GTAC/ CBPEP/EU project on employment-intensive rural land reform in South Africa: policies, programmes and capacities

Summary Paper 3
A synthesis of evidence from four local municipality studies
Sakhisizwe Local Municipality – Eastern Cape
Nkosi Langalibalele Local Municipality – KwaZulu-Natal
Greater Tzaneen Local Municipality – Limpopo
Matzikama Local Municipality – Western Cape.

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31 March 2020

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National Treasury REPUBLIC OF SOUTH AFRICA
cbpep CAPACITY BUILDING PROGRAMME FOR EMPLOYMENT PROMOTION
FUNDED BY THE EUROPEAN UNION

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1 Overview

This paper sets out to provide an accessible summary of the key findings which have emerged from the extensive research conducted as part of a project to develop a draft policy framework for employment intensive land reform. The project has been managed by the Institute for Poverty Land and Agrarian Studies (PLAAS) in association with Phuhlisani NPC. It has been funded under the auspices of the Capacity Building Programme for Employment Promotion (CBPEP) managed by the Government Technical Advisory Centre (GTAC) with support of the delegation of the European Union to South Africa.

1.1 The research focus

The research has analysed:

- Key thematic issues impacting on the design and potential success of land reform;
- The potential for an appropriate commodity mix to promote employment intensive land reform and sustainable livelihood opportunities;
- Four local municipality cases which assemble empirical evidence to demonstrate the possibilities of pursuing rural land reform in South Africa in a manner that creates more employment and/or self-employment than has been the case up to now, while spelling out in detail what would be required for this to happen.
  The four municipalities are:
  - Sakhisizwe Local Municipality – Eastern Cape
  - Nkosi Langalibele Local Municipality – KwaZulu-Natal
  - Greater Tzaneen Local Municipality – Limpopo
  - Matzikama Local Municipality – Western Cape.

1.1 Contextualising the local municipality studies

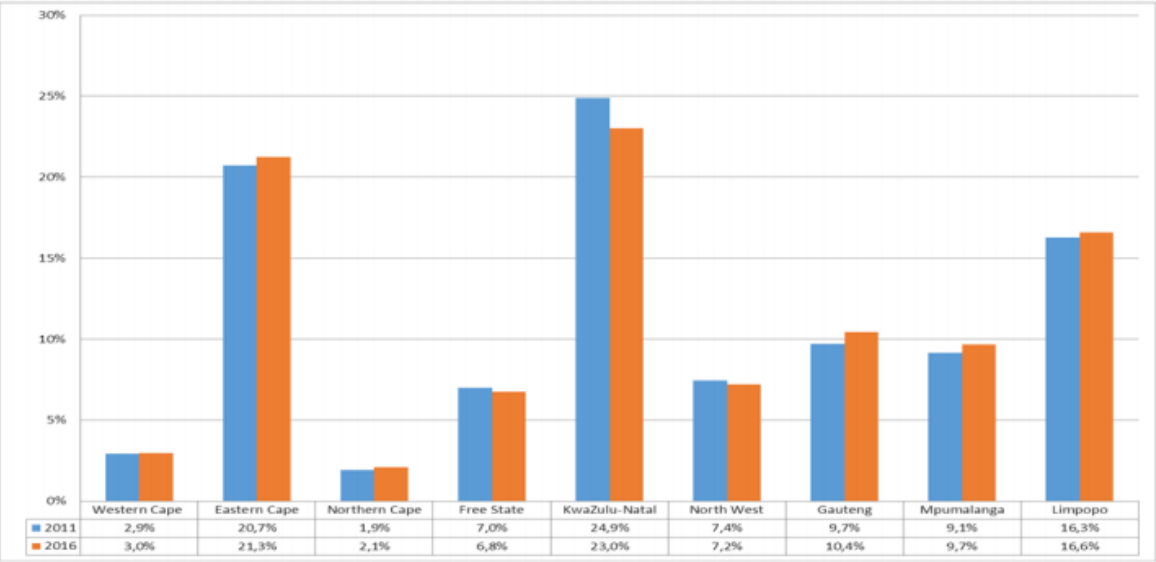
The local municipality studies and the theoretical modelling of the employment and livelihood benefits associated with transfer of 50% of agricultural land need to be understood against the backdrop of the widely differing provincial distribution of agricultural households and the limited budget allocation for the land reform programme to date. We chose to model the impacts of redistributing 50% of available agricultural land in four local municipalities to highlight the varying potentials of employment intensive land reform across different ecological and socio-economic contexts

1.1.1 Comparative provincial distribution of agricultural households

The 2016 Community Survey reported on agricultural households as follows:

> *The number of households engaged in agriculture was 2,3 million in 2016 compared with 2,9 million in 2011. The decrease of 19,1% between the two years was mainly due to the drought experienced in the country during 2014/15. The bulk of households engaged in agriculture in South Africa were in KwaZulu-Natal (23,0% of country's total), Eastern Cape (21,3%) and Limpopo (16,6%) in 2016. Free State, Western Cape and Northern Cape reported the lowest numbers of households engaged in agriculture, with 6,8%, 3,0% and 2,1% (of country's total) respectively*

Figure 1: Comparative provincial distribution of agricultural households.



Source: StatsSA Community Survey (2016.)

Three of the four municipal case studies are drawn from the provinces with highest number of agricultural households while one is from the province with the second lowest number of agricultural households (Western Cape) but which has opportunities to substantially expand land under irrigation.

1.1.2 The current national budget for land reform

Estimates of National Expenditure for 2019 (National Treasury 2019) lists the programme purpose, objectives and subprogrammes associated with Programme 5: Land Reform. In 2019/2020 the programme seeks to promote equitable land redistribution and agricultural development by acquiring 103,012 ha of strategically located land by March 2020 nationwide. Over the medium-term the program seeks to acquire 269,539 ha at an estimated cost of R1.9 billion. The agricultural land holding account established in terms of the Provision of Land and Assistance Act (1993).

> *The entity is set to receive 85.7 per cent of its revenue over the medium term through transfers from the department of R1.4 billion in 2019/20, R983.4 million in 2020/21 and R1.1 billion in 2021/22. The decrease in these transfers is due to Cabinet-approved reductions to the budget. These reductions are not likely to have an effect on the number of hectares targeted for redistribution, and will be offset by the generation of an estimated R376.1 million in non-tax revenue over the same period through rental income on qualifying lease contracts and interest charged on outstanding leases.*

As will be evident from municipal case studies, the land acquisition and employment scenarios modelled in this research would require a much-enlarged budget allocation for land reform and associated support services to unlock the livelihood and employment benefits which could flow from a properly planned and well supported employment intensive programme of land and water reform.

2 Municipality Study No 1: Sakhisizwe Local Municipality – Eastern Cape

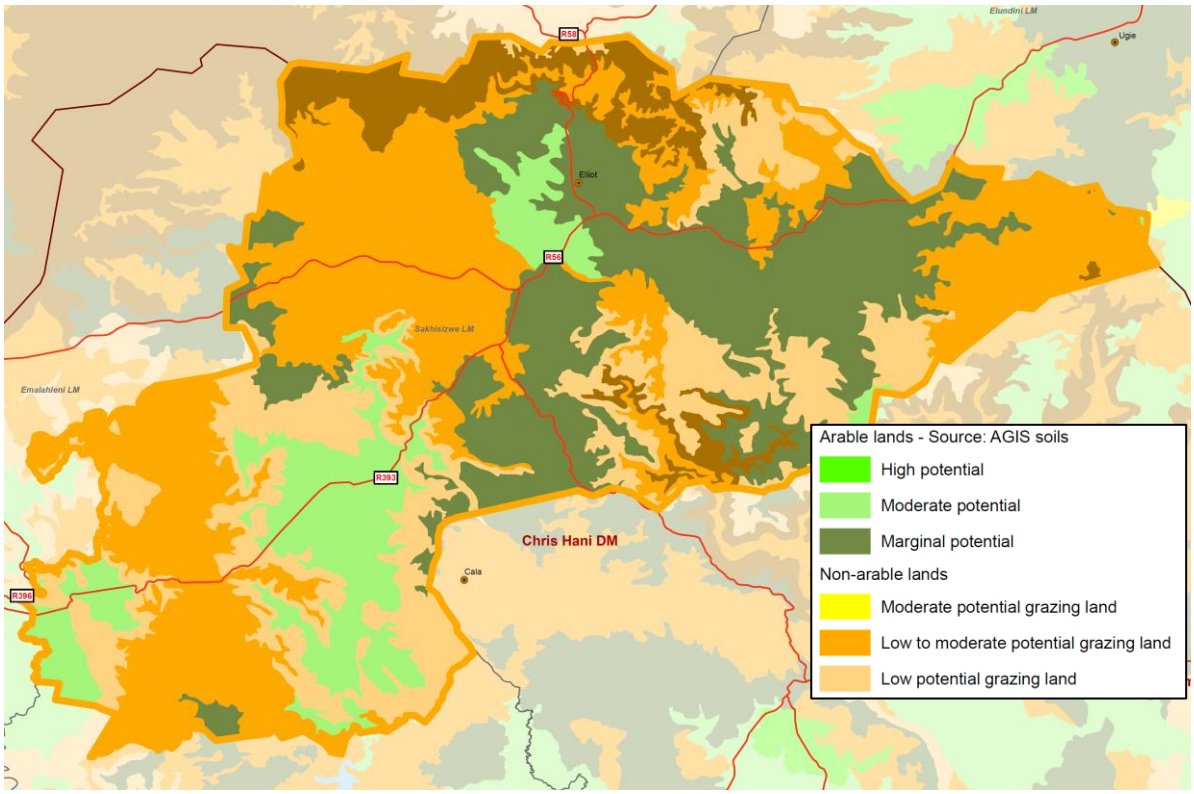
2.1 Municipal overview

Sakhisizwe Local Municipality is in the north-central part of the Eastern Cape, at the north-eastern corner of Chris Hani District Municipality. Sakhisizwe Local Municipality is an amalgamation of two parts: to the southwest, a portion of the former Transkei, specifically much of what had been Cala Magisterial District; and to the north and northeast, most of Elliot Magisterial District, a white commercial farming area.

