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## Appraisal of land reform projects in the Northwest Province of South Africa

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March 2005

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MPRA Paper No. 31614, posted 16. June 2011 / 17:53

**APPRAISAL OF LAND REFORM PROJECTS IN  
NORTHWEST PROVINCE**

**REPORT**

**SUBMITTED TO THE NATIONAL DEPARTMENT OF AGRICULTURE**

**BY**

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**IN COLLABORATION WITH**

**AT FISCHER**

**AND**

**INFORMATION DECISION SYSTEMS CC**

**MARCH 2005**



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## EXECUTIVE SUMMARY

A number of land reform projects have been implemented countrywide in an attempt to redress imbalances in land ownership. Many of these projects are also aimed at helping previously disadvantaged individuals to become progressive farmers and to achieve the land reform objective of commercial viability. However, there is perception or reality that many of these land reform projects have not achieved the agrarian reform objective of commercial viability. Hence, the National Department of Agriculture commissioned this study to appraise existing land reform projects in Northwest Province with a view to developing a comprehensive re-engineering plan for projects that are not meeting the agrarian reform objective of commercial viability.

The study entailed an audit of 177 land reform projects in Northwest Province to determine the extent to which the projects are meeting or not meeting the objective of commercial viability. A sample of 43 land reform projects was selected for a more detailed assessment and analysis using an evaluation instrument designed to gather both qualitative and quantitative data. These projects were divided into four categories based on their production status as follows: projects where production has increased, decreased, remained stable, or zero.

The audit of land reform projects revealed the following:

- More than a quarter (27%) of the projects were not operational and, thus, do not meet the agrarian reform objective of commercial viability. Reasons for this include conflict among and within groups, loss of interest from some of the beneficiaries, poor infrastructure and insufficient farm income.
- Farm infrastructure had either been vandalised or the quality thereof deteriorated on 50 of the 177 farms audited.
- No agricultural production had taken place on 30 of the audited projects.

Of the 43 projects that were selected for in-depth appraisal, 19 had either decreased (10) or zero (9) production. Some of the reasons for this included:

- Lack of investment in, and improvements and maintenance of farm infrastructure.
- Limited access to funds to cover production costs.
- Poor decision-making and management of farming activities.
- Limited beneficiary involvement in farming activities.
- Lack of aftercare for beneficiaries.
- Limited farming advice and support.
- Limited farming experience of beneficiaries.
- Limited financial management skills.

The study notes that the reasons for many of the land reform projects in Northwest Province failing to meet the objectives of the land reform programme are both project and programme-related. Recommendations are made to address both project and programme-related issues.



To address **programme level** issues, the following are proposed:

*Review/develop selection criteria for beneficiaries*

A clear correlation between beneficiaries' commercial farming experience, farming for profit as an objective and the viability of the farming enterprise suggests that the selection of beneficiaries for LRAD grants should take farming experience into account and also consider the objectives of the beneficiaries.

The selection criteria for land reform beneficiaries need to be developed to have a much more meaningful selection of beneficiaries by ensuring that selected beneficiaries have both the interest and capacity/potential to farm successfully on a commercial basis.

It is also important to limit the number of beneficiaries per project. Small groups or individuals should be preferred beneficiaries to going the "rent-a-crowd" route which often leads to conflict, loss of interest and a range of managerial problems which ultimately lead to project failure.

*Approval processes for grants/loans to be streamlined to shorten the process.*

One of the reasons for project failure relates to the lengthy process in getting applications for LRAD grants approved. The lengthy start-up time contributed to loss of interest by beneficiaries and group conflict and also poor agricultural performance.

There is more than enough reason to consider streamlining the approval process and also make it less rigid so that aspirant beneficiaries can actively search for land and close such deals before applying for grant funding.

*Coordination between government departments*

Coordination and integration of activities of government departments dealing with land reform issues especially the Departments of Agriculture and Land Affairs needs urgent attention. The conflicting objectives of making land available to as many people as possible (Land Affairs) and sustainable commercial agricultural production (Department of Agriculture) need to be reconciled. The fragmentation of the various streams of funding and support services between and within government departments needed for the successful implementation of land reform in South Africa is a matter of great concern that needs to be addressed.

*Support and aftercare*

Providing dedicated aftercare to all land reform beneficiaries would require more staff to reduce the number of projects/beneficiaries per government official. The budget and perhaps staff structure in the provincial governments would probably not allow for this and in that case a mentorship programme, involving existing commercial farmers properly supervised by dedicated officials should be implemented to assist in this task.

To address **project level issues** the following are proposed:

*Training and capacity building*

Training and capacity building are required for the land reform beneficiaries to improve their farm management skills. Such skills are largely acquired over time and with experience but the process needs to be fast tracked by presenting comprehensive courses covering all aspects in farm management: record keeping, financial management, technical aspects, marketing, use of the future markets, and basic contract and labour law.

*Governance and management systems at project level*

This institutional framework or constitution governing groups of beneficiaries needs to incorporate an effective system of incentives to ensure active participation by beneficiaries, an effective and well-understood mechanism to make provision for beneficiaries to exit the project with no claim on any part of the land or the profit generated from the land and conflict resolution mechanisms.

*Improved access to production credit*

The systems whereby beneficiaries can access production finance need restructuring. Service delivery and expansion of the “foot print” of the Land Bank and other financial institutions need to improve. This would require more dedicated field workers from the financial institutions that could assist with financial planning and monitoring farming progress and the utilisation of the production loan facility. Access to this type of funding is critical for the continued farming activity on all land reform projects.

Proposals for the **re-engineering of existing land reform** projects

*Group issues: conflict, lack of interest, very few active members*

In this regard a quick review of the constitutions and management structures of groups is needed and the following adjustments are required: a clean exit strategy where members have lost interest; a system of proper incentives and remuneration for remaining members; adjustments to projects’ management and decision making systems.

*Lack of operational capital*

In this regard the following are required: action to ensure the balances of LRAD grants are made available; special arrangements for more production finance; negotiations for a system of deferred payments on production loans to provide some form of grace period to allow the farming activities to be kick-started; and training in financial management.

*Implements, infrastructure and maintenance*

The lack of implements, shortage of animals to establish commercial herds, poor and limited infrastructure as well as the maintenance of fences, boreholes, pumps, etc should urgently be addressed through the Comprehensive Agricultural Support Programme (CASAP).

*Improvement of government support to projects*

A much more hands-on and day-to-day approach in engaging with the beneficiaries is needed. If current staff structures are under pressure the Department of Agriculture should make use of mentors and agribusiness to help in this huge task of post settlement support and advise given that qualified staff is limited.

### *Training*

Identify immediate to short term training needs of beneficiaries on the problem cases and bring all active and interested beneficiaries for a series of short courses to prepare them for the upcoming planting season.

# 1 INTRODUCTION

## 1.1 THE LAND REFORM PROGRAMME AND ITS OBJECTIVES

The land reform programme aims to redress imbalances in land ownership arising from past policies. A number of land reform projects have been implemented throughout the country and the vision of the National Department of Agriculture for these projects is that they should be commercially viable and that previously disadvantaged farmers should be assisted to achieve commercial viability. However, there is a perception or reality that most land reform projects have failed to meet the land reform programme objective of commercial viability.

## 1.2 OBJECTIVES OF THE STUDY

The perception or reality that most land reform projects have failed to meet the objective of the land reform programme gave rise to this study. The scope of work centres on the appraisal of existing land reform projects in Northwest Province with a view to developing a comprehensive re-engineering plan for projects that are not commercially viable. Therefore, the overriding objective of the assignment is the re-engineering of farmer settlement projects that are not meeting the agrarian reform objectives of optimal utilisation of agricultural land and commercial agricultural production to advance historically disadvantaged farmers' contribution to national food security, job creation and economic growth. To achieve this goal (the re-engineering of projects to become commercially viable) the National Department of Agriculture invited proposals to:

- undertake an audit of agrarian reform projects;
- document the status of the projects that are appraised;
- recommend revitalisation actions for projects that are not commercially viable; and
- develop business arrangements to turn the programme of agrarian reform around towards commercial viability.

In this study, these service requirements specified in the scope of services were interpreted as a sequence of actions building on each other. Translated into the research process, the scope of services entailed the following activities:

- On programme level, an audit of all land reform projects in the Northwest Province to:  
a) establish the extent to which projects are not meeting the agrarian reform objectives of commercial viability, optimal use of farmland and the advancement of historically disadvantaged farmers; and b) identify projects for further appraisal.
- An analysis and appraisal of projects identified and selected on the basis of the audit of projects to: a) identify on project level, the causes of failure of specific farmer settlement projects; and b) to build on these specific cases a firm understanding and generalisation of farmer settlement project failure on a programme level.
- Recommendations to revitalise on project level the problematic projects that were selected for in-depth appraisal.

- The development on a programme level of business models based on the revitalisation actions recommended for problematic projects in order to develop a comprehensive re-engineering plan for land reform projects that are not commercially viable.

### 1.3 METHODS AND PROCEDURES

In designing this research project we believed that a rigorous appraisal and evaluation of land reform projects would be needed to assess the appropriateness and effectiveness of the implementation of land reform projects in Northwest Province. However, we believed that such an appraisal would have to go beyond the simple assessments of current conventional wisdom on what is actually a very complicated subject.

The absence of support and after-care, conflict among beneficiaries and lack of farming skills and knowledge are common assessments of the land reform programme and although such generalisations could be true, they remain largely superficial explanations of complex issues.

As a thorough appraisal and evaluation to meet the assignment objectives was only possible through a well-designed research programme and in-depth fieldwork, primary research data as the main information source to appraise projects and recommend on the re-engineering of land reform projects, was collected on:

- Project level to assess:
  - The planning of land reform projects. Evaluations of land reform projects largely focus on “failures” in operation, whilst, in many instances the failure of projects could in the first place be attributed to project planning and implementation.
  - The operation of land reform projects. Although poor planning could be the cause of many failures, many well-planned projects fail operationally to meet the land reform objective of commercial viability.
- Institutional level to assess the institutional arrangements of projects on:
  - Beneficiary level
  - Support level to identify institutions and support structures that could support and provide services to projects.
- Perceptual level. The perceptions of beneficiaries and other stakeholders were considered to be powerful appraisal tools and important to develop revitalisation strategies for specific projects as well as recommendations for the re-engineering of agrarian reform projects.

The information needs of the study were met through:

- A multi-disciplinary approach, combining agricultural economic and social perspectives;
- Different information gathering methods including desktop studies, surveys, and interviews.

In our approach to data gathering, we integrated survey and participatory methods through a carefully designed evaluation instrument. The main advantage of the research method was the fusion of quantitative survey data and qualitative information. Data gathering commenced

with a scoping exercise followed by a desktop appraisal of projects and the fieldwork to collect the primary research data.

