SMALLHOLDER AGRICULTURE AS LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY IN RURAL SOUTH AFRICA: EXPLORING PROSPECTS IN PONDOLAND, EASTERN CAPE

Siyabulela S. Manona

A thesis submitted in fulfillment of the requirements for the degree of Masters of Philosophy (Land and Agrarian Studies)

Programme for Land and Agrarian Studies

Faculty of Economic and Management Sciences

University of Western Cape

October 2005
DECLARATION

I declare that the “Smallholder Agriculture as Local Economic Development (LED) Strategy in Rural South Africa: Exploring Prospects in Pondoland, Eastern Cape” is my own work. All other sources, used or quoted, have been indicated and acknowledged by means of complete references. This thesis has not been submitted for a degree at another university.

Siyabulela S. Manona

October 2005

Signature

Supervisor: Dr Thembela Kepe (University of the Western Cape, South Africa)
ACKNOWLEDGEMENTS

I would like to thank the Independent Trust who has afforded me the opportunity of two consultancies within the study area, and who also gives me permission to make use of data that was collected as part of other consulting assignments.

A special word of gratitude goes to my business partner, Larry Field, for allowing me to pursue my studies. It did not go unnoticed that as a result of the studies, my contribution towards the business suffered.

A very special word of thanks goes to my supervisor, Dr Thembela Kepe, who convinced me to take up further studies, despite my busy schedule. I am most appreciative of his efforts to provide me with the courage and support, in between what was a very busy schedule in a consultant’s life and for a family man. I extend a word of gratitude to PLAAS for their support, and in particular Gretta Andipatin who always went out of her way to assist.

A word of appreciation is owed to the community members of Sipaqeni Administrative Area, who allowed me into their homes and gave time to make a contribution to this study. I also wish to acknowledge the contributions made particularly by staff members of Ntinga Development Agency, officials of the Qaukeni Local Municipality, and the Department of Agriculture. This thesis would not have been possible without the technical input from my friend and Alan Grenfel. Mr. Yoba’s contribution in making available both his time as well as some of his secondary sources has not gone unnoticed.

A heartfelt word of gratitude goes to my wife Kulula, my kids Alizwa and Lukhanyo who sacrificed quality family time in favour of my personal growth and development. My entire family was so supportive and understanding throughout the period of my studies, my wife often having to play the role of the absent father.
ABSTRACT

SMALLHOLDER AGRICULTURE AS LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY IN RURAL SOUTH AFRICA: EXPLORING PROSPECTS IN PONDOLAND, EASTERN CAPE

Siyabulela S. Manona M.Phil. Thesis (Land and Agrarian Studies)

A decade after the demise of apartheid, it appears that very little concrete improvement in rural people’s livelihoods has taken place. Research confirms this by showing that rural people constitute over 70 percent of the poorest people in South Africa. However, the post-apartheid government has been actively attempting to reverse the plight of the rural poor. Amongst several strategies employed by government to reduce poverty in rural areas are land-based development strategies, including agriculture. Despite a lack of consensus on which of these land-based economic development strategies work best to eradicate poverty in rural South Africa, agriculture is generally accepted as a crucial element. However, the enthusiasm over the potential of agriculture to boost local economic development that is evident in policy circles is not necessarily matched by evidence from research conducted on this subject in rural areas. The key research question underpinning this study, therefore, relates to the dichotomy of the government’s enthusiasm for the role that agriculture can play in uplifting the economy of rural communal areas, on the one hand, and the evidence from research indicating its past and current poor performance, on the other hand. The research question can further be captured in these two queries: (i) Other than reasons already known for the decline of agriculture in rural areas of South Africa (e.g. poor extension services, poor soils, lack markets, and so forth), what other fundamental reasons may be there for the poor performance of agricultural production in the communal areas of the former homeland of Transkei? (ii) What role, positive or negative, has government and its agencies played since 1994, in respect to agricultural development in communal areas? The aim of this study is to explore the role and the prospects of smallholder agriculture as local economic development in Eastern Pondoland, in the former Transkei homeland. The study
seeks to explore the role of agriculture in contributing to local economic development and the upliftment of the rural poor. A secondary aim is to explore the role that government and its agencies have played and could play in stimulating agricultural development in the former homeland of Transkei. The study utilizes both qualitative and quantitative research methods, including observations, semi-structured interviews, a short survey, as well as extensive review of secondary literature.

The key conclusion emanating from this study is that the resources are a major limiting factor, that there are a number of socio-economic hindrances, and that the population in the study area has outstripped the potential for agriculture as a key economic driver, with respect to commercial maize production. The study concludes that the double barrel approach of using agriculture for poverty reduction, on the one hand, and commercialization, on the other, is not working and cannot work under the current circumstances.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.1</td>
<td>Problem Statement</td>
<td>1</td>
</tr>
<tr>
<td>1.2</td>
<td>Aims and Objectives</td>
<td>5</td>
</tr>
<tr>
<td>1.3</td>
<td>Research Design</td>
<td>6</td>
</tr>
<tr>
<td>1.3.1</td>
<td>Rationale for the case study area</td>
<td>6</td>
</tr>
<tr>
<td>1.3.2</td>
<td>Summary of research methods</td>
<td>7</td>
</tr>
<tr>
<td>1.4</td>
<td>Significance of the study</td>
<td>9</td>
</tr>
<tr>
<td>1.5</td>
<td>Limitations of the study</td>
<td>10</td>
</tr>
<tr>
<td>1.6</td>
<td>Outlines of the thesis</td>
<td>11</td>
</tr>
<tr>
<td>1.7</td>
<td>Conclusion</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>BACKGROUND AND POLICY CONTEXT</td>
<td>13</td>
</tr>
<tr>
<td>2.1</td>
<td>Introduction</td>
<td>13</td>
</tr>
<tr>
<td>2.2</td>
<td>Understanding of poverty in South Africa</td>
<td>13</td>
</tr>
<tr>
<td>2.3</td>
<td>South Africa’s Government responses to poverty</td>
<td>15</td>
</tr>
<tr>
<td>2.3.1</td>
<td>South African Government Constitution</td>
<td>15</td>
</tr>
<tr>
<td>2.3.2</td>
<td>The Reconstruction and Development Programme (RDP)</td>
<td>16</td>
</tr>
<tr>
<td>2.3.3</td>
<td>Growth, Employment and Redistribution (GEAR)</td>
<td>17</td>
</tr>
<tr>
<td>2.3.4</td>
<td>Local government transformation</td>
<td>19</td>
</tr>
<tr>
<td>2.3.5</td>
<td>Land reform programme</td>
<td>21</td>
</tr>
<tr>
<td>2.3.6</td>
<td>The National Public Works Programme (NPWP)</td>
<td>25</td>
</tr>
<tr>
<td>2.3.7</td>
<td>The Integrated Sustainable Rural Development Strategy (ISRDS)</td>
<td>25</td>
</tr>
<tr>
<td>2.3.8</td>
<td>Social security and unemployment</td>
<td>26</td>
</tr>
<tr>
<td>2.4</td>
<td>Agriculture as economic driver</td>
<td>27</td>
</tr>
<tr>
<td>2.4.1</td>
<td>National programmes</td>
<td>27</td>
</tr>
<tr>
<td>2.4.2</td>
<td>Provincial Growth and Development Programme (Eastern Cape)</td>
<td>29</td>
</tr>
<tr>
<td>2.4.3</td>
<td>Some key challenges to poverty reduction in rural areas</td>
<td>29</td>
</tr>
<tr>
<td>2.5</td>
<td>Conclusion</td>
<td>31</td>
</tr>
<tr>
<td>3</td>
<td>AGRICULTURE AND POVERTY REDUCTION: A REVIEW OF THE LITERATURE</td>
<td>32</td>
</tr>
<tr>
<td>3.1</td>
<td>Introduction</td>
<td>32</td>
</tr>
<tr>
<td>3.2</td>
<td>Agriculture as a poverty reduction strategy</td>
<td>32</td>
</tr>
<tr>
<td>Chapter</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>3.3</td>
<td>Global and national debates on smallholder agriculture</td>
<td>36</td>
</tr>
<tr>
<td>3.3.1</td>
<td>Land size and efficiency debate</td>
<td>36</td>
</tr>
<tr>
<td>3.3.2</td>
<td>Traditional tenure and agricultural development debate</td>
<td>38</td>
</tr>
<tr>
<td>3.4</td>
<td>South Africa’s Dual Agricultural System: Commercial and Subsistence</td>
<td>39</td>
</tr>
<tr>
<td>3.5</td>
<td>Agriculture in Bantustan Areas of South Africa: A historical overview</td>
<td>40</td>
</tr>
<tr>
<td>3.5.1</td>
<td>The traditional economy</td>
<td>40</td>
</tr>
<tr>
<td>3.5.2</td>
<td>The rural economy to the eve of mineral discoveries</td>
<td>42</td>
</tr>
<tr>
<td>3.5.3</td>
<td>The land acts and betterment planning</td>
<td>44</td>
</tr>
<tr>
<td>3.6</td>
<td>Agriculture as Local Economic Development in the Post-Apartheid South Africa</td>
<td>45</td>
</tr>
<tr>
<td>3.6.1</td>
<td>What is LED?</td>
<td>45</td>
</tr>
<tr>
<td>3.6.2</td>
<td>Global and local origins of LED</td>
<td>46</td>
</tr>
<tr>
<td>3.6.3</td>
<td>LED and poverty reduction</td>
<td>47</td>
</tr>
<tr>
<td>3.6.4</td>
<td>The evolution of LED policy in South Africa</td>
<td>47</td>
</tr>
<tr>
<td>3.6.5</td>
<td>LED, agriculture and globalization</td>
<td>48</td>
</tr>
<tr>
<td>3.7</td>
<td>Conclusion</td>
<td>51</td>
</tr>
<tr>
<td>4</td>
<td>DESCRIPTION OF THE CASE STUDY AREA</td>
<td>52</td>
</tr>
<tr>
<td>4.1</td>
<td>Introduction</td>
<td>52</td>
</tr>
<tr>
<td>4.2</td>
<td>Location and Socio-economic description</td>
<td>52</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Eastern Cape Province</td>
<td>52</td>
</tr>
<tr>
<td>4.2.2</td>
<td>OR Tambo District Municipality</td>
<td>54</td>
</tr>
<tr>
<td>4.2.3</td>
<td>Qaukeni Local Municipality</td>
<td>57</td>
</tr>
<tr>
<td>4.2.4</td>
<td>Sipaqeni Administrative Area (AA)</td>
<td>57</td>
</tr>
<tr>
<td>4.3</td>
<td>Biophysical description of Sipaqeni AA</td>
<td>63</td>
</tr>
<tr>
<td>4.3.1</td>
<td>Climate</td>
<td>63</td>
</tr>
<tr>
<td>4.3.2</td>
<td>Vegetation</td>
<td>64</td>
</tr>
<tr>
<td>4.3.3</td>
<td>Topography and Soils</td>
<td>65</td>
</tr>
<tr>
<td>4.4</td>
<td>Historical overview of agriculture in Eastern Pondoland</td>
<td>65</td>
</tr>
<tr>
<td>4.5</td>
<td>Land use</td>
<td>67</td>
</tr>
<tr>
<td>4.6</td>
<td>Land administration and tenure</td>
<td>69</td>
</tr>
<tr>
<td>4.7</td>
<td>Conclusion</td>
<td>73</td>
</tr>
<tr>
<td>5.1</td>
<td>Introduction</td>
<td>75</td>
</tr>
<tr>
<td>Chapter</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
<td>------</td>
</tr>
<tr>
<td>5.2</td>
<td>Review of agricultural initiatives in and around Sipaqeni in the recent past</td>
<td>75</td>
</tr>
<tr>
<td>5.2.1</td>
<td>Department of Agriculture and Forestry (DAF), and Transkei Agricultural Corporation (TRACOR)</td>
<td>76</td>
</tr>
<tr>
<td>5.2.2</td>
<td>Massive Food Production Programme (MFPP)</td>
<td>84</td>
</tr>
<tr>
<td>5.2.3</td>
<td>Food security programme by Quakeni Local Municipality</td>
<td>83</td>
</tr>
<tr>
<td>5.3</td>
<td>Livelihoods and agriculture in Sipaqeni AA</td>
<td>83</td>
</tr>
<tr>
<td>5.4</td>
<td>Agricultural production patterns and feasibility</td>
<td>89</td>
</tr>
<tr>
<td>5.4.1</td>
<td>Crop production: Patterns and feasibility</td>
<td>89</td>
</tr>
<tr>
<td>5.4.2</td>
<td>Livestock production patterns and feasibility</td>
<td>97</td>
</tr>
<tr>
<td>5.5</td>
<td>O.R. Tambo maize programme at Sipaqeni</td>
<td>104</td>
</tr>
<tr>
<td>5.5.1</td>
<td>Origins of the programme</td>
<td>104</td>
</tr>
<tr>
<td>5.5.2</td>
<td>O.R. Tambo District Municipality’s approach</td>
<td>105</td>
</tr>
<tr>
<td>5.6</td>
<td>Technical Assessment of the O.R. Tambo District Municipality’s maize programme</td>
<td>113</td>
</tr>
<tr>
<td>5.6.1</td>
<td>Project selection criteria, execution, and exit</td>
<td>113</td>
</tr>
<tr>
<td>5.6.2</td>
<td>Maize yields for 2004/05 – Food security</td>
<td>113</td>
</tr>
<tr>
<td>5.6.3</td>
<td>Critical analysis of objectives, execution outcomes of the maize programme</td>
<td>117</td>
</tr>
<tr>
<td>5.7</td>
<td>Institutional and social assessment</td>
<td>126</td>
</tr>
<tr>
<td>5.7.1</td>
<td>Production units</td>
<td>126</td>
</tr>
<tr>
<td>5.7.2</td>
<td>Project Steering Committee (PSC)</td>
<td>127</td>
</tr>
<tr>
<td>5.7.3</td>
<td>Management at Project Level</td>
<td>127</td>
</tr>
<tr>
<td>5.7.4</td>
<td>Quakeni Local Municipality</td>
<td>128</td>
</tr>
<tr>
<td>5.7.5</td>
<td>Provincial Department of Agriculture</td>
<td>129</td>
</tr>
<tr>
<td>5.7.6</td>
<td>Other Strategic Partners</td>
<td>129</td>
</tr>
<tr>
<td>5.7.7</td>
<td>O.R. Tambo District Municipality and Ntinga</td>
<td>130</td>
</tr>
<tr>
<td>5.7.8</td>
<td>Need for coordination of role players</td>
<td>132</td>
</tr>
<tr>
<td>5.7.9</td>
<td>Local participation in the maize programme</td>
<td>133</td>
</tr>
<tr>
<td>5.7.10</td>
<td>Youth involvement</td>
<td>138</td>
</tr>
<tr>
<td>5.7.11</td>
<td>Theft</td>
<td>138</td>
</tr>
<tr>
<td>5.7.12</td>
<td>Perspectives of beneficiaries</td>
<td>138</td>
</tr>
<tr>
<td>5.7.13</td>
<td>Integration of crop and livestock programmes</td>
<td>140</td>
</tr>
<tr>
<td>5.8</td>
<td>Conclusion</td>
<td>141</td>
</tr>
<tr>
<td>Chapter</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>6</td>
<td>DISCUSSION AND CONCLUSIONS</td>
<td>142</td>
</tr>
<tr>
<td>6.1</td>
<td>Introduction</td>
<td>142</td>
</tr>
<tr>
<td>6.2</td>
<td>Agriculture as Local Economic Development and poverty reduction strategy</td>
<td>143</td>
</tr>
<tr>
<td>6.3</td>
<td>Policy directions/implementation</td>
<td>146</td>
</tr>
<tr>
<td>6.4</td>
<td>Conclusion</td>
<td>148</td>
</tr>
</tbody>
</table>

REFERENCES 150
LIST OF FIGURES AND TABLES

FIGURES
Figure 1: Locality plan 1– (Map of South Africa).
Figure 2: Locality plan 2 (Map of Eastern Cape, OR Tambo District, Qaukeni Municipality and Sipaqeni AA).
Figure 3: Land use of Sipaqeni AA.
Figure 4: Land tenure map of OR Tambo District.
Figure 5: Gender breakdown of Sipaqeni AA.
Figure 6: Age structure of Sipaqeni AA.
Figure 7: Household head by age and gender.
Figure 8: Perceived importance of agriculture in terms of household livelihood.
Figure 9: Most important source of income for the household.
Figure 10: Participation of landowners in the maize programme
Figure 11: Rating of Ntinga poverty alleviation program by landowners

TABLES
Table 1: Local municipalities and magisterial districts of OR Tambo District Municipality with their respective populations.
Table 2: HDI and poverty of the 10 magisterial districts in OR Tambo.
Table 3: Number of households comparison (2001 and 2005).
Table 4: Age distribution by gender in Sipaqeni AA.
Table 5: Land access patterns in the selected Sipaqeni Villages.
Table 6: Average land holding in selected Sipaqeni villages.
Table 7: Ownership of agricultural equipment and implements.
Table 8: Arable land potential breakdown.
Table 9 (a): Gross margin budget for maize grown in the Sipaqeni AA under 2005 price structures in medium potential soils.
Table 9 (b): Contract cultivation costs.
Table 10 (a): Gross margin budget for maize grown in the Sipaqeni AA under higher income price in medium potential soils.
Table 10 (b): Contract cultivation costs.
Table 11: Gross margin budget traditional system.
Table 12: Livestock kept at Sipaqeni AA.
Table 13: Livestock holding and carrying capacity in selected villages of Sipaqeni AA.
Table 14: Estimated actual carrying capacity for grazing animals assuming existing conditions.
Table 15: Livestock owned by the household.
Table 16: Conventional maize production.
Table 17: Maize using animal traction.
Table 18: Maize using no-till.
Table 19: Breakdown of actual yields for each site.
Table 20: Problems of the O.R. Tambo Maize Programme as stated by landowners.
CHAPTER 1: INTRODUCTION

1.1 PROBLEM STATEMENT

Having just emerged from over 350 years of colonialism and apartheid, South Africa is faced with the challenge of reducing poverty, which is a key legacy of the country’s historical racial inequality policy (officially known as apartheid). Since 1994, the Reconstruction and Development Programme (RDP) was the national framework adopted to address the issues of poverty and inequality (ANC, 1994). The RDP was basically the blueprint that outlined the new democratic government’s strategy of attempting to reverse the poverty situation in the country. Implicit in the RDP was the acknowledgement that the most severe poverty is located in rural areas. However, despite the strategies contained in the RDP, a key challenge for the post-apartheid government was how to go about making poverty eradication strategies contained in the RDP a reality in the poorest areas, where there is minimal or no job opportunities, poor infrastructure, poor levels of education and so forth. In 1996, the RDP office was closed down, in the midst of a public debate on what the RDP really meant for economic policy (Aliber, 2003). A decade after the demise of apartheid, it appears that very little concrete change in rural people’s livelihoods has taken place (UNDP South Africa, 2003) (also see Chapter 2, Section 2.3.2).

In 1996, the national government adopted the Growth, Employment and Redistribution Strategy (GEAR). This strategy, which was widely seen as the replacement of the RDP, entailed the liberalization of imports through tariff reduction and encouragement of export marketing assistance. More recent additions to the government’s poverty reduction strategy, which is aligned to GEAR, include the Spatial Development Initiatives (SDIs), which targets areas with both need and potential, the Integrated Development Plans (IDP) for district and local municipalities, which are tools for integrated planning; and the Integrated Sustainable Rural Development Strategy (ISRDP) and the Urban Renewal Strategies (URS), which are basically strategies to respectively
coordinate rural and urban poverty reduction efforts (Province of the Eastern Cape, 2003) (see Chapter 2, Section 2.3.3).

It is probably fair to say that, based on the Integrated Development Plans of a number of municipalities in the Eastern Cape, including the OR Tambo District Municipality (the case study on which this thesis is based), agriculture is viewed as a key economic driver (Kepe, 2004). In other words, agriculture is seen as a key element of local economic development strategy, which would eventually reduce local poverty. More specifically, the common theme in many of these strategies is that local people should make the resources at their disposal work for them. Thus, land-based development strategies, including agriculture, among many others, are often seen as crucial to the development of local economies. Despite a lack of consensus on which of these land-based economic development strategies work best to eradicate poverty in rural South Africa, agriculture is generally accepted as a crucial element thereof (Lahiff, 2002).

However, the enthusiasm over the potential of agriculture to boost local economic development that is evident in policy circles is not necessarily matched by evidence from research conducted on this subject in rural areas. According to the Provincial Growth and Development Plan (PGDP) of the government of the Eastern Cape, the province is only 20 percent food self-sufficient and the “public expenditure on agriculture in the country as a whole and the Eastern Cape has continued to decline” (Province of the Eastern Cape, 2003). The noticeable decline in homeland farming, however, appears not to discourage government in its belief that agriculture could be one of the saviours of the rural economy. In 2003, the Eastern Cape Department of Agriculture, for example, launched the Massive Food Production Program with the intention of reversing the trend of rural areas being net importers of food to being self-sufficient (see Chapter 5, Section 5.2.2 for details). Alongside the initiatives of the Department of Agriculture, various district and local municipalities have initiated an array of agricultural programs as aspects of their Local Economic Development strategies. Several other government departments, including the Department of Public
Works, and the Department of Health, have also embarked on various forms of agricultural programs, such as community or food gardens and Community Production Centres. As this thesis attempts to show, the jury is still out on whether these are successfully meeting their goals or not. Research shows that both the activities and enthusiasm displayed by government about the prospects of agriculture in the Bantustans have roots in the homeland era, as well as apartheid policies.

The most extensive form of intervention in rural areas was known as ‘betterment planning’ or ‘rehabilitation’, which was based on the 1939 Proclamation 31, and was premised on soil conservation through control of livestock and human settlements (de Wet, 1995). The impact of betterment planning is well-documented by several researchers (de Wet, 1985; McAllister, 1992; Westaway, 1997), and this includes reduction in size of arable plots in rural areas, control of livestock numbers and movement, as well as forced social reorganization within settlements. Increasing underutilization of arable fields in both former Ciskei and Transkei was one of the many responses to betterment (Andrew and Fox, 2003). McAllister (1992) argues that land shortage and population pressure started to take their toll on arable lands, which resulted in significant changes in cultivation practices. McAllister (1992:205-6) continues that a process of people “slowly ceasing to cultivate the(ir) fields and starting to develop the gardens next to the homesteads” became evident. This was also paralleled by a progressive decline on the livestock front. From the 1940s onwards, the number of livestock per capita fell in the Transkei, and Andrew’s (1992) analysis reveals that the size of livestock byres became progressively smaller in Shixini between 1942 and 1982. While there are unprecedented levels of poverty in the former homelands, there are huge tracts of land that lie unused. Many of the arable fields are increasingly being turned into grazing lands (Ngcaba, 2002) (also see Chapter 3, Section 3.2.2).

The former government of Transkei appreciated the gravity of declining food production from the time of independence in 1976. According to Nkulu (1984),
the former government adopted a 20-year development strategy (1980–2000), and self-sufficiency in food production was identified as one of the major objectives of the development strategy. The Transkei Agricultural Development Study was a significant milestone in the development of policy thinking in the Transkei. McAllister (1992) provided an extensive and incisive critique of this study's recommendations. According to McAllister (1992) the recommendations of the Study are based on flawed and similar assumptions to those of Betterment that: communal land tenure is incompatible with agricultural development, making a distinction between productive and unproductive farmers; the Transkei is overstocked and overgrazed; those who own livestock benefit at the expense of those who do not; and current animal husbandry practices are uneconomical.

Setting up Transkei Agricultural Corporation (TRACOR) in 1981 as a dedicated agricultural development agency facilitating smallholder agriculture was a reflection of the Transkeian government’s perspective on the importance of agriculture in its economy. In 1997, the Eastern Cape Government closed a number of agricultural parastatals, including TRACOR, which historically used to facilitate agriculture on behalf of Government (ATS Rural Development Services and Ikhwezi Development, 2004). Even these setbacks did not seem to dampen the government’s belief in agriculture as a key rural development strategy (see Chapter 5, Section 5.2.1 for more detailed discussion of TRACOR).

The key research problem underpinning this study, therefore, relates to this dichotomy of the government’s enthusiasm for the role that agriculture can play in uplifting the economy of rural communal areas on the one hand, and the evidence from research indicating its past and current poor performance on the other hand. The research problem can further be captured in these two questions: (i) Other than reasons already known for the decline of agriculture in rural areas of South Africa (e.g. poor agricultural extension services, poor soils, lack of markets, etc), what other fundamental reasons may be there for the poor performance of agricultural production as a commercial venture in the communal areas of the former homeland of Transkei? (ii) What role, positive or negative,
has government and its agencies played since 1994, in respect to agricultural development in communal areas?

This study is primarily a social science enquiry, adopting a multidisciplinary approach, and drawing from a range of disciplines, including agriculture, history, economics, sociology and anthropology. The study draws from some of the researcher’s insights emanating from the researcher’s long-term involvement in providing management support to OR Tambo’s Maize Production Program, between 2002 and 2004. It is fully appreciated that subsistence farmers are not a homogenous group and that they are stratified. It is often the case that people who are interested in agriculture in rural areas are the very wealthy on the one hand and the poorest on the other hand, and the interests of those who fall in the middle are quite varied and not well understood.

1.2 AIMS AND OBJECTIVES

The main aim of this study is to explore the role and the prospects of smallholder agriculture as a local economic development strategy in Eastern Pondoland, former Transkei homeland, Eastern Cape province. The study seeks to explore the specific role of agriculture in local economic development and the upliftment of the rural poor. A secondary aim is to explore the role that government and its agencies have played and could play in stimulating agricultural development in the former homeland of Transkei.

The study has the following specific objectives:

- To analyze the historical development of subsistence farming in Eastern Pondoland, including the periods before and after independence.
- To explore the potential opportunities and challenges to agricultural development in the communal areas of the former Transkei homeland. These are explored in relation to physical, social, and economic factors affecting farming in the chosen research site within OR Tambo District Municipality.
- To analyze some of the key challenges facing government and its agencies involved in agricultural development in the former homelands, with
particular reference to policy development and implementation of agricultural programs in the former homelands in the Eastern Cape.

1.3 RESEARCH DESIGN

1.3.1 Rationale for the case study area

The study focused on the villages of Langa, Ngqandulo, JB, Fama, Mangquzu, Balasi and Sigubudwini, which form part of Sipaqeni Administrative Area, located around Flagstaff, within Qaukeni Local Municipality. The study was conducted at three different levels; the first one being the broader administrative area of Sipaqeni, which is constituted of nineteen villages; the second being a more in-depth inquiry into the livelihoods issues of the seven villages (Langa, Ngqandulo, JB, Fama, Mangquzu, Balasi and Sigubudwini), which are beneficiaries of the OR Tambo District agricultural development scheme; and the third level pertained to the policies and approaches of the government intervention (maize scheme). While the researcher took account of agricultural practices and processes within the broader administrative area, much of the emphasis and detail was on the seven villages which had been self selected because of an existing maize production scheme by OR Tambo District Municipality.

Having been involved in OR Tambo’s maize program for a period in excess of two years, the researcher was known to the area and also familiar with the local communities. The land owners, and various parties associated with agricultural production processes were also known to the researcher, which created ease of accessing information. The researcher had access to valuable agricultural technical information for the selected villages. Alongside conducting this study, the researcher was also contracted by the Independent Development Trust to undertake an independent review of OR Tambo’s maize scheme, focusing on the selected project sites around Flagstaff.
1.3.2 Summary of research methods

The background to the study is that the researcher had a pre-existing, ongoing interaction with the study area, which dates back to 2002. During this period, the researcher had the privilege of spending a substantial amount of time in the study area, observing and participating in various day-to-day proceedings and meetings. The study’s field research was conducted between November 2004 and September 2005, using a variety of data collection methods, and combining qualitative and quantitative methods (Bulmer, 1983). While the two approaches differ in many ways, they also complement each other in a number of ways (Mouton, 2001). More specifically, the study entailed a combination of observation methods, in-depth interviews, a survey, and literature review.

Literature review of various credible secondary sources constituted a substantial component of the study. Secondary literature used in the study included previous studies on agriculture in rural Eastern Cape/former Transkei, provincial government documents, O.R. Tambo District Municipality planning documents, and management plans. Books and articles provided a useful historical context, information on livelihoods, and the role of agriculture in the lives of the local people. Mouton (2001) refers to literature review as being an accumulated scholarship in a discipline or field of study.

According to Neuman (2000), qualitative research methods tend to be rich in detail, sensitive to context, and capable of showing complex processes or sequences of social life. The series of interviews ranged from open-ended - focusing on thematic areas - to semi-structured, depending on the nature of data required, for both individuals and groups. Open-ended questions are the most effective route towards an authentic understanding of people’s experiences (Neuman, 2000). Qualitative research methods lend themselves to flexibility, allowing the depth and direction of the interview to be determined by the researcher.
Semi-structured interviews with various key informants, focus groups interviews with groups of largely land representatives of land owning households and other stakeholders in farming from seven villages within Sipaqeni administrative area were conducted. Those interviewed included landowners, livestock owners, tractor owners, departmental or municipal officials, and any interest groups that could be identified during the course of the study.

A survey questionnaire was administered to 279 landowners in seven villages. This constituted 28 percent of the landowners involved in the project. While the questionnaires were designed in English, all the interviews were conducted in isiXhosa, the local language of the area. As questionnaires were being completed, the researcher immediately checked them for completeness and accuracy. For the survey, seven local youth, whose first language is isiXhosa, but who were fairly fluent in English, were trained over one day in administering the questionnaire. In addition, the researcher spent at least two days with each of the data collectors in the field, giving guidance and support where required.

For data capture and analysis, a number of steps were followed. First, an application was developed to assist in capturing all the questionnaires into an electronic form. MS Visual C#.Net was used as the primary development tool. At each stage of the development process, data validation rules were integrated to ensure that the data was captured as accurately as possible. Having custom-made software, as opposed to “off the shelf” software, ensured that the application met the requirements of the researcher. The application consisted of an MS Access 2003 database with a Visual C#.Net designed interface. Second, at the conclusion of the capturing process, data was exported to Microsoft Excel 2003 for the purposes of analysis. Where Excel lacked some analyzing abilities, the data was exported to SPSS 11.01. SPSS provided some advanced analysis capabilities that were less cumbersome to do than in Excel. Data analysis was limited to the calculations of frequencies and to performing several cross-tabulations to check possible relationships between variables.
Natural resources were identified and analyzed by a qualified agriculturalist, making use of both desktop and field methods. The condition of the soils and vegetation (grasslands) was assessed via observation methods. All villages within the administrative area were visited, and a soil auger and observation were used at various intervals to check soil texture, colour, and effective soil depth. In addition, further observation of the road cuttings and exposed soils (dongas), for the colour of the soils was used to class the soils. Based on a combination of the above factors (rooting depth or water tables), including slope, soils were classed into three broad categories, high, medium and low potential. The potential was determined according to soil effective depth. The natural grazing areas were classified according to the presence of various grass species dominating within the natural vegetation, indicating the actual climax of the natural grazing, and thereby utilizing this information to assess actual grazing capacity. The grazing capacity was assessed by considering the actual condition of the natural vegetation and comparing this to natural pasture types with a known grazing capacity. The purpose of the natural resource assessment was to gather fairly broad indicative data, rather than high level of detail.

For a relatively accurate and objective means of quantification of spatial information, combinations of aerial photography, Geographical Information System (GIS), and infield surveys were used. Throughout the course of the study, the researcher attempted to adopt a flexible approach as much as possible, making use of available data to determine new directions.