In 2011 the Municipality had a total population of about 62 000, of whom almost half resided in one or the other of the two main towns, namely Elliot (now renamed 'Khowa') and Cala, which were home to about 14 500 people each (Stats SA, 2013).

Sakhisizwe continues to urbanise, with people leaving farms (both voluntarily and involuntarily) and tending to end up in Elliot/Khowa, or drifting to Cala town from outlying villages. Cala town has a sizeable peri-urban sprawl, whereas the 'locations' to the west and east of Elliot town are compact, planned, and bordered by commercial farmland. Food insecurity is widespread in the municipality but appears to be worse in the towns than in the rural areas.

Figure 2: Land capabilities in Sakhisizwe based on soil types



Sakhisizwe's grazing land can all be categorised as either 'low to moderate potential' or 'low potential'. Grazing tends to be more characterised by sweetveld towards the west, and sourveld towards the east, meaning that livestock raised in the east tend to need more supplementary feeding. Livestock stocking rates are more than twice as dense in the former homeland areas than in the Elliot part of Sakhisizwe.

Figure 3 indicates that there are stark differences between the agricultural landscapes of the commercial farming areas around Elliot and the former homeland areas around Cala.

Figure 3: Land use patterns in Elliot (top two images) compared with Cala (bottom two images).

2.2 Small scale farming sector

From the Community Survey of 2016, there are about 6 300 black households involved in agriculture at some scale, excluding land reform beneficiaries, which is a high proportion. These agriculturally active households represent about 68% of black households in the municipality, of which an estimated 500 households (8%) are commercially oriented (meaning they farm mainly to earn income, as opposed to farming mainly for own consumption).

2.2.1 Livestock ownership

Also, from the Community Survey, we can estimate the numbers of livestock owned by households in the former homeland part of Sakhisizwe, and Engcobo. The bottom row of the tables computes the total of 'large stock unit equivalents (LSUE), wherein each cow counts as one LSUE, and each sheep or goat counts as one sixth of a cow (1 LSU = 6 Small stock units (SSU)).

Table 1: Estimated number cattle sheep and goats owned by households in Sakhisizwe Local Municipality

	Sakhisizwe (Cala part)	**Engcobo**	**Both**
Cattle	25 936	58 758	84 694
Sheep	84 786	346 858	431 645
Goats	22 003	87 378	109 381
LSUEs	**43 734**	**131 131**	**174 865**

2.2.2 Sheep farming

Currently there are 22 shearing sheds in the municipal area. In 2018/19, 10 shearing sheds were built by the district, of which three were in Sakhisizwe. Interviews were conducted with the executive members of three sheep shearing associations:

- Phama shearing shed farmers, Askeaton village (121 sheep farmers);
- Kuzikhokwane sheep shearing shed, Lufuta village (202 sheep farmers);
- Zikhonkwane sheep shearing shed, Zikhokwane village (70 sheep farmers).

Interviews were also carried out with another 40 larger sheep farmers from another 13 villages – of which one was in Engcobo. Virtually all the farmers interviewed were pensioners, many of whom were former migrant workers in the mines or cities. Respondents emphasised the role played by the revenue from sheep towards the education of their children and grandchildren.

Some of these farmers also keep cattle, but none are crop farmers. Crop faming in the Cala area pretty much stopped in 1994, when government stopped providing tractor services. Farmers used to crop maize, wheat and sorghum. The respondents emphasised that they wish the government could resume providing these ploughing services. At the same time, local households have long since stopped maintaining oxen capable of providing draught power. About 40% of the famers employ herders, most of whom are from Lesotho. Farmers complain about the unreliability of local herders who tend to "disappear without notice".

Most farmers' livestock are vaccinated by government twice per year. Moreover, farmers are regularly called to 'information days' organised by the extension officers in collaboration with the likes of BKB and South African Wool Growers Association. Farmers in some areas also benefit from a genetic improvement programme run by government in collaboration with the National Wool Growers' Association, whereby farmers exchange inferior rams for ones with better reproductive capacity.

Respondents suggest that stock theft is more of a problem on land obtained through land reform than in the former communal areas.

In general farmers interviewed reported that they were not aware of how the land reform programme works and blame government officials for not sharing information with them. Their impression was that, until recently, one of the problems with land reform was that government was

taking beneficiaries 'from the townships', i.e. who did not have farming experience. This was thought to be contributing to land reform failure.

2.2.3 Crop farmers

There are a limited number of crop farmers in the Cala area. Individual farmer profiles indicate that those farmers producing vegetables have faced problems ensuring reliable access to water and accessing markets. These factors had caused some farmers interviewed to abandon vegetable production. However individual cases also highlight the potential of vegetable farming to create jobs.

2.3 Large scale farming sector

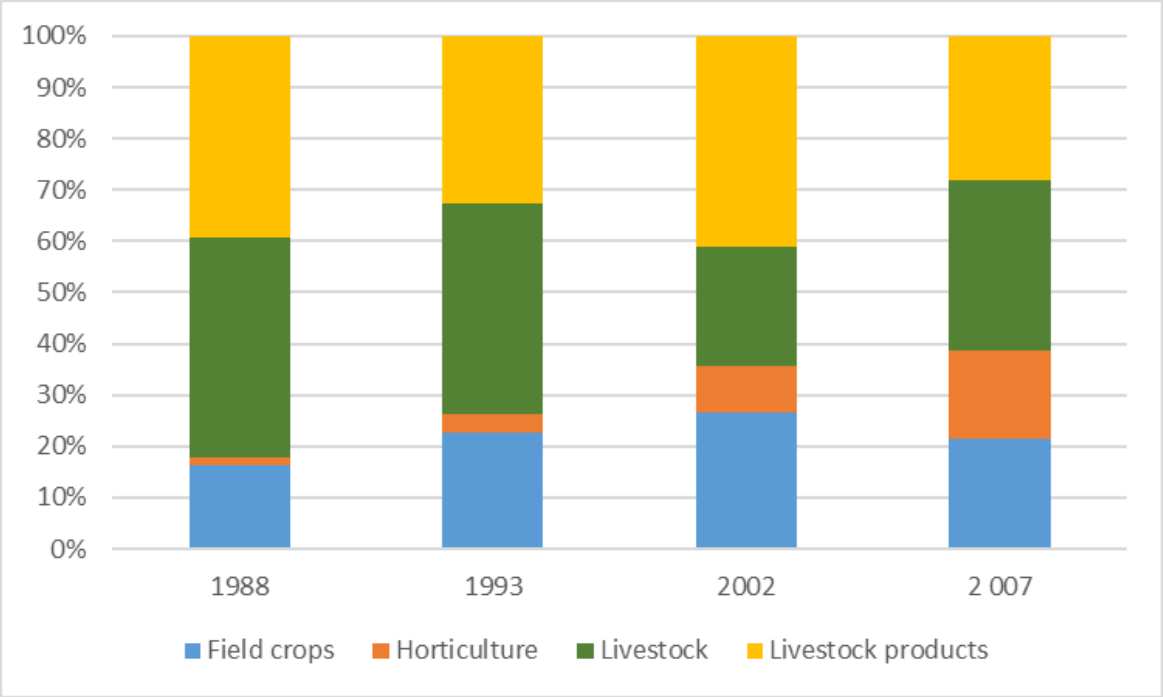
Commercial farmers in Elliot are either livestock farmers or farmers who engage in mixed farming. Livestock farming mostly involves extensive production of sheep and cattle, with a shift over time from the former to the latter while crop production mainly involves dryland production of maize, potatoes, soybeans and wheat. Most crop farming involves highly mechanised production in which the main tasks are performed by a small core of tractor drivers. One farmer interviewed cultivates 1100 hectares of arable land and relied on two tractor drivers.