To plan the study and research programme, a scoping exercise was undertaken which involved brief visits to a few land reform projects and short interviews with beneficiaries. The initial reconnaissance trip also involved visits to the provincial offices of Land Affairs, and the Department of Agriculture.

The research programme was implemented as a sequence of tasks designed to accommodate the service requirements specified in the Scope of Services. The tasks were the following:

**Task 1:** An **audit** of all land reform projects in Northwest Province. As an ex- post project evaluation the audit of projects established the extent to which land reform projects are meeting or not meeting the agrarian reform objective of commercial viability. It furthermore provided the baseline information from which the projects for further in-depth and statistical appraisal were selected. The steps to implement Task 1 were the following:

- Identify all the land reform projects in the province. This proved to be very difficult given the poor and fragmented database between the different government departments involved. Some information was obtained from the Department of Agriculture, Department of Land Affairs (DLA), the Land Bank and other researchers working in the province. The databases were fairly incomplete, contradictory in some cases and with lots of duplicate entries in others. It took a major effort to clean this and we have as far as humanly possible developed a list of land reform projects in the province. Data on restitution cases was almost non-existent and we are not confident that we have all of these on our list. Our list (attached as Appendix 1) includes the following total of 185 projects:
  - Settlement Land Acquisition Grant (SLAG ) projects: 27 [22 343.26ha].
  - Land Redistribution for Agricultural Development (LRAD) projects: 138 [57 561.67].
  - Restitution Projects (Settlement): 7 [726.79ha]
  - Commonage projects: 8 [10 238.84ha]
  - Extension of Security of Tenure Act (ESTA): 5 [2 207 ha]
- Design of an audit form. Audits usually verify collected project information and, as it is as a rule based on secondary information, an audit normally does not involve the collection of primary data. However, in order to verify project outcomes against project aims and objectives, the audit included, besides normal project information (name, location, number of beneficiaries, size, type, enterprise etc.) also a brief assessment of each project. This was based on a set of five criteria related to beneficiary participation, farming activity, infrastructure, objectives and status of project.

**Task 2: Sampling.** Building on the audit, projects for qualitative in-depth appraisal and a representative sample for statistical analysis were selected. This was done to account for the regional distribution of land reform projects within the province as well as to ensure representativity amongst different farming enterprises. Thus the sampling approach took account of regional and enterprise stratification.

**Task 3: Fieldwork.** Based on the sampling, qualitative and quantitative primary research data was collected through a fieldwork programme on project level. On project and community/beneficiary level the fieldwork was done in an interactive and participatory manner to obtain quantitative as well as qualitative data and information at the same time. This involved the following steps:

- Design the survey instrument. We developed an evaluation instrument to allow for the qualitative understanding and statistical analysis of projects. The evaluation instrument facilitated in depth enquiry through structured interviews into a) the history and planning of projects; b) their institutional framework, organisation and support networks; c) projects' resources, including land, water, farm infrastructure and implements; d) projects' farm enterprises, farming practices and production figures; and e) the financial investments into projects and project incomes. The evaluation instrument made it possible to structure the interviews and encouraged conversation and a participative approach through detailed and open-ended questioning.
- Recruit and train fieldworkers. The team of fieldworkers were all postgraduate students in Agricultural Economics from the University of Pretoria and Northwest University. They were trained over two days in the research methodology and the evaluation instrument, whereupon the evaluation instrument was field piloted and finalised.
- Conduct fieldwork. Based on the sampling, 43 projects were visited. Visits were per appointment and projects' contact persons were: a) informed beforehand what the visit and interview would entail; b) encouraged to involve more than one representative in the discussions; and c) informed about the time commitment the completion of the evaluation instrument to the level of detail it required, would take. Interviews included three restitution projects, but as the circumstances of restitution projects differed substantially from redistribution projects, they were not included in the analysis. Fieldworkers were grouped into teams of two and each team had to interview representatives of two projects, scheduled for the morning and the afternoon, per day with the one team member leading the interview and conversation and the other capturing the essence of the conversation verbatim on the survey instrument.
- Data capture. The information on each project was then captured as follows: a) the responses (to open-ended questions) were coded and an evaluation key containing the coded responses was developed; and b) the codes as well as the verbatim responses were then captured in an EXCEL database to provide both the base for statistical analysis and qualitative description.

#### **1.4 DESCRIPTION OF THE STUDY AREA**

The brief to the research team was to determine the status of land reform projects in Northwest Province. The agricultural potential and agricultural activities in the province stretches from the highly fertile irrigation production around Brits and Rustenburg, through the grain producing areas of the central and southern parts of the province ending in the dry, extensive grazing areas of Vryburg and the Molopo. In this section we briefly provide an

overview of the location of the different land reform projects and also discuss the farm enterprises on the different projects.

### 1.4.1 Location of projects

The distribution of the registered land reform projects amongst the four district municipalities in Northwest Province is indicated in Table 1.1. A more detailed analysis of the location of the projects revealed that the majority of projects are located close to only a few local municipalities, namely, Vryburg (37), Lichtenburg (24), Klerksdorp (15) and Brits (12). Table 1.1 also reflects the number of projects selected in each of the district municipalities for in-depth participatory discussions.

**Table 1. 1: Consolidated overview of location of land reform projects in Northwest Province**

District Municipality	Number of registered projects	Number of projects sampled for detailed interviews
Bojanala (Bokone-Bothlaba)	31	2
Central	50	14
Bophirima	52	15
Southern	38	12
Unknown	6	
<b>Total</b>	<b>177*</b>	<b>43</b>

*\* It is worth noting that the list compiled from various government sources included a total of 185 projects after duplicate entries were removed. However on this list a total of 8 projects are located in Northern Cape and Free State. It is not clear why they are considered to be part of the Northwest Province database.*

**Table 1. 2: Location of land reform projects according to type of land reform programme**

District Municipality	Total # of projects interviewed	Land reform programme		
		SLAG	LRAD	Commonage
Bojanala (Bokone-Bothlaba)	2		2	
Central	14	2	11	1
Bophirima	15		15	
Southern	12	5	7	
<b>Total</b>	<b>43</b>	<b>7</b>	<b>35</b>	<b>1</b>

Table 1.2 provides a breakdown of the distribution and type of land reform projects that were analyzed in detail, and 81% of the projects included for detailed study were LRAD projects. This suggests that our sample for in-depth analysis is representative of the population of projects since 75% of the total number of registered projects is LRAD projects.

## 1.5 DESCRIPTION OF FARM ENTERPRISES

Northwest Province is well known for its grain and beef production regions but common enterprises, given the proximity to the mining towns and the Gauteng metropolis, are also broilers and vegetables. A broad indication of the typical enterprises practised on the various land reform projects is provided in Table 1.3. Livestock, grain and broiler production were found to be the dominant enterprises on the majority of farms owned by land reform beneficiaries. It is worth highlighting the 18 farms that seem to have housing or settlement as



the main enterprises. Whether this is in line with the objective of the land reform programme is questionable.

**Table 1. 3: Dominant enterprise combinations on land reform project farms in Northwest Province**

<b>Enterprise combination</b>	<b>Number of registered projects</b>	<b>Number of projects sampled for detailed interviews</b>
Livestock	46	15
Livestock/grain/ combination	21	11
Livestock/vegetable combination	9	1
Grain crop production	14	1
Broilers plus crops or livestock	14	7
Vegetables	16	3
Flowers	1	0
Mixed farming	26	2
Non-agriculture (Settlement)	18	3
Unknown	13	0
<b>Total</b>	<b>177</b>	<b>43</b>

## **2 A COMPREHENSIVE AUDIT OF LAND REFORM PROJECTS IN THE NORTHWEST PROVINCE**

### **2.1 APPROACH**

The first task was to audit all of the 177 registered land reform projects in the province. This was accomplished by consulting officials of the Departments of Agriculture and Land Affairs, beneficiaries, and more specifically those project officers responsible for the aftercare of land reform beneficiaries. We have also relied on our own observations during our reconnaissance trips and detailed interviews of beneficiaries. The cooperation from the various government officials was however limited resulting in us being able only to determine the status of 102 of the projects registered in the province.

In the audit, we considered five main factors to determine the status of the projects. These were beneficiary participation in the project; agricultural production activity; status of and investment in farm infrastructure; and, meeting the land reform objectives. These were turned into an audit form to evaluate the status of projects.

### **2.2 THE AUDIT FORMAT**

The projects' status was determined using the following five criteria: participation of beneficiaries in the project, agricultural production status, condition of farm infrastructure, availability of farm equipment and implements, and whether the project is considered to have met the objectives of the land reform programme. Furthermore, an attempt was made to establish whether the projects were operational or not.

The five main factors considered to determine the status of projects were taken as assessment principles, and each principle contained assessment alternatives or options in terms of which

each principle could be evaluated. The format was then applied to determine each individual project's status. The format indicating the assessment principles and the assessment alternatives or options is detailed below:

1. Beneficiary participation
  - a. Project locked in conflict
  - b. No member participation, project abandoned
  - c. Majority of members lost interest
  - d. Individuals use farm for themselves
  - e. Management dominated by Chairperson and Committee
  - f. Committee and members cooperate well
  - g. Members are active and cooperate in the interest of the project
  - h. Project is a "family" business and managed by the family head.
  
2. Agricultural production activity
  - a. Project has never produced anything
  - b. Production declined since the first season
  - c. Production has been increasing lately.
  - d. Production has come to a halt.
  - e. Farm is used by a few individuals to produce subsistence crops for their families
  - f. Only a few individuals who keep their own livestock on the farm use the farm.
  - g. Project is in operation, although optimum use of the resources is not achieved
  - h. Farm is in operation, and optimum use is made of the resources
  
3. Farm infrastructure
  - a. Infrastructure is vandalised
  - b. The quality of existing farm infrastructure has deteriorated and cannot sustain farming
  - c. The available infrastructure could sustain farming
  - d. The infrastructure has been improved
  - e. There is no farm infrastructure
  
4. Implements and equipment
  - a. No implements
  - b. Need additional implements
  - c. Implements available on farm sufficient for production
  
5. Project objectives
  - a. The project is not meeting the Department of Agriculture's land reform objective of the commercial use of agricultural land.
  - b. The project is partially meeting the land reform objectives of the Department of Agriculture.
  - c. The project is meeting the Department of Agriculture's land reform objective of the commercial use of agricultural land.
  
6. Operational status of project

In the final instance we also asked the government official, project officer or field worker to indicate whether the project/farm is operational or not.

