

Supporting black small-scale commercial farmers:

Access to land is not an end in itself

A key objective of the land reform process in South Africa is that it supports the emergence of a cohort of black small-scale commercial farmers who contribute to local and national agricultural value chains. Nationally, this has not happened. HSRC researchers looked at land reform projects in the Bela-Bela municipal area in Limpopo and found that they had a limited impact on the livelihoods of the majority of the beneficiaries.

“ PROVIDING ACCESS TO LAND SHOULD NOT BE AN END IN ITSELF, BUT NEEDS TO BE ACCOMPANIED BY A FULL PACKAGE OF INSTITUTIONAL AND FINANCIAL SUPPORT. ”

Since 1996, South Africa has been grappling with the design and implementation of land ownership reforms. These reform processes were intended to support the transfer of commercial farms from predominantly white owners to black people who were previously disadvantaged by apartheid policies of racially segregated spatial development.

The Bela-Bela farms

HSRC researchers looked at small-scale irrigated farms that emerged from the land redistribution process in the Bela-Bela area, to measure the impact of the land reform process. There are more than 50 land reform projects in Bela-Bela. Based on their engagement with key players in the sector, the researchers developed a generic framework and criteria for a typically successful emerging farmer. The farm needed to be occupied and running as a single commercial agriculture entity producing agricultural products for commercial purposes rather than just for subsistence. The beneficiaries had to benefit from stocks and flows of food and income and the farm owners had to practise irrigated agriculture with proper access to water and all required inputs. The successful farmers' levels of agricultural production should have been relatively reasonable compared to that of previous owners, they should have exhibited confidence in the farming venture with clear plans to sustain the venture.

The status of projects

Table 1: The status of land reform projects in Bela-Bela (n = 40)

Variable	Number	%
Attempted use of land but no significant production (no benefits gained)	19	47.5
Land partly used & partly leased out (no significant benefits gained)	2	5
Land being used (some benefits gained)	9	22.5
Land partly used & partly leased out (some benefits gained)	8	20
Land used as a joint venture	2	5
TOTAL	40	100

As indicated in Table 1, the impact of the reforms on socioeconomic transformation was limited since the majority of the schemes were not performing well. This confirms earlier findings by other scholars who carried out research in different parts of South Africa and concluded that more than 70% of South African land reform projects in a post-settlement phase experience operational difficulties or have been considered completely unsuccessful.

Not capacitated

Most of the emerging farms in Bela-Bela are between 20 and 80 hectares in size. Those that produce, do so on a relatively small scale (usually vegetables and livestock) while most farms are either struggling to become viable or lying idle and not functioning at all. Government paid between one and two million rand per farm and also invested money through the farm recapitalisation support programme (averaging 25% of the farm price) and continuing assistance. However, little attention has been given to the capacity of the beneficiaries to practice commercial farming. In the Bela-Bela sample, there was no evidence that the beneficiaries had been capacitated.

Main constraints

The researchers asked the emerging farmers about the main constraints that they faced and categorised their perceptions of the severity of the constraints as *low* (not a major challenge), *medium* and *high* (severe in terms of its impact on their productivity).

Table 2: Main constraints that emerging farmers faced and severity (n = 40)

Constraint	Low (%)	Medium (%)	High (%)
Access to water	10 (25)	10 (25)	20 (50)
Funding	2 (5)	5 (12.5)	33 (82.5)
Lack of farming knowledge	3 (7.5)	6 (15)	31 (77.5)
Extension support services	22 (55)	8 (20)	10 (25)
Farm infrastructure	11 (27.5)	12 (30)	17 (42.5)
Access to energy	7 (17.5)	3 (7.5)	30 (75)
Farming inputs	8 (20)	9 (22.5)	23 (57.5)
Farming machinery & implements	6 (15)	11 (27.5)	23 (57.5)
Labour	30 (75)	3 (7.5)	7 (17.5)
Fencing	4 (10)	12 (30)	24 (60)
Markets	17 (42.5)	5 (12.5)	18 (45)
Roads	25 (62.5)	8 (20)	7 (17.5)
Post-harvest storage	12 (30)	12 (30)	16 (45)
Transport	18 (45)	10 (25)	12 (30)

Table 2 shows that 82.5% of the farmers cited lack of funding as the biggest constraint. This was followed by lack of farming knowledge (77.5%) and the costs of electricity (75%). They placed all three of these constraints under the *high* level of severity category. Under the *low* level of severity bracket, access to labour (75%), extension services (55%) and roads (62.4%) were cited most, not posing serious constraints to the emerging farmers.