Commercial agriculture accounts for about 10% of employment in Sakhisizwe. Data is a problem as 1993 is the last year that the agricultural census reported land use types by hectarage. Using these dated figures arable production took place on 9.3% of the land and of this, irrigated crops accounted for just 4%. While Elliot lacks irrigation resources it is an area where commercial farmers undertake dryland potato production.

2.3.1 Changing production trends

Data from 1988 – 2007 censuses highlight changes in the value of production and points to the growth in horticultural production – mostly potatoes.

Figure 4: Changing values of agricultural output by shares of gross farm income



2.3.2 Changing ownership and employment patterns

There has been intense concentration in farm ownership in the Elliot area. In 1971, there were 214 farms, whereas in 1981 there were 163, in 1993 there were 136, and in 2002 there were 61. After that we have no data, but local farmers indicate there are currently around 40 farms, of which 10 are especially large and competitive. In this process of consolidation jobs have been shed. In terms of the employment share, it has declined by almost 50% since the mid-1990s. The big exception to the non-labour-intensive nature of crop production in Elliot is potato farming. Potato production is more labour-intensive than maize or soybean production. Once the potatoes are 'lifted' out of the ground, a team of workers manually picks up the potatoes and loads them into large bags. In other parts of the country and world, this process is more mechanised by means of harvesters with integrated conveyor belts, 'picking tables', and bins, but these machines are very expensive and impractical for the tight contours of Elliot. Most potatoes produced in Elliot are sold to the fresh produce markets of Johannesburg and Port Elizabeth and at least one farmer sells in bulk to McCain.

2.4 Land reform in Sakhisizwe

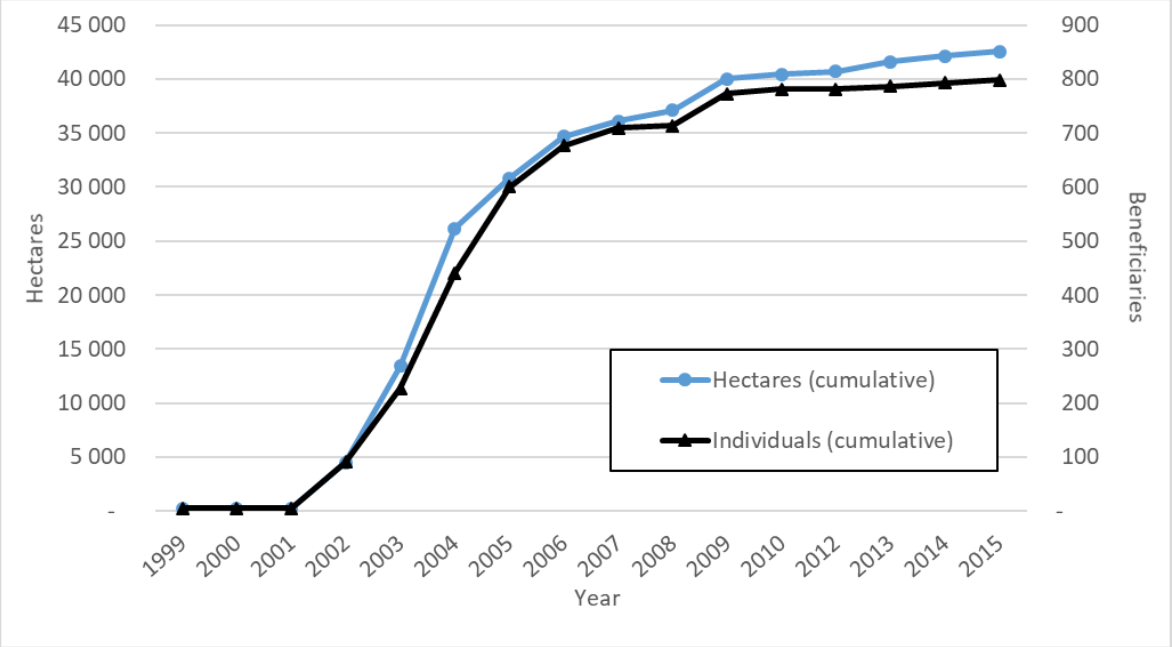
There has been a significant amount of land redistribution in the local municipality. According to data acquired from DRDLR, there have been 106 redistribution projects in all: SLAG – 1; SPLAG – 1;[1] LRAD – 97; and PLAS – 7. The fact that there were so many redistribution projects owed to a deliberate strategy devised by the provincial Department of Land Affairs office with assistance from the provincial agriculture department. This stablished benchmark price-per-hectare values for different types of land, e.g. grazing versus arable versus irrigated, after which this was communicated on a 'take-it-or-leave-it' basis to commercial farmers through a series of public meetings. Because the prices were regarded as good, many farmers were interested, and because

[1] SPLAG stood for the 'Settlement and Production Land Acquisition Grant'; it seems to have existed around 2008-9, and was R111 000 per household.

government did not engage in farm-by-farm negotiations, settlements were reached quickly and at scale. (Aliber, Kenyon, Mogaladi and Kleinbooi, 2010).

The cumulative amount of land affected comes to 42 500 hectares, which represents about 24% of commercial farmland. The total cost of this land was about R36 million, though in inflation-adjusted terms it would likely be closer to R50 million. Although seemingly very successful as a land acquisition strategy, the approach has never been tried elsewhere.

Figure 5: Land redistribution in Sakhisizwe over time.



Source: based on project-level data obtained from DRDLR, 2019.

Despite the significant transfers of land the general impression – shared by a variety of different types of stakeholders – was that only a small share of land reform projects were performing well, while the majority suffered from the fact that the farmers were under-skilled and/or under-capitalised and/or under-committed. A black commercial farmer raised the concern – echoed by several others – that too many land reform beneficiaries who lack the means or interest to use their land, end up taking on tenants from the former Transkei who are looking for a place to bring their livestock. This raised concern about overstocking and security concerns associated with not knowing who your neighbours are.

Research identified LRAD farmers owning land via CPAs who grew maize for sale on formal markets, as well as shops around Elliot and Cala. Around 20% of the crop was retained as livestock feed and for household consumption. The research also identified examples where CPA land had been informally subdivided, or where there had been a buyout of other family members/beneficiaries.

The research highlighted a willingness among some farmers interviewed to lease land from government. There were also concerns about corruption in land allocation processes which could allow officials to give away the land of legitimate lessees/beneficiaries to “friends of politicians”.

The research also identified positive benefits for commercially oriented farmers involved in the Grain Farmer Development Association which provides technical advice as well as subsidised seeds, lime and other inputs.

2.5 Employment changes due to the redistribution of 50% of the remaining commercial farmland in Sakhisizwe Local Municipality

Table 2: Projected redistribution of 50% of three types of farmland

	Est. total hectares, Elliot	Est total hectares, land reform	Remaining commercial farmland	50% of remaining commercial land
Grazing	141 277	38 107	103 170	51 585
Dryland	15 569	4 199	11 369	5 685
Irrigated	716	193	523	262
Sum	**157 562**	**42 500**	**115 062**	**57 531**

Notes: excludes approx. 7000 hectares of forestry, and assumes 20% increase in irrigated area and commensurate decline in dryland area since 1993

Table 3: Estimates of net job creation and cost per net job in Sakhisizwe Local Municipality if 50% of land currently under large scale farming is redistributed

Local municipality/ farming systems	Farm units	Total hectares	Net jobs	Land cost/net job (R)	Setup cost/net job (R)	Total cost/net job (R)
Sakhisizwe (Eastern Cape)						
Vegetables	26	260	294	35374	55284	90658
Grain	114	5685	660	148685	88640	235325
Extensive livestock	258	51585	115	2242826	158539	2401365
All products	**398**	**57530**	**1069**	**341412**	**84941**	**426353**

In *Sakhisizwe* in the Eastern Cape, few high value crops can be produced. Only a small area under vegetables can be sustained, comprising 26 farms of 10 ha each on 260 ha, and the total cost per net job is R90 813. In relation to maize, estimates are based on 114 farm units of 50 ha each on a total of 65 685 ha, which allow for the net job creation of 650 jobs, at a cost of R235 325 per job. Extensive livestock in the form of wool production on 51 585 ha (with 258 farm units of 200 ha each) generates 115 net jobs, a cost of around R2.4 million per job or roughly similar to that in Matzikama.

Overall, the cost per net job in Sakhisizwe is R426 653, roughly the same as that for Greater Tzaneen. However, this cost-per-job does not factor in a much larger number of jobs that might be created in the former homeland part of the municipality due to the relocation of larger stock owners out the area through land reform.

3 Municipality Study No 2: Inkosi Langalibalele Local Municipality

3.1 Municipal overview

The Inkosi Langalibalele Local Municipality (ILM) is one of four local municipalities in the uThukela District Municipality in KwaZulu-Natal, in a broader region known as the KwaZulu-Natal Midlands. Estcourt and Weenen are the two largest urban centres. Both towns have a shrinking retail and industrial centres, and rapidly expanding invasion and settlement of town lands.