The results of the audit of 124 projects are presented in Table 2.1. Codes A to H refer to the options indicated above under the different evaluation criteria, whilst codes AA to GG are explained at the bottom of the table.

**Table 2.1: Consolidated results of the comprehensive audit of land reform projects**

	Beneficiary participation	Production	Farm infrastructure	Implements and equipment	Achieving land reform objective (no/yes)	Operational (Yes/No)
A	16	22	18	69	40	No: 28
B	5	8	32	34	6	Yes: 90
C	11	9	32	15	72	
D	6	8	8			
E	2	1	12			
F	7	8				
G	24	36				
H	23	7				
AA	4	4	4	4	4	4
BB	2	2	2	2	2	2
CC	7	2	15			
DD	6	4	1			
EE	9	4				
FF	2	7				
GG		2				
<b>Total</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>

Interpretation of additional options						
AA	Not started (no farm)	Not started (no farm)	Not started (no farm)	Not started (no farm)	Not started (no farm)	Not started (no farm)
BB	Project stopped	Project stopped	Project stopped	Project stopped	Project stopped	Project stopped
CC	Locked in conflict & majority lost interest	Increase prod, individual, not full use	Improved & could sustain farming			
DD	None	Increase prod, individual, full use	Improved & could not sustain farming			
EE	100%	Increase prod, full use				
FF	Committee members cooperate well & members actively involved	Increase, not full use				
GG		Prod decline, individual, not full use				

A number of aspects contained in the results presented in Table 2.1 are worth highlighting:

- Conflict between members of the project seems to be rife. On a third of the projects (39) it was found that either the members were locked in conflict or the majority of the

members lost interest. In some cases this resulted in the project being abandoned and stopped. This is a very worrying sign and an aspect to be addressed in future.

- When agricultural production is analysed it was found that only 52 projects were producing effectively and marketing their produce. On 30 projects, no production had taken place since the beneficiaries obtained the land. In many other cases production had declined or came to a halt due to infighting or lack of production finance or other external circumstances.
- The deterioration and vandalism of farm infrastructure on 50 of the farms is again disturbing. However, it is encouraging to note that on the remaining projects farm infrastructure seems to be in order or has even been improved (i.e. in the case of 24 farms).
- The availability of farm implements seems to be a major impediment to the future success of most of the farms reviewed in this audit. Of the 124 farms 69 (55%) had no implements while a further 34 (27%) needed additional implements.
- Despite some of the negative results listed above, it was encouraging to note that 63% of the projects seem to be meeting the land reform objectives.
- In terms of whether the projects are operational or not, 73% of the projects can be considered to be operational at the time of the audit (2004/2005). The reasons for the remaining 27% of the project to be non-operational are as follows:
  - Ten of the projects are SLAG/commonage projects, most of these projects' objective is only to use the farm for residential purposes, thus there is no agricultural production taking place.
  - Conflict within the groups because of members who lost interest. The groups cannot get additional funds or the remaining grant because it is not possible for all beneficiaries to be present to receive the money and this is a requirement. The members who have lost interest are never present.
  - The active members do not want to produce because they do not want to share the income generated with the other members who did not participate.
  - Conflict arising mainly within groups but also between groups as a result of poor infrastructure resulting in outer perimeter fences not separating some farms from each other (no clear boundaries).
  - There are projects that started more or less one year ago whilst agricultural production has not yet started.
  - Poor infrastructure, lack of implements and lack of funds (add grant or loan) lead to the halt of agricultural activities.
  - Conflicts between beneficiaries and former residents of the farm affect the operational status of the farm.
  - Farm income is not enough, thus they work somewhere else where the income is higher.

These findings were all based on anecdotal evidence and insights from the various fieldworkers, project officers and government officials. In the next section, which reviews 43 of these projects in detail, some of these initial findings are confirmed.

## **3 STATUS AND DETAIL REVIEW OF APPRAISED LAND REFORM PROJECTS**

### **3.1 INTRODUCTION**

The study focussed on projects as unit of study and research was conducted on project level with projects represented by managers, executive committee members or family heads. For analytical purposes the concept “category” was introduced as the unit of analysis in order to facilitate comparison and generalisations. Projects were clustered on the basis of current production into the following categories:

- Category 1: Projects showing **increased production**;
- Category 2: Projects showing **stable production**;
- Category 3: Projects showing **decreased production**; and
- Category 4: Projects showing **no production**.

The analysis that follows will be presented according to the above categorisation of projects. Furthermore, the analysis will be in terms of the following: (a) objectives and expectation of beneficiaries when acquiring the farm; (b) the process followed in acquiring the farm, including the financing of the farm purchase; (c) the profile of beneficiaries, their degree and nature of participation in the project; (d) the nature of support and support structures in the planning and operational phases of the project; (e) the management structure for the project, including the issues of management capacity, labour and financial management; types of production enterprises; (f) marketing of produce; and (g) levels of investment in the projects and incomes they generate.

### **3.2 OBJECTIVES AND EXPECTATIONS**

Land reform is essentially about the acquisition of land guided by the objective that land reform projects should be commercially viable, advance historically disadvantaged farmers and create employment through the optimal use of agricultural resources. It could be expected that decisions to acquire land through the land reform programme would be guided by the overall objectives of government. It is essential for an assessment of land reform though to establish beneficiaries’ specific objectives for acquiring farms through either the SLAG or LRAD programmes and their expectations associated with the acquisition of land, as it would influence their use of the land.

#### **3.2.1 Commercial farming and livelihood issues**

Land Reform projects in Northwest Province are broadly classified either as “Settlement and Agricultural Development Projects or as Agricultural Projects, with the former mainly associated with SLAG projects and the latter largely with LRAD projects. Although the productive use of agricultural land as a scarce resource is emphasised as objective in both types of land reform projects, residential security as objective in addition to agricultural production distinguishes the former from the latter.

Though related to the overall objectives of land reform, the objectives and expectations of beneficiaries of land reform projects in Northwest Province who acquired farms with either SLAG or LRAD grants, are more related to their personal circumstances or the personal circumstances of those who initiated projects. Beneficiaries have their own objectives for acquiring farms and the expectations associated with the acquisition of land differ in many cases from project to project. Objectives are either related to “quality of life” and “poverty alleviation” issues or to the opportunities for “commercial farming” land ownership would provide.

Beneficiaries who kept livestock in overgrazed rural areas or town commonages emphasised the need for “a farm to graze our animals”; farm workers who needed residential and employment security “wanted permanent accommodation” and “the opportunity to farm”; while others emphasised the need to “create employment and support our families” as objective to acquire land. To beneficiaries who were emerging as commercial farmers in land-locked communal areas, it provided the opportunity to “embark on commercial farming” and to yet others who pursued the ideal of an own farm for a long time under Bophuthatswana, but could not succeed it provided the opportunity to “produce food to help the nation” and thus engage in commercial farming.

**Table 3.1: Objectives for farm acquisition per category**

Objective	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Poverty alleviation	6	14	2	20	1	7	2	20	1	11
Quality of live	8	19	2	20	2	14	2	20	2	22
Commercial farming	29	67	6	60	11	79	6	60	6	67

Although the acquisition of farms was in most cases motivated by the opportunity land ownership would provide for commercial farming (Table 3.1), the acquisition of farmland is certainly also seen by many as a means to alleviate poverty and create employment. As the improvement of quality of life as objective for acquiring a farm can only be achieved through other objectives, objectives cannot be neatly distinguished. The improvement of quality of life on a farm would be achieved through employment or farming; it could however also be achieved through improved services (the acquisition of land to ensure the future of a farm school) and the residential security title to land would provide. Although, the improvement of quality of life as objective for land acquisition is largely intertwined with farming and poverty alleviation, the distinction between poverty alleviation, quality of live and commercial farming is, however, also not entirely superficial. In fact, although the objectives for acquiring farms cannot be neatly distinguished, many beneficiaries of land reform associate the acquisition of land rather with poverty alleviation and quality of live or livelihood issues than with commercial farming.

Livelihood issues as objective though, would not exclude commercial farming as farming objective; and neither would commercial farming as objective exclude the improvement of quality of life as objective of farming endeavours. The relatively high percentage (40%) of Category 1 projects that related the acquisition of farms to quality of live and poverty alleviation and that are commercially more successful than Category 2, 3 and 4 projects, suggests that project success is not necessarily related to the objectives associated with the acquisition of land. The high percentages of projects in Categories 2 and 4 (respectively 79% and 67%) that associated land reform with commercial farming, show that commercial farming as objective (on whatever level of commercial production), does not ensure

commercial success. Beneficiaries of land reform motivated by quality of life and poverty alleviation issues could be commercially more successful than beneficiaries that engage in land reform with commercial farming as objective for land acquisition.

### 3.2.1.1 Meeting Objectives

Table 3.2 shows that the beneficiaries of land reform feel much more positive about their projects than the general perception about land reform would suggest. Only 24% felt that their objectives have not been met, and although the majority (60%) indicated that their objectives are not yet met, their attitude is at least positive. This is because the objectives for acquiring land are defined in terms of beneficiaries' own circumstances and not necessarily in terms of the commercial or productive use of agricultural resources. Category 4 projects (projects with no production) include SLAG projects that included settlement as component as main component. As the acquisition of land meet the beneficiaries of these projects' need for residential security, it explains why 22% of Category 4 projects indicated that their objectives have been met, and it confirms that on project and beneficiary level, project success is also assessed in terms of quality of live issues.

**Table 3.2: Have objectives been met?**

Response	Category 1		Category 2		Category 3		Category 4		Total	
	#	%	#	%	#	%	#	%	#	%
1. Yes, partially	3	30	2	14	0	0	2	22	7	16
2. No	3	30	3	21	2	20	2	22	10	24
3. Not yet	4	40	9	64	8	80	5	56	26	60
<b>Total</b>	<b>10</b>		<b>14</b>		<b>10</b>		<b>9</b>		<b>43</b>	

### 3.2.1.2 Changing Expectations

The expectations of 40% of Category 1 projects (Table 3.3) changed to more realistic expectations since they took occupation of their farms, while 30% continue to entertain their original expectations. This is in sharp contrast to the 77% Category 4 projects whose expectations have not changed. Although projects could be active and productive and continue to sustain their original expectations, as the 30% Category 1 projects would confirm, Table 3.3 however suggests that productive projects have a better understanding of the realities of agriculture and that this understanding, emerging from their growing exposure to farming, is reflected in more realistic expectations.

**Table 3.3: Current expectations (percentage)**

	Category 1	Category 2	Category 3	Category 4
	%	%	%	%
Same expectations	30	43	40	77
More realistic expectations	40	21	30	11
More progress on farm	30	36	30	12

### 3.2.2 Conclusions

Though the objectives underlying land acquisitions are important, there seems to be no direct relation between beneficiaries' objectives and land reform success. Commercial farming as an objective for land acquisition is neither a condition nor a guarantee for successful land reform.

