members and benefits (if any) which must be spread very thinly. It is not surprising that many intended

beneficiaries quickly lose interest as they see little prospects for income generation through their participation.

It is evident from the study that the design of land reform projects, LRAD and SLAG in particular, has contributed to the failure of these projects. This warrants a change, which as already stated, should start with the LRAD grant scale, but should also include the size of groups and the organisation of production, whether along individual or collective lines, and whether for household food production or for the market.

In light of this, the study recommends that further research should be conducted to determine a minimum sustainable size for a farm and this measure could be applied to determine the maximum number of people that should be settled on that land. The research should also determine what kind of income would attract farmers to farm sustainably on land which is given to them and what size farm would offer this, taking into account agro-ecological areas and farming practices.

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