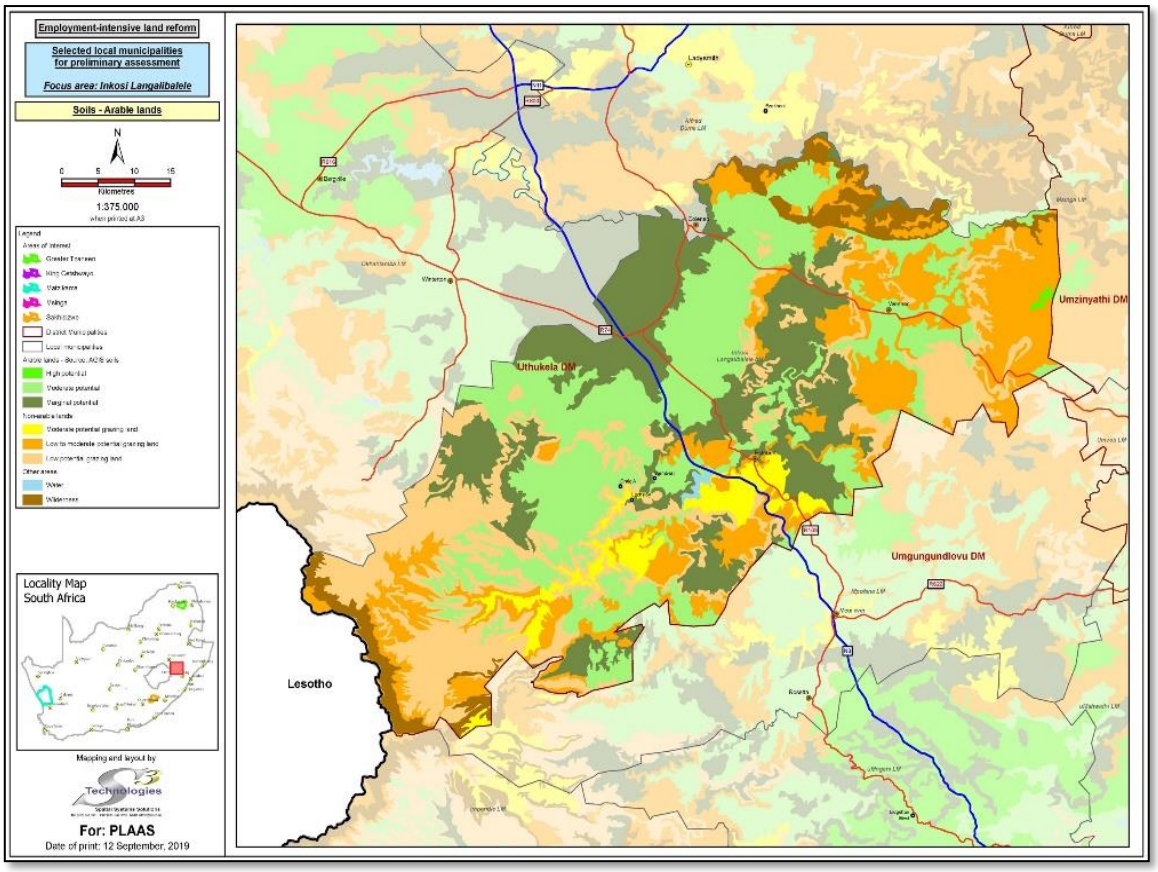
Inkosi Langalibalele Local Municipality (ILM) had a total population of 215 183 persons in 2016, the year of the last Community Survey undertaken by StatsSA (StatsSA 2016). It comprises 3403.3 square kilometres, with a population density of 63.2 people per square kilometre. There are 46 952 households in ILM, about one quarter of the district municipality's population. The average size of households is 4.58 people per household. A large proportion of the population (48%) are 19 years or younger.

Over half of all households (53%) are female headed, probably indicating the continuing decline of marriage amongst the African population (Hosegood 2013). The great majority (893%) are isiZulu speakers. Fifty two percent of the population is 'not economically active', but many of these are engaged in subsistence-oriented agriculture, mainly in order to produce some additional food for home consumption.

Agriculture is the predominant form of land use in the ILM, but without generating large numbers of jobs. Large-scale commercial farming remains important, but is shrinking due to land reform, which affects around 38% of the land in the municipality. Another 36% of land is designated as 'communal areas', with traditional authority structures playing a key role in their governance. Only 27% of the ILM, or around 100 000 hectares, is available for further land reform, and some of this has either assumed an urban or peri-urban character or might not be suitable for land reform purposes for other reasons.

Figure 6 below shows that areas with high agricultural potential, especially in relation to arable land, which is in short supply in the ILM.

Figure 6: Agricultural potential in Inkosi Langalibele municipality



The ILM has two large river systems running through it- the Bushman's and Tugela rivers, both originating in the Drakensburg. There is a large dam at Wagendrift above Estcourt.

However, the Bushman's and Tugela rivers are already oversubscribed and further water extraction permits are not being issued. As it is, the furrow system at Weenen runs out of water regularly, as do other farms that rely on irrigation water located further down the river.

3.2 Small scale farming sector

There is very little dryland cultivation of food or other crops by small-scale farmers in the ILM. Even in the wetter part of the municipality to the west, with an annual rainfall of around 1000mm, few households located in the communal areas cultivate crops. Households in these dense settlements depend for their income on a combination of wages, remittances and social grants, rather than agriculture. Some own livestock, mainly cattle and goats, and many own small flocks of indigenous chickens.

3.2.1 Irrigation crop farming

The only form of cash cropping by small-scale producers on a significant scale is the production of fresh vegetables (including green maize), in areas where irrigation water is available. The main sources of irrigation water are the Bushman's and uThukela rivers, and the main location is on the former 'townlands' area of Weenen. A large irrigation scheme (known as 'Mthatheni') is located at Tugela Ferry in the neighbouring Msinga local municipality, about 30 kms away. The Tugela Ferry scheme supplies water to an area of approximately 840 hectares of high potential soils, of which around 540 hectares are currently under cultivation by 800 to 1000 producers (Cousins 2013).

The main crops grown on the scheme currently are green maize, tomatoes, sweet potatoes, cabbages, spinach and other green leafy vegetables such as mustard or Chinese cabbage. Much smaller quantities of beans, butternut squash, green peppers, potatoes, onions, peas and beetroot are produced.

The production of vegetables is highly labour-intensive, with the plot holder providing a substantial proportion, but labour is often hired in by farmers on a piece-work basis. Payment for labour is generally in cash, except in relation to harvesting, where payment tends to take the form of produce. Payment rates for hired labour vary between tasks, with clearing and weeding commonly being paid at between R130 and R150 a plot, and watering at between R30 and R50 a plot.

A striking feature of land tenure on the scheme is the existence of a widespread informal land rental market, which helps to ensure that most plots are cultivated most of the time. Some plot holders lend unused plots to relatives or neighbours so that these plots are seen to be under cultivation, thus avoiding their re-allocation. They can be re-claimed when needed. The borrower of the plot, whether they are a relative or neighbour, may be required to offer some produce for home consumption to the holder or their family.

Many farmers use cell phones to liaise with potential buyers. Farmers also sell produce directly to roadside hawkers in Tugela Ferry itself, sell their own produce at the roadside, and supply local consumers from areas of settlement close to the scheme. They make only occasional sales to supermarkets in Tugela Ferry or other small towns. A commercial pack house for co-operative processing, packing and marketing of fresh produce was established by a development agency in Tugela Ferry in 2000, but it was not popular with farmers, supplies were intermittent, and it stopped operating three years later (Mnkeni et al. 2010, 163).

There is also larger scale irrigation on the Weenen townlands owned by around ten white and three black commercial farmers, with each farm unit averaging around 60-80 ha in extent. The main crops produced are potatoes and cabbages, plus a range of other horticultural crops such as butternuts, beans, green maize, groundnuts, beetroots, green peppers, etc. Some farms include large areas of grazing land, and here beef cattle predominate.

Employment intensity of horticultural production in Weenen

Employment-intensity is directly related to the degree of capitalisation of production systems, and significant differences occur between smaller and larger 'scales' of production (scale here referring to capital-intensity and output as well as farm size). Neves and Hakizimana (2015: 71) suggest that the farms of small-scale, black commercial producers in Weenen generate around 300 person days of employment per ha, as compared to 100 person days per ha for large-scale producers. They estimate that commercial farming in Weenen generates around 300 full-time equivalent jobs from its 600 ha under irrigation, i.e. 0.5 jobs per ha, or I job per 2 ha.

If 120 days of employment per year (or 3 days/week) is accepted as a job equivalent, then small-scale horticultural producers generate 2.5 jobs per ha, and large-scale producers generate 0.8 jobs per ha.