Project beneficiaries assess projects in terms of their objectives and as quality of life issues also determine objectives, beneficiaries' assessments of their projects could differ from "objective" assessments based on commercial farming principles. An understanding of beneficiaries' circumstances and how they view their projects are therefore important for the reengineering of land reform projects. Projects that could be viewed as "failures" in terms of agricultural production, could in fact meet their beneficiaries' objectives.

### 3.3 ACQUIRING A FARM

#### 3.3.1 The Process

Although the buying of farms for land reform in Northwest Province through the SLAG and LRAD redistribution programmes was concluded through the market/market mechanisms, the acquisition of most farms were, understandably not a normal market driven process. Farm purchases for land reform was, in most cases, prompted by information<sup>1</sup>, initiated by individuals, and assisted by government officials.

##### 3.3.1.1 Initiating the buying of farms

Individuals, who responded to information about land reform, initiated most farm purchases under the SLAG and LRAD programmes. Table 3.4 indicates that in the case of a large number of projects (36%) individuals heard about land reform and "organised people" or "a group" in order to purchase farms. A significant number of Category 1 projects (30%) were initiated in this way; it happened however, largely on a family basis, and farm acquisitions by "collecting a crowd" is more associated with those categories (3 and 4) in which production is more at risk. Although a relatively small percentage, projects across all categories approached estate agents, which could suggest that the acquisition of land for land reform is becoming more "market driven", with more prospective LRAD buyers using the normal market mechanisms to identify and acquire land.

**Table 3.4: How the project was initiated**

How initiated	Total		Category 1	Category 2	Category 3	Category 4
	#	%	%	%	%	%
Heard about Land Reform and organized people	15	36	30	31	50	33
Reacted to media information	6	14	20	8	2	11
Approach Department of Agriculture	3	7	0	23	0	0
Initiated by former farm owner	5	12	10	8	0	33
Approach DLA	8	19	30	23	10	11
Approach agent	4	10	10	8	10	11

The membership profile of projects is closely linked to the initial moves to acquire farmland. Executive Committee members mostly initiated land purchases for larger groups, but as scepticism with large group purchases grew, smaller and, in most cases, family groups entered the land market through LRAD (or as a consequence of LRAD) buying either smaller farms at the lower costs smaller groups can afford, or increasing their contributions through loans.

<sup>1</sup> The Government's "Back to the Land" and "Stake your Claim campaigns created some awareness



Family farm owners, family heads or directors of small firms established to acquire land, largely initiate these farm purchases. As this process is also in reaction to perceptions of the failure of large-group SLAG projects, it is reflected in the high number of owner -, family head - or director-initiated projects in Category 1.

**Table 3.5: Who initiated farm purchases?**

Initiator	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Owner, family head, directors	11	26	4	40	4	28	2	20	1	11
Chairperson Executive Committee	21	49	5	50	8	58	5	50	3	33
Officials (Land Affairs, Local government, & Dept. of Agriculture)	4	9					3	30	1	11
Previous owner	5	12	1	10	1	7			3	33
Youth structures	2	5			1	7			1	11

### 3.3.1.2 The Process to acquire a farm

Whoever and how the buying of farms was initiated, the process to acquire a farm commenced with the decision to buy, which is directly related to knowledge and awareness of land reform. Table 3.6 indicates that the implementation of LRAD increased the awareness and accelerated the process of land reform in Northwest Province. From the mid 1990s to 2000 when LRAD replaced SLAG, the beneficiaries of 42% of land reform projects took the decision to buy a farm; 48% of the beneficiaries of land reform projects took the decision in 2001 and 2002, which would suggest that within two years after the introduction of LRAD the awareness of and support to the land reform programme has more than doubled. As it can be assumed that the applications of many prospective beneficiaries who took the decision to buy in 2003 are still being processed, the fact that only 9% (a 16% drop from 2001 and a 11% drop from 2002) indicated that the decision to buy a farm was taken in 2003, would not imply that the awareness of land reform LRAD had achieved is not maintained.

**Table 3.6: Year decision to buy farm was taken**

Year	#	%
Before 99	11	26
2000	7	16
2001	12	28
2002	9	21
2003	4	9
2004	0	0

**Table 3.7: Time to find farm to purchase**

Time it took to find a farm	#	%
± 6 months	9	23
± 12 months	13	33
± 18 months	3	8
± 2 years	2	5
Longer than 2 years	12	30

Table 3.7 shows that whereas more than half of the projects found a farm within 12 months of the decision to buy, 30% took more than two years to find a farm and start negotiations with farm owners. The projects that took longer than two years to find a farm were almost all (more than 90%) initiated before 2001. This suggests that since the implementation of LRAD, more farms became available for land reform in Northwest Province, and the fact that former farm owners initiated 10% of farm purchases in Category 1 could also suggest that LRAD increased awareness for the need for land reform within commercial farming communities in Northwest Province as well. Although this increase in the availability of former commercial farms for land reform and Northwest Province farm owners' increased participation in land reform initiatives would certainly reflect a genuine awareness to contribute to land reform in Northwest Province, farmers could also take advantage of the need for land for land reform.

### 3.3.1.3 Assisting the acquisition of land

New entrants to the land market need assistance to buy farms, and Table 3.8 indicates the institutions that assisted beneficiaries to acquire land. As would be expected, most indicated that they were assisted by DLA, followed by the Department of Agriculture. In many cases assistance came from more than one institution (“DLA “gave the money and the Department of Agriculture told us it is a good farm”) rendering assistance with the negotiations with farm owners, the application and legal process and in some cases with access to finance. The fact that Land Bank, estate agents and lawyers feature prominently in Category 1 shows a move towards a more individualised approach to farm purchases, concomitant with the initiation of farm purchases by “farm owners”, “family heads” or “directors” of smaller firms. This suggests that the process of land acquisition is slowly “emancipating” from a collective and exclusive government facilitated process to an individual market driven process with the normal agents of the land market increasingly facilitating farm purchases for land reform. However, as the land reform programme is structured to provide the poor and landless access to land, land reform will remain dependent on government as long as government pursues land reform as a national priority. In fact, the “coming of age” of farm acquisitions through the agents of the land market rather than “waiting for government to get us farms” could increase the pressure on government resources for land reform.

The following could become the norm for future farm purchases: “I wanted to get a farm, I had chickens in my backyard in the township and approached Land Bank who told me to look for a farm. I then approached Aida Estate Agents who helped me to find a farm and then a LRAD grant was arranged”.

**Table 3.8: Institutions assisting the acquisition of land (number of responses)**

Institutions	Category 1	Category 2	Category 3	Category 4
Dept of Agric	12	24	3	30
DLA	16	32	2	20
Land Bank	6	12	1	10
Former farm owner	5	10	1	10
Agent or lawyer	8	16	3	30
Friends/Neighbours	1	2	0	0
Did not need assistance	2	4	0	0

If the momentum of farm acquisitions LRAD introduced in Northwest Province is maintained or accelerated, the pressure on the processing of grant applications will increase. Table 3.9 shows that in the majority of cases occupation took place within a year.

**Table 3.9: Time to process applications**

Time	#	%
± 6 months	14	36
± 12 months	15	35
± 18 months	1	2
± 2 years	3	7
Longer than 2 years	9	21

In most cases previous owners continued farming during the processing of applications while family acquisitions were in most cases immediately occupied. A disturbing 40% of farms (Table 3.10) though were left unoccupied and as a result 15% of farms were vandalised while grants were processed.

**Table 3.10: Occupational status during processing**

Status	#	%
Previous owner continued farming	20	50
Nothing	10	25
Farm vandalised	6	15
Immediate occupation	4	10

### 3.3.2 Financing Farm Purchases

Whereas SLAG projects depended entirely on Land Restitution Grants, LRAD projects could include over and above the grant, determined on the basis of beneficiaries' own contribution, which could be the value of their own contribution towards farming operations in the form of livestock, implements or cash, a Land Bank loan as well.

#### 3.3.2.1 Own contributions

Most projects (Table 3.11) were financed through grants without any "own contribution" towards farming operations that could be included in the calculation to determine the grant amount. As own contributions other than loan finance only determined grant amounts, the majority of projects were exclusively financed through grant funding. In contrast to other categories however, the majority of Category 1 projects included loan finance within the LRAD grant.

**Table 3.11: Project finance per category (percentage)**

	Total	Category 1	Category 2	Category 3	Category 4
Grant	42	30	43	40	67
Grant & Loan	21	60	7	10	11
Grant & own contribution	26	10	29	50	11
Grant/ loan / own contribution	9	0	21	0	11

Although own contributions, except cash, were only used to calculate the grant amount, it indicates previous involvement in farming and the "farming capital" that beneficiaries have

accumulated over the years. The fact that the grant amounts of 37% of projects (16 from 43) included “own contributions” indicates that at least some beneficiaries of these projects had accumulated some form of “farming capital”.

The “own contributions” or “farming capital” were either:

- Livestock - 30% of the projects that had “own contributions” as part of the grant;
- Vehicles, machinery or equipment -28%
- Cash - 7%

**Table 3.12: Nature of own contribution**

Nature of own contribution	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Livestock	13	30	2	20	4	29	6	60	1	11
Vehicles, Machinery, Equipment	12	28	2	20	4	29	4	40	2	22
Nothing	23	53	7	70	7	50	2	20	7	78
Cash	3	7	0	0	2	14	1	10	0	0

“Own contributions”:

- Was valued at R2 459 624.00 (for 19 projects) with R 546 026.00 as the highest and R129 453 as the average investment per project that had an own contribution;
- Represent an average investment of R57 200.00 per project taken across all projects (including those that reported no “own contributions”)
- Represent 6% of the total grant costs for all projects.

### 3.3.2.2 Loans

In the case of 30% of the projects (Table 3.13) the shortfall between the purchase price of farms (including moveable assets and providing also for production capital) and the grant amount projects could qualify for, was sourced from Land Bank. The fact that 60% of Category 1 projects, (compared to 20% for the other categories) financed farm purchases through Land Bank loans suggest a positive correlation between loan finance and production.

**Table 3.13: Additional loans**

	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
No loan	30	70	4	40	11	79	8	80	7	78
Land Bank	13	30	6	60	3	20	2	20	2	22

**Table 3.14: Loan and grant amounts**

	Maximum	Average	Total	Number that received
Loan	1,200,000	383,083	4 597,000	13
Grant	19,000,000	1,047,599	39,808,762	38

### 3.3.2.3 Land Bank loans

Land Bank loans (Table 3.14):

- amounted to R4 597 000 for the 13 projects that used loan finance in addition to grant finance, at an average loan of R383 083 per project;
- vary between R15 000.00 and R1 200 000;
- represent an average investment of R106 906 per project taken across all 43 projects; and
- represent 9% of the total project costs of R47 300 643.