1.4 SIGNIFICANCE OF THE STUDY

This study is based on the premise that agriculture constitutes one key element, within a broad spectrum of strategies that can be adopted to reduce poverty and contribute to local economic development. The study should, therefore, contribute to an already rich body of knowledge on the subject, and provide key lessons to policy makers and practitioners engaged in agricultural development in  

1 The assistance and technical input of Alan Grefell is acknowledged.
communal settings. These include national, provincial, and local governments, as well as non-governmental organizations.

More specifically, the study should do the following:

- highlight lessons, from both positive and negative experiences, that can be drawn from previous and current government interventions in agricultural development in communal areas.
- provide better insights into the possible contribution that agriculture could realistically play in alleviating poverty in rural contexts and within communal settings in particular.
- evaluate the role of government and its agencies in stimulating agricultural development.

1.5 LIMITATIONS OF THE STUDY

A study of this nature has a number of potential limitations. Firstly, the fact that the researcher has had some direct personal involvement in the agricultural programme in Flagstaff, providing management support on a consultancy basis was an advantage, but it was also a disadvantage in other respects. It was an advantage in terms of the researcher knowing the local communities and actors and also being known to them as well. This relationship created an easy atmosphere on the part of many of the respondents, which made it easier for the respondents to welcome the researcher in their homes and their meetings and to talk freely with minimum restraint. The downside of this relationship was that some of the role players in the project associated the research assignment to the researcher’s previous management support role in the community, and expected that the researcher would take immediate action regarding some of their immediate concerns. Under such circumstances, the researcher had to take pain in explaining his role as a researcher, as well as how the research would feed into broader policy formulation processes. Throughout the process of conducting interviews, the researcher consistently had to attempt to keep conscious of potential personal biases interfering in the research.
Secondly, as the researcher has a long history in the field of rural development, some of the thinking may have been shaped by personal biases, which are informed by personal experiences of long-term involvement in this sector. Thirdly, the researcher came across a number of inherent hindrances to getting reliable data in respect of farming in communal settings in the former homeland areas. This factor was compounded by the absence of information and the poor or haphazard storage of it in the former homelands, which resulted from complexities of combining different administrations since 1994. Many of the senior officials from the pre-1994 era, who could have provided a wealth of knowledge, are no longer in government and are now in positions or businesses that could potentially compromise their relationship with the OR Tambo District Municipality. Fourthly, the post-1994 government is still undergoing lots of policy changes, which made it difficult to critique some policy aspects before they had had a chance to live the test of time. Despite all the possible constraints mentioned above, the researcher consistently ensured that any findings, propositions and/or conclusions made were baked up by findings and based on sound and objective judgment.

1.6 OUTLINE OF THE THESIS

Chapter One - provides an outline of the problem statement, the aims and objectives, the research design, and the significance and limitations of the study.

Chapter Two - provides a broad background and policy context, highlighting some of the key policies that relate to poverty reduction and agriculture in particular.

Chapter Three - reviews both global and national literature, which debates merits and demerits of smallholder agriculture as an economic development strategy in poor countries. It further puts into context South Africa’s approach of using agriculture as a poverty reduction strategy.
Chapter Four - provides a broad description of the case study area, within the context of the Eastern Cape and the OR Tambo District Municipality.

Chapter Five - presents a broad evaluation of OR Tambo Maize Programme with a specific focus on Sipaqeni Administrative Area.

Chapter Six - summarizes key issues emerging from the thesis and also attempts to raise some of the key policy implications emanating from the study.

1.7 CONCLUSION

This chapter started off by outlining the problem statement and clarifying the aims and objectives of the study. It further provided an outline of the research design and the significance as well as the limitations of the study. The next chapter presents a policy background and context, particularly relating to poverty reduction in South Africa.
CHAPTER 2: BACKGROUND AND POLICY CONTEXT

2.1 INTRODUCTION

This chapter explores the general conceptions of poverty in South Africa, the nature, dimensions, and extent of that poverty, and how the post-apartheid government has positioned itself in terms of approaching the challenge of poverty at a broad policy level. The chapter starts off by discussing conceptions of poverty in South Africa. It goes on to discuss some of the key policy responses of the South African government to poverty since 1994. It is then narrowed down to a discussion of the agricultural transformation strategy as well as some of the key challenges facing agricultural development in South Africa.

2.2 UNDERSTANDING OF POVERTY IN SOUTH AFRICA

Coleman (2001) defines poverty as more than lack of income, but also as being about the lack of opportunities, denial of choices, and low achievement in health, education, nutrition and other areas of human development. This is also a sentiment expressed by government, when it argues that non-material dimensions of poverty are as important (Eastern Cape Provincial Government, 2004).

Chambers (1983; 1988, cited by Kepe, 2001:14) contends that there are five clusters of disadvantage (or dimensions of poverty) that need to be considered when attempting to analyze poverty: (i) physical poverty proper – a lack of adequate income or assets to generate income; (ii) physical weakness – due to under nutrition, sickness or disability; (iii) physical or social isolation – due to peripheral location, lack of access to goods and services, ignorance, and illiteracy; (iv) vulnerability – to crisis and risk of becoming even poorer; and (v) powerlessness – within existing social, economic, political and cultural structures.” What is important about the latter conceptualization of poverty is that it has social, economic and political dimensions to it, which need to be addressed
concurrently, and which, according to May (1998) are best understood by listening to the perceptions of the poor themselves.

Notwithstanding its status as an upper-middle income country, with a per capita income in excess of $3,000, South Africa is characterised by an enormous extent of poverty, inequality and material deprivation (Maitra, 2002). The Human Development Index of the Whites in South Africa is more aligned to those of Italy and Israel while that of Blacks is most closely related to those of Swaziland and Lesotho. Across all nine provinces, albeit in varying degrees, poverty is one of the critical challenges that the post-apartheid South Africa needs to contend with. When a simple head count is used, the Eastern Cape province has 26 percent of the poor of South Africa, this representing the highest incidence of poverty, followed by Northern Province and the Free State, (Leibbrandt and Woolard, 1999). They argue that the reduction of poverty is one of the central goals of almost all social expenditure programmes in South Africa.

In a study using panel data from South Africa, examining the impact of poverty on different households, Maitra (2002:95) concludes:

Much of the living standards among different segments of the population are the direct result of apartheid policies that denied equal access to education, employment, services, and resources to the Non-White population of the country.

This conclusion implies that much of the patterns of living standards and poverty characteristics are largely shaped along the lines that were structured by apartheid. Aliber (2003) tends to move along the same line of thinking, arguing that South Africa’s particular experience of colonialism and apartheid are the most significant factors distinguishing South Africa from the rest of Africa. The same source argues that this holds true for the causes of and incidence of poverty, in that poverty was transmitted not only through consecutive generations of households, but at the level of communities as well, in the sense that they were deprived of infrastructure and amenities, remotely situated and without economic prospects.
According to Aliber (2003), one of the constraints to addressing poverty has nothing to do with delivery capacity or financial resources, but with policy makers understanding of the nature of the poverty they seek to reduce, as well as of the appropriate measures for the different types of poverty or poor people. Government interventions that do not heed the distinction between chronically poor and episodically poor are apt to waste precious resources, conceding that in South Africa this has not happened. Poverty is especially prevalent in rural areas and particularly among Africans and coloureds, and identifies the most vulnerable groups as female-headed households, people with disabilities, the elderly, retrenched farm workers, cross-border migrants, the “street homeless”, AIDS orphans and households with AIDS sufferers (Aliber, 2003).

Leibbrandt and Woolard (1999) do not review the debate about whether poverty should be defined in absolute or relative terms, but they draw attention to the importance of the distinction, because it affects the way in which one perceives poverty reduction policies. They go further and give an example that economic growth will generally result in a reduction in the number of people in absolute poverty, but only a change in the distribution of the income will reduce the number of people in relative poverty. This kind of distinction is particularly important in the context of South Africa because as long as a significant section of the population perceives itself as deprived relative to another section of the population, there is always room for discontent.

2.3 SOUTH AFRICA’S GOVERNMENT RESPONSES TO POVERTY SINCE 1994

2.3.1 South African Government Constitution

The South African Constitution (Act 108, 1996) is in many respects the overarching legal and policy document, which lays the basis for the approaches to the battle against poverty that have been adopted by government since 1994.
Among a number of fundamental human rights enshrined in the Bill of Rights (Section 27) is:

- the right to have access to:
  - a. health care services, including reproductive health care (Section 27 (1) (a)); and
  - b. social security, including, if they are unable to support themselves and their dependents, appropriate social assistance (Section 27 (3)).

It also says that the State must take reasonable legislative and other measures, with its available resources, to achieve the progressive realization of each of these rights. In view of the injustices associated with South Africa’s history, the constitution accords various other rights, which include the right to equality, human dignity, life, political rights, freedom of trade, a healthy environment, adequate housing, and a right to property.

In response to South Africa’s history of land dispossession and skewed land ownership patterns, the constitution (1996) also lays the basis for a land reform program, which is also widely seen as having a crucial role in addressing poverty. It states in section 25 (5) that, “The state must take reasonable legislative and other measures, within its resources, to foster conditions which enable citizens to gain access to land on an equitable basis.” The constitutional provisions embedded in the Bill of Rights reflect a multidimensional approach to dealing with the country’s challenge of transformation, reflecting Chamber’s (1983) notion of five clusters of poverty.

2.3.2 The Reconstruction and Development Programme (RDP)

The Reconstruction and Development Programme was the second prime government policy document during South Africa’s transition to democracy in 1994. The central theme of the RDP was the need to reduce poverty afflicting the country’s 40 million people, thereby redressing inequalities and injustices of the
past. Access to water, jobs, land, education, and healthcare were among the priorities highlighted in the RDP (Aliber, 2003). The RDP Policy Framework laid the basis for the introduction of the RDP White Paper in November 1994, the content of which was not dissimilar to the earlier policy framework document, but arguably with a more “business friendly” and conservative bent (Bond, 2000; cited by Aliber, 2003).

According to Kepe (2002:15):

The RDP sought to integrate growth, development, reconstruction and redistribution into a unified programme, where the key goal was to provide access to basic services such as water, electricity, health, education and so forth to the poorest people (see Chapter 1, section 1.1 for details on the RDP).

2.3.3 Growth, Employment and Redistribution (GEAR)

The closure of the RDP office in 1996, and the dispersal of its staff to various government departments, coincided with the introduction of the Growth, Employment and Redistribution (GEAR) programme by the Department of Finance, which was not intrinsically incompatible with the goals of the RDP (Aliber, 2003). This constituted the third key government policy document, which provided an approach to addressing poverty. GEAR emphasized fiscal restraint, controlling inflation and interest rates, and the relaxation of foreign exchange controls, much to the applause of business leadership. The GEAR strategy, launched by government in 1996, is aimed at job creation and economic growth through reduction in the amount of debt South Africa must pay back each year on loans (deficit reduction). Given that GEAR crucially places higher priority on debt reduction and reducing social spending, it is questionable whether GEAR will address the needs of the poorest (Oldfield and Parnel, 1998). According to Aliber (2003) the critics of GEAR (Bond, 2000; Adelzadeh, Alvillar, and Mather, 1998) considered it as an inappropriate approach to solving the country’s most pressing economic problems such as unemployment and poverty.
Kepe (2002) points to the Spatial Development Initiatives as an example of GEAR-related programmes. These have received an array of criticism as lacking in implementation strategy, not being friendly to the rural poor (Pithers, 2001; Kepe, 2001a; Kepe et al., 2001). Given that a series of micro-economic reforms were also introduced alongside GEAR, it is at times difficult to find linear causal relationships. These included liberalization of imports through tariff reduction and encouragement of exports through export marketing assistance (Eastern Cape Provincial Government, 2004).

In their analysis of the inherent contradictions between the RDP and GEAR, some critics of GEAR (Kepe, 2002; Aliber, 2003) go to the point of describing the RDP as abandoned or as dead. Within the political leadership in government circles, the RDP and GEAR seem to be considered as two sides of the same coin, with the RDP being alive and working in tandem with GEAR. Government’s view on the matter is that the RDP represents an integrated and sustainable vision for the creation of the post–apartheid society, while GEAR is the macro-economic policy which will guide all other sectoral growth and development programmes of the government that are aimed at achieving the objectives of the RDP (Mbeki, 1996). Very much on the line of government, Coleman (2001) provided a list of programs that reflect government’s commitment to social spending, and these include:

- provision of access to clean water,
- building of clinics in areas where there were none,
- provision of electricity and telephone connections to people in previously under-resourced parts of the country,
- presidential lead programmes, such as the provision of free primary health care to children under the age of 6, lactating mothers, and the aged,
- social safety net including the provision of Child Support Grant, which was introduced in 1998,
- the Poverty Relief programmes allocated since 1997 for special poverty eradication programmes, over and above the money allocated to social services,
- the Working for Water Programme, and
- several Disaster Relief programmes.

Despite the robust debates around South Africa’s RDP and macro-economic framework (GEAR) since 1994, there are signs that government is making some inroads in denting poverty in its broader sense, particularly from the angle of service delivery (Aliber, 2003). Various infrastructural programmes have resulted in improved access to safe water for 4 million people, improved sanitation services for over 3 million people, 600 new clinics, over 1 million residential units, and electricity for 1.5 million more households. The same source suggests, however, that the only stated target of GEAR that has been achieved is that of reducing fiscal deficit. The actual annual economic growth, formal sector employment growth, and investment projections have not been in line with GEAR projections, leading to a phenomenon of joblessness around 2000. The causal relationship between these unfortunate developments is a matter of complex debate.

2.3.4 Local government transformation

The local government transition process was central to South Africa’s transformation agenda. The concept of co-operative government in which local, provincial and national governments are defined as spheres (rather that as the more traditional tiers) emanates from the Constitution of the Republic of South Africa (1996), which defined the new role local government was to play. Local governments, in their new mandate, are seen as having the role of creating employment and economic growth in their areas and reducing poverty amongst their local residents (Oldfield and Parnel, 1998). This new role entailed giving priority to the basic needs and promoting social and economic development.

In terms of this new conception, local government was to take the centre-stage and play an increasingly crucial role, which could not be legally impeded or compromised by provincial or national government (Bekker and Leide, 2003). The local government transition is synonymous with public service transformation, as a number of government functions were decentralized to the
local level. Ntsebeza (2003) defines this transition as South Africa’s own version of decentralization. Given the high levels of poverty, it will be interesting to see how the new local government structures, which have questionable capacity, rise up to the challenge placed on them in terms of the decentralization.

Besides some of the initial pointers set out in the Constitution, the first critical milestone in pursuit of establishing developmental local government was the publication of the White Paper on Local Government (1988). The pre-1994 local government was characterized, firstly by the lack of democracy and control orientation, secondly by racism and exclusion, and thirdly by distorted segregationist planning (Oldfield and Parnel, 1998). The new developmental local government aspired firstly to be democratic and participatory, secondly to be oriented to redress and accountability, and thirdly to holism and integration (Oldfield and Parnel, 1998).

Since 1994, the local government transition process went through two analytically distinct phases of policy: a transition phase between 1995 and 2000, followed by establishment of fully-fledged municipalities in December 2000 (Ntsebeza, 2003). In 2000, new municipal boundaries were drawn amalgamating several urban and rural municipalities, reducing the number of municipalities from 834 in 1995 to 284 by 2000. The number of councilors was also reduced, meaning fewer councilors were responsible for larger areas.

The period between 1995 and 2000 was marred by a number of teething problems in the local government sphere, largely emanating from rapid institutional change, lack of experience with democracy, and general lack of confidence and experience and skills (Cousins and Kepe, 2004; Manor, 2000). The same source (citing Manor, 2000) raises the issue that municipalities in the poverty stricken former homelands have a small or non-existent revenue base. This means that the problem of ‘unfunded mandates’ has been perpetuated, if not exacerbated. While the local government transition process has been through a number of hurdles, rural local government, which represents the areas of poverty, went through even
higher hurdles, including lack of clarity on the role of traditional leaders, until 2004.

Developmental local government offers great opportunities as well as great challenges at a local level. While some of the mechanisms of old local government were still in use, new processes, procedures, and tools to deliver services, build infrastructure, and create local economic growth in integrated and participatory ways were adopted. Some of the new tools, which are designed to allow local government to achieve the post-apartheid objectives of restitution, redevelopment, and growth at a local level, include the Land Development Objectives (LDOs) and Integrated Development Plans (IDPs).

Given the new mandate of local government, as defined in the Constitution, developmental local government is the field on which tensions between poverty reduction and economic growth play themselves out, as a reflection of national tension between policies of the RDP focusing on basic needs and the GEAR macro-economic framework that focuses on the international health of the national economy. The tension between GEAR and the RDP, alluded to earlier, is likely to be fought out at the local level within the context of developmental local government (Oldfield and Parnel, 1998). The challenge for the new local government structures in implementing their new mandate of addressing poverty and at the same time creating growth is somehow often a political or ideological battle, which will need to be resolved at a local government level on an ongoing basis.

2.3.5 Land reform programme

The pre-1994 South African government has for many years pursued an agricultural policy which had food self-sufficiency as a major objective, which was largely achieved, leaving many people food insecure (Van Zyl, Kirsten and Binswanger, 1996). The challenge for the democratic government lies in putting in place appropriate policies which will address the real and most pressing problem, of eradicating poverty and resultant food insecurity, of which the land
reform programme is a necessary but not a sufficient condition to improve, the food security situation affecting the majority of the rural population.

The land reform program is one of South Africa’s most ambitious tools of transforming the society. It largely draws its roots from Section 25 of the Bill of Rights of the South African Constitution. The White Paper on South African Land Policy, which was published in 1997, was a key milestone in bringing this constitutional obligation into operation. The White Paper states, “Racially-based land policies were a cause of insecurity, landlessness, and poverty among black people, and a cause of inefficient land administration and land use” (Department of Land Affairs, 1997:v). The South African version of land reform had three broad programmes, land redistribution, land restitution, and land tenure reform.

*Land Redistribution*

The land redistribution programme provides an opportunity for poor and disadvantaged people to access land, making use of state assistance, the Settlement/Land Acquisition Grant. Its design is premised on the willing-buyer, willing-seller basis (UNDP South Africa, 2003). The performance of the redistribution programme influenced the government’s decision to place a moratorium on redistribution grants and to review the programme in 1999. In 2000, the redistribution programme was widened to include the Land Reform and Distribution Grant (LRAD), which entails a sliding scale grant of between R20 000 and R100 000, to land reform beneficiaries matched to their contribution. In July 2005, at the national land summit, the government highlighted the willing-buyer willing-seller approach as one issue needing urgent change (Lahiff, 2005).
Land Restitution

The restitution programme is in reality a constitutionally based programme that deals with historical losses as a result of colonial apartheid policies after 1913. The Restitution of Land Rights Act (22 of 1994) as amendment provides the main legal mechanism for driving the programme. The government’s mandate to the Restitution Commission was originally to conclude the restitution process by end of 2005, but has since been extended to 2007 (Programme for Land and Agrarian Studies/PLAAS, 2005). Based on the poor track record of the restitution programme, PLAAS (2004) is skeptical that the programme can be brought to a conclusion by the end of 2005.

Land Tenure Reform

The land tenure reform programme was acknowledged as the most complex in the White Paper (1997). The tenure reform programme had a challenge of rectifying the form that apartheid government land rights took. The land rights were permit-based, with the land generally registered in the name of the state. According to the White Paper, the programme seeks to devise secure forms of tenure, help resolve tenure disputes, and provide alternatives for people who are displaced in the process. The programme is premised on the constitutional provisions that states:

A person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to tenure which is legally secure or to comparable redress. (Department of Land Affairs; 1997: Foreword by D. Hanekom)

The tenure reform programme differs from the other two programmes in that it addresses questions of tenure security on land to which people or communities have access or rights to use.

The right to security of tenure is written into section 25(6) of the South African constitution. Three key pieces of legislation have been passed with the aim of
securing tenure for Black people in the former Whites only commercial farming areas (UNDP South Africa, 2003). The first of these is the Land Reform (Labour Tenants) Act of 1996, which aims at providing a legal definition of a Labour tenant, and at converting existing or historical use rights into land ownership for legitimate Labour tenants. The second is the Extension of Security of Tenure Act (ESTA), which is aimed at protecting tenure rights of farm workers and farm dwellers living on commercial farms by establishing a legal framework for evictions.

The third piece of legislation that provides security of tenure is the Communal Land Rights Act (CLA) of 2004, which has had a long and tedious history. The process of drafting legislation that was intended to bring about solutions to land ownership and land management problems in respect of communal areas began in earnest in 1998, resulting in the 1999 Draft Land Rights Bill (Cousins, 2004). This process went through stops and starts, culminating in the Communal Land Rights Act (CLA) (Act 11 of 2004). In 2004, DLA was understood to be commissioning work on systems and procedures for implementing the Act. Despite the enactment of the CLA, confusion over roles regarding land management continues; the law is still on hold and a subject of constitutional challenge.

The land reform programme in its broader sense has shown a less than satisfactory achievement in the first decade of democracy. According to PLAAS (2004), a total of 2,493,567 hectares had been transferred through the various land reform programmes (as of 29 February 2004), amounting to 2.9 percent of total agricultural land (excluding homelands), and one tenth of the official target of 30 percent by 2015. According to PLAAS (2005) by March 2004, approximately 80 percent of claims had been settled, and those largely being located in urban areas. The question though is that most of these were settled with cash compensation. Some of the notable achievements of the land reform programme include the creation of a land reform programme that is constitutionally protected, introduction of new law to give effect to the rights and obligations contained in the
constitution, creation of a new institution such as the Commission on the Restitution of Land Rights and the Land Claims Court (Lahiff and Cousins, 2004). While the achievements should be appreciated, the slow rate at which the land reform programme is changing the land ownership landscape is a matter of concern, from the point of view of land-based livelihoods.

2.3.6 The National Public Works Programme (NPWP)

Public works programmes are a strategy that is used by a number of countries against poverty and unemployment. Given that unemployment is estimated to be affecting about 30 percent of working age South Africans, the South African government has since the transition to democracy adopted the public works programmes, which have taken various forms at different times (Adato and Haddad, 2002).² Adato and Haddad (2002) consider South Africa’s public works programmes as being among the most innovative internationally, with multiple objectives that include; not only job creation, poverty reduction, and infrastructure development; but, simultaneously, job training and community capacity building. The NPWP was initially conceptualized as an integral element of the RDP that embraced participatory and sustainable development. Poverty targeting is part of this strategy, and requires that areas of higher unemployment as well as those with infrastructure backlogs be given priority. Within those areas, the programme also lays out criteria as to who, amongst the unemployed, gets access to employment and which communities without certain physical assets get access to them. One major criticism of these programmes is that demand driven programmes are not always the best mechanism for reaching the poorest communities (Adato and Haddad, 2002).

2.3.7 The Integrated Sustainable Rural Development Strategy (ISRDS)

² It was initially termed the Public Works Programme (PWP), and was changed to Community Based Public Works Programme (CBPWP) and is now termed Extended Public Works Programme (EPWP).
In 2001, government introduced the fourth key policy strategy in its endeavour to fight poverty, one element of which is the Integrated Sustainable Rural Development Strategy (ISRDS) and the second element being the Urban Renewal Strategy (Chapter 1, section 1.1). The introduction of this binocular policy reflected a break from the preceding policy frameworks, firstly in that these reflected an appreciation of the differences in nature and extent of urban and rural poverty, and secondly in that the new policy had a 10-year horizon. Selected nodes in the Eastern Cape included Ukhahlamba, Alfred Nzo, Chris Hani and OR Tambo District Municipalities, which cover the worst off areas with regard to underdevelopment and poverty. July 2001 was set as the target date for the beginning of the rollout program of implementation in the selected nodes in the Eastern Cape (Eastern Cape Provincial Government, 2001). According to Coleman (2001) poverty targeting and alleviation is an explicit objective of both programmes, which explains why nodal points and localities identified in these programmes correspond with the landscape of underdevelopment and poverty in South Africa.

2.3.8 Social security and unemployment

The post-apartheid government of South Africa a mostly functional system of social security grants, with grants targeted at specific categories of vulnerable people on a means-tested basis, mainly the elderly, parents of young children, and those with disabilities (Aliber, 2003). Parallel to the social security needs of the country is the scourge of unemployment.

High unemployment stands out as one of the key persistent development problems that face the post-apartheid South Africa. According to official statistics (Adato and Haddad, 2002, citing Klassen, 1997), it is estimated that 30 percent of working age South African are unemployed. The National Public Works Program, a brainchild of the National Economic Forum (NEF), a policy advisory body formed in 1992 by business and Labour, became one of government’s key strategies to reduce poverty. South Africa’s public works programmes are considered to be among the most innovative in the world, with multiple objectives...
that include; not only job creation, poverty reduction, and infrastructure development; but, simultaneously, job training and community capacity building (Adato and Haddad, 2002). According to the same source (citing Hadda and Zeller, 1997), absence of poverty data, weak administrative capacity, and loss of political support from middle and upper income groups are usually identified as some of underlying causes for failure of public works programmes. The same source considers that this is not the case in South Africa, because poverty data are available, administrative capacity is relatively strong and there is a strong political commitment to target resources, but the major challenge is in targeting the poorest of the poor. This seems to highlight an inherent policy contradiction between targeting the poorest of the poor and demand driven programmes.

2.4 AGRICULTURE AS ECONOMIC DRIVER

2.4.1 National programmes

According to the Strategic Plan for South African Agriculture, agriculture is defined to include all economic activities from provision of farming inputs, farming, and value adding (National Department of Agriculture, 2003). In terms of this document, agriculture as a sector is considered important in the South African economy despite its small share of the total gross domestic product (GDP). The strategy identifies three core strategies for transformation of South African agriculture, which include equitable access and participation, global competitiveness and profitability, and sustainable resource management.

The vision for South African agriculture is that of a “unified sector served by a unimodal policy framework designed to bridge the inherent dualism and to maximize the contribution of the sector to economic growth and development” (National Department of Agriculture, 2003:11). Despite this vision, agriculture policy at a national level is largely biased towards the predominantly white, commercial agriculture, which is mostly based on large farms, mechanization, and extensive usage of high yielding inputs. Since 1990, several processes have taken place to reverse the discriminatory legislation and to improve participation, while
simultaneously engaging in a process of deregulation and liberalization of the sector (see Chapter 3, Section 3.3.5). Beside land reform, the strategy is silent on how government intends to transform agriculture in the former homeland areas. For the homelands, the challenge of food security is enabling each household to produce its food requirements. The government is, on the one hand, concerned about global competitiveness, which obviously refers to the commercial farming sector, while the vast majority of people in the homelands are struggling to produce enough food to feed the household. The notion of food security, when viewed from a national level, only translates to the country producing more than the national food requirements, whereas when viewed from a household point of view, it is about the household meeting its food requirements.

**Agriculture Black Economic Empowerment (AgriBEE)**

Within the broad context of South Africa seeing agriculture as an economic driver, and in line with government’s policy of promoting Black Economic Empowerment (BEE), the BEE policy has been extended to the agricultural sector in the guise of AgriBEE policy. AgriBEE is a broad-based black economic empowerment framework for agriculture, which was announced by the President of South Africa in May 2004 (Mbeki, 2004). The first comprehensive outline of the policy was published in July 2004 by the Department of Agriculture. The objectives of AgriBEE are to eliminate racial discrimination in the agricultural sector through implementing initiatives that mainstream Black South Africans in all levels of agricultural activity and enterprises along the entire agricultural value chain (Didiza, 2004). The scope of application of AgriBEE applies to the entire value chain in the South African agricultural sector, including all economic activities relating to the provision of agricultural inputs, services, farming, processing, distribution, logistics, and allied activities that add value to agricultural products (Kepe, 2004). During the launch of the AgriBEE framework document in East London on 26 July 2004, the Minister of Agriculture and Land Affairs, Thoko Didiza, made reference to the Eastern Cape Province as one of the provinces whose economy and potential for growth will be enhanced by changes that can be made in the agricultural sector (Didiza, 2004).
It is inconceivable that any transformation of the agricultural sector could proceed without including major redistribution of productive assets, particularly land (Lahiff and Cousins, 2004). AgriBEE, in some respect, does appear to undermine existing commitments, with emphasis on land rentals, and the granting of access (as opposed to ownership) to land for farm workers.

2.4.2 Provincial Growth and Development Programme (Eastern Cape)

One of the key pillars of the Provincial Growth and Development Programme (PGDP) is building the agrarian economy in support of the poor. From a provincial perspective, agriculture is viewed as a key economic driver towards building the agrarian economy, not to the exclusion of manufacturing and tourism. Part of the argument advanced by the PGDP is that South Africa is under-agriculturalized compared to other middle income countries, and that the development of agriculture is seen to have high potential (Eastern Cape Provincial Government, 2004). The PGDP’s long-term targets to 2014 are outlined as food self-sufficiency in the province and seeking a reduction by 80 percent in the proportion of households living below the poverty line. The strategy towards achieving this objective entails raising maize production in Alfred Nzo, OR Tambo, and the northeastern parts of Amathole District Municipalities.

2.4.3 Some key challenges to poverty reduction in rural areas

There are a number of challenges, which have consistently been referred to as key challenges to either the eradication poverty or development, including shortage of capital and availability of credit (Porter and Howard, 1997). Poor infrastructure, lack of capital, credit, and marketing, road networks and transport services for both input supplies and market access. Marketing of agricultural produce, when there is excess produce available, is barely developed in the former Transkei, in part because of the limited nature of transportation and other infrastructural facilities. Given the high levels of unemployment, there are limited resources to invest back into agriculture (Kepe, 2001).
**HIV/AIDS**

The number of South Africans afflicted with HIV/AIDS has been estimated to be in excess of 5.58 million. The pandemic has had a disproportionate impact on poor communities, permanently trapping many of the affected families in poverty (UNDP South Africa, 2003). The problem of HIV/AIDS prevalence is particularly affecting the rural provinces such as the Eastern Cape. According to FAO (2005), HIV/AIDS is becoming a greater threat in rural areas than in cities. In absolute numbers, more people living with HIV/AIDS reside in rural areas, with the epidemic spreading with alarming speed into the remotest villages, negatively affecting production and threatening the very life of rural communities.

Experience from other countries reveals the following trends:

- A threat to agriculture and household food security. As adults fall ill and die, families face declining productivity as well as loss of knowledge about indigenous farming methods and loss of assets. The increase in time spent on caring for the sick and dying reduces both farm and domestic labour resources.

- A threat to sustainable agriculture and rural development. It depletes the regional districts of its food producers and farmers, decimating the agricultural labour force for generations to come. Rural communities bear a higher burden of the cost of HIV/AIDS as many urban dwellers and migrant labourers return to their villages of origin when they fall ill. At the same time, household expenditure rises to meet medical bills and funeral expenses. Knowing one’s status is the first step towards preventing the spread of HIV/AIDS. Voluntary testing and counseling facilities are least likely to be available in the rural areas.

- While the number of productive family members decline, the number of dependents grows. The loss of productive members of society affects household capacity to produce and buy food.

- A threat to women and girls. Infection rates in young women can be 3-5 times higher than among young men, as a result of both biological and social factors (FAO, 2005). Women and girls also face the greatest burden...
of work, given their traditional responsibilities for growing food and caring for the sick and dying. Some experiences show that some girls have even been withdrawn from school to help with care giving. Women whose husbands are migrant workers are especially vulnerable, as their husbands may have other sexual partners. Women may themselves engage in commercial sex in periods of economic stress.

According to UNDP South Africa (2003), the poverty that results from AIDS interacts with other dimensions of poverty to generate a vicious cycle. Encouragingly, the link between poverty and HIV/AIDS has been recognized in South Africa, with government focusing on dealing with root causes of poverty. While there have been positive attempts by various government departments to develop and implement policy responses to the epidemic, little progress has been made with respect to mainstreaming HIV/AIDS into all sectoral policies – government, business or civil society institutions, and identifying practical strategies to address the epidemic.