3.2.2 Livestock

Currently, farmers of livestock in rural areas tend to be older men aged 50-70 years, who have accumulated wealth as migrant labour in big towns and have come back to live at home and look after cattle and grandchildren, while the next generation work in urban areas or look for jobs.

Cattle and goats are owned by the more affluent and powerful people in a rural community, especially the larger herds and flocks. They are also generally free roaming and as a result are seen as a problem for gardeners and dryland croppers.

3.3 Large scale farming sector.

Agriculture in the ILM includes dairy, forestry, dryland cropping, vegetables and extensive livestock farming

3.4 Land reform in Inkosi Langalibele Local Municipality

In 1995 Weenen, Muden and Estcourt were declared the areas where the KwaZulu Natal Land Reform Pilot programme would be implemented. Land reform continued in the area until around 2009. However, much of the land handed over has not been actively farmed since, because of subsequent community conflicts or disagreements. A particular example of this is the land given to the Hlubi tribe in the west of the ILM, which became a dispute between the traditional authority and community members, and has been unused since then.

The areas subject to gazette land restitution claims (presumably including those lodged under the Land Reform (Labour Tenants) Act of 1996) are shown in Figure 7, along with farms transferred though the land redistribution programme. The map also shows that claims and transferred land overlap in some areas. Together the areas under claim and areas of transferred land amount to some around 128 000 ha, or 37.29 percent of the municipality (see Table 3 below).

Figure 7: Area under land reform in Inkosi Langalibalele Local Municipality

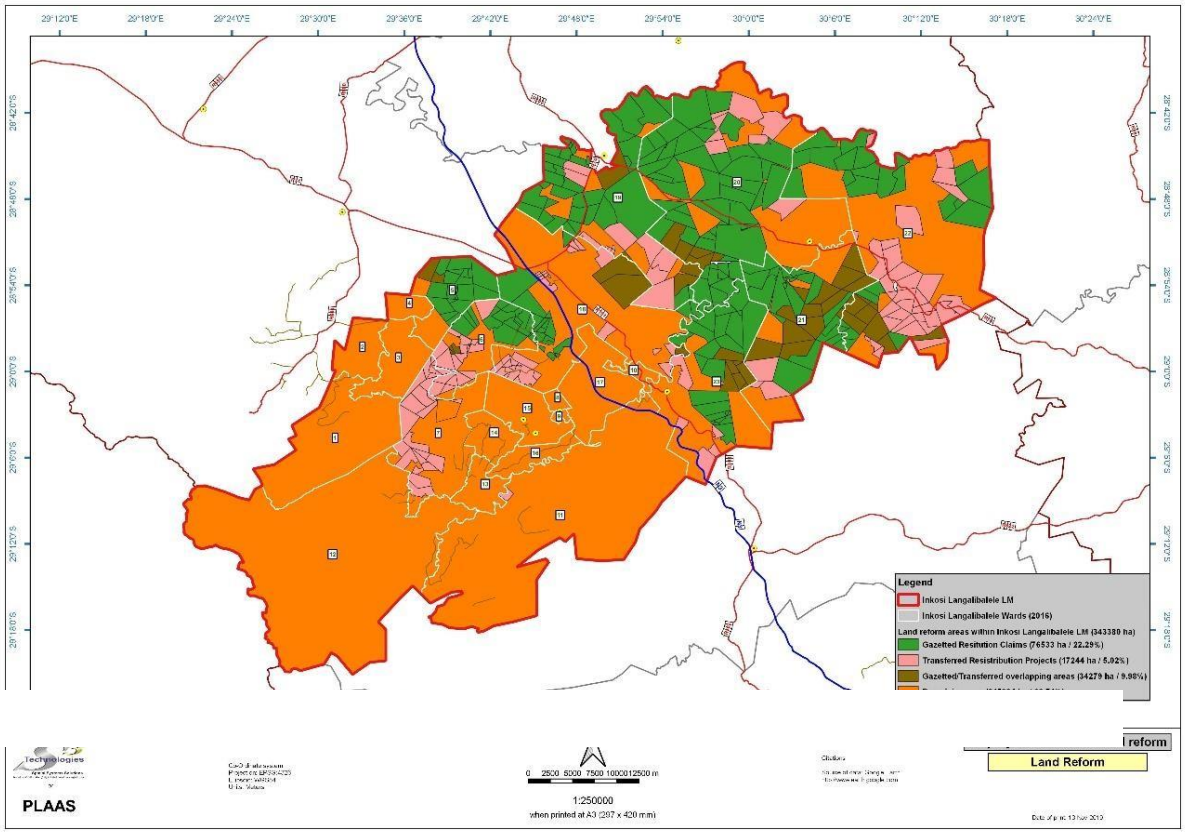


Table 4: Land reform in ILLM

Land reform programme	Area in ha	% of land in municipality
Gazetted land claims	76 533	22.29
Transferred redistribution projects	17 244	5.02
Overlapping claims and transferred land	34 279	9.98
Total	**128 056**	**37.29**

Note: There are questions about the reliability of the above data. Currently there appears to be no reliable estimate of land actually transferred through different land reform programmes.

3.5 Employment changes and costs associated with redistribution of 50% of available commercial land in Inkosi Langalibalele

Table 5: Estimates of net job creation and cost per net job in ILLM if 50% of land currently under large scale farming is redistributed

Local municipality/ farming systems	Farm units	Total hectares	Net jobs	Land cost/net job (R)	Setup cost/net job (R)	Total cost/net job (R)
Inkosi Langalibalele (KZN)						
Vegetables	91	714	830	129036	53777	182813
Extensive livestock	246	125710	1392	349980	60496	410476
All products	**337**	**125884**	**2222**	**267449**	**57986**	**325435**

In *Inkosi Langalibalele* in KwaZulu-Natal, the main farming system is extensive livestock production. Taking account of the three main biomes (grass, grass savannah and bush thicket), a total of 246 'farm units' each comprising 100 Large Stock Units (LSUs) can be established on 125 712 ha, generating 1392 net jobs, at a cost of R410 476 per net job.[2] Many of these jobs are in goat production, which is more labour intensive than other forms of livestock production. A small area (714 ha) under irrigated vegetables allows 830 net jobs to be generated, at a cost of R182 813 per net job. The overall cost per net job in this local municipality is R325 435.

4 Municipality Study No 3: Greater Tzaneen Local Municipality

4.1 Municipal overview

The Greater Tzaneen Local Municipality (GTM) is in Limpopo Province in the Mopani District Municipality and covers an area of 2 897km². It is host to Tzaneen town, which is the second largest town in Limpopo, after Polokwane. The area includes the main towns of Tzaneen, Nkowankowa, Letsitele, Lenyenye and Haenertsburg.

The GTM includes parts of the former homelands of Gazankulu and Lebowa. There are 125 rural villages located within GTM, in which almost 80% of households reside. Many of the small-scale farmers who could be potential beneficiaries of land redistribution are located in these areas. The sprawling settlements of the former homelands are nestled alongside some of the most valuable

[2] A small number of dairy farms in this municipality, which use irrigation to grow maize for fodder, are not considered in this exercise.

and highly productive private farmland in the country, predominantly owned by white landowners. Large areas of this region are the subject of unsettled land claims.

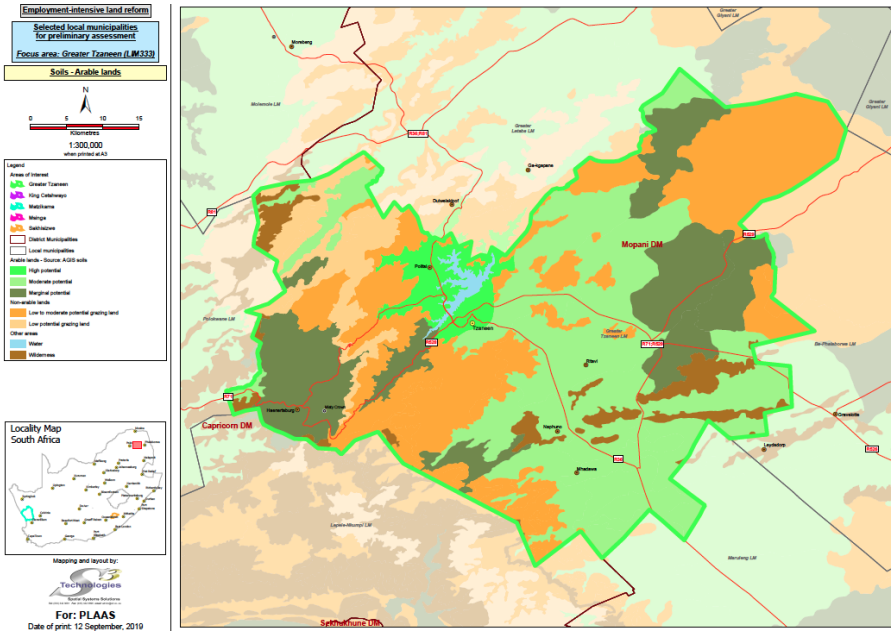
The municipality is well connected to major cities and towns, including the major N1 highway, which connects the area to Gauteng and the Kruger National Park. The local economy is characterized by both intensive and extensive farming activities but is renowned for its suitability for subtropical fruit and citrus (StatsSA, 2011).