Credit place projects at risk and only 64% of the projects could meet their first instalment, 9% could partially meet the first instalment whilst 27% could not pay the first instalment on their loan (Table 3.15). Currently 34% of the projects with obligations to Land Bank have fallen in arrears and 66% are keeping up with their obligations

**Table 3.15: Projects that could meet first instalment**

Meeting first instalment	#	%
Yes	7	64
No	3	27
Partially	1	9

**Table 3.16: Current status of loan repayment**

Loan repayment	#	%
NA	31	72
Kept up	8	19
In arrears	4	9

### 3.3.3 The grant structure: movable assets and production capital.

The majority of the grants and loans of beneficiaries of both SLAG and LRAD programmes are structured to include production capital besides the purchase price of the farm (Table 3.17). In some cases the farm price included moveable assets while some grants and loans included the price of the farm, moveable assets and production capital.

**Table 3.17: Grant structure per category**

Grant structure	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Farm only	10	23	4	40	3	22	1	10	2	22
Farm & Production capital	29	67	5	50	11	78	8	80	4	44
Farm & moveable assets	3	7	1	10	0	0	0	0	2	22
Farm & moveable assets & production capital	2	5	0	0	0	0	1	10	1	11

This structuring of grants and in particular the high percentage of grants that includes production capital could, to a certain extent, dismisses the often-heard criticism that

beneficiaries are just dumped on farms. At an average investment of R547 901 per project and a total investment in production capital that almost equals the investment in land (See Table 3.18), government could hardly invest more in production costs. Production capital for the 43 projects however includes a R16 million SLAG grant planned for the settlement of 1200 beneficiaries near Migdol (further refer to as the Migdol 1200).

Table 3.18 analyses the government's investment and the Land Bank's financial exposure in the 43 farms that were included in the study per category and in terms of total, average per project and average per beneficiary.

**Table 3.18: Project finance and loan structure per category**

	<b>Total</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>	<b>Category 4</b>
<b>Farm price</b>	R24, 288,777 Ave per project R578 304 Ave per beneficiary R10 292	R5 894 974 Ave per project R 589 497 Ave per beneficiary R43 992	R 6 962 088 Ave per project R497 292 Ave per beneficiary R13 624	R3 392 270 Ave per project R 339 227 Ave per beneficiary R15 851	R 8 039 463 Ave per project R893 273 Ave per beneficiary R5 356
<b>Total Production Capital included in loan and grant</b>	R23 011 866 Ave per project R547 901 Ave per beneficiary R9 750	R 969 934 Ave per project R96 993 Ave per beneficiary R7 238	R 1 590 544 Ave per project R113 610 Ave per beneficiary R3 112	R3 353 658 Ave per project R335 365 Ave per beneficiary R15 671	R 17 097 720 Ave per project R1 899 746 Ave per beneficiary R11 390
<b>Total Loan &amp; Grant</b>	47 300 643 Ave per project R1 126 205 Ave per beneficiary R20 042	R6 864 908 Ave per project R686 490 Ave per beneficiary R51 230	R 8 552 632 Ave per project R592902 Ave per beneficiary R16 736	R 6 745 928 Ave per project R674 592 Ave per beneficiary R31 522	R 25 137 183 Ave per project R2 793 019 Ave per beneficiary R16746
<b>Total Loan</b>	4 597 000 Ave per project R106 906 Ave per beneficiary R1 948	2 874 000 Ave per project R287 400 Ave per beneficiary R21 447	R1 028 000 Ave per project R73 428 Ave per beneficiary R2 011	R 125 000 Ave per project R12 500 Ave per beneficiary R584	R 570 000 Ave per project R63 333 Ave per beneficiary R380
<b>Total Grant</b>	42 703 643 Ave per project R1 016 753 Ave per beneficiary R18 094	3 990 908 Ave per project R399 090 Ave per beneficiary R29 782	R7 524 632 Ave per project R537 473 Ave per beneficiary R14725	R 6 620 928 Ave per project R662092 Ave per beneficiary R30 938	R24 567 183 Ave per project R2 729 687 Ave per beneficiary R16 367

### 3.4 MEMBER PARTICIPATION

To establish the degree of member participation on land reform projects, the member profile is presented, members' occupation of farms is described and members' role and contribution in on-farm activities is assessed.

#### 3.4.1 Member Profile

##### 3.4.1.1 The number of beneficiaries

To establish beneficiary numbers the initial number of beneficiaries (Table 3.19) is distinguished from the current number of beneficiaries.

**Table 3.19: Initial and current beneficiaries per category**

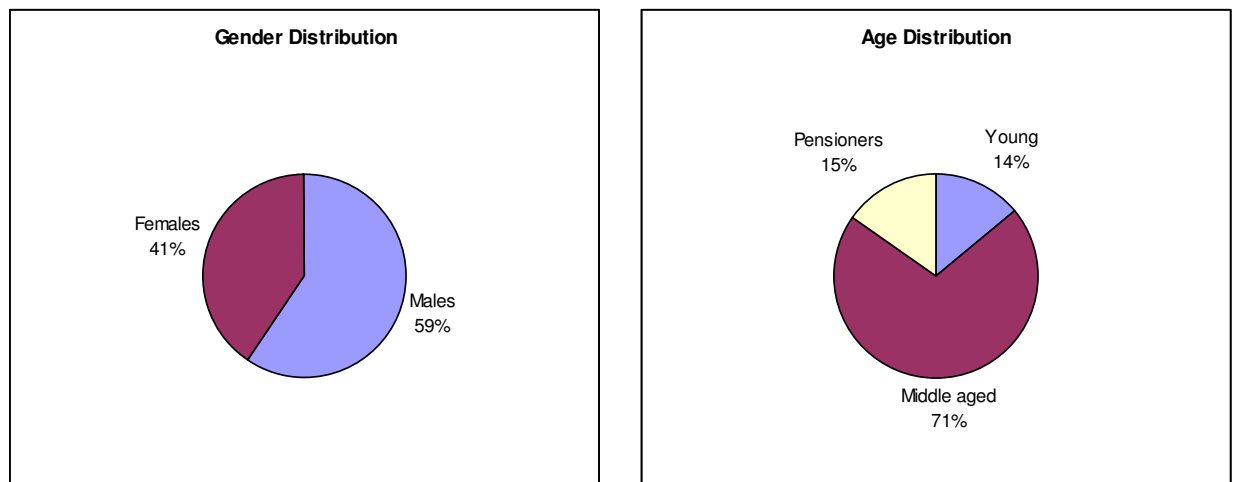
	Initial number of beneficiaries	Number of current beneficiaries
Category 1	134	132 (13 per project)
Category 2	511	511 (36 per project)
Category 3	214	156 (16 per project)
Category 4	1501	1500 (166 per project)
<b>Total</b>	<b>2360</b>	<b>2299</b>

There is little difference between the initial and current number of beneficiaries, and the small differences there are, are mainly due to beneficiaries that have passed away since their projects were initiated, although a few also ended their membership. Both numbers however, are important: Grant amounts were determined by the initial number of beneficiaries whilst the current number of beneficiaries represents the number that currently have a stake in the farm.

### 3.4.1.2 Gender and age structure

In terms of gender, men dominate projects although a significant number of beneficiaries are female. The majority of these men are of middle age. Beneficiaries younger than 30 years of age were classified as “the young” and the limited representation of men and women below 30 years could mean an ageing beneficiary population within the next five to ten years.

Figure 3.1 notes the gender and age distribution of beneficiaries.



**Figure 3.1: Gender and Age distribution of beneficiaries**

## 3.4.2 Farm Occupation

### 3.4.2.1 Extent of beneficiary occupation

Although beneficiaries occupy most farms, 12 (28%) of the 43 farms included in the study are not occupied by their new owners. These farms are either unoccupied (15%) or in the care of employees (13%). The other 31 (72%) farms are occupied by a total of 1523 beneficiaries, but, as this figure includes the Migdol 1200, the degree of beneficiary occupation is skewed.

In order to establish the extent of beneficiary occupation of projects more realistically, the Migdol project is excluded. The 30 other projects (excluding Migdol) are occupied by 323 beneficiaries at an average of 11 beneficiaries per project.<sup>2</sup>

Table 3.20 however indicates, contrary to what would be expected, that occupation and farm productivity are not directly correlated, as most of the farms that are not occupied by beneficiaries are Category 1 projects.

**Table 3.20: Beneficiary occupation per category**

	Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%
Farms occupied by beneficiaries	5	50	10	71	8	80	8	88
Farms not occupied by beneficiaries	5	50	4	29	2	20	1	22
Number of beneficiaries	16		191 <sup>3</sup>		11		1305 <sup>4</sup>	

Most beneficiaries either live in the rural villages (37%) or townships (37%) where they have their homes, and most would prefer to continue to live at their current homes as the “farms are for farming, not for staying”. These are in most cases not too far from the farms and those who are involved in farming activities travel on a daily, or a less regular basis to the farms.

**Table 3.21: Beneficiaries not residing on farm**

Other Residence	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Rural Village	16	37	5	50	5	36	5	50	1	11
Township (local)	16	37	2	20	5	36	5	50	4	44
All are staying on the farm	6	14	2	20	2	14	0	0	2	22
Other rural/urban area at work	5	12	1	10	2	14	0	0	2	22

Although any beneficiary can live on the farm, the general view is that the farms cannot accommodate all beneficiaries, and that only those who are actively involved in farming activities could actually stay on the farm. This view corresponds with the current pattern of occupation with farms (except the 16% that are not occupied) occupied largely by those who manage and who are involved in farming activities.

<sup>2</sup> These, though still include 4 more SLAG settlement projects, and if these projects, which are occupied by 244 beneficiaries are excluded, the remaining 26 are occupied by 81 beneficiaries at an average occupation of 3 to 4 beneficiaries per project.