2.5 CONCLUSION

This chapter explored the conceptions of poverty in South Africa, isolating out some of the key strategies underpinning the South African government’s fight against poverty. The next chapter puts into context South Africa’s approach of using agriculture as a poverty reduction strategy, by reviewing global and national literature that deals with some of the issues pertinent to smallholders’ agriculture.
CHAPTER 3: AGRICULTURE AND POVERTY REDUCTION: A REVIEW OF THE LITERATURE

3.1 INTRODUCTION

Chapter 2 explored the general conceptions of poverty both in South Africa and abroad. It further attempted to explore the nature, dimensions, and extent of poverty in South Africa, and how the post-apartheid government has positioned itself in terms of responding to the challenge of poverty reduction at a broad policy and implementation level. This chapter aims to put into context South Africa’s approach of using agriculture as a poverty reduction strategy. More specifically it reviews both global and national literature that debates the merits and demerits of smallholder agriculture in developing countries, within the context of the specific history of agricultural development in South Africa. The chapter starts by reviewing some of the debates on the use of agriculture as a poverty reduction strategy. It goes on to review some of the national and global debates on smallholder agriculture. The chapter further reviews some of the debates around South Africa’s dual agricultural system, and a historical overview of the development of agriculture in South Africa. The last section reviews debates on the notion, as well as national and global history of the concept of Local Economic Development (LED) and in South Africa.

3.2 AGRICULTURE AS A POVERTY REDUCTION STRATEGY

Agriculture is one of the key sectors considered to be a major contributor to the Gross Domestic Products (GDP) of a number of countries, both the developed and developing ones. The World Bank, as one of the leading international development agencies, considers agriculture as an important economic sector. In support of the view of the importance of agriculture, particularly for developing countries, a large aspect of the development discourse around agriculture has historically focused on commercial agriculture, to the exclusion of smallholder agriculture. The issues as well as the debates surrounding these forms of agriculture are different. This thesis focuses on smallholder agriculture.
While the role of agriculture in the economies of developing countries is generally acknowledged, there is no consensus on whether it is the most appropriate way to fight rural poverty (Aliber, 2005). Dorward, Kydd and Poulton (2005) argue that, at independence, many developing countries were aware of the importance of agriculture to their development aspirations. Some of the countries saw it as a long-term economic driver for their fledgling economies, while others saw it more as a foreign exchange earner with a large reserve of unutilized Labour, ripe to be taxed to fund the development of industries on which to build a modern economy.

Aliber (2005) points to several schools of thought relating to how important agriculture is to local and national economies in developing countries. The first school of thought argues that since most people in developing countries live in rural areas and are engaged in agriculture or agriculture-related activities, agriculture is the most effective way to reduce poverty (Delgado, 1998; FAO, 2004; Irz et al, 2001; Vogel, 2005; IPCC, 2001; Lomborg, 2001). This school also acknowledges agriculture’s contribution to poverty reduction in rural and urban areas and national economies. In South Africa, agriculture is viewed as a small but important buffer against poverty for some households in the former homeland areas, as well as a strategy for wealth creation by wealthier households (Aliber, 2005). Some scholars within this school of thought have a slightly different emphasis, however. They argue that the most important determinant of food security is cash in hand rather than the ability to produce food, and that unless agricultural production moves out of subsistence to some scale of commercialization, there will be insignificant impact on food insecurity (Kistern et al, 2004; Hendriks and Lyne, 2003).

Van Rooyen and Malherbe (1991:175) suggest a positive and strong “interrelationship between agriculture development and overall economic growth.” In their evolutionary view of agriculture, the early stages of development are dominated by food production for domestic consumption; while in the higher stage
of development agriculture, the agricultural sector produces part of the national income, through employment of large quantities of resources especially labour.

The second school of thought recognizes the contribution of agriculture to poverty reduction, but attaches more importance to non-agricultural activities, e.g. rural non-farm enterprises and social services (Aliber, 2005; McIntosh and Vaughan, 1996; Manona, 1999; Hadju, 2003). While recognizing the importance of agriculture, the second school of thought puts a lot of emphasis on the decline of the sector and on its unfavourable size in relation to the rest of the economy. According to McIntosh and Vaughan (1996, cited in Aliber, 2005:69):

Agricultural growth is far less vital to the creation of livelihoods in South Africa for the simple reason that it makes up such a small part of the total economy, even though it provides some contribution to livelihoods for many people.

This school tends to be emphatic on the population trends away from collapsing land economies towards locations of more developed cash economies (Bekker, 2003).

The vast majority of residents of South Africa’s communal areas derive their livelihood from a variety of on-farm and off-farm sources (Cousins, 1999; Kepe, 1997). However, there is an acknowledgement that the contribution of farming activities to household income has declined steadily in this century, with food increasingly being imported while poverty became more widespread and changed in character (Beinart, 1992; Bank, 2001; Manona, 2001). Shackleton et al (2001) take a more optimistic position by presenting emerging evidence that natural resources, livestock production, and cropping in the communal areas of South Africa make a significant contribution to rural livelihoods in both financial and socio-economic terms.

Within the second school of thought there is one stream of scholars representing both global and national thinking who advance the phenomenon of de-
agrarianisation. Bryceson (1993) defines de-agrarianisation as a process of economic activity reorientation, occupational adjustment and spatial realignment of human settlement away from agrarian patterns. This phenomenon manifests itself through a diminishing degree of rural household food and basic needs self-sufficiency, a decline in agricultural labour effort relative to non-agricultural labour in total national labour expenditure, a decrease in agricultural output per capita in the national economy relative to non-agricultural output and a shrinking proportion of population residing in rural areas. The rising population density in rural areas results in increased pressure on the availability of land, including resources such as fuel wood and water that would have been ‘free goods’ becoming scarce and sometimes assuming a cash value. Backing up the theory, Bryceson (1993:6, citing World Bank, 1992) claims that, “World-wide, the percentage of people living in rural areas has declined from 66 percent to 55 percent between 1960 and 1990.”

Coming back to South Africa, in a study focusing on rural livelihoods, conducted in Melani village, near Alice, a small town in the Eastern Cape, the findings give an impression of a “virtual collapse of agriculture” and subsequent dependence of rural people on non-agricultural incomes, which include wages, social pensions, remittances and, to a smaller extent informal economic activities (Manona, 1989). This view is shared by Hadju (2003), based on a similar study conducted in Cutwini village in Lusikisiki, which suggests an increasing reliance on jobs instead of environment, and with agriculture not presenting an option in families lacking the tradition for it.

A second stream of thinking, also within the second school of thought, is that of scholars who advance the theory of shifting agricultural practices (Andrew and Fox, 2003; McAllister, 1992). According to McAllister (1992), land shortage and population pressure started to take their toll on arable lands in the early twentieth century, which resulted in significant changes in cultivation practices. McAllister (1992:205-6) alludes to a process of people “slowly ceasing to cultivate the(ir) fields and starting to develop the gardens next to the homesteads.” This was also
paralleled by a progressive decline on the livestock front. From the 1940s onwards, the number of livestock per capita fell in the Transkei, and Andrew’s (1992) analysis reveals that the size of livestock byres became progressively smaller in Shixini between 1942 and 1982. While there are unprecedented levels of poverty in the former homelands, however, there are huge tracts of land that lie unused. Many of the arable fields are increasingly being turned into grazing lands (Ngcaba, 2002).

A study conducted by Andrew (2003) alludes to shifts in cultivation practices, with declining use of arable allotments in favour of more intensive cultivation of home food gardens (also see Ngcaba, 2002). While the planting of arable allotments has declined over the years, use of home gardens has been seen as increasing over time. The reason home garden production (household plots) is preferred compared to fields further away from the homesteads are theft, distance from homestead, lower production costs due to management required for larger sections of lands and economies of scale.

3.3 GLOBAL AND NATIONAL DEBATES ON SMALLHOLDER AGRICULTURE

3.3.1 Land size and efficiency debate

The question of whether small farms produce more per unit than large farms is an age-old academic debate, which leans on questions of personal and national economic interests, development policy and land reform policies in developing countries (Netting, 1993). One body of literature (Sen, 1962; Khutso, 1964; Rao, 1967) comes to the conclusion that there is an inverse relationship between farm size and productivity. This view argues that large farms use relatively less labour because they can only afford to pay employees up to the point where their wages equal the return on their labour, whereas household members on small farms get no wage and require only subsistence; they can continue to work even when their marginal products are below their wages. This boils down to the view that the effective price of labour is lower on a small farm than on a large farm. According
to Delgado (1998), smallholder agriculture is simply too important to employment, human welfare, and political stability in Sub-Saharan Africa to be either ignored or treated as just another small adjusting sector of a market economy.

In support of this view, Eicher (1994, citing Lele and Agawal, 1989) gives an example of smallholder farmers in Kenya, who increased their share in the national production from four percent in 1965 to 49 percent in 1985, on farms of less than two hectares. Lipton (1994) argues that small-scale farming is more labour-intensive than large scale farming, and that when labour is plentiful and capital and land are scarce, it is generally more efficient in its use of scarce factors. In Zimbabwe, smallholder farmers tripled maize production between 1980 and 1987 and increased their share of the national marketable maize surplus from 10 percent in 1980 to 40 percent in 1987 (Eicher, 1994).

Van Zyl, Binswanger, and Thirtle (1995:13) on the other hand present a rather gloomy picture of smallholder agriculture with respect to the former homelands of South Africa, arguing that:

The poor natural resource-base and the continuous build-up of demographic pressure since the beginning of this century, through racially segmented land, commodity, input and financial markets have made the homelands ‘functionally urban’ or ‘rural dormitories’.

Citing Cairns (1990) they further point out that it is difficult to get to grips with the efficiency issues in the homelands, because of weakness of existing data which underestimates the importance of agriculture, despite it being extremely constrained by the overcrowded and poor resource base. Underlying all this debate is the fact that the majority of households in South Africa’s homelands do not have adequate land to provide for subsistence. As the case study later demonstrates, it is questionable if the size of each plot or land parcel owned by individual farmers makes it viable to plant any crops, at least for commercial purposes (see Chapter 5, Section 5.2.3). In line with this view, Sansom (1974:174) strongly argues that:
The tribal areas present no real opportunities for production of crops or animals for sale. Cash cropping demands land, and tribal lands are insufficient. Nor given the shortage of resources, are there significant possibilities for rural investment. Modern farming techniques are geared to production of cash returns, a proportion of which can be reinvested to expand or improve the farmer’s assets. With acute shortage of land, the conditions for modern farm management are subverted.

3.3.2 Traditional tenure and agricultural development debate

Traditional tenure in so far as it can facilitate or hinder agricultural development is subject to differing perspectives. One school of thought posits that the traditional system of land tenure appears to be one of the main causes of the low level of production that prevails (Wood and Van Schoor, 1976). They go further and identify past efforts to increase production within the framework of this system, which were not successful, citing such reasons as men not being farmers by tradition, the migratory labour system, the custom of sharing, inadequate training, shortage of extension personnel, and so forth.

However, Cross (1987) and de Wet (1987) both cited by Manona (1999) point out that there is no evidence to suggest that communal tenure is incompatible with development, emphasizing that it would therefore be unwise to embark on a comprehensive land-tenure reform programme in these areas. Lack of security, confusion, lack of administrative support, overcrowding and forced overlapping of land rights, breakdown of communal systems are some of the land tenure problems inherited from the apartheid system (Department Of land Affairs, 1997). Cousins et al (1999) argue that the land tenure system in communal areas was an economic constraint on households. The same source, citing Oricho (1998) provides a list of examples of small farmer projects (on state land), which are characterized by neglect of infrastructure, confusion over land rights, and underutilization. In some areas, there are tensions over mineral rights or benefits from mining. Ntsebeza (2003) also confirms the nature or extent of confusion in
respect of land administration in communal areas, identifying four main actors in communal areas as being the landowners (the community), land administrators (officials), traditional authorities and local government.

3.4 SOUTH AFRICA’S DUAL AGRICULTURAL SYSTEM: COMMERCIAL AND SUBSISTENCE

According to Lipton (1994), South Africa had one of the most heavily regulated agricultural systems in the world outside of the communist countries, which was as a direct result of a combination of racial and class measures. Africans were subject to an array of restrictions in terms of land rights, only limited to fewer than 14 percent of South Africa’s land. Controls applied to subdivision of land, marketing and pricing of up to 80 percent of agricultural production, supply of agricultural credit and inputs, and agricultural exports and imports. The macroeconomic policies which, until the mid 1980s, provided tax relief on capital investment, subsidies, and low interest rates along racial lines resulted in the emergence of South Africa’s dualistic structure of ‘two agricultures’. On the one hand, there was the large-scale, capital-intensive, heavily subsidized, and protected white-owned-farms, which provided the bulk of marketed production. On the other hand, there was black agriculture, which was heavily discriminated against in terms of land rights, pricing, marketing, extension, and infrastructure. What becomes unique about South Africa is the dualistic nature of its agricultural sector, where 46,000 largely white commercial farmers occupy 87 percent of the land, while on the other hand in excess of 2 million black households have to find their living on the remaining 13 percent (Aliber, 2005). It is within the context of the peculiar history that the development of smallholder agriculture in South Africa can be understood.

In line with this dual agrarian structure, a recent, but critical contribution to South Africa’s development policy discourse, is the extension of the notion of the dualism metaphor to the broader South African economy. The notion of “first and second economy” introduced by President Thabo Mbeki in 2003, has sparked much debate in policy analysis circles (UNDP South Africa, 2005). Some of the
questions raised by the dualism are: is it an apt description of South African reality or is it a metaphor and what value it has? If the metaphor has been of any use, it has been to draw attention to the question of the persistence of underdevelopment in South African society. It is, therefore, important to explore historical aspects of agriculture from the context of Bantustans during colonial and apartheid eras.

3.5 AGRICULTURE IN BANTUSTAN AREAS OF SOUTH AFRICA: A HISTORICAL OVERVIEW

3.5.1 The traditional economy

The pre-colonial peoples of Southern Bantu were “hoe cultivators and pastoralists who supplemented the products of herds and fields by hunting and by gathering wild foods” (Sansom, 1974:136). Land tillage was done making use of hoe and digging-stick, and making use of family labour, thereby implying a limit to the amount of land that could be cultivated in a given time-span (Kuper, 1952). Outside the home, the major brunt of agricultural work was a woman’s lot. She was responsible for weeding fields, for harvesting, threshing, winnowing, and for bringing the harvest home from the fields. Though men could help with the tasks, they were primarily a female responsibility. Women were the main collectors of veld foods, while men exclusively did handling and looking after cattle. Settlement patterns took forms that reflected strategies of adapting to particular ecological conditions, with the Eastern Bantu characterised by dispersed settlement with homes dotting the landscape, while the Westerners concentrated their dwellings and dispersed their economic activities (Sansom, 1974). Uncertainty was inherent in the subsistence production resulting from crop failure, cattle disease, drought, blight, locusts, shortage of game, and so forth. They met the situation by calculating risk and hedging one investment with another. One strategy of spreading risk, which was exploited by both the Eastern and Western Bantu alike, was the arrangement for herding cattle, whereby cattle owned by one man would be placed in the herd of another with a view of finding good grazing and escaping raids, diseases, and predators.
According to Sansom (1974), anthropologists who study the Southern Bantu unanimously emphasize two cultural elements that affected pre-colonial farming by discouraging production of surpluses. The first of these is the principle of reciprocity in exchange; the second is fear of accusation of witchcraft. If everyone has worked in the fields, everyone should have a similar return. Because wealth incites envy, the envious often accused the wealthy of witchcraft, setting them down and detracting from their position in the community if the accusation is generally accepted (Sansom, 1974). Hence the principle of sharing grain was more like sharing fortune than sharing goods. Commoners could only become wealthy in cattle, because privileged access to field labour as well as the right to keep and produce a surplus was made an attribute of political office, making it difficult for them to become wealthy in grain. Finding additional labour during the period when everybody else needed labour was difficult. The unspecialized economy was essentially redistributive, a major incentive to exchange being the need to even out surpluses between production units.

Colonial conquest impacted negatively on traditional rural economies, forcing African users to maximize their use of the land and skimp on conservation measures (McAllister, 1992). Restrictions on movement, pressure from white settlers, and frontier wars limited the extent to which new land could be occupied from the late 18th century onwards. Much of the land that was occupied by indigenous population was steadily taken away from them. According to McAllister, the growing population on a declining land resource base placed great pressure on available resources.
3.5.2 The rural economy to the eve of mineral discoveries

The discovery of diamonds and gold in the interior in 1867 and 1886 respectively had a dramatic impact on the economic landscape, resulting in a sprawl of urban settlements, a corresponding increase of agricultural commodities and price hikes (Bayley, 2000). The depression of the late 1870s, followed by droughts, locusts and rinderpest between 1895 and 1899, disrupted peasant production reducing most Africans to abject poverty, and forcing many into migrant labour (Bundy, 1988). The response of the African smallholder farmers to the new economic demands is vividly demonstrated by Bundy (1988), showing that African peasants responded by increasing productivity as well as by diversifying, taking advantage of the rising demand for food stuffs. This is a classic case of a peasant economy offering not only subsistence from agricultural effort but also the opportunity to meet the demands of the state and the attractions of the storekeeper by the disposal of an agricultural surplus. Despite all odds, a number of peasants surprisingly continued to export surplus to acquire cash, which was used to acquire western consumer items.

According to Beinart (1980), the last few decades of the 19th century imported technology, including hoes, picks, and ploughs as well as the adoption of animal draught, enabled cultivation to be expanded. The acquisition of the new implements required cash, thereby creating a dependence on the colonial cash economy. During this era, hunting and raiding declined, the homestead, rather than the communal groups organised by chiefs, increasingly became the basic unit of production. From the mid 19th century onwards the demand for labour shaped a good deal of state policy, and various measures were designed to force peasants to leave their rural homes temporarily and to enter the labour market (McAllister, 1992:202).

As most rural peasants were increasingly becoming dependent on the colonial cash economy, men went to the mines and worked a fixed period for a beast (Beinart, 1980). In many cases, cattle were a much sought after good during the post-rinderpest period, in addition to them being the favoured store of wealth. During
this period, a large number of migrants required cattle urgently and could not wait till they returned home with their wage. The recruiters who were white local traders liked the system because they made a lot of profit from supplying overvalued cattle to migrants (Beinart, 1980).

Beinart (1980) suggests that the concept of where ownership of stock was located was changed by migrancy. Before migrancy, cattle belonged to the household head because there was no one working, and as a result of migrancy, sons were no longer dependent on their fathers, resulting in decreasing family size. The new technology, coupled with wages enabled a smaller family unit to survive and reproduce itself. Beinart (1980:87) also argues that, “with less labour available in each homestead for agricultural activities, the patterns of rural production had to be adapted to meet the situation.” Children going to school by the 1920s and 1930s, according to Beinart (1980), exacerbated the effects of the smaller family structure.

The relationship between the development of the mining industry and migrant labour system, on the one hand, and its consequences on African rural economies, on the other hand, is widely covered in a range of articles (May, 1987; De Wet, 1987; Beinart, 1980; 2001). They all highlight the incremental dependence of African peasants on the commercial and industrial sectors of the capitalist economy. Beinart (1980) explores the relationship between migrancy and rural production, also providing useful historical quantitative data and trends for maize and sorghum production, showing the interdependent relationship between the two phenomena. He argues that migrant workers “could be paid less because their families were assumed to be supported by subsistence agriculture in the country, and provision for social security could be curtailed because the young, the old and the sick were supposedly taken care of by the kinship group. McAllister (1992) also argues that in time, the two types of economic activity became intertwined, with rural production dependent on the cash inputs of labour migrants, and the migrant labour system being ‘subsidized’ by the fact that migrants had a rural base to fall back on for social security and in hard times. The formation of a stronger,
and unified settler state in 1910 – the Union of South Africa, resulted in a policy environment in which African farmers were suppressed and isolated from the mainstream agriculture in order to facilitate their transformation into migrant labourers (World Bank, 1994).

3.5.3 The land acts and betterment planning

The enactment of the Natives’ Land Act of 1913 was a critical nail in the coffin of rural blacks in South Africa. According to World Bank Southern Africa (1994), the Act drew a firm line between white and black landholding, prohibiting each from entering into any agreement or transaction for purchase, hire or other acquisition. The Act deprived Africans of opportunities to own land and to farm, and simultaneously established a network of reserves, which accounted for 7.8 percent of the total area, thereby systematically creating a pool of labour for the mines (Bailey, 2000; Bundy, 1988). The subsequent Native Trust and Land Act of 1936 expanded to account for about 13.7 percent of the country.

According to McAllister (1992), despite the various setbacks, the period of greater output from African agriculture lasted until the 1930s. It could not be sustained due to:

…pressure on land due to growing population, restrictions on movement and other state policies, land deterioration and overgrazing, increased pressure to enter the cash economy and dependence on migrant labour, competition from white farmers, lack of agricultural inputs and state support for agriculture in the reserves, droughts and other natural calamities (McAllister, 1992:202).

A mention of the shifting agricultural practices, changing from fields to gardens has been made earlier (see Chapter 1, Section 1.1).

McAllister (1992) refers to betterment planning as the most extensive form of intervention in rural areas of South Africa. This planning refers to successive
attempts by various central and homeland governments to inter alia, combats the deterioration of the natural resources, and contributes towards agricultural development of black rural areas. McAllister (1992:210) identifies four key effects of betterment:

- Economic hardship and agricultural underdevelopment due to residential relocation into villages.
- Loss of local autonomy and increase regulation and control from the centre.
- Social disruption due to villagization.
- Deteriorating ecological circumstances and loss of land use flexibility.

Having provided this background on the role, prospects and history of agriculture in South Africa during colonial and apartheid years, the next section looks at the events following the end of apartheid. More specifically it focuses on agriculture as local economic development in the former Bantustans.

### 3.6 AGRICULTURE AS LOCAL ECONOMIC DEVELOPMENT IN THE POST-APARTHEID SOUTH AFRICA

In South Africa, the adoption of the concept of a developmental local government after 1994 adds a different texture to the debates, in that agriculture is viewed as a single element within the broader context of local economic development. The next section traces the history of the evolution of Local Economic Development (LED) internationally as well as in South Africa.

#### 3.6.1 What is LED?

Quoted by Nel (2001), Zaaijaer and Sara (1993) suggest that LED is essentially a process in which local governments and/or community-based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic arena. Citing Taylor and Mackenzie (1992) and Binns (1995), Nel
(2001) posits that the phenomenon of Local Economic Development defies both rigid definition or stereotyping as to what it precisely involves; bearing elements of community economic development, self reliance or self help, local coping, endogenous or bottom-up development. These definitions only provide a broad insight into what meaning underpins the concept of LED.

Whether one is looking at LED in the North or the South, LED operates at two broad levels; the formal, which is characterized by involvement of local or higher authorities, and the informal, which is characterized by action at the level of community-based organizations. Nel (2001) further emphasizes the role of partnerships between key agencies as important element of the LED strategy.

3.6.2 Global and local origins of LED

The development strategy of local economic development or LED has been widely practiced in the countries of the North for several decades now. According to Ward (1990), LED has been a defined aspect of local government administration for over a century. Reasons posited for the international proliferation of the LED concept in countries of the North are associated with the era of seeking local solutions to local problems, emanating from “dubious results achieved by traditional, regional development interventions.” (Nel, 2001:1004).

Although there is some evidence of LED dating back to World War II, applied LED is still in its infancy in South Africa, with much of the policy evolution dating back to 1994 and 1995 (Mawson, 1997). While isolated incidents of relative success can be cited, in a formal sense, it appears to be a relatively recent phenomenon and one which needs to be evaluated in terms of its potential to help to address the challenges of poverty and unemployment and simultaneously to encourage growth (Nel, 2001).

Nel (2001) sees the gradual growth of the LED concept in development discourse unfolding for reasons that are similar to those in the North. In South Africa, LED is still in its infancy, largely pursued by all levels of government within the
context of developmental local government. Nel (2001) argues that the re-emergence of the informal sector, communal farming, and various forms of community survival can be seen as a rough Southern equivalent of LED. It needs to be remembered that LED, as elsewhere, is often “catalyzed by local-level economic crisis” (Nel, 2001:1012). Job losses in the mining sector and the devastating impact of the HIV pandemic are some of the considerations in the study area.

3.6.3 LED and poverty reduction

In 1993, the United Nations Development Programme (UNDP) estimated that about 48.5 percent of the South African population (21.9 million people) fell below the national poverty line. The Human Development Index (HDI) for South Africa moved from 0.72 in 1990 to 0.73 in 1995 and declined to 0.67 in 2003, with poverty and inequality continuing to exhibit strong spatial and racial biases (UNDP, 2003). The need to understand poverty, and means of eradicating it, is one major challenge for the democratically elected government in South Africa. Following the first racially inclusive democratic elections in 1994, the government’s efforts to eliminate poverty have been frustrated by the shedding of jobs from the formal economy, as well as by the fact that successful poverty eradication measures are hugely dependent upon government and civil society capacity, which is still being built up (Aliber, 2003). It is in this context that LED became attractive as one key strategy for fighting poverty.

3.6.4 The evolution of LED policy in South Africa

LED as a form of development strategy found itself in the formal policy arena, firstly through Sections 152(c) and 153(a) of the Constitution. The constitutional provisions found their way into the Local Government Transition Act of 1993 and its 1996 amendment, placing an obligation on local governments to draw up Integrated Development Plans (Nel, 2001). The promulgation of the Municipal Systems Act, 32 of 2000, saw the consolidation and entrenchment of LED in the development discourse and practice in South Africa (RSA, 2000). The various
policy tools constitute the path in which the concept of local economic development as a component of the IDPs that municipalities were expected to compile, found itself in the centre stage of development practice in South Africa. Given the extent of changes that have taken place in local government in the past decade and the associated capacity considerations, it is not unexpected that local government is still grappling with institutionalizing LED.

It was only in 2000 that the government started to release initial guidelines about possible LED institutional arrangements and suggested strategies for local governments to begin investigating, despite the existence of laws and policies for seven years prior to this date (Nel, 2001). The Spatial Development Initiatives and the Industrial Development Zones are some of the examples of the national programmes that will impact on localities and hence LED in areas that are fortunate enough to be located in or near them.

3.6.5 LED, agriculture and globalization

*Agriculture and the macro-economic environment*

While the primary focus of the study is on smallholder agriculture within communal settings, which is largely dominated by subsistence type farming, it is important to take note of developments within the broader context of the South African economic environment. A combination of both global economic factors as well as domestic factors perhaps played a big role in South Africa’s commercial agricultural restructuring since 1994 (or even 1984). It has transformed from a substantially protected and uncompetitive industry in the pre-1990’s, geared towards local consumption and markets, to a more competitive global industry influenced by international economic trends and local political developments (Aliber, 2005). Lack of competitiveness, on the one hand, and the narrowing of profit margins, on the other hand, continues to result in the trend towards larger commercial farming operations in order to realize economies of scale (Statistics SA – Agricultural Census, 2002).
Various macroeconomic reforms that have been implemented in the past decade have had a dramatic impact on the nature and structure of the agrarian system. According to Bayley (2000:82), “the rationale for deregulation was that it would be supportive of government’s drive for economic growth, job creation and improved household food security.” There is a mixed bag of opinions on the impacts of the deregulation, with all the perspectives putting slightly different emphases on various aspects of the deregulation. Bayley (2000) presents a number of arguments which suggest a largely positive impact, and these include the removal of discriminatory segmentation of domestic markets, improved efficiencies resulting in lower real food prices, opportunities for expansion of smallholder processing, release of fiscal resources which can potentially benefit small scale producers, and so forth. Analysis of the impact of deregulation only focuses on its impact on the “first agriculture” and fails to consider the impacts on the “second agriculture” or what others may call the developing agriculture. According to Lahiff and Cousins (2004), the economic policies adopted by the democratic government since 1994 have done little to develop the smallholder sector, and may even have contributed in its long-run decline. The deregulation of commodity markets and the removal of most state support to the agricultural sector since 1990 have contributed to a climate that is not favourable to new entrants and existing smallholders. This has resulted in increased liquidations of farm businesses during the 1990’s and a reduction in the number of farmers in agriculture, a decline of 21 percent between 1993 and 2002 (Statistics SA Agricultural Census, 2002).

Trade liberalization through the reduction of import tariffs, protection on many products, and the elimination of subsidization of agricultural products resulted in producers having to face stiff competition from international producers. As a
result, farmers have been forced to respond to the narrowing of profit margins by improving efficiency, reducing costs of production, expanding operations, and becoming far more competitive in order to survive.

While it is still early days, one can argue that the impacts of deregulation are a mixed bag of positive and negative elements, which would differ from stakeholder to stakeholder. If one isolates the impact of deregulation on employment and maize as a staple food, one finds both positive as well as negative impacts. Employment in agriculture, nationally, decreased between 1993 and 2002 by 15 percent despite an increase in remuneration paid over the period of 7.5 percent and an increase in gross farming income of 37.4 percent (at constant 2002 values). This trend is based on commercial farming statistics, which is not necessarily applicable to subsistence farming set-ups (Amathole District Municipality, 2005).

On the issue of the marketing of staple food such as maize, the low maize prices would be a positive impact from the point of view of the consumer, while the same low prices bring to the fore the harsh realities of economic competitiveness for commercial farmers (AgriReview, 2005). The underlying contradiction being that, despite South Africa having produced 14,000 million tons (a combination of expected yields of 11.1 million tons and 3.2 million tons, which are a carry from last year) of maize in a market that can realistically absorb an average of 9 million tons, combined with cheap imports at low international prices, the farmers will sell at a loss. Under the circumstances, exporting of maize is virtually impossible due to government subsidies in developed countries (AgriReview, 2005). This is the harsh reality of the modern day economy, where there is plenty of food being produced while the majority in the country remains food insecure. The economic implications of the current prices are discussed further in Chapter 5, Section 5.4.1.

Much of the transformation taking place within the agricultural sector is viewed by government as an integral part of transforming the South African economy.
Agriculture is in this context viewed as one element of local economic development.

3.7 CONCLUSION

This chapter provided a literature review surrounding some of the roles of agriculture as a poverty reduction strategy. It further attempted to explore some of the global as well as national literature on the debates concerning merits and demerits of smallholder agriculture in local economic development. The next chapter shall provide a spatial, socio-economic as well as biophysical description of the study within the broader context of the province of the Eastern Cape.
CHAPTER 4: DESCRIPTION OF THE CASE STUDY AREA

4.1 INTRODUCTION

The previous chapter reviewed global as well as national literature on the debates concerning merits and demerits of smallholder agriculture in local economic development. It further attempted to put into context South Africa’s approach of using agriculture as a poverty reduction strategy. The present chapter provides a spatial, socio-economic, and biophysical description of the study area, within the broader context of the province within which it is located. The chapter starts by providing spatial location for the Eastern Cape Province, OR Tambo District Municipality, Qaukeni Local Municipality, and Sipaqeni Administrative Area, within the South African spatial context. The biophysical description of the study area is provided with a focus on climate, vegetation, topography and soils. The next section of the chapter gives a history of agriculture in the study area, followed by a brief description of livelihoods, land use, land administration and tenure.

4.2 LOCATION AND SOCIO-ECONOMIC DESCRIPTION

The area that is the focus of this study is situated within the OR Tambo District Municipality in the Eastern Cape Province. Within OR Tambo District Municipality, Sipaqeni Administrative Area, which is located within Qaukeni Local Municipality, served as the specific case study area (see Figures 1 and 2 for a locality map of OR Tambo, Qaukeni Local Municipality, and Sipaqeni Administrative Area). These are described in some detail below.