The municipality's IDP for 2018/9 notes the following regarding the status of agriculture in GTM:

> *"Agriculture constitutes the main source of employment of the majority of our poor people in our municipality. The area has a dual agricultural economy, with both well-developed commercial farming and more subsistence-based production in the deep rural areas. It has fertile land, access to labour, local farming expertise and a sub-tropical climate, which favours the primary production of various agricultural products".*

The region has relatively favourable agro-ecological conditions. It has a tropical, semi-arid climate, falling into the summer rainfall region with an average annual rainfall of 902.49 mm, between October and March (DWS, 2015). Temperatures generally range between 10 and 31 °c. There is a dry season, but with irrigation, crop production is possible year-round. Agriculture is the most important economic activity in the Greater Tzaneen Municipality and the area is often referred to as a 'tropical paradise' due to the high-quality production of subtropical fruits. The region produces around 223 000 tons of nuts and subtropical fruit annually. GTM accounts for more than 60% of all mango and avocado produced and 20% of citrus in South Africa (LARD, 2012 in Boche and Anjuere, 2015).

Figure 8: Land capability in Greater Tzaneen Municipality



The arable potential of soils in the area is indicated in Figure 6 above. It indicates that there are large areas of arable soils and that the land with the highest potential (bright green on the map) is found around Tzaneen town and along the Tzaneen Dam, located along the Groot Letaba River.

The region's reputation as one of the leading farming areas for fruit, nuts and fresh produce (vegetables), has proliferated the presence of wage labour opportunities, contract farming and joint ventures (Boche and Anjuere, 2015). Orchards of citrus and subtropical fruits and nuts (mango,

avocado, litchi, banana and macadamia) dominate the commercial farming sector in GTM, covering 30 824.9 hectares of farmland.

The growing population of Tzaneen and the well-established transport system which connects the municipality to nearby towns, cities and national fresh produce markets (NFPMs), presents opportunities for small-scale farmers.

4.2 Small-scale farming sector

There are 119 106 established black households in GTM, of which 24 524 (21%) are categorised as 'agriculturally active'. About 2000 are involved in agriculture for the main purpose of earning an income. Among the agriculturally active black households, 94% are found in the former homeland areas, while the rest are more or less equally split between urban and farming areas (StatsSA, 2017). Many of the small-scale farmers in GTM are well organised into different farmer's associations, which represent various class interests.

There is a total of 39 existing smallholder irrigation schemes in the Mopani district, most of which are located in the former homeland areas (Koppen et al., 2017). Ten of these irrigation schemes are located in GTM but less than half are reported to be functioning. Some of the farmers only use the land seasonally to grow maize for green mielies and grain and there is clearly potential to improve the productivity of this land through improved farmer support. 'The majority of smallholders have four or five hectares, but some have two hectares or only ½ hectare … land sizes range from ½ hectare to 15 hectares.

Boche and Anjuere (2015: 87-88) note that a few black small-scale farmers in this study area have managed to accumulate through land reform (SLAG, LRAD and PLAS) as well as through political connections to the former homeland governments. These 'black farmers formed a new class of what is called 'emerging farmers'. Some have specialised in vegetable production, others in industrial broiler production'. Research conducted for this report indicates that many also grow various subtropical fruit, especially mango. However, the majority of households still have limited access to land and water and thus farming is limited to food security, with livelihoods depending mostly on social grants and wage employment.

Many small-scale farmers do not have enough water to either sustain or extend production. Water shortages affect the choice of production systems and crops produced. Many small-scale farmers have sunk boreholes since they cannot be allocated surface water by the LWUA. This is, however, quite costly, ranging from ZAR 35 000 to ZAR 120 000. Theft and vandalism of boreholes is cited as a challenge. Several farmers also noted that the electricity costs involved in pumping water were extremely costly: ZAR 750 – 1000 per hectare of vegetables. Some small-scale farmers, with access to borehole water have installed drip irrigation systems at their own cost, instead of waiting for government support. This can be done at a cost of around ZAR 25 000 per hectare.

There is a vibrant informal value chain, which provides numerous job multipliers for bakkie traders and hawkers. Opportunities also exist to access formal value chains (e.g. supermarkets and processors) and export markets (especially for subtropical fruit). Rather than seeing one market as a panacea for small-scale farmers, this report suggests supporting farmers to access a range of markets, differentiated by the quality of produce.

4.3 Large-scale farming sector

There are some very large farming operations located in GTM. Notable players include ZZ2, Hans Merensky Holdings PTY LTD (subsidiaries Westfalia Fruit and Merensky Timber), Paardedrift

Boerdery, Lombard Avocado, Rein Noffke PTY LTD, African Realty Trust, Du Roi, Letaba River Orchards, the Mahela Group, Bosveld Sitrus and Laeveld Sitrus[3].

The tendency within South Africa's commercial farming sector towards concentration of farms is clearly evident in GTM's large scale farming sector (Cousins, 2015; Genis, 2012; Liebenberg and Kirsten, 2013). These dynamics receive a further impetus from the lucrative subtropical fruit, citrus and nut sectors. There are a number of vertically integrated agribusiness firms operating in the municipality, which control the entire or substantial parts of value chains. In relation to avocado production, Genis (2019: 17) notes: 'at least three companies, ZZ2, Westfalia Fruit and Halls … contain complete avocado value chains within their operations. Through these vertically integrated supply chains they "grow, source and ripen, pack, process and market" avocados and other produce "across the year and across the globe"

The commercial farming sector is experiencing an expansion, mostly through the concentration of farming enterprises in the municipality. Several key informants noted that land was fetching very high prices, with buyers willing to pay above market price for land with water rights.

This research, along with other studies, also suggests that there are a number of white-owned farms in GTM which are not very productive and may include struggling farmers, 'life-style farmers' and/or landowners who are largely absent (StatsSA, 2017; Boche and Anjueres, 2015; Genis, 2015/9). Some white farmers may want to exit and/or could possibly be targeted for redistribution with little risk of harming existing jobs. Several farming properties in GTM are already freely transacting on the market and are suitable for subdivision and the resettlement of small-scale farmers.

4.4 Land reform in Greater Tzaneen Local Municipality

According to data received from DRDLR (2019) there are a recorded 87 redistribution projects that have been transferred in GTM between 1998 and 2013, through the SLAG[4], LRAD[5] and PLAS[6] programmes. There is either no available data or no land that has been transferred in the area since 2013. Total land redistributed, according to this data, amounts to a total of 8292.05 hectares, with properties ranging from eight hectares in size to 888 hectares. Most received only grant funding, while a few received both grant and loan funding. While there is data missing for a number of projects, a total of ZAR 86 958 459 is accounted for in grant funding and ZAR 6 252 336 in loan funding.

Many LRAD farms had been sold since they were transferred, some back to white commercial farmers. The reasons for this were many and complex but included: beneficiaries being unable to sustain production due to lack of post-settlement support; failure to secure water rights; alleged lack of commitment to farming among some beneficiaries; and natural disasters (fires) and other household crisis including illness.

[3] The last three entities are all owned by the Vorster family.

4 The Settlement/Land Acquisition Grant (SLAG) was the first version of the redistribution programme implemented from 1995. The then Department of Land Affairs (DLA) provided grants of R15 000 (then R16 000) to assist poor households to purchase land from willing sellers (DLA 1997; Wegerif, 2004).

[5] The Land Redistribution for Agricultural Development programme (LRAD) replaced SLAG in 2000. In line with the market-led Growth Employment and Redistribution (GEAR) economic policy it removed poverty as a key criterion for selecting land reform beneficiaries and instead aimed to create a class of black commercial farmers (Wegerif, 2004).

[6] The Proactive Land Acquisition Strategy (PLAS) 'involves the state purchasing privately owned land and leasing it to emerging black commercial farmers. According to government, about 2.8 million hectares were redistributed between 1994 and 2013 and this benefitted 225 895 people' (Manenzhe, 2015: 73-4).

According to DRDLR records, 40 718.2 hectares of land are under restitution claim in GTM and 8292.05 hectares are under existing redistribution projects. The total area of remaining private farmland in GTM is around 143 098 hectares.

Many of the most productive small-scale farmers were PLAS beneficiaries. Despite widespread criticism of the PLAS programme in the media and literature, many beneficiaries and other key informants noted that although challenges remain in terms of support programmes, the incentive structures inherent to the PLAS programme seemed to be facilitating productivity among beneficiaries that were committed to making a success of farming. Many black small-scale farmers agreed that providing private property outright would be a disaster, as this PLAS beneficiary notes: 'Ownership will be a disaster! Across this valley there are many properties being sold and they are all private LRAD properties.