<sup>3</sup> including 170 from 2 SLAG projects (Boikhutsong, (110) ; Oblate (60);

<sup>4</sup> including 1274 from 3 SLAG projects (Migdol (12000; Nkagisang CPA (50); Ikageng (24)



**Table 3.22: Farm residents**

	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Employees	6	14	4	40	1	7	1	10	0	0
Beneficiaries	8	19	0	0	3	21	1	10	4	44
Nobody	7	16	2	20	3	21	1	10	1	11
Management	15	35	3	30	6	43	5	50	3	33
Management & Beneficiaries	6	14	1	10	1	7	1	10	1	11
Beneficiaries & employees	1	2	0	0		0	1	10	0	0
<b>Total</b>	<b>43</b>		<b>10</b>		<b>14</b>		<b>10</b>		<b>9</b>	

Though farms should obviously not be left unoccupied, the extent of beneficiary occupation of farms seems to be neither an indication of beneficiary participation and involvement in projects, nor a condition for improved production. Farms in fact, cannot provide homes to all project beneficiaries; this will turn agricultural production into settlement, and farms into squatter areas. The issue is not how many beneficiaries are living on the farm but rather, who is living on the farm, and on the majority of land reform projects in Northwest Province it is those who are directly involved in farming activities.

#### 3.4.2.2 Farm residents

Farm managers occupy most farms, and in Category 1 projects 40% of those living on and managing farms are “farm owners” or “directors”, in Category 2 projects 26% of farm residents are “farm owners” or “directors”, in Category 3 projects they comprise 41% and in Category 4 projects 18% of those who are living on and managing farms. “Farm owners” and “directors” are associated with the tendency towards family farms and smaller groups farming together. The fact that 40% of the residents of Category 1 projects are “farm owners” or “directors” suggests a positive correlation between occupation by “farm owners” and “directors” and increased production. However, occupation by “farm owners” and “directors” is no guarantee for farming success; 41% and 18% of the residents of Category 3 and Category 4 projects are “farm owners” or “directors”.

As only employees occupy 40% of Category 1 farms, it would suggest that *who* occupies farms is also not as an important indicator of membership participation as would be expected. The availability of residential infrastructure on farms, moreover, determines beneficiary occupation of farms. Table 3.23 describes the residential infrastructure currently on the farms. Many farms have no farmhouses, other farmhouses are vandalized and others are in poor condition, and as a result, only 59% of farms’ farmhouses are in a “good” or “fair” condition and comparable to beneficiaries current homes. The lack of residential infrastructure on more or less half of the farms would not encourage occupation, and explain why many beneficiaries prefer their current homes.

**Table 3.23: Residential infrastructure**

Infrastructure	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Farmhouse(s)	37	86	9	90	11	79	10	100	7	78
No farmhouse	2	5	0	0	0	0	1	10	1	11
<b>Condition</b>	%		%		%		%		%	
Good condition	35		29		39		47		25	
Fair condition	24		41		13		20		25	
Poor condition	31		12		43		27		38	
Not applicable	1		6		0		0		0	
Vandalized	8		12		4		7		13	

The participation of beneficiaries seems to revolve rather around members' interest and their involvement in farming activities.

### 3.4.3 Member Interest and Involvement

To establish the extent of beneficiary interest in land reform projects, the number of active beneficiaries and the number of beneficiaries involved in farming activities are distinguished from the number of current beneficiaries.

#### 3.4.3.1 Active beneficiaries

All current beneficiaries are not active and the number of active beneficiaries differs markedly from the number of current beneficiaries. Table 3.24 differentiates between "Current beneficiaries", "Active beneficiaries" and beneficiaries involved in farming.

**Table 3.24: Current beneficiaries**

	Number of current beneficiaries	Number of current active beneficiaries	Number of beneficiaries farming	% of current beneficiaries farming
Total	2299	651	426	19
Category 1	132 (10 per project)	79 (8 per project)	79 (8 per project)	60
Category 2	511 (36 per project)	390 (28 per project)	186 (13 per project)	36
Category 3	156 (16 per project)	62 (6 per project)	43 (4 per project)	28
Category 4	1500 (166 per project)	120 (13 per project)	118 (13 per project)	9

Only 28% of the current members (651 of 2299) are regarded as active, while only 19% of the current members are involved in farming activities. There are however, significant differences in the number of active beneficiaries and those involved in farming between categories, with 60% of Category 1 and only 9% of Category 4 projects involved in farming. Although Category 4 includes the Migdol 1200, Table 3.24 confirms the obvious, namely that the production status of projects is directly related to the degree of beneficiary involvement.

#### 3.4.3.2 The beneficiary dilemma

Noting the above, it is also obvious that with beneficiary numbers ranging from 1200 to 2 and an average number of 53 beneficiaries per project, not all beneficiaries can participate in farming activities, or make a living from the farm. Farms can sustain only a limited number of beneficiaries, and depending on membership numbers, the majority of beneficiaries are bound to make a living from other resources even if farms were producing optimally.

Table 3.25 provides an indication of the expectations of beneficiaries who are not involved in farming activities.

**Table 3.25: Expectations of members not involved in farming activities (%)**

Expectations	Total	Category 1	Category 2	Category 3	Category 4
Enterprise to grow	35	44	20	50	20
Employment and poverty alleviation	15	0	20	20	20
Nothing	24	33	20	0	60
Don't know	27	22	40	30	0

Although overall most want their projects to grow, many members (in the views of the membership that was interviewed) expect either “nothing” or they “don't know” what they expect. Table 3.25 indicates that:

- Some beneficiaries expect future benefits from their projects, and since the majority of those that would want the enterprises to grow are from Category 1 and Category 3 projects, most of those whose expectations are on the future growth of projects would be from “family farms”;
- Many beneficiaries have lost interest. The fact that members from 24% of the projects believe that those who are not involved in farming expect “nothing” indicates that those who are not involved in farming have either lost interest or that their needs for residential security have been met and that they don't expect anything more. This certainly would explain why 60% of the respondents from Category 4 projects indicated that those who are not involved in farming want “nothing”; they have obtained residential security through SLAG and prefer employment on the neighbouring farms.
- Relations between those involved (the persons that were interviewed) and those who are not involved have, to varying degrees gone sour. The high percentages indicating that those who are not involved “don't know” what they expect from their projects would mean that there is no regular interaction between active and non-active beneficiaries.

### 3.4.3.3 Losing interest

Table 3.26 indicates that beneficiaries from many projects have, in the view of those who were interviewed, lost interest in their projects. It also provides estimates of the number of “active” beneficiaries who, in their view are no longer interested in their projects

**Table 3.26: Loss of interest per category (%)**

	Total	Category 1	Category 2	Category 3	Category 4
Percentage of projects where active members have lost interest	37	30	29	40	56
Percentage of projects where active members have not lost interest	63	70	71	60	44

The following reasons for beneficiaries to lose interest in their projects were given

- “Farm income is too small, and they don't want to work long hours”;
- “Lack patience because nothing happened”;
- “Commitment to other activities”;
- “Farm work is very difficult”;

- “Not willing to invest in labour”
- “They don’t see any progress”.

Some of the reasons given for the loss of interest confirm the beneficiary dilemma, and although the loss of interest correlates with declining production, with 60% of Category 3 and 56% of Category 4 projects having experienced serious loss of member interest, it begs the question: Is loss of interest a cause of declining or zero production, or is it just a consequence and a manifestation of the fact that most farms just cannot accommodate or sustain the number of project beneficiaries. If the latter is true for most of the projects, loss of interest is inevitable, and projects would have to find ways to deal with beneficiaries who lose interest.

#### 3.4.3.4 Project Exit

Although there is great ignorance and uncertainty on this issue with beneficiaries from 29% of the projects that were studied indicating that they don’t know how to end beneficiaries’ membership of their projects, Table 3.27 though suggests that the instruments as well as procedures to end membership are available. Respondents from 46% of the projects believe that beneficiaries’ membership of projects could be ended either through their Constitutions or Disciplinary Committees, and some even briefly outlined the procedures (send members who are not contributing letters and one month to respond, and if they don’t their membership could be ended).

**Table 3.27: Means to end project membership**

Means	%
According to constitution	36
Not considered	26
Disciplinary committee	10
Don’t know	29

However, despite the high degree of non-involvement in projects, and the availability of the instruments to act against members, no beneficiary’s membership has been ended or cancelled as yet. Some members did however resign themselves from two projects: six members of Reaoboka Chicken lost interest because the project did not meet their expectations and officially resigned; and a member of Iphuteng also ended his membership himself. These members forfeited all their rights according to the members that were interviewed, because they ended their membership themselves.

There is however, also disagreement and a lack of clarity among beneficiaries on the rights of members in case membership is ended (Table 3.28). As would be expected, those who “don’t know” are again high, which suggests that the issue has not yet been seriously discussed. Projects also held opposite views in this regard, with most indicating that beneficiaries who resign are entitled to their “share”, and others stating that they will “leave empty-handed”.

**Table 3.28: Member’s rights when ending membership**

Rights	%
Get his share	30
Leave empty handed	26
Not considered	21
Don’t know	23

More or less a quarter of the projects don't consider ending the membership of any member. These are largely projects run as "family farms" which shows that the issues surrounding the ending of membership has more to do with social issues than with loss of interest. Social and community concerns override project constitutions, which, in the end, is merely a piece of paper that cannot stand against a community's social conscience. "Socially" accepted ways therefore need to be designed to allow for project exit.

### 3.4.3.5 Involvement

Member involvement is assessed on project level to establish the extent of member participation in view of the fact that most members cannot reside on their farms, that they need to generate income through other economic activities, that many members consequently are showing little interest in their projects, and others have lost interest altogether.

**Table 3.29: Beneficiary involvement in farming per project**

Category	Number of beneficiaries per category and per project
Category 1	79 (8 per project)
Category 2	186 (13 per project)
Category 3	43 (4 per project)
Category 4	118 (13 per project)

Table 3.29 shows that the number of beneficiaries that are actively involved on project level varies between 4 and 13, and, depending on the enterprise form and size, and taking into account that most farms also employ one or two labourers, this level of participation could, in terms of numbers and not in terms of the quality of involvement, meet the management and labour needs of most projects (with the exception of the 4 members per project for Category 3 projects).

The quality of involvement would be determined rather by who (the people/personnel) is involved, their actual involvement on project level and their motives/agenda rather than the number of beneficiaries involved.

### 3.4.3.6 Project Personnel

The people that are involved on project level are by and large those that "initiated projects", and as "committee members" and "farm owners" were usually also involved in initiating projects, those who are actively involved are in actual fact those who wanted farms and initiated projects, as shown in Table 3.30.

**Table 3.30: Beneficiaries involved on project level (%)**

Beneficiaries involved	Total	Category 1	Category 2	Category 3	Category 4
The initiators of the project	33	30	26	43	38
The Chairperson	2	5	0	7	0
Committee members	23	20	22	29	23
Farm owner and family head	14	15	17	14	7
Other beneficiaries	27	30	34	7	30

In many cases it serves projects well, as the dominance of initiators/committee members/farm owners over other beneficiaries in Category 1 projects would confirm. The same pattern of involvement however manifests in Category 4, which did not serve projects well.