Lasting dependency

While a business plan was a prerequisite for a person to acquire a farm, most of the plans were produced by hired consultants who did not provide post-acquisition support. Most of the farmers depended a lot on inputs and technical assistance from the Department of Agriculture, Forestry and Fisheries to survive, thereby creating a lasting dependency syndrome.

In some cases, grants were used for other purposes such as paying for school fees rather than being ploughed back into the farming enterprise.

Leasing of some of the redistributed farms to white commercial farmers, who are better prepared for the farming enterprise, has been on the increase. In the process, the land goes back under white ownership and control, with blacks being employed as farm workers.

Communal property

Farms categorised as communal property associations (CPAs) co-owned by groups of people or communities showed mixed results. The researchers identified 12 CPAs of which at least half were dysfunctional or not operational due to challenges associated with the required collective action.

For instance, some CPA members brought their own cattle onto the property without consulting others leading to overstocking and overgrazing. Some of the CPA boards did not function effectively leading to mismanagement, poor leadership, lack of community

cohesion, individuals prioritising their own interests, and unsustainable exploitation of natural resources.

More groundwork needed

The researchers concluded that the land redistribution projects they looked at were not contributing to rural socio-economic transformation in a systematic and predictable way.

One of the disturbing features of the main academic and policy-oriented discourses on the success or failure of the land reform programme is that, right from the beginning, land reform was primarily understood and evaluated according to the absolute volumes of land transferred from the predominantly white commercial farmers to the previously disadvantaged black emerging farmers. Achieving targets was prioritised and continues to pervade most assessments of progress in this domain. Much less attention has been paid to the actual use of the land for productive purposes by the beneficiaries of the land redistribution programme once the land transfers are in place. There is an urgent need to go beyond assessment of land transfers from whites to blacks in volumetric terms and more needs to be done to provide proper post-land transfer support systems for the emerging farmers, the researchers recommended.

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<http://www.hsrc.ac.za/en/research-outputs/view/9207>

RECOMMENDATIONS

Policy

Land reform policy needs to ensure that it sufficiently addresses emerging farmers' access to financial capital after they acquire farms. Most farmers are unable to get the capital needed to invest in farming implements and irrigation infrastructure, which diminishes their chances of meaningful production. Measures need to be put in place to address poor planning, inadequate access to water and post-land transfer support systems and limited understanding of agricultural value-chains. There is also a need to address systemic challenges related to bureaucratic obstacles in obtaining water-use licenses and land title deeds.

Different needs

The study found that not all recipients of redistributed land have a commercial farming mind-set. Many end up focusing more on feeding their families and maintaining their livelihoods through subsistence agriculture rather than commercial farming and profit-making. The implications of farm acquisition and ownership should be discussed in detail in advance with an emphasis on the need for commercial production if South Africa is to remain food secure.

A comprehensive approach

Our farming systems approach to agrarian reform needs to consider the total environment in which emerging farmers survive. We need to examine the whole value-chain starting with land acquisition through farm recapitalisation, farmer capacitation, through to the input-output-to-market dimensions that are crucial in a commercial farming entity.

Wholesale land acquisitions

Acquiring land without compensation to replace the willing-buyer-willing-seller approach is on the cards since the ANC's recent announcement to amend the Constitution. The HSRC researchers however warn that providing access to land for previously disadvantaged groups should not be treated as an end in itself. It needs to be accompanied by a full package of institutional and financial support systems and services. Until this is addressed on the currently redistributed farms, it makes no sense to make more land available without proper plans in place to ensure that the farmers use the farms productively.