4.5 Employment changes and costs associated with redistribution of 50% of available commercial land in Tzaneen

Table 6: Estimates of net job creation and cost per net job in GTLM if 50% of land currently under large scale farming is redistributed

Local municipality/ farming systems	Farm units	Total hectares	Net jobs	Land cost/net job (R)	Setup cost/net job (R)	Total cost/net job (R)
Greater Tzaneen (Limpopo)						
Fruit and vegetables	2677	46050	14719	-	-	-
Fruit, vegetables and extensive livestock	68	25500	2483	-	-	-
All products	**2745**	**71550**	**17202**	**271132**	**147644**	**418776**

In this setting where both climate and soils are generally suitable for the production of labour intensive and high value subtropical fruit and nuts, as well as vegetables, a much large number of net jobs can be created. Here, small-scale commercial farm units of between 30 ha and 60 ha, as well as smallholder farms of between 5ha and 30ha, were assumed as being profitable for the production of a range of crop mixes, comprising mangos, macadamia nuts, avocados, citrus, blueberries and vegetables in different combinations.

On 46 050 ha, these units amounted to 2 677 farms and generated a total of 14 719 net jobs. On a further 25 500 ha of lower quality land, where fruit and vegetables can be combined with livestock, net jobs amount to 2 483. The overall cost per net job in the municipality amounts to R418 776.

Although there is land available for developing new orchards in GTM, this is an incredibly costly undertaking and would likely require private investment in the form of joint ventures (JVs), together with state-led expansion of blended finance models for small-scale farmers. Due to limited success to date with JVs in South Africa's land reform programme, it is suggested that careful consideration is taken in setting up these arrangements and that where possible mentorships and JVs (which don't involve shared equity) should be considered (Bunce, 2018; Manenzhe, 2015; Lahiff et al., 2012). ZZ2's Nkuri Project (see section 2.4.2 of the main report), which proposes integrating smallholders into avocado value chains by financing the establishment of one to 10 trees, could provide an alternative to the current trajectory of 50/50 equity-share arrangements. This project shows potential to be scaled up to finance the establishment of larger subtropical fruit and nut orchards.

This report promotes a range of different mixed-farming systems: sub-tropical fruit and nut, blueberries, vegetables and livestock. Vegetable production provides the most promise for job creation and has the added benefit of year around income in both active local informal markets and

formal value chains. It would also require relatively limited investment by the state. However, incomes tend to be low and fresh produce markets are subject to frequent market gluts (Bunce, 2019). Therefore, integrating small-scale farmers into the lucrative fruit and nut markets could greatly improve household incomes, making farming a more attractive and viable livelihood strategy for households (Genis, 2019). While livestock production provides less job opportunities than fruit, nuts and vegetables, it benefits from an active informal and ceremonial market and would involve little investment by the state to be self-sustaining (Alcock and Geraci, 2019).

4.6 Critical success factors

A key impediment to realising these proposals is access to water. This needs to be urgently addressed as part of an integrated land and water reform programme. To succeed, the distribution of water (which currently favours the white commercial farming sector) would need to be reformed, urgent improvements made to water governance and other measures implemented to augment water supply. One serious challenge for land reform beneficiaries is that in several cases water rights have not been transferred alongside land rights. Key informants noted that better coordination between the Department of Water and Sanitation (DWS) and the Limpopo Department of Agriculture and Rural Development (LDARD) could address this. Following the urgent completion of Tzaneen Dam Wall, a provision should be in place to allocate all of the surplus water to small-scale farmers, along with water from the proposed Nwamitwa dam (due to commence construction in 2022). Alongside these measures, groundwater presents untapped potential and evidence also suggests that large numbers of small-scale farmers could be assisted through implementing measures to support 'farmer-led/ informal irrigation' (Scoones et al., 2019; Koppen et al. 2017).

Another key threat to the proposal presented in this report is the state's unwillingness to implement subdivision. This report supports the Presidential Panel on Land Reform's recommendation that the Subdivision of Agricultural Land Act No. 70 of 1970 be repealed (Mahlati et al., 2019). Research revealed that many of the most productive small-scale farmers in GTM were beneficiaries of the PLAS programme. Respondents noted that long-term land leases were providing the right incentives among beneficiaries. It is suggested that the state continue to purchase privately owned land and lease it to small-scale farmers under the PLAS programme. However, several measures are suggested in section 4.2 of the main report which could strengthen the PLAS programme, especially allowing for subdivision and targeting a wider diversity of beneficiaries.

5 Municipality Study No 4: Matzikama Local Municipality

5.1 Municipal overview

The Matzikama municipal area has an average of between 100-300mm per year which means most of municipal area cannot be used for arable agriculture. There are however 237 km of canals which form part of the Olifants river irrigation system in the south. This provides a rich production zone of at least 16000ha of irrigated land which is primarily under wine grapes but also supports table grapes, vegetables and dried grapes (raisins and currants). Most of the municipal area, about 1,1m hectares, is used for extensive grazing lands with some dryland cultivation of wheat and oats where this is possible – increasingly more limited with the drought years over the last 5 year.

There are about 72000 people in the municipal area with about 6 000 – 7 000 permanent workers and 20 000 casuals involved in agriculture. Land reform has been very limited in the area with only 37000 ha acquired to date of which about 18000 of those hectares are Ebenhaeser - one of the two communal TRANCRAA areas[7] in the municipality. If the Ebenhaeser TRANCRAA land is excluded, then only 1 percent of land has been redistributed – 18 907ha.

[7] 1 A former "coloured rural area" transferred through the Transformation of Certain Rural Areas Act.

The key features of Matzikama from an agricultural point of view is, on the one hand, the very low rainfall across the whole municipal area and, on the other hand, the irrigation scheme which provides access to significant quantities of water along a narrow strip following the Olifants River. The planned increase in the height of the Clanwilliam Dam wall further provides significant opportunities for expansion of land under irrigation and thus for land reform and employment – with the addition of a further 6000 hectares of land under irrigation.

5.2 Small scale farming sector

The small-scale farming sector in Matzikama includes a relatively small number of producers operating at different scales and in different land settings. People are involved primarily in livestock and vegetable production on municipal land, other state land, land reform land and privately owned land.

The majority of producers operate on a very small-scale selling irregularly, primarily through local informal markets. A minority of larger, established small-scale producers produce for formal markets with a variety of produce including wine grapes, vegetable seed on contract, tomatoes, sweet potatoes, pumpkin, peppers and cucumbers grown in tunnels. However, while there are some younger, dynamic and entrepreneurial market-oriented small producers, many of this cohort are advanced in years and it is not always clear whether there has been a transfer of skills to other family members to ensure continuity in production when they are no longer able to farm.

This study identified 21 loosely associated groups of small-scale farmers totalling 418 farmers. Of these more than half (223) farm on the two TRANCRAA areas at Ebenhaeser and Rietpoort. Given the very limited transfer of land through land reform in Matzikama the remainder farm on small portions of land obtained from the municipality, the Department of Agriculture or made available through agreements with private owners.

5.2.1 Livestock farming

Most small-scale farmers have very few livestock and are very poor. The interviews and focus groups categorized larger livestock farmers as having more than a hundred stock. It was also highlighted however that stock theft is a significant risk and problem.

There is some 16 726 hectares of grazing land available at Ebenhaeser. A land rights enquiry (Phuhlisani NPC 2015) identified a total of 161 livestock owners grazing stock. Of these 64 (39.75%) had legally recognised grazing rights and grazed 1232 sheep and 112 cattle between them. An additional 97 livestock owners (62.25%) grazed their stock without being allocated formal grazing rights and their combined herds amounted to 1359 sheep and 63 cattle. Together the total stock grazed at Ebenhaeser by formal and informal rights holders totalled 2591 sheep and 175 cattle.

The Department of Agriculture (Western Cape) recommends that given the current state of the grazing land the stocking rate should be calculated on the basis of 10 hectares per small stock unit (SSU). According to these figures the current livestock grazing on the 16 726 ha total 3749 ssu. This suggests that in 2015 there were more than double the number of animals on the land than the rate recommended by the state.

There is a further 150003 ha of TRANCRAA land at Rietpoort, Molsveli and Stofkraal where farmers graze stock.

5.2.2 Crop farming

153 Ebenhaeser farmers have formal rights on the irrigated, arable land where they are farming at different levels. Currently only that 32 of the 153 plots are cultivated (22%). Farmers working this land produce wine grapes and vegetable seed, while others produce lucerne. Many other rights holders are unable to use their land and water due to a variety of reasons. These include erratic

water supply, lack of capital, infrastructure, expertise and secure access to markets. As a result, 78% of potentially productive land lies fallow.

The Department of Rural Development and Land Reform and the Provincial Department of Agriculture are currently in the process of putting in a high-tech irrigation scheme which will provide the water allocations to each of the 153 plots under pressure.