If the quality of beneficiary involvement does not positively correlate with the personnel involved on project level, their actual involvement in farming activities on project level could.

### 3.4.3.7 Actual involvement on project level

Daily involvement and on-farm management would be essential for farming success.

**Table 3.31: Beneficiaries' involvement in farming activities by category**

Involvement	Total	1	2	3	4
	%	%	%	%	%
Regular visits	3	0	0	17	0
Daily involvement	44	47	47	33	42
Managing farm	40	42	42	42	33
Financial contributions	2	5	0	0	0
Planning and decisions	8	6	11	8	8
Farm not operational	3	0	0	0	17

Although Category 1 and Category 2 projects shows higher percentages of daily involvement, the differences between Categories are slight, with less daily involvement of beneficiaries in Category 3 projects and less on-farm management for Category 4 projects.

Although beneficiary participation across Categories is fairly similar, the way beneficiaries structure, organise and perform their daily and management activities on farms differ. Beneficiaries of Category 1 projects described their daily activities as follows:

- “We are working with chickens and livestock, but also help each other”.
- “The owner monitor on a daily basis, consult with specialists and markets and the son supervise the labour and works with them. This is why I decided to stay on the farm, so things can happen the way I wants it to”
- “The beneficiaries who are the workers work in the broiler houses, the farm manager gives medicine and sees that everything runs smoothly”

In contrast to other projects, beneficiary involvement in these projects is structured with responsibilities clearly divided, activities managed and supervised on a daily basis, and managers, like workers involved from day to day.

Such commitment is only possible if the personal and collective interests that the efforts of the beneficiaries involved would serve, are clearly defined.

### 3.4.3.8 Collective and personal interests

The buying of farms it would appear, originated in the majority of cases, with a specific individual with his own agenda. Projects which were in effect initiated to serve personal or family interests, had to be launched on a communal basis due to the way the funding of Land Reform is structured, thereby subjecting individual interests to collective interests. Besides the few who had the resources to buy their own farms, individuals or a group of individuals sharing similar interests either:

- Collected a crowd comprising family, friends and neighbours;
- Negotiated with other individuals to pull resources;
- Involved his close family to obtain a family farm.

These scenarios, though essentially collective, provide the framework for the interplay between individual and collective interests.

The vast majority (81%) of beneficiaries who are on farm level involved maintained that they are farming for the collective interest of their projects, whilst 19% indicated that they farm for their own interest.

Besides one or two farms that individuals bought, the majority of those who indicated that they farm for themselves are using communal resources for individual interest. These projects generally have large memberships of which the majority have lost interest whilst those who initiated the projects mobilise their personal resources and continue to farm for their own benefit. Individual interests manifest in various degrees also in projects that ostensibly serve collective interests. Family farms in actual fact serve the interest of individual families, and partnerships, Closed Corporations and other legal entities with limited numbers of beneficiaries serve the individual interests of the partners. It furthermore, seldom happens that the endeavours and efforts of beneficiaries involved in projects on farm level, serve the interests of anybody other than those who are on farm level involved in management and operations, because, as it was explained: “we can't work for those who are not here to work”.

In fact, it is individual interests in different guises of collectiveness that drive production.

### 3.4.4 Member Relations

#### 3.4.4.1 Social relations among project beneficiaries

Members of the vast majority of projects and in all categories shared a range of social ties that were mobilised to establish projects. These include, as shown in Table 3.32 family ties, friendship, common residence as well as church and stokvel membership.

**Table 3.32: Social ties among beneficiaries per project**

Social Ties	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Family ties	33	77	8	80	10	71	9	90	6	66
Friendship	18	42	5	50	6	42	5	50	2	22
Common residence	30	70	7	70	11	79	9	90	6	66
Church membership	21	49	5	50	6	43	8	80	4	44
Stokvel membership	1	2	1		0	0	0		0	

Project beneficiaries predominantly share family ties and common residence with: 77% of projects including members sharing family ties; 70% with memberships sharing common residence; 42% with members who were friends before; and 49% having members that share church membership. This distribution is also true for the different categories, with fairly similar proportions across all categories, with the exception of Category 3 projects that reported that 80% of the projects include members who share church membership.

Although more projects have members sharing family ties than members sharing common residence, on project level and in terms of numbers, common residence predominates. Table 3.33 presents the average number of beneficiaries sharing social relations per project, and it shows that on project level, on average 18 members from the average of 34 members per project, share common residence, 9 share family ties, 4 share church membership and 3 share friendship.

**Table 3.33: Members sharing social ties**

Social relations	# of members sharing	% of members sharing	Ave # of members per project sharing
Family ties	368	25	9
Friendship ties	141	10	3
Common residence	771	54	18
Church membership	162	11	4
<b>Total</b>	<b>1442</b>	<b>100</b>	<b>34</b>

Table 3.34 analyse social relations per Category and shows that membership composition on project level largely follows the same pattern per Category (although the average numbers per project varies, percentages are similar). Although one would be tempted to equate the production status of projects with family ties, the proportional distribution of social relations per category are too similar and would not support such an equation.

**Table 3.34: Members sharing social ties per category**

Ave # of members per project sharing	Category 1			Category 2			Category 3			Category 4		
	#	%	Average	#	%	Average	#	%	Average	#	%	Average
Family ties	44	28	4	161	24	12	59	23	6	104	30	11
Friendship ties	13	8	1	87	13	6	36	14	4	5	1	0
Residence	83	53	8	377	56	27	105	28	7	206	60	23
Church member	17	11	2	51	8	4	62	24	6	32	9	4
<b>Total</b>	<b>157</b>	<b>100</b>	<b>16</b>	<b>676</b>	<b>100</b>	<b>48</b>	<b>262</b>	<b>100</b>	<b>26</b>	<b>347</b>	<b>100</b>	<b>38</b>

As the analysis of project members' social relations would not support a correlation between production status and any social relations, Table 3.35 presents the factors (including social relations) beneficiaries or members of land reform projects themselves regarded as important for group stability and cohesion. Those that stand out most are family ties and mutual understanding and cooperation between members, both accounting for 31% of responses from all the projects. Family ties are particularly emphasised in Category 1 (36%) and Category 3 (40%), while Category 2 project members emphasised mutual understanding and cooperation (50%).



**Table 3.35: Important factors for group stability**

Most Important Factors for Group Stability	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Stable income	3	7	0	0	2	14	1	10	0	0
Common residence	9	20	1	9	1	7	1	10	6	60
Family ties	14	31	4	36	4	29	4	40	2	20
Mutual understanding cooperation	14	31	3	27	7	50	2	20	2	20
Friendship	2	4	1	9	0	0	1	10	0	0
Other	3	7	2	18	0	0	1	10	0	0

These responses are not unexpected, and either reflect the social reality of projects, or they express requirements for stability and cohesion. Category 1 projects with an average membership per project of 16, and 80% of projects including members sharing family ties, would indeed emphasise family ties as the most important factor for social continuity since family ties dominates the social reality of Category 1 projects. Category 2 projects with an average of 48 members per project would on the other hand, need mutual understanding and cooperation to maintain stable production.

Perceptions on whether large groups of beneficiaries can make a success of land reform projects, are indicated in Table 3.36 below and by and large reflect the realities of projects. The majority (65%) do not believe large numbers of beneficiaries can be conducive to successful land reform. This percentage is highest (80%) in Category 1, and Category 3 (70%), while projects in Categories 2 and 4, although still predominantly of the same opinion, are more divided on the matter with 43% and 44% of projects respectively believing that large groups could be accommodated in a successful land reform project.

**Table 3.36: Perceptions on large beneficiary groups**

Can large group of beneficiaries be successful?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Yes	15	35	2	20	6	43	3	30	4	44
No	28	65	8	80	8	57	7	70	5	56

#### 3.4.4.2 Conflict and conflict resolution

When asked whether there have been any serious conflicts between members, the majority (63%) responded “no”, while an alarmingly high 37% did report conflict. A summary of the causes cited for conflicts, as well as the methods employed on the projects to resolve the conflicts, provides some understanding of the nature of conflict and the attempts to resolve it. Judging from the results however, many projects remain locked in conflict to the expense of production.

**Table 3.37: Reasons for conflict and means to resolve them**

<b>Causes of Conflict</b>	<b>Means to Resolve Conflicts</b>
Over Management of the farm	They discuss the problem together and try to solve it. They are in a good relationship
Members who are not working on the farm	DLA helped to resolve conflicts. But it is not resolved yet, the 4 beneficiaries don't want to be part of the project anymore.
Previously they mentioned that they cannot get all the money of the grant, because all members must be present, otherwise they won't get it, they are only 30 active beneficiaries, thus the other 30 are a problem	They will discuss everything to solve their problems and will get the help of a third party.
Others don't play their part when coming to situations like visiting the farm	Yes, they have agreed to visit the farm. But they haven't visited.
Disagreements between members about the involvements of the working (employed) beneficiaries - if they get jobs elsewhere.	Hasn't been resolved yet, some members have left the farm and there are no activities currently, partly because of the conflicts
Because majority not attending meetings and not involved in farming activities.	Chairperson calls everyone to order. Situation is better as no one is complaining.
Problems.	They talk about the problem, because not all members will be together in the conflict.
There are 6 of the beneficiaries who don't want to be part of the project anymore. Thus, they don't attend meetings and all must be together and give permission if they want to borrow money.	They talk to each other to try to find a solution. Not yet resolved, they need an attorney to take them out of the trust.
Some members are thieves	Sit down to talk about it, but the problem not yet resolved
Lack of interest, other commitments	Meetings, only come to meeting if manager collect them
It was concerning the participation of members i.e. those who are not actively involved in the project. Money is also cause of the conflict.	Problem concerning participation haven't been resolved and there are still those who are not participating. They have agreed on the equal amount of money to be divided amongst them.
We are friends but they are not keen to work. When I planted the last seedlings, they wouldn't come up and I had to hire labour to help me. They complained that I used the house only for myself	I can't think of a solution. We can't all stay on the farm, and although there is enough work for all of us, they don't come when they are needed to work
During meetings we agreed with something but at the end no progress, people then got angry. Beneficiaries don't know their balance from the bank and they are not happy	We called the DLA officials to come and explain to all the beneficiaries what is happening with the grants.
Members were misusing farm properties because of poverty	Situation currently in order
Members don't report on time for work, and they sometimes fight about the sharing of the money	Call a meeting and make decisions by the majority rule
They always talk against everything and go to the DLA and Dept. of Agriculture to tell lies about how the project is run. This is because of two beneficiaries and their extended families	They held a meeting to try and resolve the problem, but it did not work. DLA and Dept. of Agriculture tried to help but it did not work. They accuse other from being against them and not listening to them
Some just wanted to sit and do nothing while other people had to do the work	DLA helped to resolve our problems by explaining matters to workers
Non attendance at meetings and not participating in farming activities	Those who do not attend meetings get extra work but nothing has changed
These are just natural conflicts experienced by anyone	No serious conflicts experienced.