4.2.1 Eastern Cape Province

The Eastern Cape Province is one of the nine provinces of South Africa, bordering the provinces of the Western Cape, the Free State, KwaZulu-Natal and Lesotho in the north (Eastern Cape Provincial Government, 2003). The province prides itself on being the only one of South Africa’s nine provinces to have all the country’s biomes or ecological zones within its boundaries, giving it tremendous diversity of
climates. The vast interior of the Province ranges from the dry Karoo in the west to the rolling hills and cascading rivers of the Transkei in the East.

While the population of the Eastern Cape grew by a meager 1.6 percent between 1996 and 2001, it is the third most populous province after KwaZulu-Natal and Gauteng, with an estimated population of 6.4 million people in 2001 (Eastern Cape Provincial Government, 2003). Women constitute 54 percent of the provincial population, this being a reflection of the migrant labour system, and particularly evident in labour supplying areas such as Alfred Nzo and OR Tambo. In contrast, Cacadu District Municipality and Nelson Mandela Metro have a 48 percent male population versus a 52 percent female. More than half of the province’s population (55 percent) is under the age of 21, with both the 1996 and 2001 census revealing that a high proportion of people aged between 35 and 64 years are being found in
urban areas such as Cacadu (30 percent), Nelson Mandela Metro (31 percent), and Amatole (26 percent).

The manufacturing base of the province follows a distinct spatial pattern with the two automotive manufacturing areas, Nelson Mandela Metro and Buffalo City, predominating. Areas with potential for agriculture and agro-processing currently reflect limited linkages between primary extractive and secondary processing sub-sectors. In the poorer districts, which do have fairly significant levels of primary sector activity (albeit underdeveloped), such as forestry and logging in Alfred Nzo and OR Tambo, the corresponding secondary processing sectors are notably underdeveloped and consequently the economic value accruing from secondary processing is realized outside these economies” (Eastern Cape Provincial Government, 2003:30).

Based on the 2001 population statistics, the Eastern Cape Provincial Growth and Development Plan (2003), estimates the poverty rate to be 67.4 percent compared to 34 percent in 1996. The provincial HIV prevalence is estimated to be 23 percent, with the highest prevalence in Nelson Mandela Metro at 32 percent (Eastern Cape Provincial Government, 2003). This is followed by Alfred Nzo (at 26 percent), Chris Hani (at 25 percent), Amatole (at 24 percent), OR Tambo (at 23 percent), Ukhahlamba (at 19 percent) and Cacadu (at 19 percent).

4.2.2 OR Tambo District Municipality

OR Tambo District Municipality is one of the six District Municipalities in the Eastern Cape Province. It is situated in the northeastern part of the province, incorporating a large portion of the former Transkei inland areas and a significant portion of the 300-kilometre long Wild Coast (see Figure 2, insert 1: Eastern Cape
FIGURE 2: LOCALITY PLAN 2 (MAP OF EASTERN CAPE, OR TAMBO DISTRICT, QAUKENI MUNICIPALITY AND SIPAQENI AA)

Legend
- Major Towns
- National Route
- Provincial Route
- Main Road
- Setlement
- Spiqfen Admin Area (Study Area)
- Qaukeni LM
- OR Tambo COM
- Neighbouring Provinces
- Eastern Cape
- Indian Ocean

Inset 1: Eastern Cape and OR Tambo DMM

Inset 2: Qaukeni Local Municipality

Inset 3: Sipaqfen Administration Area (Study Area)
within South Africa, and insert 2: Eastern Cape and OR Tambo DM). The OR Tambo District is bordered by the Alfred Nzo District Municipality in the northeast, Chris Hani District in the northwest, and the Amathole District in the southwest. OR Tambo District Municipality is estimated to have a total population of about 1.7 million people and approximately 306,464 households (OR Tambo District Municipality, Undated, citing 2001 Statistics). OR Tambo is predominantly rural in nature, with more than 80 percent of the land being communal (Kepe, 2004 – also see Figure 4). The District incorporates seven local municipalities and magisterial districts as shown in Table 1 (Local municipalities and magisterial districts of OR Tambo District Municipality with their respective populations).

Table 1: Local municipalities and magisterial districts of OR Tambo District Municipality with their respective populations

<table>
<thead>
<tr>
<th>Local Municipality</th>
<th>Magisterial Districts</th>
<th>Total population/municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mbizana (EC 151)</td>
<td>Bizana</td>
<td>255,274</td>
</tr>
<tr>
<td>Ntabankulu (EC 152)</td>
<td>Ntabankulu</td>
<td>128,022</td>
</tr>
<tr>
<td>Quakeni (EC 153)</td>
<td>Lusikisiki, Flagstaff</td>
<td>268,560</td>
</tr>
<tr>
<td>Port St Johns (EC 154)</td>
<td>Port St Johns</td>
<td>152,166</td>
</tr>
<tr>
<td>Nyandeni (EC 155)</td>
<td>Libode, Ngqeleni</td>
<td>294,379</td>
</tr>
<tr>
<td>Mhlontlo (EC 156)</td>
<td>Qumbu, Tsolo</td>
<td>212,850</td>
</tr>
<tr>
<td>King Sabata Dalindyebo (EC 157)</td>
<td>Mqanduli, Mthatha</td>
<td>429,413</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,740,664</td>
</tr>
</tbody>
</table>

(OR Tambo District Municipality, Undated, based on 2001 Stats SA)

The OR Tambo District Municipality is the second poorest in the Eastern Cape Province\(^3\) with some areas having poverty levels of as high as 82 percent. About 67 percent of the households within the district have income levels that range between R0 and R6,000. Only 5 percent of the households have an income above R42,000 per annum (Eastern Cape Provincial Government, 2005; Statistic SA, 2001).

The Eastern Cape Province has a human development index (HDI) of 0.58\(^4\). Mthatha, which is the most urbanized area in the O.R. Tambo District Municipality, has an HDI of 0.54 with Lusikisiki and Flagstaff having 0.38 and 0.37 respectively. Table 2 (HDI and poverty of the 10

---

\(^3\) Alfred Nzo is the poorest District Municipality in the Eastern Cape Province.

\(^4\) The human development index (HDI) gives an indication of development status of the population. Nelson Mandela Metro has the highest HDI of 0.66 and OR Tambo has the lowest HDI of 0.45.
magisterial districts in OR Tambo) shows HDI and poverty of the 10 magisterial districts in OR Tambo. It contains comparative information on the human development index for the ten (10) magisterial districts within OR Tambo.

### Table 2: HDI and poverty of the 10 magisterial districts in OR Tambo

<table>
<thead>
<tr>
<th>Magisterial District</th>
<th>HDI</th>
<th>Persons living in poverty(#)</th>
<th>Persons living in Poverty(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bizana</td>
<td>0.42</td>
<td>161,438</td>
<td>76.3</td>
</tr>
<tr>
<td>Tabankulu</td>
<td>0.41</td>
<td>113,882</td>
<td>83.2</td>
</tr>
<tr>
<td>Flagstaff</td>
<td>0.38</td>
<td>111,413</td>
<td>85.3</td>
</tr>
<tr>
<td>Lusikisiki</td>
<td>0.39</td>
<td>203,463</td>
<td>75.7</td>
</tr>
<tr>
<td>Port St Johns</td>
<td>0.41</td>
<td>63,492</td>
<td>83.6</td>
</tr>
<tr>
<td>Libode</td>
<td>0.42</td>
<td>117,941</td>
<td>81.9</td>
</tr>
<tr>
<td>Ngqeleni</td>
<td>0.40</td>
<td>129,662</td>
<td>79.7</td>
</tr>
<tr>
<td>Tsolo</td>
<td>0.46</td>
<td>81,989</td>
<td>74.1</td>
</tr>
<tr>
<td>Qumbu</td>
<td>0.46</td>
<td>87,669</td>
<td>77.4</td>
</tr>
<tr>
<td>Mqanduli</td>
<td>0.36</td>
<td>117,312</td>
<td>84.5</td>
</tr>
<tr>
<td>Mthatha</td>
<td>0.54</td>
<td>182,891</td>
<td>64.2</td>
</tr>
</tbody>
</table>

Source: OR Tambo (Undated, based on 2001 Stats SA)

### 4.2.3 Qaukeni Local Municipality

Qaukeni Local Municipality is bordered by the Indian Ocean in the southeast, Mbizana Local Municipality in the east, Ntabankulu Local Municipality in the north and northwest, and Port St Johns Local Municipality in the south and southwest. The total area of Qaukeni Local Municipality, which is the southeastern part of the O.R. Tambo District Municipality, is 2,575 km². Qaukeni Local Municipality is estimated to have a total population of 268,560 (Qaukeni Local Municipality, 2002). Prior to the 2005 demarcation, Qaukeni Local Municipality was constituted by 22 municipal wards, which have since been increased to 27 in total. There are currently 122 administrative areas within Qaukeni Local Municipality.

### 4.2.4 Sipaqeni Administrative Area (AA)

Sipaqeni AA is located between the following co-ordinates: 31°01’47, 44°S and 29°34’17.6”E; 31°07’20”S and 29°35’41.7”E; 31°08’30.3”S and 29°27’36.7”E; 31°06’19.3”S and 29°26’36.1”E;
04°23′S and 29°30′48.4″E. Together with Mbhadango Administrative Area, Sipaqeni AA falls under the jurisdiction of Sipaqeni Tribal Authority (TA).7

Sipaqeni, as an administrative area has 19 villages (or tribal wards), while Mbhadango has 2.6 Sipaqeni AA is estimated to be approximately 110 square kilometers in extent. Of the 20 administrative areas within the 1 kilometre radius from Sipaqeni, it is the third largest in extent, following Nkonzo AA (144 square kilometers) and Mantlaneni AA (113 square kilometers). The average size of the administrative areas within 1-kilometer radius of Sipaqeni AA is about 42 square kilometers, with Lashale AA (0.5 square kilometers) being the smallest (Statistics SA, 2001).

The villages of Langa, Ngqandulo, JB, Fama, Mangquzu, Balasi, and Sigubudwini comprise the sample area of this study, making up 7 of the 19 villages that are part of Sipaqeni AA (see Figure 2: Land use/study area). The rest of the villages that make up Sipaqeni AA are Luduwana, Zadungeni, Nyathi, Bisi, Mngeni, Mtwaku, Gabajana, Mkhumeni, Ngcungeni, Lujeceweni, Lukhahlambeni and Sijingqini.8 The Sipaqeni AA forms an enclave in which Flagstaff town is nested. The town of Flagstaff is approximately 50 kilometers from the Indian Ocean. Figure 2 shows the positioning of the Sipaqeni Administrative Area in relation to Flagstaff town. The administrative area partially overlaps with parts of municipal wards 6, 7, 8, 10, and 11 as shown in Figure 2 in terms of the pre-2005 demarcation.

There seems to be a major discrepancy between data from the 2001 census and the survey of this present study (2005) (see Table 3). In the 7 selected villages, the 2001 census gives the total number of household at 2,264 and the 2005 survey at 3,802, which translates to 68 percent growth in the number of households. This discrepancy is attributable to a difference in the spatial constitution of the Sipaqeni

5 Sipaqeni is used interchangeably by the locals, firstly to refer to one village, which is referred to as Langa in this report, secondly to refer to the Administrative Area, and lastly to refer to the Tribal Authority.
6 Interview with Mr. Tsita, Agricultural Extension Officer with the Department of Agriculture, Flagstaff, April 2005.
7 While the study addresses issues beyond the AA, villages marked in italics are those which are the primary subject matter of the study (OR Tambo Maize Programme sites).
8 Interview with Mr. Lovemore Nodola, a retired extension officer of the Department of Agriculture and Forestry, working as an assistant Agricultural Site Officer at the time, April 2005.
AA, between Statistics SA and the locals. The 2005 survey was based on a physical count of existing households and making use of records from the headmen. Therefore, the survey population figures are more likely to be the correct ones. If the 2001 census is used to work out population density, each household has approximately 0.05 square kilometers and 0.03 square kilometers if the recent survey results are used. By whatever standard one uses, the population density is very high for rural areas.

<table>
<thead>
<tr>
<th>Village</th>
<th>Number of households from 2001 census</th>
<th>Number of households from 2005 survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balasi</td>
<td>343</td>
<td>750</td>
</tr>
<tr>
<td>Fama</td>
<td>243</td>
<td>305</td>
</tr>
<tr>
<td>JB</td>
<td>178</td>
<td>217</td>
</tr>
<tr>
<td>Langa</td>
<td>692</td>
<td>762</td>
</tr>
<tr>
<td>Mangquzu</td>
<td>295</td>
<td>476</td>
</tr>
<tr>
<td>Ngqandulo</td>
<td>145</td>
<td>295</td>
</tr>
<tr>
<td>Sigubudwini</td>
<td>368</td>
<td>1,033</td>
</tr>
<tr>
<td>Totals</td>
<td>2,264</td>
<td>3,802</td>
</tr>
</tbody>
</table>

The 2001 census estimates an average household size of 5.2, with 54 percent of the population being women as shown in Figure 5 (Gender breakdown of Sipaqeni AA). The survey results in Table 4 (Age distribution by gender in Sipaqeni AA) show males constitute a 48 percent while females constitute 52 percent. Given the sample surveyed, the margin is negligible, but the survey data may also reflect a narrowing of the gap possibly as a result of the job losses in the mining sector, which affected this part of the country quite seriously.

In terms of the 2001 census, nine percent of those who were employed earned a monthly salary of up to R1,600, 0.9 percent earned between R1,601 and R3,200, 0.6 percent earned between R3,021 and R6,400, and 0.3 percent earned salaries in excess of R6,400. This suggests that despite the high levels of unemployment, the salaries of those who have employment are generally low (Statistic SA, 2001).
Figure 5: Gender Breakdown of Sipaqeni AA

The 2001 census data suggests that there is a high dependency ratio within the Sipaqeni AA, which is a result of at least 60 percent of the population being aged less than 20 years. Based on the sample surveyed 52 percent of the population are between ages 0 and 21 (see Figure 6, Age structure of Sipaqeni AA and Table 4, Age distribution by gender in Sipaqeni AA). The high proportion of youth within the age structure of the study area is particularly relevant when considering the targeting of any skills development programme in agriculture.
Table 4: Age distribution by gender in Sipaqeni AA

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age category</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-14</td>
<td>15-21</td>
</tr>
<tr>
<td>Male</td>
<td>387</td>
<td>176</td>
</tr>
<tr>
<td>Female</td>
<td>416</td>
<td>152</td>
</tr>
<tr>
<td>Total</td>
<td>803</td>
<td>328</td>
</tr>
<tr>
<td>Percentage</td>
<td>37%</td>
<td>15%</td>
</tr>
</tbody>
</table>

4.3 BIOPHYSICAL DESCRIPTION OF SIPAQENI AA

4.3.1 Climate

With regard to the production of crops, it can be argued that rainfall and temperature are the two most important climatic elements. The average rainfall of 815 millimeters per annum in the former Transkei is high enough for most cultivated crops (Transkei Government, 1979). Compared to the 500 millimeters summer rainfall (October to March) generally regarded as the minimum necessary for successful rain-fed crop production, the rainfall of Transkei is exceptionally favourable, especially if it is taken into account that slightly less than 90 percent of the Transkei receives an annual rainfall greater than 750 millimeters.

An analysis of average rainfall figures shows a decline in rainfall from east to west (Transkei Government, 1979). According to Whitmore (1957), 89.8 percent of the Republic of South Africa receives less than 750 millimeters of rain per annum, while only 10 percent of Transkei receives less than this amount. Rainfall varies from 750 millimeters to over 1,400 millimeters over the coastal regions and ranges between less than 500 millimeters and 1,400 millimeters over the inland and mountainous regions. Dry land agriculture can, therefore, be successfully practiced over almost the entire territory.

In the Sipaqeni AA, as well as its surroundings, rainfall is relatively high, with an average annual rainfall of 865 millimeters (Grenfell, 2005). The rainfall of this area can be classified as reliable, with approximately 70 percent of it falling during the months of October to March. On average, thunder occurs 40 days of the year, hail
occurs 2 days, and evaporation is 1,524 millimeters. Limited water is also available in the form of rivers or streams.

The mean maximum temperature is 24°C and the mean minimum temperature is nearly 9°C. The summer temperatures range between 15°C and 21°C. This will assist in indicating the potential agricultural enterprises for the area, which has been classified as 57/25 according to Ehlers code (Wood & Van Schoor, 1976). Ehlers code is based on the use of temperature to identify where certain crops could be grown according to the summer and winter temperatures, taking into account both night and day temperatures. The coding system is based on optimum or sub-optimal potential in terms of suitability for growing. Those crops that do not fit into the potential regime cannot be grown successfully.

Frost occurs for an average of 60 days starting on the 15th June and ending on the 15th August. Along the coast, the prevailing winds normally blow parallel to the coast, that is northeasterly and southwesterly during all seasons, while inland prevailing winds are northwesterly and southeasterly (Grenfell, 2005). Wind is not generally regarded as a limitation to agricultural production (Transkei Government, undated). What can be mentioned, however, is that during the late winter, berg-winds precede cold fronts.

4.3.2 Vegetation

The Pondoland Coastal Plateau is clothed by forest, but the plateau itself is very dense with vigorous grass veld that is generally very sour but well mixed with no species being particularly dominant. The natural vegetation of Sipaqeni AA is classified as largely Dohne Sourveld (Acocks, 1953) and is closely linked with Aristida juniformis (Inkonkon in isiXhosa) veld type. A small section of Sipaqeni can be classified as Valley Bushveld.
4.3.3 Topography and Soils

The area is 900 meters above sea level and is characterized by a topography that rolls into watercourses that dissect the area. The slope of this area varies from 2 to 30 percent. The geology is derived from the Karoo sequence and Ecca group (Grenfell, 2005). Besides water and temperature, soils are an important determining factor in identifying potential crops as well as potential yield, and thus, profitability (sustainability).

The soil of this area is limited to soils derived from mudstone and sandstone, which give rise to soils that are structure-less (low humus content) with a high water table. Topsoils are generally 300 to 400 millimeters deep (Grenfell, 2005). The underlying sub-soils are either impenetrable rock or high clay layers which do not allow the penetration of water, and thus, restrict the development of roots to the top 300 to 400 millimeters of topsoil. During periods of high rainfall, these soils become waterlogged and in essence drown the crops by limiting the air within the soil. Other climatic resources generally being good, with an average annual rainfall that is relatively high and stable, the limitations of the soils restrict the production potential of most crops and reduce the achievable long term yields.

4.4 HISTORICAL OVERVIEW OF AGRICULTURE IN EASTERN PONDOLAND\(^9\)

Accounts by several researchers point to Eastern Pondoland’s long tradition of making a living through livestock husbandry and agriculture (Sneesby, 1933; Hunters, 1979; Beinart, 1982; Kepe, 1997). Livelihoods based on livestock have particularly received much emphasis. Hunter (1979) and Beinart (1982) note that over the last century or so, many homesteads were situated in the gorges close to the rivers, where soil was suitable for cultivation and ravine forests offered some shelter for people and livestock. Protection against enemies and keeping the large herds of cattle under the control of one household were important factors in determining the

---

\(^9\) This sub-section draws heavily on a report by S. Manona (2005), and the particular section contributed by Dr T. Kepe.
settlement pattern. Maize, sorghum, pumpkins and milk were important to the diet of people (Callaway, undated). The period after annexation of Pondoland (1894) was also characterised by the expansion of crop cultivation, following the introduction of new implements such as hoes, picks, and ploughs in the region and the decline of hunting and raiding (Beinart, 1980). In addition to maize and sorghum, which were widely cultivated, beans, pumpkins, and sweet potatoes were becoming popular crops among the Mpondo people who lived close to the coast (Sneesby, 1933). The popularity of these crops was maintained throughout the twentieth century, with the only notable addition being the Amadumbe (*Colocasia antiquorum*) in the 1970s. Fields that used to be cultivated with sorghum have been in decline throughout the twentieth century (Rose, 1972), and have been replaced by maize.

Increasing crop production, declining soil fertility, and the rising population density in the gorges settlement area, forced people to move out to the topland. The flexibility associated with communal tenure made it easier for people to move without losing their rights over the fields in the gorges (McAllister, 1992). This move to the topland areas occurred over many years, with some households moving there as late as the 1960s.

The importance of land for cultivation and grazing to local communities was shown during the Mpondo revolts (*iKongo*) that lasted from the late 1950s to the mid-1960s. While these revolts were a response against betterment planning throughout Transkei, in Pondoland they were combined with resistance against the introduction of Bantu Authorities (Beinart, 1982). According to the recommendations of the Tomlinson Commission of 1955, betterment areas were to be planned on the basis of economic units. The land was to be divided into residential areas, arable lands, and grazing commonage, while simultaneously implementing the necessary conservation measures, based on the one-man-one-lot principle. In the process, arable land was to be reduced to 0.2 hectares. This reduction of arable land was the main source of resistance for many Mpondo people in the area. Resistance was most strong in the districts of Bizana, Lusikisiki and Flagstaff (Copelyn, 1974).
Loss of cattle through two major disease outbreaks — the Rinderpest epidemic of 1897 with 80 percent losses (Beinart, 1980) and the East Coast Fever outbreak of 1910 — forced people to seek employment elsewhere in order to replenish their herds. Employment was organised through recruitment agencies and many people were paid by means of cattle advances to the household head. The cattle disease outbreaks also saw the rise in importance of small-stock keeping in Pondoland. Another effect of the diseases on livestock keeping was the government restriction on livestock movements, which resulted in reducing the use of coastal areas for winter grazing (Beinart, 1982).

4.5 LAND USE

All the villages of Sipaqeni have been planned along the lines of betterment, with distinct spatial organisation of residential, arable and grazing land. Many of the villages are in close proximity to the town of Flagstaff, to some being a walking distance. Four major land uses have been identified in Sipaqeni AA, and these include land for residential, arable allotments, commonage, and forestry.

The first key land use is residential land which is generally used primarily for residential purposes and a wide range of other livelihood related purposes, which include gardening, livestock husbandry, rental of residential space to students and other newcomers to the area who have jobs in town, business in some instances, and so forth. Residential land is approximately 1,442 hectares, 11 percent of the AA (see Figure 3).

The second major land use is the commons, which is largely the area that is demarcated for grazing purposes and is used for a wide range of other purposes, including harvesting water, collection of firewood, harvesting of thatching grass, and collection of medicinal plants and other natural resources. The commonage takes up approximately 5,560 hectares, which translates to approximately 45 percent of the total AA land base. Those who own livestock primarily view commonage as
grazing land. All the members of the community have usufruct rights on a usually undefined area of the commons.

The third major land use is the arable allotments which were demarcated as part of the betterment planning between 1968 and 1970. Arable land constitutes 36.8 percent of the total area, of which 617 hectares is medium potential and 3,868 hectares is low potential soils. Rights to arable allotments were issued to the older families in terms of PTOs (Permission To Occupy). Common practice within Sipaqeni AA is that arable land allotments revert to the commons for access by other members of the community particularly for animals to feed on the residue after harvesting. Where land is not cultivated, the arable lands revert to the commons for grazing by the members of the community.  

The fourth major land use within the Sipaqeni AA is forestry, with small patches of plantations and small thickets of natural bush. While forestry is not the key focus of the study, it should be acknowledged as both a competing as well as a complementary land use, which requires consideration in terms of the future development of Sipaqeni AA and its environs. A portion of the forest (Bunga Farm/eBungeni) to the north of Langa and Ngqandulo villages falls under Sipaqeni AA with approximately 547 hectares falling under Xopozo Administrative Area (under the tribal jurisdiction of Chief Mdutshane). The forest is currently a subject of a land claim. The estimated extent of the portion of the forest that falls under Sipaqeni AA is 672 hectares, constituting 5.5 percent of the total land base of the administrative area. The above forestry area is under the management of the Department of Water Affairs and Forestry, while a number of wattle and gum thickets that are present in the area are not managed, bringing the sustainable and efficient use of resources under question (Grenfell, 2005).

---

10 Interview with a focus group of 8 livestock owners from Langa and Ngqandulo, Flagstaff, April 2005.
4.6 LAND ADMINISTRATION AND TENURE

Following the implementation of betterment, a policy implemented between the 1950s and early 1970s, which was primarily aimed at counteracting environmental degradation of communal areas by dividing them into arable land, grazing, and residential areas, the Department of Justice and the Department of Agriculture played a crucial part in the land administration system of the area. The Department of Justice was responsible for issuing of PTOs (Permission to Occupy) while the Department of Agriculture was more in the realm of land use planning and land use management. The PTOs were issued by the Department of Justice in terms of Section 29(i) and (ii) of Transkei Act No. 4 of 1968. Land or site applications were filed through the tribal or chieftaincy system to the Department of Agriculture. Once application procedures had been followed, the Department of Agriculture was responsible for making planning considerations in respect of the sites to be allocated, including the spatial layout and demarcation thereof. When a village had run out of land for allocation of additional residential sites, the department made an application for extension of kraal sites from the local magistrate.\textsuperscript{11}

Betterment planning was executed in Sipaqeni AA between 1968 and 1970.\textsuperscript{12} Betterment planning entailed reorganization of the land use system. Sipaqeni AA was the first to implement betterment in Flagstaff district, after a long drawn out struggle by the residents against it. As part of betterment planning, arable lands were demarcated by the Department of Agriculture and allocated to residents at the time. The last arable fields were allocated around 1972, after which there have been no further allocations. All land allocations after 1972 have only been for residential or kraal sites, with only a limited area for a home food garden. As a result, there are an increasing number of people who have a kraal site and no access to an arable field.

\textsuperscript{11} Interview with Mr. Lovemore Nodola, a retired extension officer of the Department of Agriculture and Forestry, April 2005.
\textsuperscript{12} Interview with Diliza Ndabankulu Chief of Sipaqeni Tribal Authority, April 2005.
Since 1973, there has been no new allocation of arable allotments within Sipaqeni AA. With a growing population, the situation has resulted in highly skewed land ownership patterns. Table 6 (Land ownership patterns in the selected Sipaqeni villages) shows that 74 percent of the households in the sample area have no arable allotments leaving these households only with access to a home food garden. The original sites allocated prior to 1973 were approximately 70 meters by 70 meters while those allocated later have been reduced to approximately 46 meters by 46 meters. This has effectively reduced the amount of land that can be used for a home food garden.

At the time of the study, the system of land allocation and land administration in general had broken down. As there were no more arable fields available, applications for residential sites were done by approaching the relevant sub-headmen (unozithetyana), who are responsible for the subsection of a village. The sub-headmen would then table the application at a meeting of the sub-village (isithebe) for an in-principle approval by the members of the isithebe. The sub-headmen do still continue to present land applications to the village meeting as well as to the tribal authority. The latter two structures no longer give any serious consideration to those applications. Once the formalities have been undertaken, the sub-headman informs the applicant that the application has been approved for demarcation. A date is usually set for the demarcation of the site. On the day of site demarcation, the applicant is required to provide some food and/or alcoholic beverages for celebrating the event with the new neighbours. On certain occasions, some dues go to the headman. According to local chief, Diliza Ndabankulu, site allocation was in the hands of sub-headmen and the Department of Agriculture was no longer involved in the process. As a result, a number of sites have been allocated on land that are not suitable for settlement, either on steep slopes, water ways, or land inaccessible by vehicle. This has resulted in a situation in which grazing land is increasingly being lost to new residential sites. Neither the Department of
Agriculture nor the chiefly system could provide an updated record of number sites allocated.  

Table 5: Land ownership patterns in the selected Sipaqeni villages

<table>
<thead>
<tr>
<th>Village</th>
<th>Number of households</th>
<th>Number of arable land owners</th>
<th>Number of households without arable fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balasi</td>
<td>750</td>
<td>140</td>
<td>610</td>
</tr>
<tr>
<td>Fama</td>
<td>305</td>
<td>125</td>
<td>180</td>
</tr>
<tr>
<td>JB</td>
<td>217</td>
<td>88</td>
<td>129</td>
</tr>
<tr>
<td>Langa</td>
<td>762</td>
<td>153</td>
<td>609</td>
</tr>
<tr>
<td>Mangquzu</td>
<td>476</td>
<td>229</td>
<td>247</td>
</tr>
<tr>
<td>Ngqandulo</td>
<td>295</td>
<td>170</td>
<td>125</td>
</tr>
<tr>
<td>Sigubudwini</td>
<td>1,033</td>
<td>97</td>
<td>936</td>
</tr>
<tr>
<td>Totals</td>
<td>3,802</td>
<td>1,002</td>
<td>2,800</td>
</tr>
<tr>
<td>Percent</td>
<td>100%</td>
<td>26%</td>
<td>74%</td>
</tr>
</tbody>
</table>

Table 5 (Land ownership patterns in the selected Sipaqeni villages) shows land ownership patterns within seven villages of the study area. The study has not been able to determine the extent of absolute landlessness, but has made a distinction between firstly those households that have access to both a kraal site and arable allotment, and secondly those households that have only a kraal site and no right to an arable allotment. The findings of the study indicate that the first category of landowners (those that have both a kraal and an arable allotment) constitute about 26 percent of the community, reflecting extremely skewed land ownership patterns. All focus groups interviewed in the seven villages were in agreement that those who had access to arable allotments did not consider themselves as being the poorest within their respective villages. This finding puts all government interventions that have a primary focus on arable allotments under serious question in terms of their ability to reach the poorest sections of the population.

Table 6 (Average land holding in the selected Sipaqeni villages) shows the average land holding in each village. The average land holding for the areas with medium potential soils is 1.3 hectares, and 1.29 hectares for the areas with low potential soils.

13 Interview with Chief Diliza Ndbankulu, Mr. Lovemore Nodola and Sizwe Ndbankulu, Flagstaff, April 2005.
Table 6: Average land holding in the selected Sipaqeni villages

<table>
<thead>
<tr>
<th>Village</th>
<th>Average Land holding (Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balasi</td>
<td>1.30</td>
</tr>
<tr>
<td>Fama</td>
<td>1.28</td>
</tr>
<tr>
<td>JB</td>
<td>1.28</td>
</tr>
<tr>
<td>Langa</td>
<td>1.06</td>
</tr>
<tr>
<td>Mangquzu</td>
<td>1.28</td>
</tr>
<tr>
<td>Ngqandulo</td>
<td>1.60</td>
</tr>
<tr>
<td>Sigubudwini</td>
<td>1.34</td>
</tr>
</tbody>
</table>

Figure 7: Household head by age and gender

With those families that have access to arable land, the male primogeniture principle is applicable, where land passes from one generation to the next through the male line. The general practice is that when the male household head is deceased, the surviving spouse takes over control over the land, and on her death the eldest surviving male inherits the land. While the survey shows a significant number of women headed households, there are generally fewer allocations that have been made to unmarried women. Women have in most circumstances accessed rights in land as either offspring of a particular household or as spouses. The survey shows that 48.7 percent of the households are headed by female pensioners versus 23 percent that are headed by male pensioners. The survey further shows that 0.7

---

14 Interview with Mr. Tsita, Agricultural Extension Officer, Flagstaff, April 2005.
percent of the households are headed by women between the ages 22 and 35, and another 0.7 percent by men between the ages 22 and 35. Within the sample, 8.6 percent of the households are headed by women between the ages 36 and 60, while 17.6 percent of the households are headed by males between the 36 and 65 age group. Figure 7 (Household heads by age and gender) shows that 48.7 percent of the households are headed by women above the age 60 and 23.7 percent of the households are headed by men above the age 65.

There is no history of land sales at Sipaqeni, with both kraal sites and arable allotments largely changing ownership from one generation to another through inheritance along the male line. This situation resulted in land being tied up in the hands of people that have neither the predisposition nor the interest in agriculture. Those who have rights in arable land tend to keep them in the family as some form of insurance for the future. When asked if they would be willing to lease their fields, 92 percent of the respondents responded negatively while only 7.2 percent responded affirmatively.