5.2.3 Markets

Smallholder producers who were interviewed identified the most common ways to market their produce. The majority (81, 3%) indicated that they sell their produce within the community and the surrounding areas. The next most common marketing arrangement was through direct sales to bakkie traders who purchase at the farm gate (62, 5%). There are a few larger small scale producers involved in contract farming – particularly seed growing

5.3 Large scale farming sector

Most farming on the large-scale commercial farms has been undertaken employing high-tech, and increasingly mechanized production systems. Wine grapes have been the dominant form of production on irrigated land. However, the low price of wine has meant that net profit has declined and this has led to some shifts in production. Over the last ten years there has been increasing production of table grapes as well as dried fruit - particularly raisins and currants. There is also production of vegetables including tomatoes and cucumber, vegetable seed on contract, pumpkins, lucerne and other fodder crops. There is some recent experimentation with growing of pecan nuts and berries on a small scale.

Some commercial farmers have ventured into share equity schemes or have leased land to small producers. In almost all instances the equity share schemes have collapsed and workers have received very little, if any benefit. This experience needs to be properly understood and the lessons factored into the design of any partnerships or joint ventures proposed as a way forward for land reform.

Markets and marketing are commodity specific. The majority of the local wine grape producers sell to the local cellars. Some commercial producers are involved in boutique wine making and distilling of other alcoholic beverages. Fresh produce is sold locally, via the Cape Town Fresh Produce Market or on contract to national supermarket chains. In a few instances produce is for export as in the case of table grapes and Stellar Agri's production of certified organic pumpkins for European markets. Livestock is sold on auctions and directly to abattoirs, butcheries and meat processing plants.

5.4 Land reform in Matzikama Local Municipality

Land reform has been very limited in Matzikama. Table 1 below shows that only 1% of land has been transferred through the redistribution programme, and if restitution claims and TRANCRAA transfers (only those that are already concluded) then just 3% of agricultural land in the municipality will have been transferred after 25 years.

Some of the land acquired through land reform has been sold back into the land market following the failure of the projects. Informants are not always clear about the mechanisms through which land was acquired and how beneficiaries were identified.

Table 7: A profile of land reform in Matzikama.

Detail	Total land acquisition - all land reform. (Ha)	Total land acquisition - land redistribution. (Ha)
Redistribution	15 070	15 070
Sold	682	682
Current redistribution land	14 388	14 388
Restitution land	4 519	
TRANCRAA land	18 000	
Total land acquired through land reform	36 907	
Total hectares in Matzikama	1 298 100	1 298 100
Percentage land redistribution	**3%**	**1%**

As can be seen from the table above, when all forms of land reform are combined just 3% of available agricultural land in Matzikama has been transferred through land reform. Of this only 1% has been acquired through the redistribution programme.

5.5 Employment changes and costs associated with redistribution 50% of available commercial land in Matzikama

The focus of this CBPEP study was to attempt to understand the employment and livelihood implications if 50% of agricultural land was redistributed in the municipality. Given the vastly different nature of the farming between the extensive grazing areas and the irrigated areas, the analysis considers the redistribution of 50% of the grazing lands and 50% of the irrigated land served by the canal system separately. Analysis of the dry land cultivation areas and those using ground water for irrigation have not been included in the study.

Fifty percent of the extensive grazing land is 508 070 hectares land and 50% of land irrigated from the canal is 7481 hectares. The price of extensive grazing land was determined from interviews with commercial farmers and with extension officers while current prices of irrigated land were drawn from a recent analysis by valuers of land in the irrigated area, linked to the Ebenhaeser land claim,

The average price of extensive grazing land is around R1500 per hectare. The price of land in the irrigated area ranges from R22 500 per hectare for uncultivated irrigable land without a water allocation and R240 000 per hectare for land with established vineyards and a water allocation.

The total cost of the acquisition of 50% of the land to be acquired in terms of this analysis is as follows:

- Total cost of the acquisition of 508 070 hectares of grazing land is R762 105 000;
- Total cost of the acquisition of the 7481 hectares of arable land (with various assumptions discussed below) would be R1 032 355 500.
- A land acquisition total of R1 794 460 500.

These prices do not factor in expropriation scenarios where landowners receive less than the market value of the land. However, given the level of state investment in the Olifants River Irrigation Scheme a strong case can be made for a just and equitable land valuation which would allow land to be acquired with compensation paid at significantly lower land prices than those cited in this study.

Table 8: Estimates of net job creation and cost per net job in MLM if 50% of land currently under large scale farming is redistributed

Local municipality/ farming systems	Farm units	Total hectares	Net jobs	Land cost/net job (R)	Setup cost/net job (R)	Total cost/net job (R)
Matzikama (Western Cape)						
Grapes, vegetables, lucerne	549	7841	2976	362979	107857	470835
Extensive livestock	169	508070	222	3432905	127131	3560036
All products	**718**	**51551**	**3198**	**576117**	**109195**	**685311**

5.5.1 Rangeland acquisition scenario

With respect to analysis for the redistributed rangeland area it was assumed that 10% of the redistributed land would be allocated to municipal commonage where it was assumed that 3000 ha farms will be allocated to 6 farmers each to share. This land will result in 17 such farms.

The remaining 90% of the rangeland would be allocated to single owner enterprises on farms of 3000ha – in total 152 farmers. In estimating the farming outputs of these different farms, assumptions are made about the lambing rate, the production costs, the number of workers employed and at what levels of wages, and the price of the lambs sold.

With these assumptions the following are the outputs of the change in farming enterprises:

- 169 farmers established – this is 96 more farmers than are currently on the commercial farms
- A gross profit of R11.5m although this is R10.3m less than the R21.8 profit estimated for commercial farmers;
- An increased total of 119 more workers inclusive of family labour albeit earning R2.7m less in wages than current employment costs;
- An increase in 204 households benefitting; and
- An increase in 1079 more animals consumed by the households involved.

To achieve these outputs it is estimated that it would cost:

- R762m in land acquisition costs (as above);
- R28m in limited set up costs – assuming most of the perimeter fencing and water points are in good order, and that a limited number of sheep per farmer is provided;
- An amount of 21.5m in operational costs in the first year after acquisition.

5.5.2 Irrigated/Irrigable land acquisition scenario

With regard to the irrigated/irrigable area it was assumed that the land would be allocated to individual smaller-scale farmers as follows:

- 20% of the irrigated land would be allocated for the creation of farms of 6ha each creating a total of 249 small farms.
- 80% of the irrigated land would be allocated for the creation of farms of 20 ha in size creating a total of 299 farms.

- A total of 549 farmers would have access to this irrigated land.

For the purposes of calculation, it was assumed was that each farmer would opt for a mixed farming arrangement – striking a balance between long term and short-term crops and between more risky crops such as vegetables and safer crops such as lucerne.

The following outcomes are anticipated with these assumptions:

- A gross income of R827m with a gross profit of R372m – an increase of R30.4m in gross profit over current land uses
- A total of 7847 jobs would be created resulting in a net increase of 2975 jobs earning a net increase of R9.4m in wages.

This intervention would cost the following:

- A land purchase amount of R1,03bn;
- An amount of R1.11bn in set up costs;
- R455m in first year operational costs;
- R185m in an additional two years operational costs for the long-term crops – grapes that are planted on 50% of the farms.

The projected improved set of outcomes is directly related to a shift from wine grapes to a mix of other crops, notably tomatoes and other vegetables, where the gross profit tends to be proportionately higher, but production of which carries a higher risk. The study explores why the current commercial farmers haven't made the shift from vineyards to other crops and emphasises the need for careful and well supported planning and implementation if such an approach was to be followed.

This would require a careful blend of mentoring, business management, technical extension and marketing support to be provided by a combination of private sector, civil society and state actors. Access to this mix of support services would need to be a guaranteed core component in an intervention of this nature. Without this being in place we would risk amplification of the ruinous results that have characterised much of the unsupported land reform projects to date. This would have devastating consequences for the local economy, commodity value chains and the jobs and for the livelihoods of rural households that are currently dependent on the agricultural sector.

6 Conclusion

The four local municipality case studies have provided a valuable opportunity to practically explore the employment intensive potential of an expanded land reform programme in support of smallholder producers. Perhaps the most important finding arising from the case study research is the highly diverse nature of local case contexts and circumstances. This highlights the importance of clear methodologies for territorial planning at local municipal and district scales which will allow local opportunities to be identified and prioritised. These methodologies require fine-grained understandings of local producers, production systems and produce marketing arrangements that pay close attention to the workings of informal value chains and markets for key commodities.

Overall, evidence suggests that land redistribution and consolidated support for small-scale agriculture can create significant job opportunities. The nature, relative cost and extent of these opportunities vary substantially from place to place and by type of production.

As both the commodity and thematic studies highlight there are important constraints which must be addressed if these opportunities are to be realised – transparent beneficiary selection, secure tenure, access to water, start-up grants and loan finance, inputs, market intelligence, appropriate technical advice and institutional support. With accelerating risks posed by climate change a focus

on immediate mitigation and risk management strategies are required along with a planned transition to more sustainable and environmentally sound farming systems which are net absorbers of carbon.