The traditional system of land tenure appears to be one of the main causes of the low level of production that prevails (Wood & Van Schoor, 1976). The same source identifies past efforts to increase production within the framework of this system, which were not successful, citing some of the reasons as; men not being farmers by tradition, the migratory labor system, the custom of sharing, inadequate training, shortage of extension personnel, and so forth.

4.7 CONCLUSION

This chapter attempted to provide a description, which locates the study area spatially within the context of the Eastern Cape Province, the OR Tambo District, and Qaukeni Local Municipality. The chapter further attempted to provide a biophysical description of the study area with specific focus on climate, vegetation, topography and soils. It further provided a brief presentation of the history of agriculture in Pondoland, providing a taste of land use, land tenure, and land
administration matters. The next chapter presents an evaluation of the OR Tambo Maize Programme.

5.1 INTRODUCTION

The previous chapter presented the spatial, socio-economic and biophysical description of the study area, thereby laying the foundation for the presentation of the present chapter. This chapter presents an overall evaluation of an experiment of use of agriculture as local economic development by Ntinga O.R. Tambo Development Agency (Ntinga) within Sipaqeni Administration Area (AA). The chapter starts off by reviewing agricultural initiatives in and around Sipaqeni in the recent past, moving on to some analysis of agriculture and livelihoods as part of local economic development at Sipaqeni. It outlines agricultural production patterns and feasibility for both crop and livestock. The chapter concludes by evaluating the O.R. Tambo Maize Programme from a policy, technical and institutional point of view.

5.2 REVIEW OF AGRICULTURAL INITIATIVES IN AND AROUND SIPAQENI IN THE RECENT PAST

While it is not the intention of this study to focus on initiatives other than the O.R. Tambo District Municipality’s Maize Programme, it is considered appropriate that some of the similar historical responses to the particular circumstances are also considered. Some of the initiatives which fit into this category include those of the former Transkei Government’s Department of Agriculture and Forestry (DAF), and subsequently of Transkei Agricultural Corporation (TRACOR), which was a parastatal set up prior to South Africa’s transition to democratic dispensation. A second related initiative, which needs to be considered, is the Massive Food Production Programme, which is a provincial government maize programme, modeled along similar basis as the one under review. A third related initiative is an outline of the agricultural programme of the Qaukeni Local Municipality. It should also be stated upfront that these initiatives are considered as responses on behalf of
government, albeit at different times and by different spheres of government. There are a number of other agricultural initiatives, which are driven by different government departments, which have been introduced within the last decade, which are not given attention. These include a food garden and nutrition programme by the Department of Health, community garden initiatives by the Department of Social Development, and the Community Production Centers as implemented by the Department of Public Works.\textsuperscript{15}

5.2.1 Department of Agriculture and Forestry (DAF), and Transkei Agricultural Corporation (TRACOR)

In the backdrop of the consistently declining yields of maize during the period from 1945 to 1975, revealed through an assessment by the former Transkei Government, which estimated average yields of between 0.2 and 0.3 tons per hectare, the Department of Agriculture and Forestry announced the introduction of a large scale maize production and mechanization programme. The first agricultural development schemes were established by the Corporation for Economic Development and the Xhosa Development Corporation in the 1960’s, when the then South African government started putting money into the bantustans to prepare them for “independence” (Cloete, Undated). According to Cloete (undated), the main policy thrust of these early initiatives was to create a viable national economy in the Transkei, which would help support the apartheid strategy of dividing South Africa into independent ethnic states. While no records were found in literature, these initial initiatives seem to have fizzled out about the late 1960’s and rejuvenated in the mid-1970s, reaching peak in the mid 1980’s (Bank, 2001). It is in the context of these schemes that the Transkei Agricultural Corporation (TRACOR) was set up by the former government of Transkei as a statutory body and a development agency in 1981.

\textsuperscript{15} Communication with Mike Coleman, Deputy Director, Department of Land Affairs, July 2005.
The broad mandate of TRACOR was to assist the erstwhile Department of Agriculture and Forestry in developing Transkei’s agricultural potential. More specifically, TRACOR was established to:

- identify, plan, finance and develop agricultural projects and programmes to support emerging black farmers;
- promote investment by public and private sector institutions for financing agricultural and rural development;
- provide technical assistance and training to those involved in agriculture and rural development; and
- ensure that emerging black farmers had access to agricultural supplies and services (Bank, 2001:23).

TRACOR had its head offices in Mthatha, and under its Commercial Ventures Section, it facilitated the initiation of projects of strategic national importance with the aim of increasing productivity and creating jobs. Magwa Tea Factory in Lusikisiki and Ncora Irrigation Scheme at Engcobo were some of the schemes under this section. The Community Schemes section of TRACOR assisted communities on a group basis financially, technically, and through training, and had projects operating over the majority of districts of the former Transkei (Yoba, 1985).

According to Yoba (1985) the earlier approaches that guided TRACOR maize programme were inspired by the perceived success of the Israeli Moshav and Kibbutz system – even though these were not implemented in any way similar to the Israeli models. In projects, which were designed along the Kibbutz system, project members were theoretically equal shareholders in a particular farming operation. TRACOR would build the requisite infrastructure and bring the high mechanisation equipment and its agriculturalists to manage the ploughing of the lands. The production costs were deducted equally from the harvest before distributing the harvest to those who were shareholders. Due to high levels of illiteracy as well as the style of operation of TRACOR, the deduction of production costs always resulted in a lot of disillusionment and resentment among landowners. In the Moshav style projects, the operations were undertaken by TRACOR using hired labour while the landowners were responsible for their individual plots for such things as weeding,
insecticide application, top-dressing, and infilling where germination was poor (Bank, 2001).

In both types of schemes the agricultural inputs were to be paid for from profits generated from harvest. The common feature of all TRACOR projects during this particular era is that they were instigated by the political motives of the government of the day, which was largely driven by the motive of buying political patronage of traditional leaders, rather than food security for the general rural populace. As a result of this, TRACOR lacked much of the independence it required in order to operate effectively and efficiently. Politicians often made decisions, which were not in line with the overall planning and accepted policy of the schemes, in a ploy to appease some traditional leaders. Once an area had been earmarked for a scheme, the extension personnel of TRACOR decided how best the land could be utilized and would take over the management and control of the land. They checked the resource potential and on that basis conducted minimum consultation with the traditional leadership. In all the project sites, TRACOR built a storage shed, brought their own officers and mechanisation equipment. Local people were only given jobs, and those who were fortunate were given a portion of the harvest based on criteria that was only understood by TRACOR. Landowners could not question the approach because of fear of the oppressive regimes behind the programmes.  

According to Bank (2001), while TRACOR was set up as a dedicated development agency, the Department of Agriculture and Forestry still continued to operate a parallel maize programme. TRACOR had initiated a significant number of new schemes over short period, and by 1983 the Department of Agriculture and Forestry had 50,000 hectares and TRACOR 10,000 hectares under their management (Bank, 2001). It is clear from the figures, that the Department of Agriculture and Forestry still remained a significant role player in these schemes, even more than TRACOR. While the two were separate legal entities, it was sometimes difficult to differentiate between the operations of TRACOR and those of DAF.

---

16 Interview with Mr. T. Yoba, a former senior manager of TRACOR, July 2005.
A report on agricultural development claimed that TRACOR schemes were more successful in terms of increased output, pushing tonnage to 2.8 tons per hectare and increasing the total volume output by some 25,000 tons. However, it is also arguable as to whether the output could be used to justify the expense. While tonnage may have been pushed up, it was not uncommon to get a lot of the maize rotting in storage. In the period between 1981 and 1986, DAF and TRACOR purchased 2,000 tractors, which resulted in a cost of R7.5 million, while the number of tractors decreased to 670 by 1986 (Bank, 2001). According to Mr. X (former TRACOR employee), these tractors were acquired by the DAF and not TRACOR. Some of the tractors were even given to certain chiefs as gifts.\textsuperscript{17} TRACOR’s operating costs were also very high, averaging R5-million per year, only able to recover 60 percent of its investment in the maize crop, largely because many farmers resisted paying the amounts owed (Bank, 2001).

By 1988 TRACOR had learnt a few lessons. While TRACOR was originally set up on the premise that it would provide training, very little work had actually happened in this regard, with much of the work undertaken in a top-down manner. An evaluation that was conducted by the Development Bank of South Africa (DBSA) around 1986 made proposals for a radical shift from previous approaches. The report proposed a shift to the concept of Farmer Support Centers (FSC), an approach where people do things on their own in a programmed manner. The FSCs provided inputs and implements on a loan basis to the farmers. TRACOR officials were divided on the approach, with some aligned to the non-participative approaches, while others were in support of the Farmer Support Centre approach. The new approach entailed provision of support services such as inputs, technical expertise, loans and implements to the farmers, and TRACOR withdrawing from farming operations. The new approach emphasized farmer training as a key element of the approach.\textsuperscript{18} The mechanisation scheme was disbanded, and there was a shift from the approaches, which embroiled the government agency in the actual farming operations, and FSCs were set up in various districts across the former Transkei.

\textsuperscript{17}Interview with Mr. T. Yoba, a former senior manager of TRACOR, July 2005.

\textsuperscript{18}Interview with Mr. T. Yoba, a former senior manager of TRACOR, July 2005.
The new approach entailed a systematic and planned disposal of existing sets of implements to qualifying local entrepreneurs. The entrepreneurs were provided with support systems, including maintenance of equipment, securing them work contracts that enabled them to make loan repayments.

In response to the general decline in agriculture, which was coupled with increasing poverty levels between 1979 and 1990, the former Transkei government’s DAF introduced a maize production programme in some of the villages at Sipaqeni AA, which is often understood as a TRACOR scheme by some of the locals. The main thrust of the programme was to deal with poverty alleviation by making use of an underutilized agricultural potential. The programme was largely driven by government, based on a principle of recovering costs from the harvest. During this period two silos which are situated two kilometers to the north of Flagstaff, which were under lease to PSP at the time of the study, were constructed, with a view to providing a facility for storage of excess maize produce. The programme was based on a principle of recovering a portion of costs by government. According to a retired former extension officer in the Department of Agriculture and Forestry, the silos near Flagstaff were meant to take excess maize, which never happened.

According to Bank (2001), TRACOR had a top-down style of management, disregarded and undermined local knowledge, working from the outside in rather than from the inside out. These experiences have inevitably left negative memories of schemes and projects that set about to commercialize maize production and distribution.

TRACOR was liquidated in 1997 by the then newly formed Eastern Cape Provincial Government (Bank, 2001). Despite all the expense, people of the former Transkei were still not food secure. Instead they have very bitter memories of the schemes. Communities were in effect disempowered by these initiatives, with government bringing in high-tech agricultural systems, which were neither understood nor affordable to local communities. Part of the reason for the disgruntlement among
communities was the general lack of understanding and acceptance of the high-input high-risk approach that TRACOR used.

But the TRACOR initiative was not the only one seeking to encourage commercial production of maize under smallholder conditions. The next sub-section provides some context information on a more recent maize scheme, the Massive Food Production Programme, which is a maize programme, initiated and managed by the Eastern Cape Provincial Department of Agriculture.

5.2.2 Massive Food Production Programme (MFPP)

The MFPP was started in 2002 as part of a collective of projects within a Rural Enterprise and Advancement Programme (REAP), which was a partnership initiative between the Provincial Department of Agriculture and the University of Fort Hare, to improve the socio-economic livelihood of rural communities in the Eastern Cape. The Crop Production Scheme and the Rural Mechanisation Scheme constitute the main pillars of the MFPP, which are both aimed at stimulating the massive production of food for local consumption and for profitable marketing. The MFPP is based on government providing conditional grants to initiate an economic agriculture groundswell in the production of food and other industrial products, such as hemp, olives, or kenaf (Eastern Cape Provincial Department of Agriculture, 2002). The key focus of the MFPP is the former Bantustan areas with a view to encouraging consolidation of land for commercial production purposes (Eastern Cape Provincial Government, 2004).

The programmes were centered on providing access to affordable funding to acquire mechanical equipment for rural contractors and access to conditional grant funding for food production and production inputs. The sliding scale grant was conditional upon the recipients managing their production according to the recommendations of the Department of Agriculture. The grants are awarded on an annual basis, over five years, beginning with 100 percent subsidy, reducing it by 25 percent in the fifth year, hopefully enabling the producers to build up their own capital, market their produce, and manage risk while transforming their agronomic practices. The MFPP was
originally targeted at all the agricultural sectors (primary, secondary and tertiary) of the Eastern Cape economy. The original idea was based on the appreciation of the agricultural potential of the previous homelands, which was untapped. While the MFPP was conceptualized as primarily a food security programme, there was a strong ideal of producing excess food to export nationally and internationally (Eastern Cape Provincial Department of Agriculture, 2002).

The Rural Mechanisation initiative was originally proposed to require an initial capital base of R250 million to make a significant impact on the economies of the rural areas, which would enable 800 equipment units to be financed. Each unit would comprise of a tractor, trailer, tillage equipment, and road grader or dam scraper. The Crop Production Programme originally proposed a requirement of R50 million annually over a period of five years, in order to stimulate and enable those who have access to arable land to produce for own consumption and markets (Eastern Cape Provincial Department of Agriculture, 2002).

From its inception, the MFPP proponents were mindful that various ‘Tractor Schemes’, Food Security Schemes had been attempted by previous governments, most of which failed to achieve the objective of sustainably producing food economically. Lessons from the past and innovation were to serve as a basis for taking the programme forward. The MFPP targets underutilized high potential arable lands with the idea that scientifically based technical solutions aimed at solving production problems would be transferred to the producers. The promotion of conservation farming techniques was central to the MFPP concept (Eastern Cape Provincial Department of Agriculture, 2002). While different in many respects, the Massive Food Production Programme had, by and large been set up on the basis of the same premise as the O.R. Tambo Maize Programme, that of putting to use underutilized arable lands in communal areas, with the intention of fighting poverty as well as promoting commercialization. The key difference between the two programmes was that MFPP was based on a conditional grant while O.R. Tambo’s maize programme was based on an unconditional grant.
In 2003/4, R50 million was allocated to the MFPP. The allocation of the 2004/5 financial year went up to R120 million, half of which was to go to crop production and half to mechanisation scheme. The main focus in the initial years of the MFPP has been on maize, with an intention to introduce other crops in the medium to long term (Eastern Cape Provincial Government; 2004).

5.2.3 Food security programme by Qaukeni Local Municipality

Qaukeni Local Municipality has a LED unit that has one staff member, with responsibilities across the LED sectors, including tourism, Small Medim Enterprises (SMMEs) and agriculture. Within the agriculture sector, the LED Officer was, for the 2004/05 financial year, responsible for eight community garden projects. The local municipality largely depends on service-providers for the actual management and execution of its projects. In its approach to community gardens, the local municipality takes a group approach, where individuals identified, group up to constitute a project. Problems with the constitution of such groups is how the members are chosen, which is always informed by the choice of the ward councilor. This inevitably leads to a situation where ward councilors can use the system to buy political patronage, missing the actual people that are in need. The members of the group are expected to contribute equal labour and also share both the profit from sales as well as remaining crop\(^{19}\). According to the LED officer of Qaukeni Local Municipality, the community gardens all have ownership and governance problems.

5.3 LIVELIHOODS AND AGRICULTURE IN SIPAQENI AA

The people of Sipaqeni make use of diverse livelihood strategies to make a living, with land based as well as non-land based livelihoods, and agriculture constituting a small but important element. Flagstaff, which is the nearest town, has a vibrant commercial services sector, providing a number of relatively low paying formal as well as informal jobs for some members of the local community. Of those that are employed, some are employed outside of Flagstaff, in other towns such as Lusikisiki, Bizana and some of the towns in KwaZulu-Natal as migrant labourers.

\(^{19}\) Interview with Bandile Lugongolo, LED Officer, Qaukeni Local Municipality, May 2005.
A substantial number of people within Sipaqeni, particularly those households that are very poor, earned part of their living by working for remuneration for other people within the village (for example, clothes washing, construction of houses or kraals or repair of fencing, livestock herding, cutting thatch grass, roof thatching and gardening). Some of the local women made part of their living from manufacturing and selling handicrafts such as plant-based food baskets (*ingceke* or *ingobozi*), mats and dishes.

Agricultural activity within Sipaqeni can be defined as being largely subsistence based and dominated by crop production and livestock production. Crop production is largely dryland maize production while livestock husbandry is largely dominated by cattle farming. Out of the 19 villages making up Sipaqeni AA, the villages of Balasi, Sigubudwini, JB, Fama, Mangquzu, Langa, and Ngqandulo, which constitute the main focus of this study, are participating in a government sponsored maize production programme which is an initiative of O.R. Tambo District Municipality.

Very much in line with the phenomenon of shifting agricultural practices defined by Andrew and Fox (2003), the planting of arable allotments had declined over the years within the study area, with the usage of homestead gardens having either been retained or in some cases strengthened. Prior to the government intervention in 2001, between approximately 10 and 12 per cent of the arable fields were still being cultivated. One of the phenomena, which have been observed, is that villages that are further away from town were still practicing agriculture, even though there was no benchmark for determination of trends.

The reason home garden production (household plots) is preferred compared to fields further away from the homesteads are theft, distance from homestead, ease of manuring, and lower production due to management required for larger sections of lands and economies of scale. All the homestead food gardens observed over the three-year period (2002 – 2005) were predominantly planted with maize, and often intercropped with beans and pumpkins. In addition to these crops, there were a
variety of other crops such as taro (*amadumbe in isiXhosa*) and to a lesser extent vegetables such as potatoes, spinach, and others, which are also grown, albeit in small amounts.

As would be expected in most of the situations where agriculture is practiced within the traditional tenure system, agriculture creates only a modest share of the total formal employment, with most of the labour provided by members of a kinship system. Based on the survey results of those that were employed, the majority was employed by local business at various levels. Government also showed up as a major employer from the number of people that were teachers, nurses, municipal employees or police. According to the 2001 census, agriculture and forestry had 48 people employed from the Sipaqeni AA, while community and social services sector employed 350 people. The present benefit from the plantations is limited in terms of 30 permanent jobs and 62 casual jobs for local communities and access to firewood and building poles for sale.\(^2\) This seems to suggest that agriculture is not the main source of income generation. The following list of sectors gives illustrative numbers of employment by different sectors as an indication of the distribution of employment by various sectors at Sipaqeni. If these trends, according to Statistics SA (2001) remain valid, agriculture employs only 6 percent of the total local workforce.

- Community and social services – 350
- Wholesale and retail – 177
- Construction – 66
- Transport, storage and communication – 57
- Agriculture and forestry – 48
- Mining and quarrying – 39
- Financial services – 39
- Manufacturing – 18

Formal employment statistics should be used with caution, because they only give number of people that were in formal employment at the time of the census. As

---

\(^2\) Interview with Ntombifuthi Njana, DWAF official in the forestry office, April 2005.
mentioned earlier, there are a number of local informal employment arrangements, which take place among the local people, which are not reflected in such statistics.

Similar to observations made by McAllister (2000) in Shixini, the people of Sipaqeni have a very strong attachment to the land, seeing themselves as rural farmers, which potentially conceals the complexity of rural livelihood sources. The respondents were asked to rate agriculture in terms of its importance to livelihoods, on a scale ranging from not important at all to extremely important. The results show that 17.9 percent of the respondents rated agriculture as extremely important, 47 percent as important, 28 percent as having little importance, and 11 percent rated it as being of no importance at all. Given that almost 65 percent rate agriculture as either extremely important or as important suggests that agriculture does play an important part as an element of livelihood portfolios at Sipaqeni AA.

Figure 8: Perceived importance of agriculture in terms of household livelihood

While agriculture is rated relatively well in terms of its importance to the family’s livelihoods, the results were disappointing when respondents were asked to weigh it
in terms of its relative contribution to livelihoods. Only 8.6 percent of the respondents rated it as being the most important source of household income. Figure 9 (Most important source of income for the household) suggests 69.9 percent of the respondents rated government grants as being the most important source of income for their households, while about 16 percent chose local formal jobs as being the most important income source. In contrast to the dominant notions of the high importance of migrant labour system, only 5 percent of the respondents voted it as being the most important source of income for their households, which is probably a reflection of the decline of migrancy, in the light of job losses in the mining sector from the major centers. Given this picture, agriculture can be assumed to be an important livelihood source for households that neither have someone employed nor receiving government grant.

Figure 9: The most important source of income for the household.

One measure, which has been used as an objective tool of testing the positive perception of agriculture, is the degree to which households have been or are investing in agricultural implements. An assessment of the extent to which
households invest in agricultural implements was undertaken by asking respondents to indicate number and type of agricultural implements owned by the households from a selected list of implements which included hand hoes, plows, disks, cultivators, and knap sack sprayers. The low frequencies of ownership of agricultural implements were interpreted as an indication that the households were investing very little in agricultural implements, suggesting a tendency away from dependency on agriculture. Other farming implements, which the households have reported as part of their inventory included garden forks, harrows, spades, and rakes, all of which had even lower frequencies than those in Table 7 (Ownership of agricultural equipment and implements).
Table 7: Ownership of agricultural equipment and implements

<table>
<thead>
<tr>
<th>Implement</th>
<th>Total no.</th>
<th>Av. Per household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hand hoe</td>
<td>906</td>
<td>3.3</td>
</tr>
<tr>
<td>Plow</td>
<td>48</td>
<td>0.2</td>
</tr>
<tr>
<td>Disk</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Cultivator</td>
<td>30</td>
<td>0.1</td>
</tr>
<tr>
<td>Knap sack sprayer</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

The broader results of this aspect of the survey seem to suggest that the extent to which agriculture makes a contribution to the actual livelihoods of the rural households within Sipaqeni varies between different families, depending on the mix of alternative livelihood options available to the different households. This means that the poorer households would, by their very nature, have fewer alternatives to choose from than the more well to do families, thereby implying that agriculture as a source of livelihood would naturally be more important to the poorer households than the rest.

5.4 AGRICULTURAL PRODUCTION PATTERNS AND FEASIBILITY

5.4.1 Crop production: Patterns and feasibility

_Agricultural potential and land capability classification_

The agricultural potential of an area refers to the inherent capability of that area as determined by climate, vegetation, and soil, to produce crop and animal products. This potential must be distinguished from actual production obtained at any specific time. The actual production is determined by the degree of success with which the above-mentioned factors are combined with the managerial talent of the farmer (Transkei Government, 1979)

Based on a natural resource assessment that was undertaken in the Sipaqeni area, the soils have been classified into three broad categories, high potential, medium potential, and low potential:

- High Potential (with an effective depth of 800 millimeters and above),

---

21 The natural resource assessment has been conducted by Grenfell and documented in a report (Grenfell, 2005)
Medium Potential (with an effective depth between 400 millimeters and 800 millimeters) - The medium potential soils are generally Oak-leaf soils with more permeable sub-soils, allowing the free flow of water. These soils are generally derived from the dolerite outcrops, which are prevalent throughout the area. These are young soils that are relatively structure-less.

Low Potential (with an effective depth below 400 millimeters).

As shown in Figure 3 (Land use map) and Table 8 (Arable land potential breakdown), 13.7 percent of the arable land is classified as medium potential soils and 86 percent as low potential soils. The soils are predominantly of low potential (3,867 hectares - 86 percent of the total arable land in the administrative area), with limited medium potential soils (617 hectares - 13 percent of the total arable lands).

The Sipaqeni AA is very limited with regard to natural resources for the production of crops, mainly due to poor soils and water. Irrigation water is extremely limited, with the only potential source of irrigation water being the Mzintlava River on the western boundary.

<table>
<thead>
<tr>
<th>Potential</th>
<th>Area in Ha</th>
<th>Percent of arable (%)</th>
<th>Percent of study area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Medium</td>
<td>616.9</td>
<td>14</td>
<td>5.1</td>
</tr>
<tr>
<td>Low</td>
<td>3,867.5</td>
<td>86</td>
<td>31.8</td>
</tr>
</tbody>
</table>

The crops that are theoretically suitable to this area, according to Ehlers (using temperature indicators), are artichokes, asparagus, barley, beans (various), brussels sprouts, cabbage (irrigation), carrots (irrigation), celery, chicory, cowpeas, flax, garlic, gherkins, grape, horse radish, leek, kale, linseed, mustard, onions (irrigation), parsley, potatoes, pumpkins, pyrethrum (a possibility), and radish (Wood and Van Schoor, 1976). While the list of possible crop options is long, a combination of factors, including soils, limitations to irrigation water, local knowledge and management, and so forth, limit the area to the production of summer dryland crops, mainly maize, and to a lesser extent dry beans and pumpkins (Grenfell, 2005).
Maize, although a sub-optimum crop according the temperature requirements, has been and still is the major crop of the area. Local communities have a relative experience with maize and use it as an indicator of wealth. Maize is used for a wide range of purposes, which include household consumption as a staple food, for brewing traditional beer (Umqombothi), and to feed animals including pigs and chickens. In addition, there is a high demand for locally produced maize and maize products, which are often exchanged with next of kin for other services or products when there is surplus. At the time of the study, all the arable lands that were under cultivation were largely under maize, intercropped with beans and pumpkins in the villages where there was no government maize scheme. In these villages, the mix as well as the spread of the harvest was viewed as being more important than the production of a single crop in large quantities.

Local knowledge and acceptability of alternative crops is a key limiting factor to the crop range, which is largely informed by previous cropping practices. The gross margin budgets under commercial production for potatoes (R3,500), pumpkins (R9,000) and sugar beans (R2,000), indicate far greater returns than maize but these alternatives to maize would require far higher management inputs and, therefore, have far higher risks (Grenfell, 2005). The choice of maize, beans, and pumpkins as traditional crops reduces the demand for external markets, as they are popular and can easily be sold within the local area. The alternative crops require a substantially high level of management in order to achieve successful yields.

Economics of maize production in medium potential soils

Tables 9 (a and b) and 10 (a and b) indicate gross margin costs (Income received less allocatable costs – costs of seed, fertilizer, chemicals, labour, contracting costs, and so forth), based on the South African Futures Exchange (Safex) prices which are the prices determined by the stock exchange and which determine the overall price received. These prices fluctuate according to the prices of supply and demand and generally are determined by world market factors. White maize traded at approximately R550 per ton while that of yellow maize was approaching R600 per ton by end June (Eastern Cape AgriReview, July 2005).
At present, maize prices are extremely low, due to an oversupply in both South Africa and the world. Table 9 (a and b) and 10 (a and b) indicate the potential gross margin returns (Income less allocatable costs – seed, fertilizer, cultivation, chemicals, harvesting, and so forth) at present prices within the medium potential soils. The high costs are generally caused by the high costs of using contractors at relatively high prices. If zero tillage was used, the costs could also be dramatically decreased. The cost of using zero tillage with contractors could reduce the input costs by R950, and thus the present gross margin loss under present prices to R491 per hectare (implying an increase in price of R82 per ton to break even). A minimum increase of 50 percent is required before a positive gross margin return can be expected. Under the present circumstances the low maize prices could be offset by reducing input costs such as reducing the costs of cultivation.

Table 9(a): Gross margin budget for maize grown in the Sipaqeni AA under June 2005 price structures in medium potential soils (616.9 hectares planted)\textsuperscript{22}

<table>
<thead>
<tr>
<th>INCOME</th>
<th>Unit</th>
<th>Income per Unit</th>
<th>Quantity</th>
<th>Per Hectare</th>
<th>Per Farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize grain</td>
<td>tons</td>
<td>R 600</td>
<td>6.00</td>
<td>R 3,600.00</td>
<td>R2,220,840.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>R 3,600.00</td>
<td></td>
<td>R2,220,840.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ALLOCATABLE COSTS</th>
<th>Unit</th>
<th>Cost per Unit</th>
<th>Quantity</th>
<th>Per Hectare</th>
<th>Per Farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed</td>
<td>kilograms</td>
<td>R 25</td>
<td>25.00</td>
<td>R 625.00</td>
<td>R 385,562.50</td>
</tr>
<tr>
<td>Fertiliser MAP (33)</td>
<td>tons</td>
<td>R3,205</td>
<td>0.02</td>
<td>641.00</td>
<td>395,432.90</td>
</tr>
<tr>
<td>LAN</td>
<td>tons</td>
<td>R2,000</td>
<td>0.25</td>
<td>500.00</td>
<td>308,450.00</td>
</tr>
<tr>
<td>KCL</td>
<td>tons</td>
<td>R3,700</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td></td>
<td></td>
<td>625.00</td>
<td>385,562.50</td>
</tr>
<tr>
<td>Contracting Costs</td>
<td>hectare</td>
<td>R2,650</td>
<td>1.00</td>
<td>2,650.00</td>
<td>1,634,785.00</td>
</tr>
<tr>
<td>Total Allocatable Costs</td>
<td></td>
<td>R 5,041.00</td>
<td></td>
<td>R3,109,792.90</td>
<td></td>
</tr>
<tr>
<td>Margin above Costs</td>
<td></td>
<td>-R 1,441.00</td>
<td></td>
<td>-R 888,952.90</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{22} Table extracted from Grenfell (2005)
Table 9 (b): Contract cultivation costs

<table>
<thead>
<tr>
<th>Application</th>
<th>Cost per hectare</th>
<th>Application</th>
<th>Total per hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fertiliser application</td>
<td>R 150</td>
<td>1</td>
<td>R  150</td>
</tr>
<tr>
<td>Boom Spray</td>
<td>R 150</td>
<td>2</td>
<td>300</td>
</tr>
<tr>
<td>Mouldboard</td>
<td>R 500</td>
<td>1</td>
<td>500</td>
</tr>
<tr>
<td>Offset Disk</td>
<td>R 350</td>
<td>2</td>
<td>700</td>
</tr>
<tr>
<td>Konsgilde</td>
<td>R 150</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Plant</td>
<td>R 350</td>
<td>1</td>
<td>350</td>
</tr>
<tr>
<td>Transport</td>
<td>R 50</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>Harvest</td>
<td>R 600</td>
<td>1</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total per Hectare</strong></td>
<td></td>
<td></td>
<td><strong>R 2,650</strong></td>
</tr>
</tbody>
</table>

Table 10 (a): Gross margin budget for maize grown in the Sipaqeni AA under higher income price in medium potential soils (616.9 hectares planted)

**INCOME**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Income per Unit</th>
<th>Quantity</th>
<th>Per Hectare</th>
<th>Per Farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize grain</td>
<td>R 900</td>
<td>6.00</td>
<td>R 5,400.00</td>
<td>R 3,331,260.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>R 5,400.00</strong></td>
<td><strong>R 3,331,260.00</strong></td>
</tr>
</tbody>
</table>

**ALLOCATABLE COSTS**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Cost per Unit</th>
<th>Quantity</th>
<th>Per Hectare</th>
<th>Per Farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed</td>
<td>R 25</td>
<td>25.00</td>
<td>R 625.00</td>
<td>R 385,562.50</td>
</tr>
<tr>
<td>Fertiliser MAP (33)</td>
<td>R 3,205</td>
<td>0.20</td>
<td>641.00</td>
<td>395,432.90</td>
</tr>
<tr>
<td>LAN</td>
<td>R 2,000</td>
<td>0.25</td>
<td>500.00</td>
<td>308,450.00</td>
</tr>
<tr>
<td>KCL</td>
<td>R 3,700</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td></td>
<td>625.00</td>
<td>385,562.50</td>
</tr>
<tr>
<td>Contracting Costs</td>
<td>R 2,650</td>
<td>1.00</td>
<td>2,650.00</td>
<td>1,634,785.00</td>
</tr>
<tr>
<td><strong>Total Allocatable Costs</strong></td>
<td><strong>R 5,041.00</strong></td>
<td></td>
<td><strong>R 3,109,792.90</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Margin above Costs</strong></td>
<td><strong>R 359.00</strong></td>
<td></td>
<td><strong>R 221,467.10</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 10(b): Contract cultivation costs

<table>
<thead>
<tr>
<th>Application</th>
<th>Cost per hectare</th>
<th>Application</th>
<th>Total per hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fertiliser application</td>
<td>R 150</td>
<td>1</td>
<td>R  150</td>
</tr>
<tr>
<td>Boom Spray</td>
<td>R 150</td>
<td>2</td>
<td>300</td>
</tr>
<tr>
<td>Mouldboard</td>
<td>R 500</td>
<td>1</td>
<td>500</td>
</tr>
<tr>
<td>Offset Disk</td>
<td>R 350</td>
<td>2</td>
<td>700</td>
</tr>
<tr>
<td>Konsgilde</td>
<td>R 150</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Plant</td>
<td>R 350</td>
<td>1</td>
<td>350</td>
</tr>
<tr>
<td>Transport</td>
<td>R 50</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>Harvest</td>
<td>R 600</td>
<td>1</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total per Hectare</strong></td>
<td></td>
<td></td>
<td><strong>R 2,650</strong></td>
</tr>
</tbody>
</table>

---

23 Table extracted from Grenfell (2005)
24 Table extracted from Grenfell (2005)
25 Table extracted from Grenfell (2005)
Economics of maize production in low potential soils

The planting of low potential soils, which constitute the larger portion of arable lands within Sipaqeni AA, has serious implications and the gross margin (-R2,466) worsens as compared to the medium potential soils. Based on the assumption that optimum yield is achieved, the maize price would have to increase to above R1,300 per ton to reach positive returns (Grenfell, 2005). The low potential soils can achieve relatively higher yields in certain seasons (low early summer rains and higher late summer rains), but the chances of crop failure are higher.

According to Grenfell (2005), all the above implications of the high costs of contractors and the need to reduce cultivation costs are also applicable to the low potential soils. To achieve positive financial returns from maize on lower potential soils, yields in excess of eight tons per hectare would have to be achieved. This would require exceptional management, which is not available within Sipaqeni, even within the context of current government support.

To mitigate against the above scenario, the lowering of production costs requires serious consideration. This would entail the reduction of cultivation costs and the movement towards more labour-intensive agricultural practices, that is return to the use of animal traction. The traditional system of crop production is different to the more scientific option that is, at present, being promoted within the area, in that it is based on low-input costs and a low risk approach.

Traditional agricultural system

Under the traditional system of maize production, own maize seed is used, and cultivation and planting is done by using draught animals. Instead of chemical fertilizers, manure is used. This is the system that is generally used in the villages around Sipaqeni, where there is no government intervention. Other than own labour, capital purchase, and maintenance of equipment, these costs can be seen as very limited. Although the yields are considered to be low, the cost of producing the maize may save on the costs of purchasing maize. The cost of purchasing maize at a
local shop is estimated at R50 per 50 kilogram bag or R1,000 per ton. If one adds in the cost of labour as well as a cost for seed and equipment purchased, the traditional system of planting maize cannot be justified unless the price of maize is increased to a minimum price of R1,800 per ton.

Table 11: Gross margin budget traditional system (616.9 hectares planted)²⁶

<table>
<thead>
<tr>
<th>Income</th>
<th>Unit</th>
<th>Income per Unit</th>
<th>Quantity</th>
<th>Per Hectare</th>
<th>Per Farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize grain</td>
<td>tons</td>
<td>R1,000.00</td>
<td>0.6</td>
<td>R 600.00</td>
<td>R 1,300.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>R 600.00</td>
<td></td>
<td></td>
<td>R 1,300.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Allocatable Costs</th>
<th>Unit</th>
<th>Cost per Unit</th>
<th>Quantity</th>
<th>Per Hectare</th>
<th>Per Farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed</td>
<td>kilograms</td>
<td>R 6.25</td>
<td>18.0</td>
<td>R 90.00</td>
<td>R 117.00</td>
</tr>
<tr>
<td>Fertiliser</td>
<td>tons</td>
<td>R 200.00</td>
<td>2.0</td>
<td>400.00</td>
<td>520.00</td>
</tr>
<tr>
<td>Cultivation</td>
<td></td>
<td></td>
<td></td>
<td>525.00</td>
<td>682.50</td>
</tr>
<tr>
<td>Hoeing</td>
<td></td>
<td></td>
<td></td>
<td>400.00</td>
<td>520.00</td>
</tr>
<tr>
<td>Harvesting</td>
<td></td>
<td></td>
<td></td>
<td>200.00</td>
<td>260.00</td>
</tr>
<tr>
<td>Total Allocatable Costs</td>
<td></td>
<td>R 1,615.00</td>
<td></td>
<td>R 2,099.50</td>
<td></td>
</tr>
<tr>
<td>Margin above Costs</td>
<td></td>
<td>-R 1,015.00</td>
<td></td>
<td>-R 799.50</td>
<td></td>
</tr>
</tbody>
</table>

Note:
1. In this form of production system, the seed is self-produced. For the purposes of this calculation, it is discounted by 25 percent to the market price of commercial hybrid seed.
2. Cultivation, hoeing and harvesting – using animal traction – assumed equipment discounted over 10 years at a cost of R1,250 (purchase price) at 5 labour days per hectare, 5 hoeing labour days (twice), 5 labour days for harvesting per hectare for harvesting and threshing.
3. Manuring is assumed at five labour days per ton.
4. Purchase price of maize is estimated at R1,000 per ton, based on local market.

Thus the total cost of producing 0.78 (1.3 hectares per landowner) tons of maize is R117 per ton plus own labour – R1,820 plus equipment costs as compared to the purchase price of R1,000 per ton. The use of home garden plots, where production is generally under a smaller area, becomes a consideration, because it is closer to the homestead and theft becomes less of a problem and production is generally higher due to increased inputs.

The picture of traditional agricultural practices presented above is based on the conventional view that subsistence agriculture is unproductive. In this view, lack of

²⁶ Table extracted from Grenfell (2005)
modern methods, high yielding seed, fertilizer and other inputs are often identified as the main reasons for the perceived poor productivity (McAllister, 2000). While the traditional system tends to be viewed as inefficient, there is a school of thought that has a lot of relevance to the Sipaqeni case study, which advocates that yields in these situations are grossly underestimated and that subsistence farmers are as productive as commercial farmers. Some of the flaws that are cited by McAllister in the conventional surveys include irregular shape of arable lands, the system of intercropping, consumption of part of the crops before harvest, and so forth. All of these factors combined make the task of accurate estimation of actual yields very difficult, if not impossible.

In this system, the homesteads stagger the planting of the annual maize crop from early October through to beginning of January, due to a number of factors including availability of labour, availability of financial resources, and availability of rainfall. The differences in planting times are not only between different households, but also within a single household. This is a factor that is determined by technology, weather, and other resources. This results in a situation where a single household may plant its fields in two, three or even four trenches, which may be spread apart by up to even two months. This results in a crop that is at various stages of development, thereby spreading risk. This system supports household food security by providing a constant but staggered supply of green and dry maize for household consumption. Lack of labour for hoeing seems to be at the heart of the general decline of this system in the recent past.

Implications of current maize prices

Ntinga’s input costs per hectare are estimated at approximately R5,000 per hectare, which translates to an average of R6,500 per household, based on the 1.3 average household land holding. The currently low maize prices (R550 per ton) imply that yields in excess of 11 tons need to be achieved in order to break even. In instances where Ntinga is able to keep input costs in the low range, R4,500 per hectare, yields of approximately eight tons are required in order to break even. In order to achieve these yields, high levels of management are required, and since the inception of the
programme in 2005, actual average yield per hectare is between two and three tons per hectare. What this means is that due to the cheaper imports flooding the country, it is difficult to produce maize at a price that is lower than it would cost to buy.²⁷

While livestock production is not the primary focus of this study, it has been considered important to look at agriculture in an integrated manner. The next section provides a brief overview of some of the key issues and challenges relating to livestock farming within Sipaqeni.

5.4.2 Livestock production patterns and feasibility

Citing 2002/03 Veterinary Services for O.R. Tambo District, Ngetu (2003) estimates that Qaukeni Local Municipality has a total of 140,573 cattle, 90,187 sheep and 105,887 goats. According to Ngetu (2003), the 3 local municipalities Qaukeni, Mbizana and Ntabankulu have between them 273,665 cattle, which is about 70,000 more than the total cattle population of the Northern Cape (the biggest province in South Africa).

With respect to Sipaqeni AA, each household in each village theoretically has a right to keep livestock, even though only a few households do actually keep livestock. There are no controls as to how many livestock units each household can keep, which has resulted in overstocking and tremendous pressure on the pastures/grasslands. Table 12 (Livestock kept at Sipaqeni AA) shows actual livestock numbers in all 19 villages of Sipaqeni.

²⁷ Communication with Khulile Maceba, Agricultural Development Manager, Ntinga; July 2005.
### Table 12: Livestock kept at Sipaqeni AA

<table>
<thead>
<tr>
<th>Village</th>
<th>Cattle</th>
<th>Sheep</th>
<th>Goats</th>
<th>Equines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luduwana</td>
<td>301</td>
<td>0</td>
<td>1,119</td>
<td>29</td>
</tr>
<tr>
<td>Zadungeni</td>
<td>289</td>
<td>71</td>
<td>381</td>
<td>41</td>
</tr>
<tr>
<td>Nyathi</td>
<td>383</td>
<td>61</td>
<td>634</td>
<td>26</td>
</tr>
<tr>
<td>Bisi</td>
<td>252</td>
<td>213</td>
<td>221</td>
<td>28</td>
</tr>
<tr>
<td>Mngeni</td>
<td>155</td>
<td>21</td>
<td>255</td>
<td>31</td>
</tr>
<tr>
<td>Mtwaku</td>
<td>398</td>
<td>321</td>
<td>293</td>
<td>51</td>
</tr>
<tr>
<td>Gabajana</td>
<td>590</td>
<td>609</td>
<td>796</td>
<td>108</td>
</tr>
<tr>
<td>Mkhumeni</td>
<td>92</td>
<td>89</td>
<td>148</td>
<td>0</td>
</tr>
<tr>
<td>Langa</td>
<td>200</td>
<td>220</td>
<td>359</td>
<td>48</td>
</tr>
<tr>
<td>Ngqandulo</td>
<td>407</td>
<td>259</td>
<td>215</td>
<td>43</td>
</tr>
<tr>
<td>Ngcungeni</td>
<td>329</td>
<td>350</td>
<td>384</td>
<td>22</td>
</tr>
<tr>
<td>Lujecweni</td>
<td>200</td>
<td>229</td>
<td>89</td>
<td>16</td>
</tr>
<tr>
<td>Sigubudwini/Mqwangweni A</td>
<td>400</td>
<td>190</td>
<td>245</td>
<td>13</td>
</tr>
<tr>
<td>Balasi</td>
<td>400</td>
<td>485</td>
<td>466</td>
<td>32</td>
</tr>
<tr>
<td>Fama</td>
<td>305</td>
<td>442</td>
<td>135</td>
<td>42</td>
</tr>
<tr>
<td>Mangquzu</td>
<td>400</td>
<td>563</td>
<td>397</td>
<td>45</td>
</tr>
<tr>
<td>JB</td>
<td>204</td>
<td>498</td>
<td>182</td>
<td>27</td>
</tr>
<tr>
<td>Lukhahlambeni/Kahlamba</td>
<td>400</td>
<td>104</td>
<td>323</td>
<td>25</td>
</tr>
<tr>
<td>Sigingqini/Ndakeni B</td>
<td>198</td>
<td>156</td>
<td>218</td>
<td>14</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>5,903</strong></td>
<td><strong>4,881</strong></td>
<td><strong>6,860</strong></td>
<td><strong>641</strong></td>
</tr>
<tr>
<td><strong>Estimated LSU’s</strong></td>
<td><strong>6,493.3</strong></td>
<td><strong>894.85</strong></td>
<td><strong>1,257.667</strong></td>
<td><strong>512.8</strong></td>
</tr>
</tbody>
</table>

The Department of Agriculture gives guidelines to the mix of animals that should be kept on sourveld areas and this is generally at a ratio of six small stock units (sheep or goats) to one large livestock unit (cattle). Cattle are bulk grazers and sheep are more selective, thus they complement each other as the cattle keep the taller grass at a suitable grazing height for the sheep.

---

28 Figures supplied by Mr. Tsita, an officer, Department of Agriculture, Flagstaff, May 2005.
Table 13: Livestock holding and carrying capacity in selected villages of Sipaqeni AA.

<table>
<thead>
<tr>
<th>Village</th>
<th>Number of households</th>
<th>Estimated number of livestock units kept</th>
<th>Livestock units per household (Average)</th>
<th>Estimated grazing capacity Hectare/Livestock UnitsSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Langa</td>
<td>762</td>
<td>845</td>
<td>1.11</td>
<td>6</td>
</tr>
<tr>
<td>Ngqandulo</td>
<td>475</td>
<td>999</td>
<td>2.10</td>
<td>6</td>
</tr>
<tr>
<td>Sigubudwini</td>
<td>1,033</td>
<td>660</td>
<td>0.64</td>
<td>6</td>
</tr>
<tr>
<td>Balasi</td>
<td>750</td>
<td>956</td>
<td>1.27</td>
<td>6</td>
</tr>
<tr>
<td>Fama</td>
<td>305</td>
<td>895</td>
<td>2.93</td>
<td>6</td>
</tr>
<tr>
<td>Mangquzu</td>
<td>476</td>
<td>1,102</td>
<td>2.31</td>
<td>6</td>
</tr>
<tr>
<td>JB</td>
<td>217</td>
<td>640</td>
<td>2.95</td>
<td>6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,018</strong></td>
<td><strong>6,097</strong></td>
<td><strong>1.50</strong></td>
<td><strong>518.77 LSU’s</strong></td>
</tr>
</tbody>
</table>

The implications of the above are that the mortality rate of animals kept will increase due to starvation (Grenfell, 2005). The actual stocking ratio that is kept should be six small stock for every bulk grazer. Although the ratio between sheep and cattle is more or less 6:1, if one includes the goats, the ratio then is closer to 12:1.

The determination of actual stock carried has been converted into LSUs, which is a standard to convert all animals to equivalents. The number of stock that is kept in terms of LSUs (9,159) as to the actual grazing capacity (3,268 LSUs) is almost three times the carrying capacity. This overstocking will have serious detrimental effects on the natural vegetation and in the long-term result in desertification of this area with the subsequent reduction in productive ability of the area.

The average stock that is held per individual household with a sample taken out of the community is 1.5 LSUs. Based on the actual livestock ownership Table 12 (Livestock kept at Sipaqeni villages), it can be computed that the area is three times
overstocked. The actual number of LSU that could be kept, assuming the present potential is 0.5 LSUs per household. This serves as a broad indication of the potential contribution of livestock farming to livelihoods. Assuming a Net Farm Income of R841.00 per LSU under ideal conditions, each household could receive an income of R420.00 per year from livestock farming\textsuperscript{29}. This is only theoretical because ownership of livestock in these areas tends to be skewed. In a survey conducted by Manona (2002) in communal areas around Hogsback (Dontsa) and Stutterheim (Mtwaku and Toise), between 70 percent and 85 percent of livestock was owned by between 10 and 15 percent of members of the communities (Manona, 2002). It can be reasonably assumed that the situation is not much different at Sipaqeni.

Besides the sales, which are infrequent, production of wool from sheep is probably the one other source of income from livestock. It can be assumed looking at the condition of the animals and the nutritional status of the sheep, as well as the large amount of inbreeding that occurs, that production will seldom exceed two kilograms per animal. Wool is generally purchased from households unsorted and little money is paid, for as little as R10 per sheep (at R5 per kilogram), compared to an estimated R100 income per sheep for commercial farmers.

Based on the current grazing capacity, it can be computed that income received from livestock would be negligible and could be assumed at an estimated R25,000 for the total administrative area for wool only (Grenfell, 2005). Assuming that 7,363 LSUs can be carried under pristine conditions at a Net Farm Income of R843 per annum, a potential income of R6,207,009 can be achieved running sheep and cattle only at a ratio of 6:1. The income generated from cash crops would be an added income to livestock. It must be stressed at this point that a certain portion of the lands would have to be used for the production of fodder. It is, however, doubtful that this option would be considered by local communities, because the community pursues a multitude of land-based livelihood strategies.

\textsuperscript{29} Figure based commercial farming situation.
The general perception of commercial livestock buyers is that livestock owners sell animals when they are too old, often in lean condition and as a result fetch low prices (Siveni & Co and NEPRO Consulting, 2005). This view does not consider the range of other economic benefits from which livestock is used in communal situations, which include a source for manure, milk, cattle as a status symbol, and as a form of insurance and saving, and so forth.

Natural Grazing and Livestock

Suggesting a deterioration of the veld condition, Kepe (2002:68, citing Kepe and Scoones, 1999) argues that, “The communal areas are dominated by an extensive, poor quality *Aristida junciformis* grassland.” Local communities have an understanding of the unpallatability of this grass type, as well as its limitations to livestock farming in the area (as explained in Chapter 4, Section 4.3.2). The above veld types generally can only sustain animal production for eight months of the year and require supplementation of the natural grazing for at least four months of the year.

During the periods when animal production cannot be sustained, the animals require some form of supplementation, either in the form of winter mineral licks (high protein) or additional fodder, which is largely not provided (Grenfell, 2005). The predominant form of livestock supplementation is stovering (*ukubhuqisa*), whereby livestock are allowed to feed on the remaining plant residue after the harvest of the crop. Maize stock residue on arable lands is utilized during winter for the grazing of stock and forms an important part of the traditional method of providing the required nutrition to animal stock.

All the villages in Sipaqeni AA were demarcated into grazing camps during the betterment period around the 1970s, based on a rotational grazing system. Many of the intended fences were not constructed and the few that were constructed are not in place anymore. At the time of the study, the villages were practicing an open grazing system, which implies that livestock is left to roam freely in the commonage irrespective of village or even administrative area boundaries. The main controls are
exercised seasonally when the arable fields are planted, where livestock owners have a responsibility to keep their livestock off the fields as much as possible.

Other grazing sources

The grazing system that is practiced within Sipaqeni is an open grazing system, whereby livestock is left to graze anywhere in the commons, both within and beyond the administrative areas to various degrees. The only area where some degree of control exists is with respect to arable lands when there is a crop planted. Livestock at Sipaqeni is grazed across the various land use areas with some controls over forestry and arable lands. Limited grazing is allowed on forestry land at periods when trees are big enough that they can no longer be destroyed by the animals.

Table 14: Estimated actual carrying capacity for grazing animals assuming existing conditions

<table>
<thead>
<tr>
<th>Fodder Source</th>
<th>Area (ha)</th>
<th>Estimated Carrying Cap ha/LSU</th>
<th>Total LSUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Grazing</td>
<td>5,560.00</td>
<td>6</td>
<td>926.70</td>
</tr>
<tr>
<td>Arable lands</td>
<td>4,484.40</td>
<td>2</td>
<td>2,242.20</td>
</tr>
<tr>
<td>Forestry</td>
<td>671.70</td>
<td>12</td>
<td>55.98</td>
</tr>
<tr>
<td>Village areas</td>
<td>1,278.63</td>
<td>30</td>
<td>42.63</td>
</tr>
<tr>
<td><strong>TOTAL LSUs</strong></td>
<td></td>
<td></td>
<td><strong>3,267.50</strong></td>
</tr>
</tbody>
</table>

Animal Condition

Poor veld management practices such as autumn and winter burning, annual burning, continuous grazing, stocking with the incorrect type of animals, and overstocking have degraded the natural vegetation to pioneer species such as *inkonkoni* (*Aristida junciformis*). These veld species are limited for animal production and will only be utilized by stock after burning, during certain periods of the year (Grenfell, 2005). Over and above *inkonkoni* being an extremely unpalatable pioneer grass, its leaves are extremely tough and animals have difficulty chewing and digesting the plant material.
Due to the poor condition of the natural vegetation, animal production is very limited and the period of animal maintenance is limited to the months of early spring/summer (estimated at five months of the year). Production is often falsely enhanced by late summer and autumn/winter burning (Grenfell, 2005). This is a false and short-term practice as it is not only detrimental to the condition of the natural vegetation, but it has an impact on the short-term production of the natural vegetation. In effect, stock production is limited to those periods after burning or during the early spring/summer period resulting in limitations on animal reproductive capacity.

The practice of loaning cattle among kinship groups is a long established system within Sipaqeni, although it seems to be on the decline. This is a system that was particularly attractive to migrant workers, who would have the benefit of accumulating livestock numbers back at home, while they are in places of work. Within the sample of 279 respondents, 41 (0.15 percent of the sample) reported that they were keeping cattle that belonged to other households. When asked if they would be willing to lend cattle to others, 89 percent of the respondents said they would not while only 11 percent of the respondents indicated that they would.

At the time of the assessment (April/May 2005), animals should have been in peak condition, due to the long summer period. However, animals within the area, particularly cattle and sheep, were in poor condition and it is doubtful that they are able to produce effectively. The poor condition can partly be attributed to high competition for food and the lack of food (Grenfell, 2005). Due to the poor nutritional status, the reproductive rate of animals is expected to be very low with assumed figures of below 30 percent for cattle and figures of 50 percent for sheep. In a study conducted by Siveni & Co. and NEPRO Consulting and Training Services (2005) in Nyandeni and Port St Johns, local municipalities, low birth rates (of about 38 percent), combined with high mortality rates (of about 15.6 percent) of adult cattle attributable to tick borne diseases, confirm the situation in Sipaqeni.
### Table 15: Livestock owned by the household

<table>
<thead>
<tr>
<th>Livestock type</th>
<th>Total</th>
<th>Average per household</th>
<th>Loaned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>434</td>
<td>2</td>
<td>41 (0.15%)</td>
</tr>
<tr>
<td>Goats</td>
<td>219</td>
<td>1</td>
<td>18 (0.06%)</td>
</tr>
<tr>
<td>Sheep</td>
<td>369</td>
<td>1</td>
<td>80 (0.29%)</td>
</tr>
<tr>
<td>Pigs</td>
<td>295</td>
<td>1</td>
<td>3 (0.01%)</td>
</tr>
<tr>
<td>Chicken</td>
<td>1166</td>
<td>4</td>
<td>32 (0.11%)</td>
</tr>
<tr>
<td>Equines</td>
<td>40</td>
<td>0</td>
<td>2 (0.01%)</td>
</tr>
<tr>
<td>Other</td>
<td>154</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

### 5.5 O.R. TAMBO MAIZE PROGRAMME AT SIPAQENI

#### 5.5.1 Origins of the programme

A council resolution of 26 March 2003 made a decision to establish a municipal entity, which according to the approved municipal LED implementation strategy was conceptualized as a vehicle for spearheading and implementing local economic development in the O.R. Tambo district. Ntinga was registered in 2003 with the Registrar of Companies as a section 21 Company by the O.R. Tambo District Municipality. According to the Strategic Vision of Ntinga (undated), the council’s rationale for the establishment of the new entity was informed by:

- The uniqueness and extent of poverty and the underdevelopment challenge of O.R. Tambo District warranted the LED be elevated and a focused approach be developed regarding its planning and implementation.
- The need for rapid response to development challenges through removal of bureaucratic constraints and restrictions called for a structure that would be relatively free from the normal legislative and procedural requirements applicable to a municipality.
- The skill and resource lack in the district warranted that a resource pooling strategy be formulated that would facilitate effective participation by private sector in the development affairs of the district as well as enhance coordination and utilization of the scarce resources.
In its Strategic Vision document, Ntinga had identified agricultural development, tourism, forestry sector, and mariculture as the lead sectors to drive economic development within the district. Ntinga’s approach to agricultural development “has been structured around two programmes, namely Primary Agriculture Resuscitation Programme (PARP) and Food Processing Programme (FPP) (O.R. Tambo District Municipality, 2003:8).

The PARP approach seeks to accommodate the existing levels of underdevelopment, thus acknowledging the fact that an initial investment is required to bring the underdeveloped, impoverished, and de-motivated farmers to the level where they can aspire to participate in commercial farming as opposed to just self-sufficiency. This approach, therefore, bridges the gap between poverty alleviation and economic development (O.R. Tambo District Municipality, 2003:9).

O.R. Tambo District Municipality’s agricultural development programme had two key components to it. The first component was the livestock improvement programme, which focused on cattle and goats. The second component is the crop production programme, with a big emphasis on grain crops and to a lesser extent, vegetable production. The maize programme was and still is regarded as the flagship of O.R. Tambo District Municipality’s LED programme as reflected in the budget of R11.6 million allocated to Ntinga in the 2003/04 financial year (Daily Dispatch, 18 July 2003).

5.5.2 O.R. Tambo District Municipality’s approach

The maize programme targeted arable fields held by individual households within the communal areas. The programme was premised on the district municipality providing mechanisation equipment, high yielding cultivars, fertilizer, and project management support. During the 2001/02 and 2002/03 seasons there was no documented policy on how the programme was to be run. The Build, Operate, Train and Transfer (BOTT) approach which has its history in the water services sector was adopted as the guiding policy. Firstly, the BOTT approach entailed getting initial
usufruct rights from the landowners for a specified period. Secondly, the District Municipality mobilized local contractors together with its own implements to cultivate the land, making use of own resources. Thirdly, it was envisaged that the District Municipality would embark on a process of training the landowners while the farmer received 50 percent of the harvest and the balance being used to recover costs by the District Municipality. Lastly, it was envisaged that after a period of a few years, the land would be transferred back to the landowner, who supposedly would have by then gained sufficient skills to engage in agriculture. Fundamentally, the approach was in a number of respects similar to the TRACOR approach prior to 1988 (see Section 5.5.2).

The “maize triangle” as it is commonly referred to, which is made up of Qaukeni, Mbizana and Ntabankulu Local Municipalities were identified by the District Municipality as the areas where the programme was to be piloted. The rationale for choice of the three local municipalities was that these were considered as the poorest within O.R. Tambo District Municipality, with serious need for institutional capacity. Within Qaukeni Local Municipality, the first beneficiary villages of the maize programme targeted were Langa, Ngqandulo, JB, Fama Mangquzu, Balasi, and Sigubudwini villages, which form part of Sipaqeni AA. In Mbizana Local Municipality, Mhlanga and Mbongweni villages were identified as the pilot sites.

With all the projects that were initiated between 2001/02 and 2002/03 seasons, the District Municipality’s field staff proposed the project on the understanding that O.R. Tambo District Municipality, and later on Ntinga, would pay for all input costs (seed, fertilizer, tractors, and chemicals). It was envisaged that the members of the community would be paid for weeding the lands. It was also proposed that the District Municipality would take 50 percent of the harvest, while the other 50 percent would go to the landowner\(^{30}\) (Manona & Grenfell, 2002). To the landowners, the programme brought hopes of bringing back to production arable lands that had been lying fallow for many years.

\(^{30}\) Interview conducted by D. Maliti, with Chief Mdutshane who was the project facilitator in 2002, November 2002.
In both 2001/02 and 2002/003 seasons, the maize programme encountered problems with execution, due to lack of system and coherence in approach. The yields were not only low, but the capacity to till all the lands was lacking. Some of the lands in Balasi and Sigubudwini, for example, were only ploughed in 2002 but they were not planted, meaning that they did not benefit in the first year of the programme (Manona & Grenfell, 2002). Because yields were very low, neither the O.R. Tambo District Municipality nor Ntinga could take the cost recovery portion of the crop meaning that it could not recover its costs.

When the programme was originally introduced in 2001, there was no written policy in place, and most of what was communicated to the local farmers did much to alienate them from the programme. Many of the farmers were suspicious that government wanted to take away their land, which reflected a very strong bond that the communities had with the land that they were not planting. Since 2003, as a result of the development of a more coherent policy, as well as social mobilization processes, the programme attracted nearly 100 percent participation from the farmers within the targeted villages in Sipaqeni AA. The landowners had to be given assurance that government did not have any intention of dispossessing them of their lands. The policy, which was adopted in the 2003/04 season, was based on an unconditional sliding scale grant to the land owner, providing the farmer with 100 percent of the input costs for the first year of production, 50 percent in the second year, and only technical support from the third year onwards (Ntinga, 2003). One key policy difference in the 2003/04 approach was that the focus shifted away from groups of farmers as the focal point, to the individual households. Secondly, in terms of the new policy, the District Municipality emphasized that the crop belonged to the farmer rather than government.

At the time the study was conducted, the stated policy was that during the first year of the introduction of the programme, Ntinga would contribute to planting of between 20 and 50 hectares based on the state grant approach. This is referred to as the programme introductory year. The biggest challenge that officials are faced with in determining the first 50 hectares is that there are no clear guidelines as to how the
initial hectares would be selected in areas where more arable land was available. During the second year, 100 percent grant would be provided to all participating land owners, which would slide down to 50 percent grant in the third year, and ending with only technical support from the fourth year onwards.

Since 2003/04 the policy has changed quickly over time and has been executed differently across different project sites. In the 2004/05 season, the policy that was adopted was brought closer to the Department of Agriculture’s Massive Food Production programme. At a policy review workshop held in 2004, the approach that was adopted was to provide the farmer with a sliding scale grant over a four year period, 100 percent for the first year, 100 percent for the second year, and 50 percent for the third year. Due to the cost implications associated with the new policy, it was again changed at the beginning of the 2004/05 planting season, to an approach similar to the 2003/04 approach. While the changes in policy have been problematic, how these were communicated to the beneficiaries was even more problematic. The common trend among all the various policy positions is that they were all based on a system in which government took over the farming role from the farmer as well as all the labour and risk associated with farming, along similar lines to TRACOR (see Section 5.2.1).

The different policy positions have not been implemented with any consistency at any stage. At Langa and Ngqandulo, the landowners who started participating in the programme in 2001/02 have consistently given away 50 percent of their produce since 2002/03, but without a clear feedback and communication of what happens to the maize that is taken by Ntinga. The speed at which policy positions were changing have understandably had the effect of general lack of clarity of what the formal policy was at any one point, which has not only been confusing to the beneficiaries, but to the planners as well.

In general, much of the confusion around policy emanates not only from the annual shifts, but also from inconsistencies in implementing policy on the part of the

---

31 Workshop resolution, Policy review workshop held at Mpekweni in April 2004.
implementing agent. Some of the confusion around policy also emanates from ‘different messages’ being communicated to the farmers by different parties. Local municipality councilors, for example, say things that are often different from what O.R. Tambo District Municipality councilors are communicating. These messages communicated by the politicians also tended to differ from those communicated by Ntinga officials, the implementing agent.\textsuperscript{32}

\textit{Cost reduction strategies: Conservation tillage and animal traction}

Central to the District Municipality’s original policy was the idea of reducing production costs of cultivation methods through the promotion of conservation tillage\textsuperscript{33} and animal traction. During the 2003/04 season, approximately 20 percent in Langa/Ngqandulo and an estimated 6 percent of land at JB, Fama, and Mangquzu was planted using the conservation tillage approach. During the 2004/05 season, lime had to be applied at Langa and Ngqandulo, which is given as a reason for retracting from the conservation tillage approach. Tables 16, 17, and 18 are based on 2003/04 costings and financial planning, which were intended to reflect cost reduction advantages of animal traction and no-till. The percentage grant is based on the envisaged state grant towards production costs to the landowner. Table 16 indicates the conventional commercial system that is usually applied. This will generally be the starting point as landowners do not know or have experience of the minimum tillage and zero tillage practices. This system is only appropriate to natural resources of medium to high potential for dryland cropping. Table 17 indicates the animal traction system. This system will be applied to areas where the natural resources are of low potential. This system will be adapted over time to other variations of zero tillage. The system is also suited to medium and high potential soils. Table 18 indicates a zero tillage commercial operation.

\textsuperscript{32} Interview with focus group 36 landowners Fama, April 2005.

\textsuperscript{33} Conservation tillage is used as an inclusive term to include, no-till and minimum tillage approaches.
Table 16: Conventional maize production

<table>
<thead>
<tr>
<th></th>
<th>Season 1</th>
<th>Season 2</th>
<th>Season 3</th>
<th>Season 4</th>
<th>Season 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant %</td>
<td>100</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Yield (tons)</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>O.R. Tambo Grant</td>
<td>R 13,450.60</td>
<td>R 6,725.30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income received</td>
<td>R 16,000.00</td>
<td>R 16,000.00</td>
<td>R 16,000.00</td>
<td>R 16,000.00</td>
<td>R 16,000.00</td>
</tr>
<tr>
<td>Land Owner Profit</td>
<td>R16,000.00</td>
<td>R9,274.70</td>
<td>R2,549.40</td>
<td>R2,549.40</td>
<td>R2,549.40</td>
</tr>
<tr>
<td>Own use funds</td>
<td>R2,500.00</td>
<td>R2,500.00</td>
<td>R2,500.00</td>
<td>R2,500.00</td>
<td>R2,500.00</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>R13,500.00</td>
<td>R6,774.70</td>
<td>R49.40</td>
<td>R49.40</td>
<td>R49.40</td>
</tr>
</tbody>
</table>
Table 17: Maize using animal traction

<table>
<thead>
<tr>
<th></th>
<th>Season 1</th>
<th>Season 2</th>
<th>Season 3</th>
<th>Season 4</th>
<th>Season 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant%</td>
<td>100</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Yield (tons)</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>O.R. Tambo Grant</td>
<td>R2,640.23</td>
<td>R1,320.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Input cost</td>
<td>R2,640.23</td>
<td>R2,640.23</td>
<td>R2,640.23</td>
<td>R2,640.23</td>
<td>R2,640.23</td>
</tr>
<tr>
<td>Income received</td>
<td>R8,000.00</td>
<td>R8,000.00</td>
<td>R8,000.00</td>
<td>R8,000.00</td>
<td>R8,000.00</td>
</tr>
<tr>
<td>Land owner profit</td>
<td>R8,000.00</td>
<td>R6,679.89</td>
<td>R5,359.78</td>
<td>R5,359.78</td>
<td>R5,359.78</td>
</tr>
<tr>
<td>Own use funds</td>
<td>R5,300.00</td>
<td>R5,300.00</td>
<td>R5,300.00</td>
<td>R5,300.00</td>
<td>R5,300.00</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>R2,700.00</td>
<td>R1,379.89</td>
<td>R59.77</td>
<td>R59.77</td>
<td>R59.77</td>
</tr>
</tbody>
</table>

Table 18: Maize using no-till

<table>
<thead>
<tr>
<th></th>
<th>Season 1</th>
<th>Season 2</th>
<th>Season 3</th>
<th>Season 4</th>
<th>Season 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant%</td>
<td>100</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Yield (tons)</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>O.R. Tambo Grant</td>
<td>R11,410.60</td>
<td>R5,705.30</td>
<td>R0.00</td>
<td>R0.00</td>
<td>R0.00</td>
</tr>
<tr>
<td>Input cost</td>
<td>R11,410.60</td>
<td>R11,410.60</td>
<td>R11,410.60</td>
<td>R11,410.60</td>
<td>R11,410.60</td>
</tr>
<tr>
<td>Income received</td>
<td>R16,000.00</td>
<td>R16,000.00</td>
<td>R16,000.00</td>
<td>R16,000.00</td>
<td>R16,000.00</td>
</tr>
<tr>
<td>Land owner profit</td>
<td>R16,000.00</td>
<td>R10,294.70</td>
<td>R4,589.40</td>
<td>R4,589.40</td>
<td>R4,589.40</td>
</tr>
<tr>
<td>Own use funds</td>
<td>R4,500.00</td>
<td>R4,500.00</td>
<td>R4,500.00</td>
<td>R4,500.00</td>
<td>R4,500.00</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>R11,500.00</td>
<td>R5,794.70</td>
<td>R89.40</td>
<td>R89.40</td>
<td>R89.40</td>
</tr>
</tbody>
</table>

While there seemed to be sufficient argument in favor of animal traction and conservation tillage, in 2004/05 season, Ntinga officials both at head office as well as at a site level, generally lacked the understanding and commitment to the approaches, and simply gravitated back to conventional tillage approaches. The resistance manifested in Ntinga staff increasingly purchasing conventional tillage implements in large numbers rather than the implements that are in line with the approaches, which were being promoted. The second major reason is that tractor owners/contractors were opposed to conservation tillage approaches, because they viewed it as methods that were being introduced to deny them the income. Part of the reason for staff resistance to the new proposed approaches was that a large
number of Ntinga’s agricultural officers were ex-TRACOR employees and were more familiar with TRACOR approaches.

Livestock availability from the communities was also a big challenge. Livestock owners were not always those who had land and were in many cases not willing to use their livestock for draught purposes. Many of the livestock owner argued that even when they do have the cattle, these are often in their worst condition at a time when they are required for soil preparation and planting. Due to delays with the planting most of the projects resorted to animal traction only as a crisis intervention rather than as part of a systematic planning. The programme actually used animal traction as a fallback position rather than as an essential and important element of the programme. During the 2004/05 season, animal traction was viewed as necessary only for the steeper lands, which could not be traversed by a tractor.

While the livestock numbers are relatively high, suggesting a potential source of animal traction, this is not the case in villages where the O.R. Tambo Maize Programme is implemented. Livestock owners have not availed their livestock for traction purposes. The responses from the livestock owners are broadly that they do not have enough draught animals or those that have the animals are in their worst physical condition.

Ntinga cannot justify its existence if it fails to help the farmers to farm economically. In the past few years (2001 – 2005), the maize programme has failed to recover its costs. In economic terms, the production inputs have consistently outweighed yields. This economic reality is only understood by Ntinga only and not by the farmers. Reduction of inputs costs through increased utilization of animal traction and conservation tillage approaches seem to be the immediate option.

---

34 Interview with a focus group of 48 landowners from Balasi.
5.6 TECHNICAL ASSESSMENT OF THE O.R. TAMBO DISTRICT MUNICIPALITY’S MAIZE PROGRAMME

5.6.1 Project selection criteria, execution, and exit

Natural resources are a major limiting factor to sustainability, with only 14 percent of arable land having medium potential (see Table 8). Within the mix of agricultural programmes that Ntinga provides, a combination of different programmes would make more impact at Sipaqaeni, rather than a simple selection of a sub-optimal crop such as maize. In agriculture, the importance of resources cannot be underestimated. It would appear that the demand-led approach would need to be reviewed, possibly balancing it up with sound resource and a fair amount of technical assessment. The resources assessment of Sipaqeni shows that a significant portion of the lands have low potential (see Figure 2). Ntinga, as a regional development agency, should be taking proactive action in identifying key strategic opportunities within the district rather than simply responding to local demands.

Given the current experience within Sipaqeni, there does not seem to be an exit point in sight for Ntinga. One reason is that there is no sustainable programme in place and secondly that the programme has not proved viable. Under such circumstances, it is critical that the original rationale for intervention is revisited. Once this is done, such deliberations will indicate if there is a need for change of strategies and tactics and at what point and how Ntinga should exit.

5.6.2 Maize yields for 2004/05 – Food security

There are opposing views on the general trends of yields in communal areas with one school advocating that small scale family farming in Africa leads to patterns of household production, which results in low levels of farm output per acre per person (Louw, 1984). The middle road position as advocated by Beinart (1992) is that we simply do not know. The other extreme view is represented by McAllister (2000), which is that maize yields have been grossly underestimated. Ntinga’s approach is informed by the understanding that the yields are in fact low, and based on the view
that it would be interesting to know what actual difference the maize programme has had. It was actually not possible to determine the extent to which the intervention has either increased or decreased yields, primarily because no baseline study was undertaken at the initiation of the programme. The only figures available are those released by Ntinga on a year-to-year basis, which exclude intercropping yields, crop that has been stolen, and maize consumed as green maize. Table 20 suggests that yields are below target, which is a matter of concern when viewed from the perspective of how much money is invested. The underperformance is attributable to different reasons.

The administrative bungle in the 2004/05 season occurred when Ntinga received the agriculture allocation too late, which resulted in a number of delays and problems for the programme. The amount received was, according to head office sources, R10 million short. While some of the responsibility for some of the administrative bungles can be placed at the door of the District Municipality, Ntinga head office could have done better in refining its financial planning abilities as well as improving systems and/or increasing its capacity to handle claims. Payment delays seem to be one of the critical problems at an institutional level, which in turn result in disillusionment of contractors and unwillingness of locals to provide casual labour. During the 2004/05 season, the problem of payment delays has been worse than any other year, with some contractors having payments that were more than five months overdue.35 By end of April, there were still payments dating back to December 2004 and January 2005 without a clear explanation. The head office administrative inefficiencies had a multiplier effect on all the operations of the programme. The only way the programme managed to plant 4,834 hectares of the targeted 5,620 hectares was by reducing fertilizer application and, therefore, the targeted yields.

35 Interview with 8 tractor owners (members of Flagstaff Tractor Association), Flagstaff, 20 April 2005
Table 19: Breakdown of actual yields for each site

<table>
<thead>
<tr>
<th>Village</th>
<th>Potential yield per hectare</th>
<th>Targeted yield per hectare 2004/05</th>
<th>Actual 2003/04 yield</th>
<th>Actual 2004/05 yield per hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balasi, Sigubudwini</td>
<td>4</td>
<td>3</td>
<td>1.4</td>
<td>1 estimated</td>
</tr>
<tr>
<td>JB, Fama, Mangquzu</td>
<td>4</td>
<td>3</td>
<td>1.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Langa/ Ngqandulo</td>
<td>8</td>
<td>4-5</td>
<td>2.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Mhlanga</td>
<td>5</td>
<td>4-5</td>
<td>4.3</td>
<td>1.5 to 3 estimated</td>
</tr>
</tbody>
</table>

The second set of problems, which have contributed to the low yields, are operational technical bottlenecks at project level, which, while important on their own, are also largely a reflection of the magnitude of the institutional related problems. At the heart of the problem are delays in timely execution of operations, which arise from institutional inertia. While many of the operational problems could have been resolved by strong management, this seemed to be lacking.

- Harvesting took longer than was envisaged and as a result soil preparation was delayed causing delays in later operations.
- Poor planning and coordination of contractors.
- The spraying programme was not implanted rigorously according to programme, largely due to other delays. In Balasi/Sigubudwini pre-emergence herbicides were applied to only about 80 hectares of the total 313 hectares. The remainder was not sprayed because there was lack of cooperation from the tractor owners who refused to in protest against low rates of spraying and problems of accessing water for mixing of chemicals (lack of water carts and pumps). As a result weed control had to be undertaken manually, by hand hoeing.
- Because of delays in delivery of inputs, application of lime was squeezed under tight time constraints, with soil preparations and planting generally done late, stretching to late January in some cases. Sugar beans were planted in the middle of March. Because of perceived late planting, landowners refused to hoe because they had lost hope of good yields. Incorrect input application associated with either implements that were unserviceable or that

---

36 Contents of table supplied by K. Maceba (Agric Manager Ntinga) and Alan Grenfell.
was not properly calibrated was a factor. No plan was put in place to deal with shortages of implements because there was no money.

- Seeds were not planted at the correct plant population of 30,000 to 35,000 plants per hectare and in certain instances was as low as 20,000 per hectare. The low plant population is partly attributable to planters that were either not or could not be calibrated.

- Nut/water grass has been identified as a critical problem around Flagstaff, which meant that one could not practice crop production without using chemicals. Because of the poor chemical application regime, nut grass has had a major contribution to the low yields. If chemicals are not used to combat nut/water grass the fields required hoeing up to four and five times.

The low yields experienced within the Flagstaff area go against any considerations of possibilities of sustainability. The low maize prices of between R550 and R600 per ton make breaking even very difficult and making profit even more difficult to attain. If one considers a yield of one ton per hectare, and the input costs are in the vicinity of R4,500 per hectare, the only person making some money in the production chain is the contractor. While this may sound as an economic argument devoid of developmental considerations, Ntinga has a big challenge of resuscitating agriculture within the District. Unless the price for maize changes drastically, it will never pay to produce maize in South Africa under these difficult economic conditions. Even at the high prices of R1,800 per ton a yield of three tons per hectare will only achieve a profit of R900 per hectare. Despite the underperformance on the quantity aspects, poor quality maize produced lands the programme into a deeper crisis. Unless the input scenario is changed and mechanization becomes a low cost input, the future of maize production is bleak.

If one takes the World Bank’s definition of the concept of food security, as it is the one that is widely accepted, it is about “access by all people at all times to enough food for an active, healthy life,” cited by Fraser and Monde (2001). The main elements to consider are whether the food is sufficient, whether the people have access, how secure is the source and time. It has been raised elsewhere that the
beneficiaries of the maize programme only constitute a very small percentage of the local population. The overwhelmingly negative responses by the beneficiaries, to the effect that they would not be able to continue with crop production without the support of Ntinga, indicate that the source is insecure. Despite the fact that expertise is centered on the government institution, access to the subsidized inputs within the current system is a step removed from the farmers. These suggest that the programme is nowhere close to achieving food security. It is inconceivable that food security can be achieved without providing the farmer with both the knowledge and the resources to produce food.

5.6.3 Critical analysis of objectives, execution and outcomes of the maize programme

The District Municipality’s Maize Programme is considered to be a single intervention, focusing on increasing food production. Because of the multifaceted nature of poverty, it is not possible to assess its impact on poverty. However, the only impact that can be determined is with respect to the contribution of the programme in combating food insecurity or hunger. By merely looking at the yields, there is no doubt that the programme has achieved a lot in terms of increasing food availability within Sipaqeni. However, the biggest challenge for the programme is that there is a serious question as to whether the programme is reaching its target in its current form. As the programme stands, it is reaching only 26 percent of households, those that have access to arable allotments. These households unanimously agree that they do not constitute the poorest sector within their local communities. The dominant view is that the poorest are among those that do not have access to arable land. Given the poverty levels of O.R. Tambo district and Qaukeni, which are in the region of 80 percent, it would mean then that the programme is not directed at those who are really in need of the intervention. Given that those who own arable land are not only such a small percentage of the communities concerned and that they are not the poorest, means that it is largely missing the target group. The crop production programme would stand a better chance of reaching the poor if it targeted homestead food gardens. The advantage of taking this route would be that it does not only reach more people, but it would also
strengthen a practice that is already in existence. In its current form the O.R. Tambo Maize Programme is simply not reaching the target group in Sipaqeni AA.

The current model is a repetition of the maize schemes of the former Transkei government, where government was farming on behalf of the landowners. Four years of the programme around Sipaqeni have not assisted the local communities in building up their capacity to engage in farming. Through the current approach, farming is taken away from the farmer or the landowner. The manner in which the O.R. Tambo Maize Programme has been designed is devoid of any sustainability considerations.

The common features between the O.R. Tambo Maize Programme, the old DAF/TRACOR schemes and the Massive Food Production programme is that they all adopt a double barrel approach, whereby they seek to reduce poverty on the one hand and to commercialize on the other. Back in history, the DAF/TRACOR schemes failed to achieve both these objectives, and there is no evidence in Sipaqeni that suggests that the programme is achieving the commercialization objective.

The model as it stands needs to be reconsidered, as it is devoid of any developmental content. After implementing the programme for four years at Sipaqeni, there is no indication that the programme has been institutionalized in any meaningful way. Little or no investment has been made in equipping the farmers with either knowledge or other resources that would enable them to engage in crop production on their own. Agriculture within the context of development is not just about providing seeds, fertilizer, implements and harvesting equipment, but should be about capacitating people. This element has been found to be lacking in the O.R. Tambo Maize Programme.

*Infrastructure development finance mobilisation*

Ntinga has made what could be considered to be some positive infrastructural developments within Sipaqeni AA. In view of the lack of infrastructure in these areas, there is a lot of room, which Ntinga needs to explore in leveraging various
funding streams from both government and non-governmental sources. While Ntinga has played some role in leveraging funding from the Department of Agriculture, there is scope to engage other government funding streams such as Municipal Infrastructure Grant (MIG) and the Department of Public Works’ Extended Public Works Programmes. Ntinga is well positioned to have access to a range of funding streams, which are not sufficiently exploited.

**Storage of maize crop**

Storage sheds are available at Langa and Mangquzu. These sheds are suitable for the storage of inputs as well as a certain type of equipment. In addition to the sheds, storage containers have been provided for at Langa, Balasi, and Mangquzu. Storage facilities for the storage of a harvested crop are generally not available other than silos at Sipaqeni (owned by Department of Agriculture and leased out to a private business, PSP). While the storage sites were intended for storage of implements and inputs, they offer much needed facilities for holding meetings as well. The storage facilities were all financed with internal resources, thereby reducing actual amounts that can go into actual production. Ntinga is well placed to attract other government infrastructure funds from various sources; it failed to do. The state of on-farm roads on all projects and some of the roads to projects are also in extremely poor condition, which does not reflect well on Ntinga’s ability to link up with other funding streams.

At the time the study was conducted, the crop still remained stored in the silo at Emfundisweni. The cost effectiveness of transporting the maize crop to Emfundisweni, 25 kilometers away remains a question, in view of low maize prices. The silo at Emfundisweni is full and the next harvest will have to be stored in the sheds on site.

Shortage of storage infrastructure is not only a problem, at a broad programme level, but also to the individual households. A number of landowners report loss of grain, due to poor storage facilities or methods. Because the landowners had not been engaging in crop production for a number of years, their ability to store the maize is low. A lot of the maize was attacked by weevils because it was not properly stored.
Roads
The condition of on-and-off farm infrastructure varies from site to site. Access roads to the various states are in differing states of repair. The roads to Langa/Ngqandulo site can be rated as relatively good, while in-field roads are very poor. The condition of the access to Balasi is extremely poor while those to Sigubudwini, JB, Fama, and Mangquzu are good. The on-farm roads in all the projects with no exception are very poor.

Fencing
During 2002/03 season fencing for Langa/Ngqandulo was constructed while that of Balasi was constructed in 2004/05 season. The rest of the projects around Flagstaff are in need of fencing. Storage facilities in the form of sheds and containers have been provided for all the sites around Flagstaff.

Improving the variety, quantity, and quality of crops produced in selected project sites
While the potential alternative crops were identified, Ntinga took the route of starting with maize on a rotational basis with beans. The original plan was to plant 75 percent maize and 25 percent beans on a rotational basis. The rotation with beans seems to be below the 25 percent target in successive years, with much of the beans being planted as a last resort crop rather than on a planned basis. While the volumes of maize produced as a result of the programme may have increased within Sipaqeni, because of monoculture, the programme has effectively reduced the variety of crops.

Promoting backward and forward linkages (support SMME development)
Agriculture within South Africa’s second economy is particularly characterized by poor backward and forward linkages. Within the context of the maize programme, Ntinga has increasingly been drawn into closing the gaps in backward and forward linkages. In a nutshell, Ntinga is increasingly finding itself having to play the role of what would otherwise have been performed by either the private sector or farmer cooperatives, including involvement in:
Acquisition of inputs (seed, fertilizer, and chemicals) in bulk, thereby making a saving from bulk buying, which would not be possible if each farmer purchased own input supplies from local suppliers;

- Acquisition of some implements and equipment and mobilization of local contractors to supply their own for hire;

- Purchasing of excess maize produce from the farmers;

- Provision of storage facilities for excess maize;

- Provision of facilities for value adding;

It seems that the extent of Ntinga’s involvement in all of these areas has always been in response to a need out there, without carefully considering what the nature and role will be in each of these area. Albeit within a different political context, TRACOR’s experience in this regard provides useful precedence from which one could draw important lessons. It would seem that there is a broader need for Ntinga to re-examine its role within the context of agricultural development. In mapping such a path for itself, Ntinga should strategically position itself in a position where it plays roles to which it is best suited, and plays some role in facilitating the setting up of other specialist bodies that can close the supplier chain. While there is no simple way forward, it is very clear that Ntinga is not able to perform all the functions efficiently and that it would be better if the institution reexamined its role in the field of agriculture in the short, medium, and long term.

**Implements and equipment**

According to a document entitled, “The Equipment and Implements Framework Plan,” dated 15 August 2003, Ntinga intended to source simple equipment from local members of the community, with another set from local and other contractors, and lastly equipment purchased by O.R. Tambo District Municipality. No programme has been put in place to encourage acquisition of simple equipment by households, which excluded the general members of the community from participating in this regard. The low levels of investment on equipment by local households reflected in Table 8 (Ownership of agricultural equipment and implements) demonstrate the need to make an intervention in this regard. Simple equipment, which should ideally be
sourced from households, includes spraying equipment (knap-sack sprayers), simple animal traction planters, and cultivation equipment. Within the framework of existing policy, more local households could generate income through providing services to the programme. A critical element of sustainability of this programme lies in households having sufficient capacity to participate in the programme.

One major problem identified by the Ntinga head office as having negative impact on the programme is lack of machinery that is modern and serviceable. The shortage of machinery from communities is understandable, given the different nature and scale of crop production, but it does not seem that the issue is receiving attention in a holistic manner, meaning that it is likely to be a problem in future, unless an integrated plan is developed and executed effectively.

The condition of equipment was often in poor condition requiring major repair. Secondly those who owned some equipment which could be contracted out to the programme were not ready for the scale of operation, which somewhat pushed O.R. Tambo District Municipality to consider its own mechanisation programme. While a total of 37 tractors were available within the Sipaqeni AA during the 2003/04 season, very few of them were in a condition good enough to undertake work at the scale required or simply did not have the implements to carry out successive operations. None of the contractors who registered had rippers or lime spreaders.37

From the inception of the programme, the use of local contractors or tractor owners was always considered as ideal, as part of promoting small and medium enterprises. The first general problem, which has been experienced from the inception of the programme is that, the local contractors neither had sufficient plant nor plant that is in good condition for the new challenge. Secondly, during the first two years, much of the work was implemented with very poor planning and undeveloped systems with tractor owners sometimes supplied with diesel and sometimes not. There were no control measures, opening the system of claims to potential abuse. The first two

seasons were marred by payment delays, which were associated with the infancy of the programme.

In its attempt to deal with the challenges the District Municipality acquired its own plant and equipment to complement shortages at project level. When the plan of acquiring its own plant did not work, Ntinga was pushed to procure services of commercial farmers to undertake contracting work. Both these responses have been viewed negatively by local contractors, who viewed the District Municipality responses as direct competition. A key innovation of the 2003/04 season was the introduction of a programme to repair equipment owned by private contractors. This programme became an administrative nightmare for Ntinga, who were the implementing agent at the time, and was abandoned at the end of that season without any announcement. During 2003/04, rates were negotiated with contractors, and systems were put in place allowing for the supply of diesel by private suppliers.

The acquisition of plant and equipment by either by O.R. Tambo District Municipality or later by Ntinga has increased from year to year, bringing with it a new challenge of maintenance of the plant and equipment. The maintenance requirements of the plant and equipment brought an additional burden to agricultural officers who were increasingly being drawn to new additional project sites. Tractors were not properly serviced; equipment was breaking down at alarming rates.

There were differences in contracting rates between the Ntinga programme and the Department of Agriculture’s Massive Food Production Programme. The differences in rates between these programmes result in contractors cherry picking (choosing only operations which are considered to have higher financial returns), which undermines the planning and timelines of both programmes. Despite this history there are a number of problems, which have been identified, which are associated specifically with the 2004/05 season. These are discussed as follows:

- During 2004/05 season, tractor owners were required to supply their own fuel and to take responsibility for maintaining their equipment. The major
problem with the shift is that it was not properly communicated with the contractors. Because of lack of communication of policy shift, tractor owners were not fully prepared financially for the season.

- The execution of a number of operations is often delayed because of poor communication channels between Ntinga officers and the tractor owners. During the 2004/05 season the relationship between tractor owners and the Ntinga officials deteriorated badly, characterized by very little communication. The only time tractor owners had proper meetings with the agricultural officers is when they were presented with the programme for operations. During the first operation, which involved application of lime at Sipaqeni, very little or no guidance was given to the contactors with regard to application specifications. Contractors had to rely on one contractor who had experience of liming from the previous year at Mbongweni. Another example is that planting was delayed for three weeks during the 2003/04 season because of lack of common understanding around calibration of planter and tractor owners concerned about lack of consistency with regard to supply of water for spraying.

- The series of fuel hikes that have been taking place between 2004 and 2005 are likely to have a direct bearing on the rates, which are demanded by tractor owners.\(^{38}\)

Ntinga’s programme for maintenance of its own equipment and implements leaves much to be desired. It is common to find that broken implements lying on site for long periods or to find that tractors are neither registered nor serviced. While there is an idea of passing on ownership of the implements to communities, there is not yet a clear policy framework, which will guide that programme. It should be kept in mind that, as more implements are acquired by Ntinga, there are corresponding management and maintenance requirements. During the 2004/05 season, problems were experienced with the application of fertilizer and seed. Ox-drawn planters were only used in Balasi/Sigubudwini on insistence of the local community.

\(^{38}\) Interview with 8 tractor owners (members of Flagstaff Tractor Association), Flagstaff, 20 April 2005.
Due to the shortages of equipment which had been experienced during the first two years of the programme, in the 2003/04 season local contractors were provided with a loan facility to repair and service their equipment. Ntinga had serious problems in administering the loan facility and discontinued it in 2004/05. As a result, some of the equipment that was used was not in a good condition, which resulted in large number of breakdowns and delays. At the commencement of planting, a number of contractor migrated projects of the Massive Food Production Programme of Department of Agriculture. The migration was based on the thinking that they make more money from ploughing than planting. The phenomenon of cherry picking among local contractors effectively makes planning impossible. The contractors who migrated were effectively lost to the District Municipality’s programme during those times.

**Value Adding**

There is no doubt that there is a big demand for the production of local samp and maize meal. The big challenge in this regard is in value adding cost effectively, in order to compete with the products in the market. Very limited maize meal production exists in the area, other than at Lambasi CPC and the PSP in Flagstaff. The production of maize meal could add value to the crop as well as make a local maize meal available at a reasonable price. At the time the study was conducted, there was no evidence of any adding of value to the maize that was taking place at a programme level, with the exception of individual landowners who used the facility at PSP where a maize mill is present. The small maize mill at Emfundisweni is not under operation and the agricultural officers are unaware of what is to happen to the maize stored at Emfundisweni. The cost of transporting maize from Sipaqeni to Emfundisweni is a matter of concern, which Ntinga will need to consider when setting up milling operations there.

Ntinga needs to give full consideration to the role it will play in value adding processes. If Ntinga is to be centrally involved in value adding operations, this role will have to be counterbalanced with the objective of supporting SMMEs.
Marketing
The 50-percent portion of maize that was harvested in 2004 was taken by the landowners for household consumption. The prices received from PSP were viewed by landowners to be generally low due to alleged poor quality of the maize. In support of local producers Ntinga stepped in and purchased some of the excess maize that the landowners wanted to dispose of at R60 a bag, which was between R15 and R20 more than the price landowners would have gotten if they had sold at PSP. Part of the plan regarding the maize crop that was harvested last season (2003/04) as proportion of Ntinga’s 50 percent, was to sell/donate it to the Department of Health poverty alleviation. Ntinga should reexamine its role in the marketing of maize.

5.7 INSTITUTIONAL AND SOCIAL ASSESSMENT

The biggest problem undermining the maize programme is institutional. During the 2004/05 season, delays in commitment of funding as well as the availability of funding to Ntinga has been the one problem that has had a ripple effect on a range of other operations. Ntinga officials at various levels could not plan effectively or order inputs in time as a result. When the money was released to Ntinga, it was R10 million less than planned projects, therefore too little too late.

5.7.1 Production units

Production units were originally conceptualized to be the lowest level at which planning would be taking place. These are constituted by groupings of farmers and are the basic unit of organisation of the farmers. Production units were set up in 2004/05 season and provided with social facilitation support through the WK Kellogg support. It seems that much of the planning processes were filtered down to the farmers during 2003/04. This was achieved through a dedicated social facilitation service provider, who held meetings with landowners at the lowest level (production unit meetings). In 2004/05, production units simply did not have discontinued meeting, with participation of farmers only ending with Project Steering Committees (PSCs). PSCs have failed in their role to keep farmers fully
involved in the day-to-day execution of the programme. Agricultural officers were not able to hold meetings beyond the PSCs. Some of the reasons for this are that the agricultural officers had many projects, which are far apart that they were charged with, and they did have the required community skills to mobilize the farmers.

Production unit meetings were frequent during 2003/04 season and they were never held thereafter in all the villages. The reason for this is that during 2003/04 season, there was dedicated social facilitation capacity provided by a service provider over and above Ntinga personnel. One of the major concerns around social facilitation is that some villages got an unfair advantage over others. The lands for Langa and Ngqandulo villages are contiguous, meaning that landowners from both villages belong to the same production units. This results in a situation, whereby for any production unit to meet, it involves members of landowners from two villages. The social facilitator simply convened production unit meetings at Langa, largely because it is a community focal point, which was in reality a burden to farmers from Ngqandulo. A similar situation happened in Balasi and Sigubudwini, with the latter being used as a meeting point. In future, when production units or any other similar forms of organization of farmers, consideration should be given to ensuring that the burden of meetings is shared.

**5.7.2 Project Steering Committee (PSC)**

The Project Steering Committee, a body representing farmers, made up of production unit leaders was to have oversight responsibility for each project, representing needs and aspirations of the farmers. By and large, most of the PSCs that were put in place in 2003/04 were still functional at the time of the study. However, the PSCs have not been changed on an annual basis. In the absence of outside facilitation support, the projects became PSC centered, with less involvement of the actual farmers on the day-to-day decisions of the projects.

**5.7.3 Management at Project level**
For each local municipality, Ntinga has an Agricultural Officer that takes overall responsibility for all the projects under a particular local municipality. In the case of Qaukeni, there is an assistant agricultural officer who focuses on the projects within Sipaqeni AA. The annual review workshop held in 2004 identified a need to provide officers with more support with respect to planning. The workshop’s view was that the agricultural officers were unable to make effective use of existing planning tools (Ntinga, 2004). The agricultural officer accounts to Emfundisweni, which provides a hands-on administrative home for the programmes around the Pondoland.

5.7.4 Qaukeni Local Municipality

The lack of meaningful involvement of Qaukeni Local Municipality in the planning and execution of the programme was noted in 2002, which was the second year of implementation on some sites at Sipaqeni. The Ward Councilors from some of the wards around Sipaqeni AA had varying degrees of involvement during the initial two years of the programme, which increasingly started declining in later years. The involvement of ward councilors did not, however, translate to the involvement of the local municipality. Qaukeni Local Municipality viewed the programme as an O.R. Tambo District Municipality programme, with no role for the local municipality (Ikhwezi Development, 2002). The local municipality is apparently not happy with being excluded from decision making pertaining to the project. The local municipality did not get any of the information it required on the project, including business plans and budgets involved. Any future involvement of the local municipalities in the programme needs to take into consideration the sensitivities in relation to powers and functions of local municipalities.

Whenever the issue of involvement of local municipalities was raised, the issue of low levels of capacity on the part of Local Municipalities has been used as an excuse. On the question of capacity, Qaukeni local office of the Department of Agriculture which is responsible for providing services to the entire local municipality is staffed by 11 agricultural officers, who are largely focused on their departmental programmes, in isolation from the programmes of either the local or district municipality. Ntinga has one agricultural manager responsible for Qaukeni,
Mbizana, and Ntabankulu local municipal areas, one agricultural officer responsible for the entire local municipality, and one assistant agricultural officer responsible for all projects around Flagstaff (supported by three site administrators who are responsible for project administration work).

This relationship between O.R. Tambo District Municipality and Qaukeni Local Municipality has during the life of the programme always been tainted with political undertones, relating to powers and functions of the different categories of municipalities. There are critical sensitivities around the role of the district municipality or Ntinga as its agent in implementing what was sometimes conceived as “top down projects” with little regard or involvement of the affected local municipalities. In defense of its (Ntinga) approach to local municipalities, the issue of capacity of local municipalities is always flagged as a challenge. It does not seem that sufficient effort is made to coordinate and integrate existing capacities between, O.R. Tambo District Municipality, Ntinga, the Department of Agriculture and local municipalities. Poor integration between these key actors has resulted in a situation of ad hoc projects that lacked strategic focus. The role of the local municipalities in managing and implementation of the maize programme is an issue of great concern.

5.7.5 The Provincial Department of Agriculture

The Department of Agriculture runs the massive production programme, parallel to the O.R. Tambo programme. Ntinga is caught in the extension mode that is no different from that of the Department of Agriculture. As the two programmes require tilling capacity from the same area, the programmes literally have to compete with each other over rates paid to contractors. Attempts initiated between April and June in 2004 to align the Ntinga Programme and that driven by the Department of Agriculture have not yielded any positive results (Manona, 2004).

5.7.6 Other Strategic Partners

This has been the response of Wakes Wakaba, the CEO of Ntinga in meetings held in 2003/04 season.
At the end of 2002, the Independent Development Trust (IDT), a strategic partner in the programme, had entered into an agreement with O.R. Tambo District Municipality, whereby funding had been provided by W.K. Kellogg Foundation to support community development initiatives that would lead to the improvement of food security and income generation in the project sites and their environs. The W.K. Kellogg support was used to provide management support to Ntinga from the end of 2002 to the end of 2003/04 season. Through this partnership ESKOM was drawn into partnership with Ntinga, which yielded a donation of R5 million to the maize programme, which was used towards acquisition of inputs. Kynoch, a company that is also a supplier of fertilizer to Ntinga, has also engaged in the partnership by providing technical support to Ntinga officers.

5.7.7 O.R. Tambo District Municipality and Ntinga

Ntinga is responsible to O.R. Tambo District Municipality for all the programmes entrusted to it. From the start, the nature of the relationship between O.R. Tambo District Municipality and Ntinga has been characterized by ambiguities and uncertainties. The O.R. Tambo District Municipality received requests from communities and was responsible for deciding on projects to be implemented. The requests would then be passed on to Ntinga for technical assessment, planning, and execution. In theory, the district municipality had to provide budgets for all the projects that it has approved for implementation. This turned out to be problematic in the relationship as a number of projects had been approved by the district without a corresponding budget allocation.

Ntinga’s head office, based in Mthatha, is the implementing agent and is responsible for overall planning and management of the programme. A definition of management, which is used as a framework, is that it is the process of allocating an organization’s inputs (human and economic resources) by planning, organizing, directing, and controlling for the purpose of producing outputs so that objectives are accomplished (Wall, 1991). From the 2003/04 season, the programme was managed centrally by Ntinga through a structure that involved all agricultural officers and
specialist support staff and senior management of Ntinga. The programme management structure held meetings at the head office roughly about once monthly. During the 2004/05 season, this management structure has been retained with minor adaptations.

In appreciation of the crucial need played by planning in agriculture, the researchers could not make an informed determination of Ntinga’s overall planning capability. The one aspect of planning in which Ntinga is found wanting is in the matter of area policy and strategy development. While Ntinga may have had plans on paper, these could only be implemented effectively when the organization has the necessary human and economic resources at the right time. All project business plans and implementation plans were drawn up in 2003/04 in a standard format, with variations particular to each project. Each project had its own business plan and these were also collated into a programme business plan, which was a sum total of the individual project business plans. The planning of projects was done from head office where all inputs were planned. The inputs used were generally the same for all projects with slight differences in applications of fertilizer from site to site.

In the 2004/05 season, one primary problem, which has been a major challenge to the maize programme, was delays in flows of funding between O.R. Tambo and Ntinga. When the funding was finally secured, it was too little and too late. Due to the need for extensive planning required in agriculture, Ntinga, together with O.R. Tambo District Municipality, should put together a system that will ensure that a similar problem does not occur in the future. One possible way of dealing with this issue could be to stagger budgets across financial year, that is spend. During 2005/06, one could spend an allocation made in the previous financial year.

There are a wide range of secondary problems, which are technical in nature, to which management solutions can be found, which all have a contribution to low yields. Institutional inertia, cumbersome decision making processes, poor planning, limited project management expertise, and lack of appropriate institutional framework all contribute differently towards the underperformance of the maize programme.
5.7.8 Need for coordination of role players

Historically, the arena of agricultural development has been the sole preserve of the Department of Agriculture and Forestry (in former Transkei). With the advent of developmental local government after 1996, the local government has been constitutionally entrusted with the role of leading local economic development, of which agriculture becomes a small element. Given that the current system of local government has been in a process of development in the past decade, it comes as no surprise that local government faces new challenges of how to handle the LED demands facing their areas. Agriculture as an element of LED is one of those new challenges that the new local government structures have to contend with. Part of the problem lies in the difficulty of defining and clarifying the roles of various actors in the field of agriculture.

The presence of Ntinga, as an agency that is mandated with the task of driving the LED programmes of the district municipality complicates the issue from the perspective of local municipalities. This partly emanates from lack of clarity on what the powers and functions are in respect of the various government institutions. It is clear that agriculture is no longer the preserve of a single government institution, but one, which is a joint responsibility of various actors. Lack of coordination of actors within the agricultural sphere is a key issue in O.R. Tambo district.

A re-examination of the role of Ntinga is required. This exercise should simultaneously consider the related roles, powers, and functions of the district municipality, local municipalities, Department of Agriculture, NGO’s and so forth. The development of a district agricultural development plan/strategy (a sector plan which would be part of the IDP) might be the way to go. Such a plan would play an important role in realigning funding streams and programmes from various spheres of government and providing the much needed institutional framework for coordination.

--

Interview with Councilor Y (spoke on condition of anonymity), Qaukeni Local Municipality, June 2005.
There is a need to realign and integrate various government initiatives such as the O.R. Tambo Maize Programme and the Massive Food Production Programme. The programmes as they currently stand are in competition with each other and to an extent counterproductive. The alignment of the two programmes should be discussed at a senior level between the two institutions, and agreements emerging from these discussions shared with project staff.

Improving food security, by developing agriculture is a strategy that should be given priority, because agriculture will always be at the heart of food security. But food security is too complex to be left with the Department of Agriculture alone. It requires collaboration across sectors, disciplines, and institutions (Fraser & Monde, 200).

They further indicate that the challenge is to put right institutions and policies in place, which entail targeting.

5.7.9 Local participation in the maize programme

Due to the centrist nature of the programme, meaningful participation by a range of stakeholders would be idealistic. Planning starts with addressing questions such as what to plant, where, why, how, how much, when, and so forth, which are largely addressed and settled at Ntinga head office level. Given the tight time frames under which the programme operates, improvement in participation under the current framework is a major challenge. Ntinga only formally gets its allocation based on an approved budget from O.R. Tambo District Municipality, which is generally finalized around June/July of the year. This time, unfortunately, coincides with the height of the harvesting and procurement of inputs for next season, soon to be followed by soil preparation.

The researcher discovered that with the tight sequence of events, with the biggest unknown being the budget, Ntinga has no option regarding extending public participation. Many of the problems of public participation had their origins in the
history that the landowners had with TRACOR somewhere in the past. During the first two years of the maize programme, a number of landowners refused to become involved, because of a range of reasons. Some of the reasons had to do with their experiences of similar interventions from the former Transkei government, underpinned by a fear that government would take away their land. There was also a suspicion among some landowners that this was a plot by some officials to use local farmers in deviously getting money from government, which would ultimately not benefit the farmers. Additionally, it was not clear to the landowners why the District Municipality wanted to take a share (50 percent) of the harvest, and what was to be done with that portion of the harvest. According to Yoba (1985), some of the previous negative experiences of farmers towards TRACOR were based on farmers wanting TRACOR to take the risk associated with farming, such as during a year of drought.

Some of the resistance to the maize project came from the livestock owners, who stood to lose grazing rights to much of the arable land. The introduction of maize to lands that were previously largely used for grazing for a number of years, as a result of them being fallow, was viewed negatively by livestock owners. As O.R. Tambo District Municipality had a policy of not combining the livestock and the crop programme in one community, the livestock owners viewed the programme as a ploy to kill livestock farming. These perceptions were partly perpetuated by an accident in 2003, where a fire that was meant to burn overgrowth between arable fields at Langa and Ngqandulo went out of hand and burnt much of the grazing, as well as killed some of the livestock.

During 2003/04 season, an agreement was reached between Ntinga and the landowners that defined five broad roles that the landowners were expected to play in the programme. The following broad areas of participation of landowners were agreed upon:

---

41 Interview with Sizwe Ndabankulu, a member of the PSC for Langa and Ngqandulo, May 2005.
42 Interview with a focus group of 12 livestock owners, April 2005.
- Landowners who were elected as production unit leaders, and therefore were members of the Project Steering Committee were expected to attend PSC meetings.
- Community meetings would be held to discuss project related matters with all those who were affected and interested.
- During ploughing and planting season, each landowner was expected to take part in the loading and offloading of inputs on trailers for use in their lands.
- Each landowner would take responsibility for hoeing their land, making use of own labour. This decision was taken much to the disappointment of the landowners, who were paid R300 per hectare for hoeing their own lands.
- Each landowner was responsible for application of stalk borer insecticides, top dressing, and regular inspection of the crop.

The respondents were asked if they participated in any of the broader roles that had been agreed to during the 2003/04 season. Figure 10 (Participation of land owners in the maize programme) shows that on most of the stipulated categories of participation, the response was negative. Tractor owners, for example, had to use their own labour to load inputs (lime and fertilizer).

**Figure 10: Participation of landowners in the maize programme.**
While the Project Steering Committee (PSC) meetings seemed to have taken place fairly consistently during the 2004/05 season, little or no effort was made to convene meetings with the general body of landowners. This, in effect, resulted in a situation in which all the decisions were increasingly being removed from the actual landowners to the PSC.\(^{43}\)

While landowners were supplied with LAN (lime) for top-dressing and stock borer insecticide, a substantial number did not participate in applying these, which indicated deeper underlying issues. The landowners were not allowed to practice intercropping. In a study conducted by Yoba (1985) at Mampondomiseni, it was discovered that some farmers were deliberately avoiding use of top dressing fertilizer to avoid burning their pumpkin crop. While the agricultural officers put a stop to intercropping, the practice had not stopped. The researcher did observe some landowners removing pumpkins from the fields.

The institution of organised labour parties (*ilima*) was largely destroyed within Sipaqeni. Only about one percent of the landowners who were benefiting from the District Municipality supported maize programme used *ilima* either to hoe or harvest their lands. Landowners tended to rely more on family or other kin for labour where it was available, complaining that it was a very expensive venture to set up. While the work team was not paid in cash, the amount of money paid in food supplies, traditional and modern alcoholic drinks, made *ilima* unaffordable to many. The institution of *ilima* had deteriorated to working for food and drink rather than occurring through a relationship of reciprocity as noted by McAllister (2001).

During 2001/02 and 2002/03 season, landowners were paid for hoeing their lands. If the landowners were too old to work, they could engage hired labour for hoeing, which would be paid using project funds. This practice of paying for hoeing created a precedence, which was to be problematic in later years. In the 2003/04 season, this practice was changed, and the landowners were expected to hoe their own lands. The new approach was not acceptable to the landowners because lands had to be

\(^{43}\) Interview with Dan and Siphokazi Groom, site administrators, April 2005.
hoed between two to three times, depending on the timing of planting.\textsuperscript{44} Because the maize program entailed free inputs and services from government, landowners that were unable to farm (whether it was because of age or because they were migrant workers) were reluctant to hand over their lands to people that were willing and able to be part of the program.\textsuperscript{45} The nature of the program, where government is providing all the resources, does not encourage landowners to enter into land exchange agreements.

The refusal to hoe the lands by the landowners has always been viewed negatively by the officials that were responsible for planning and managing the program. It seems that the drivers of the O.R. Tambo Maize Programme did not take into consideration the fact that, before the introduction of the maize program, local communities had other survival strategies other than agriculture, which cannot suddenly be abandoned in the light of the new project. One of the local landowners put this clearly and said, “If you think we are irrational, why do you think we had stopped crop farming in the first place. If government thinks we need to go back to farming, they should hoe the lands. We are too old and frail.” \textsuperscript{46}

During the 2004/05 season, a further complication in respect of hoeing of fields is that those landowners whose fields were planted late refused to hoe because they did not expect to get a reasonable yield. The central control of the program implies that landowners have no control on the time their fields are ploughed or planted. To complicate the issue even further, a private company, Masicoce, was contracted to hoe those fields that had not been hoed. The decision to outsource the hoeing to a private company was also taken without clarity on the cost implications to the affected landowners and, therefore, reflected a reversal of policy position. The youth tended to be attracted to hoeing lands for payment through Masicoce, rather than hoeing the lands as part of family labour.

\textsuperscript{44} Interview with focus group of 27 land owners Langa Village, April 2005.
\textsuperscript{45} Interview with focus group of 26 land owners Sigubudwini, April 2005
\textsuperscript{46} Response from an anonymous land owner, from an interview with focus group of 26 land owners Sigubudwini, April 2005.
5.7.10 Youth involvement

From its inception, the program had faced a challenge of general apathy from the youth (between 16 and 35 years), who showed very little interest in agriculture. One strong view, which has been expressed by some of the local youth, is that they are more interested in employment rather than agriculture as a way of life. While the youth were clear about their preference for paid labour, they refused temporary employment within the maize program, because of delays in payments.47 The youth did not mince their words in stating that they want money from agriculture because they have grown in an environment where agriculture was not the mainstream of local economics. This means youth were not in a position to appreciate agriculture and learn agricultural skills.48 One manifestation of the youth attitude is that they are seen participating during harvesting, at a time where they stand a chance of selling some of the produce to get money. In a way local youth show preference for paid labour rather than agriculture.

5.7.11 Theft

One of the key challenges that the program has to contend with is the theft of the crop. The theft reportedly takes place at various stages, including theft of green maize to start with and followed by theft of dried maize before and during harvesting. Landowners report even higher incidences of theft of the bean crop, because of its higher value. According to the landowners, the theft is not only originating from the villages with the project but it is also largely a problem associated with other villages. Project beneficiaries understand the rationale for the theft as caused by people who perceive the crop as belonging to government.49 There is very little evidence of any concrete action taken by the landowners to safeguard the crop.

5.7.12 Perspectives of beneficiaries

47 Interview with Sizwe Ndabankulu, a member of the PSC for Langa and Ngqandulo, May 2005.
48 Interview with a focus group of 14 youth from Langa and Ngqandulo, May 2005.
49 Interview with a focus group of 27 farmers from Langa and Ngqandulo, April 2005.
The nature of the program allows very minimal scope for the meaningful involvement of the landowners. The maize program boils down to the same approaches that were used by the maize schemes of the former Transkei government and TRACOR, with the government farming on behalf of the farmer. The landowners are largely in support of this approach, but are concerned that there are no efforts to build the capacity of the farmers.\textsuperscript{50} When asked to rate Ntinga’s maize production program, 47 percent of the respondents rated it clearly positively as shown in figure 11 (Rating of Ntinga poverty alleviation program).

When asked if they would be able to practice crop production on their own, without grant support from Ntinga, 70 percent of the respondents gave no as the answer while only 30 percent said they would be able to practice on their own. The very nature of the program, where government is engaging in farming, does not create the space for the farmer to stand on their own.

Figure 11: Rating of Ntinga poverty alleviation program by landowners

![Bar chart showing the rating of Ntinga poverty alleviation program by landowners](chart.png)

On assessing the negative elements of the program, Table 20 (Problems as stated by land owners) shows broad categories of problems, as well as the number of times a

\textsuperscript{50} Interview with focus group of 48 landowners from Balasi and 5 from Langa and Ngqandulo
particular category of problems has been identified as a major problem for the maize program, by the landowners. Each landowner was asked to identify two to three critical problems that require addressing urgently within the maize program. The problem of delays in the execution of any one of the farming operations refers to delays in ordering or delivery of inputs, soil preparation, and planting. Shortage of implements has been raised as a problem at least 83 times. Most of the respondents who have given responses in this category raised the issue of shortage of a range of implements including tractors, disks and planters. The insufficiency of inputs was identified as a problem at least 40 times. Poor work quality on the part of contractors and hoeing problems have both been identified as a problem on 18 instances within the sample. In this category, some raised dissatisfaction with the type of fertilizer that was used, the amount of fertilizer applied, and insufficient or no availability of chemicals in the 2004/05 season.

Table 20: Problems of the O.R. Tambo Maize Programme as stated by landowners

<table>
<thead>
<tr>
<th>Problem raised</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delays in execution of any one of the operations</td>
<td>192</td>
</tr>
<tr>
<td>Shortage of serviceable implements</td>
<td>87</td>
</tr>
<tr>
<td>Not enough supply of inputs</td>
<td>40</td>
</tr>
<tr>
<td>Poor work quality by contractors</td>
<td>18</td>
</tr>
<tr>
<td>Hoeing</td>
<td>18</td>
</tr>
<tr>
<td>Lack of support</td>
<td>10</td>
</tr>
<tr>
<td>Theft</td>
<td>8</td>
</tr>
<tr>
<td>No problem</td>
<td>47</td>
</tr>
</tbody>
</table>

5.7.13 Integration of crop and livestock programmes

Within the context of scarcity of resources, Ntinga had a policy position of providing either the crop or the livestock program in any one ward, and not both simultaneously. The particular circumstances associated with the Sipaqeni environment bring to the fore a need to consider the possibilities of integration of the crop and livestock programmes. With the resources being poor, a combination of the two could potentially have made more impact, when balanced appropriately. While livestock and crop production are inherently competing land uses, they can
complement each other as well, because they are part of a broad mix of livelihood strategies for the rural poor.

5.8 CONCLUSION

This chapter provided key findings of the research by undertaking an evaluation of O.R. Tambo District Municipality’s experiment of making use of agriculture as a driver for local economic development. The chapter presented both the resources as well as the institutional and technical limitations of maize production in Sipaqeni under dryland conditions. The next chapter, which is the concluding chapter, provides a synthesis of the key findings of the study as well as an assessment of related policy implications.
CHAPTER 6: DISCUSSION AND CONCLUSIONS

6.1 INTRODUCTION

In South Africa, there are diverse opinions on the role that land-based economic development strategies play in livelihoods and economic development (Lahiff, 2002). Successive governments, dating back from the early 1960s to the post-apartheid government after 1994, have placed agriculture as a key economic driver in what is currently the Eastern Cape Province (Cloete, Undated; de Wet, 1995; Nkulu, 1984; Yoba, 1985; Province of the Eastern Cape, 2003). As earlier stated in Chapter 3, debates still rage on in respect of using agriculture as a poverty reduction strategy, with different countries putting emphasis on different aspects (see Chapter 3, Section 3.2). This question is particularly relevant in respect of the former bantustan or homeland areas, which were originally designed as labour reserves in support of various sectors of the “white” economy, where most of the rural poverty is situated.

The main aim of this thesis was to explore the role, as well as the prospects, of smallholder agriculture as local economic development strategy in the Eastern Cape, Pondoland, former Transkei homeland, Eastern Cape. The study further sought to explore the role that government and its agencies have played and could play in stimulating agricultural development, with particular reference to the former homeland of Transkei. The study was informed by an analysis of theoretical understandings of poverty in South Africa, as well as an analysis of the post-apartheid government policy responses to poverty since 1994. These policy responses included an analysis of post 1994 policies in terms of the extent to which they were designed to fight poverty, including the South African government’s Constitution (Act 108, 1996), the Reconstruction and Development Programme (RDP), the Growth Employment and Redistribution Programme (GEAR), the local government transformation process, the land reform programme, and so forth. The thesis was further informed by a theoretical overview of the divergent views on the importance of agriculture in fighting poverty as well as in stimulating economic development. Lastly, the thesis, to a large extent, was informed by an evaluation of OR Tambo Maize Programme, in an attempt to explore and to debate merits and demerits of smallholder agriculture.
A combination of both qualitative and quantitative methods was used in the study. In particular it used a combination of observation methods, in-depth interviews, a survey, and a review of literature. The researcher drew from personal experiences and observation over a period of close to three years being involved in the study area, drawing from day to day interactions and meetings with a range of people associated with the maize programme. While the study was more of an exploration of contemporary government approach in fighting poverty, using agriculture, it drew heavily from a wide range of historical and contemporary secondary literature. The case study used the villages of Langa, Ngqandulo, JB, Fama, Mangquzu, Balasi and Sigubudwini, which form part of Sipaqeni Administrative Area, near Flagstaff, within Qaukeni Local Municipality.

This concluding chapter is aiming to draw key findings as well as key conclusions from the study, focusing on the role of agriculture in local economic development. The chapter starts off by examining the role of agriculture as local economic development with a specific focus of the study area, followed by an examination of how some of the policies are implemented within the Sipaqeni Administrative Area. It then draws the main conclusion emanating from the study.

6.2 AGRICULTURE AS LOCAL ECONOMIC DEVELOPMENT AND POVERTY REDUCTION STRATEGY

The study has demonstrated that the question of the role of agriculture, and smallholder agriculture in particular is a contested terrain among a range of scholars in a number of respects along varying strands. Vogel (2005, citing IPCC, 2001) and Lomborg (2001) identify current constraints to agriculture as being biophysical and socio-economic problems including land degradation, poor infrastructure and market access, lack of access to information and resources, and insecurities around water often occasioned by poor infrastructure.

The question of poor natural resource-base and population pressure, which increased from the beginning of this century, was strongly argued by Van Zyl, Binswanger and Thirtle (1995), equating homelands to “urban” or “rural dormitories”. The natural
resources in the study area are poor, these being largely limited by lack of irrigation potential and low potential soils which constitute the biggest portion of the lands. This combined with the small average family size of 5.2 and the general population structure (see Chapter 4, Section 4.2.4, and Figure 6).

Substantial international evidence arguing in favour of smallholder agriculture was presented (Lele and Agawal, 1989; Lipton, 1994). Lipton qualified the debate by arguing that smallholder farming is efficient when labour is plentiful. Evidence from the case study shows that labour is in short supply due to the small size of the family, and because more than 60 percent of the local population is constituted by youth under the age 21. The youth in this age range, if not too young, can be expected to be largely preoccupied by schooling. The low levels of participation in the maize programme are to a large extent a reflection of labour shortage rather than laziness. Even those who presented convincing arguments in favour of smallholder agriculture did not give any measures of magnitude. How big is big and how small is small depends on a range of factors such as farming enterprises as well as natural endowment. This debate is negated by the difference between actual potential and actual yields in the study area. All evidence showed that it was not economically viable to farm maize on 1.3 hectares.

Going back in history, successive government interventions in the study area have had a negative impact on the potential for development of agriculture. Both the phenomenon of de-agrarianisation alluded to by Bryceson (1993) and Manona (1989), as well as the school of thought that advances the argument of shifting agricultural practices (see McAllister, 1992; Andrew and Fox, 2003), sit very well with evidence from the case study (see Chapter 5, Section 5.3). With the context of a changing society, where the importance of jobs is promoted by government policy, agriculture is a small employer compared to other economic sectors (see Chapter 5, Section 5.3). In addition to these phenomena, which can be considered more as a manifestation of society to prevailing social and economic circumstances, there is also an array of government policies, which have an intended or unintended consequence of hindering the development of agriculture in the former homelands, those being:
the migrant labour system in so far as it was promoted to increase the
dependence of African peasants on the industrial and commercial economy,
the Native Land Acts of 1913 and 1936,
betterment planning which was originally intended to combat environmental
deterioration and consequently contribute to agricultural development (see
Chapter 3, Section 3.5).

The economics of maize production demonstrated in Chapter 5 (see Section 5.4.1)
make it uneconomical to produce maize under current circumstances. Evidence from
the case study strongly suggests that under the current prices, which are largely a result
of deregulation of agriculture, it is better to buy maize off the shelf than produce.
While the lower maize prices may be of benefit to food security from a consumer
perspective, the current low prices have serious negative impacts on smallholder
farmers such as those of Sipaqeni (Lahiff and Cousins, 2004).

In looking at the role or potential role of agriculture in the fight against poverty and for
local economic development, the need to consider the land reform programme was
evident. While the study has painted a fairly bleak picture of the level of success of
the land reform programme at a broad level, the situation with respect to the
implications of the current model of land reform, as it applies to the particular case
study, was even worse. Given that approximately 80 percent of the land in OR Tambo
District is communal land with relatively high population densities, it raises the need
for additional land on a large scale. Approximately five percent of the total land base
is under commercial forestry, managed by the Department of Water Affairs and
Forestry and subject of a restitution claim. The administrative area is embedded deep
in communal land, implying that if the people in the case study area were to benefit
from a land reform programme in the form of additional land, they would have to be
relocated by hundreds of kilometers. The third arm of the land reform programme,
tenure reform, also stands very little chances of changing the extent of land, but may
only alter the nature of rights to existing land, unless the option of relocation is
accepted.
Among a range of human rights that are contained in the South African Constitution (Act, 108, 1996) is an implied right not to be poor (See Chapter 2, Section 2.3.1). The inclusion of this right among others within the Bill of Rights becomes a significant cornerstone on which South Africa’s new democracy is founded. The South African Constitution then informs a range of other policy frameworks and tools, which include the RDP, GEAR, land reform programme, the local government transformations, and so forth; all of which are supposedly building blocks in the process of realization of some of the rights enshrined in the country’s constitution. The study reveals that while there is a constitutional commitment to fight poverty, after a decade of democracy, poverty remains one of post-apartheid South Africa’s critical challenges, with poverty levels in the region of about 80 percent at Sipaqeni (Maitra, 2002; Leibbrandt and Woolard, 1999). Much of the current patterns of poverty and wealth distribution are to a large extent still structured along similar lines as was structured under apartheid (Aliber, 2003).

Despite all the poor reasons for agriculture to develop, or the historical setbacks outlined above, which were politically orchestrated against African agriculture, the practice of agriculture within the study area is not completely dead. That 64 percent of the households rated agriculture as important to extremely important suggests that it is still an important element within a broad mix of livelihood strategies, particularly for support of livelihoods rather than as a wealth creator (see Chapter 3, Section 3.5).

6.3 POLICY DIRECTIONS/IMPLEMENTATION

The study has shown that the OR Tambo Maize Programme under evaluation, as well as its sister scheme, the Massive Food Production Programme of the Department of Agriculture, are maize schemes designed in the footprint of maize schemes, which date back to the early 1960’s, which were designed for the sole purpose of making the policy of apartheid function better (Cloete, Undated). The first of commonality among these schemes is the manner in which the schemes are designed, that of focusing on arable fields. This study shows that by focusing on arable fields, the scheme is only reaching about 26 percent of the community, who are not necessarily the poorest in this particular case. This suggests that the scheme in its current form is missing the
poverty target. The second common feature among all these schemes is the double barrel approach of attempting to fight poverty on the one hand, and simultaneously trying to commercialise on the other. Similar to its predecessors, the OR Tambo maize scheme, which is the subject of this study, has fallen short on both of these objectives. The third common feature among these government schemes is that they are all based on use of high yielding cultivars, high input costs and high risk. The OR Tambo maize scheme has consistently failed to produce maize above break-even point from the year of its inception. This brings the sustainability of the scheme into serious question, with 70 percent of the landowners admitting that they would not be able to produce maize in the same fashion on their own (see Chapter 5, Section 5.2.1 and 5.2.2).

The maize scheme’s success in increasing yields is also questioned (McAllister, 2000). The scheme promotes a shift in agricultural practices towards monoculture, which has a consequence of reducing variety of crops produced, which were produced through intercropping under the traditional system. If the quantity of maize produced is not significantly increased and the variety of crops is reduced, the schemes contribution to an improved diet is questionable.

One of the major policy puzzles arising from this study is the tendency for different spheres of government to pull in different policy directions, which is a reflection of the inherent contradictions between GEAR and the RDP mentioned earlier (see Chapter 2, Section 2.3.3). The policy thrust at a national level, which is largely informed by GEAR, is more in the direction of deregulating the agricultural sector and achieving global competitiveness, rather than solving the country’s poverty challenge. At a local level, the policy direction is moving in a completely opposite direction of providing subsidies, and even going beyond, taking over the role of the farmer.

At a technical level, the OR Tambo Maize Programme failed to manage to assist farmers to farm economically viably because of institutional inertia, resulting in delays in the execution of all operations and subsequent crop failure. Technical glitches manifest in the lack of clarity in criteria used for identification of projects, right through to defining an exit strategy. Ntinga has also demonstrated lack of consistency
in implementation of policy, which undermines the very purpose of having policy. After four years of consistent government involvement in Sipaqeni, there is still no end in sight.

Institutional problems have been identified as the underlying cause of most of the failures of the OR Tambo maize scheme, be they technical, financial or policy related. Among a number of institutional problems identified, has been the general lack of coordination within the agricultural sector. General lack of clarity of roles, powers and functions between the local municipality, the District Municipality and the Department of Agriculture stands in the way of success of the programme. One relationship, which has been found to be particularly problematic, is that of OR Tambo District Municipality and its Ntinga, its development agency. The key government institutions fail to present a single policy thrust. They present themselves and are seen as competitors rather than as spheres of government in pursuit of a single goal of fighting poverty.

Much of the current policy direction is aimed at commercial farming and very little has been done to support the development of smallholder agriculture. If anything, much of the national policy initiatives work against the interests of smallholder farmers such as those at Sipaqeni.

6.4 CONCLUSION

This chapter drew key findings as well as key conclusions of the study, focusing on the role of agriculture in local economic development. The chapter started off by examining the role of agriculture as local economic development with a specific focus of the study area, followed by an examination of how some of the policies are implemented within the study area.

In wrapping up, this study has highlighted some of the key challenges that South Africa is faced with in its fight against poverty, on the one hand and transforming its economy into a world class competitive economy, on the other, showing some of the inherent contradictions and difficulties of balancing these different objectives. South
Africa has produced tons of maize well in excess of what the market can absorb. Conversely, the country is still facing serious poverty and food shortages by households, with poverty levels in the region of 80 percent within the study area. A similar situation is also created by the maize scheme, where last year’s maize purchased by Ntinga from landowners is still kept in silos, while the majority of local people need food for survival. What this is demonstrating is that one cannot rely on commercial markets and commercialization in the fight against poverty. This thesis has shown that while there is a role for government to play in supporting smallholder agriculture, this role has not been well defined by government as well as its agencies.
REFERENCES


AgriReview Eastern Cape, July 2005. Maize planting likely to be drastically cut for upcoming season

Aliber, M. 2005. Overcoming Underdevelopment in South Africa’s Second Economy, in UNDP South Africa


Bekker, S.B. 2004 The social role of agriculture in South Africa. FAO Project on the Roles of Agriculture in developing Countries.


Bond, 2002


de Wet, C. Moving Together Drifting Apart: Betterment Planning and Villagisation in a South African Homeland, Witwatersrand University Press


Eastern Cape Provincial Department of Agriculture, 2002. Secret Memorandum: Massive Food Production Scheme Through a Conditional Grant Scheme for Crop Production and a Rural Mechanisation Program.


OR Tambo District Municipality (Undated), Economic Sectors and Investment Opportunities (unpublished).


Yoba, V.T. 1985. A Comparative Study of Two Maize Schemes in the Transkei, Dissertation submitted in partial fulfillment of the requirements for the degree of Bachelor of Agricultural Extension (Honours)’ Department of Agricultural Extension and Rural Development, University of Fort Hare.