### 3.5 SUPPORT AND INSTITUTIONAL FRAMEWORK

The beneficiaries of land reform need support to purchase farms, they need support to plan and implement their projects, and they need support to operate and run their projects. This support, provided by public and private institutions and personal networks is assessed in this section. As the institutional support to acquire farms has already been discussed, the focus is on support and support structures in the planning and implementation and operational phases of projects.

#### 3.5.1 The Planning and Implementation Phase

##### 3.5.1.1 Compiling Business Plans

Land reform projects invariably commence with a Business Plan, mainly because it is needed to access grant and loan funding and establish project feasibility and viability. Although funds are available for Service Providers to compile business plans, officials of the Department of Agriculture according to beneficiaries, planned 39% of the projects and service providers 20%, followed by DLA officials who planned 16% of the projects. Although Category 1 projects show a higher proportion of projects planned by service providers, the compilation of business plans is largely associated with the Department of Agriculture.

**Table 3.38: The compilation of business plans**

Who compiled the Business Plan?	Total		Category 1		Category 2		Category 3		Category 4	
		%		%		%		%		%
Dept of Agriculture Officer		39		18		46		64		22
Service Provider		20		36		23		0		22
No business Plan		9		9		15		9		0
Don't know		2		9		0		0		0
Department of Land Affairs Officer		16		27		8		0		33
Beneficiaries themselves		11		0		8		18		22
None of the above		2		0		0		9		0
How was he appointed?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Department of Agriculture	17	40	3	30	7	54	5	50	2	22
Not applicable	5	12	0	0	3	23	1	10	1	11
Land Bank	3	7	2	20	0	0	0	0	1	11
Department of Land Affairs	12	29	2	50	2	15	1	10	4	44
Don't know	2	5	0	0	1	8	1	10	0	0
Beneficiaries	2	5	0	0	0	0	1	10	1	11
None of the above	1	2	0	0	0	0	1	10	0	0

Most of those who compiled business plans were, in the view of beneficiaries, also appointed by the Department of Agriculture, confirming that most beneficiaries associate the planning of their projects with the Department of Agriculture. In Category 1, proportions again differ from the total or general norm with 50% indicating that DLA appointed the person responsible for the business plan, 30% citing the Department of Agriculture and 20% the Land Bank as the responsible institutions.

### 3.5.1.2 Implementing business plans

**Table 3.39: The implementation of the business plan**

Involvement in implementation	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Not involved	14	33	3	30	4	29	4	40	3	33
Plan/project not implemented yet	6	14	1	10	1	7	0	0	4	44
Provide assistance	16	37	5	50	6	43	3	30	2	22
Not applicable	6	14	1	10	3	21	2	20	0	0
Don't know	0	0	0	0	0	0	0	0	0	0
None of the above	1	2	0	0	0	0	1	10	0	0
Involvement in follow up and aftercare	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Not involved	16	37	4	40	6	43	2	20	4	44
Give advice	13	30	4	40	3	21	5	50	1	11
Project not implemented yet	4	10	1	10	0	0	0	0	3	33
Not applicable	9	21	1	10	5	36	2	20	1	11
None of the above	1	2	0	0	0	0	1	10	0	0

Table 3.39 establishes the responsibilities of the agents of Business Plans for the implementation of their plans, and it shows that on most projects (37%) they provided assistance with implementation, with 33% of projects indicating that agents were not involved. In Category 1 proportions again deviates from the general, and the fact that 50% cited that they received assistance from the agents of their business plans (against 43%, 30% and 22% for the other categories), suggests that Category 1 projects maintain closer relations with institutional structures and that they are therefore better served, resulting in “increased production” or better performance compared to other projects.

As projects advance from implementation to “follow up” and “after care” involvement change from assistance to advice. There is less involvement from business plan agents with 37% of total projects indicating that they were not involved in follow up services as against the 33% noting no involvement with implementation activities. Business plan agents’ level of involvement after implementation however remains relatively high at 30% of total projects receiving advice. This could be due to the fact that most projects cited officials of the Department of Agriculture as the agents of business plans, who would in all likelihood continue to provide extension services to projects.

### 3.5.1.3 The value of business plans

On most projects (49% of total projects) beneficiaries are familiar with the details of their business plans. The fact that 37% of projects, including 40% and 56% of Category 1 and 4 projects respectively, don't know the details of their business plans raise questions about the use of business plans in land reform projects. Business plans could only be of use if project beneficiaries are aware of the details of their business plan, if the business plan is available on the farm and if the farm is farmed according to the business plan. Business plans are available and at hand on 49% of all projects, and the high percentages recorded for Categories 1 and 3 corresponds with these projects’ greater familiarity with the contents of their business plans. Most Category 1 projects nevertheless do not follow their business plans and 60% farm according to their own plans.

**Table 3.40: Awareness and use of business plans**

Do they know the details of the business plan?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Know	21	49	5	50	7	50	6	60	3	33
Don't know	16	37	4	40	5	36	2	20	5	56
Not applicable	5	12	1	10	2	14	1	10	1	11
None of the above	1	2	0	0	0	0	1	10	0	0
Is the business plan at hand on the farm?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Yes	21	49	6	60	6	43	6	60	3	33
No	16	37	3	30	6	43	3	30	5	56
Not applicable	5	12	1	10	2	14	0	0	1	11
None of the above	1	2	0	0	0	0	1	10	0	0
Is the original business plan implemented?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Farm according to own plan	18	42	6	60	7	50	3	30	2	22
Farm not yet in production	3	7	0	0	0	0	0	0	3	33
Cannot be implemented	2	5	0	0	0	0	0	0	2	22
Not applicable	4	9	0	0	2	14	1	10	1	11
Follow original business plan	15	35	4	40	5	36	5	50	1	11
None of the above	1	2	0	0	0	0	1	10	0	0

Overall only 35% of projects follow the original business plan, with Category 3 projects showing the highest proportion (50%), which would mean that the quality and appropriateness of business plans could be rightfully questioned.

#### 3.5.1.4 Aftercare and mentorship

As a practical and useful guide to sustainable farming an aftercare programme would be one of the minimum requirements for a business plan, and, if mentorship is furthermore identified as one of the support strategies in the a business plan and a mentorship strategy is outlined the business plan will so much better serve its purpose of contributing to sustainable farming.

An aftercare programme as a support strategy is however, included in the business plans of only 28% of projects, and a mentorship strategy in only 21% of the projects that were investigated (Table 3.14), which mean that the vast majority of projects were planned without taking the need for aftercare into consideration. Within categories projects that reported that aftercare programmes are included in their business plans range from 0% for Category 4 to 20%, 36% and 50% for Categories 1, 2 and 3 respectively, with slightly less but with similar proportions reported for mentorship.

#### 3.5.1.5 Implementing aftercare and mentorship

Projects reporting that aftercare is included in their business plans associated the responsibility for aftercare almost exclusively with the Department of Agriculture, and 30% reported that the Department are rendering aftercare services to their projects. Table 3.42 furthermore shows that aftercare is rendered to 40% of Category 1, 36% of Category 2, 30% of Category 3 and 11% of Category 4 projects, which suggests a direct relationship between project performance and aftercare. Exposure to mentorship follows more or less the same pattern (except for the drastic deviation in Category 3) with mentors appointed to 40% of Category 1, 29% of Category 2, and 11% of Category 4 projects.

**Table 3.41: Aftercare and mentorship programmes in business plans**

Is aftercare included in the business plan?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Yes	12	28	2	20	5	36	5	50	0	0
No	25	58	6	60	7	50	4	40	8	89
Not applicable	5	12	1	10	2	14	1	10	1	11
None of the above	1	2	1	10	0	0	0	0	0	0
Is mentorship detailed in business plan?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Yes	9	21	3	30	2	14	4	40	0	0
No	25	58	5	50	9	64	4	40	7	78
Not applicable	9	21	2	20	3	21	2	20	2	22
None of the above	0	0	0	0	0	0	0	0	0	0

**Table 3.42: Implementation of aftercare and mentorship**

Responsibility for aftercare	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Not applicable	27	63	6	60	7	50	5	50	9	100
Department of Agriculture	14	33	3	30	7	50	4	40	0	0
Services provider	2	5	1	10	0	0	1	10	0	0
Has a mentor been appointed?	#	%	#	%	#	%	#	%	#	%
Mentor appointed/assigned	14	33	4	40	4	29	5	50	1	11
Mentor not appointed/assigned	28	65	6	60	10	71	5	50	7	78
None of the above	1	2	0	0	0	0	0	0	1	11
Has aftercare been implemented?	#	%	#	%	#	%	#	%	#	%
Yes	18	30	4	40	5	36	3	30	1	11
No	19	44	4	40	4	29	5	50	6	67
Not applicable	10	23	2	20	5	36	2	20	1	11
None of the above	1	2	0	0	0	0	0	0	1	11

Table 3.43 shows that the vast majority (9 from 13 or 70%) of the projects that have established either formal or informal relations with mentors, benefited from mentorship, resulting in a general awareness (79% of all projects) of the need for a mentor.

**Table 3.43: Assessing mentorship**

Relationship with mentor	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Not applicable	30	70	5	50	12	86	5	50	8	89
Good	9	21	4	40	1	7	4	40	0	0
Not good	2	5	1	10	0	0	1	10	0	0
None of the above	2	5	0	0	1	7	0	0	1	11
Need a mentor?	#	%	#	%	#	#	%	#	%	#
Yes	34	79	8	80	10	71	9	90	7	78
No	9	21	2	20	4	29	1	10	2	22
Support from former farm owner	#	%	#	%	#	#	%	#	%	#
Yes	12	28	4	40	4	29	4	40	1	11
No	30	70	6	60	10	71	5	50	8	89
None of the above	1	2	0	0	0	0	1	10	0	0

Mentorship could start with assistance from the previous owners of the land -- 28% of projects reported that former farm owners supported them. Such support could, as the following statements indicate, either help projects to take off, or it can develop into a more enduring relationship if the former owner happens to farm elsewhere and not too far from the project as well:

- “The farm was leased to Mr Coen Lampbrecht until August 2002. Yes, he is very nice. He took me to his friend who is a vegetable farmer and showed me how to lay pipes and plant vegetables”.
- “He helped us by coming in the morning and asking if we have any problems, if so, he helped us”.
- “He assisted us with suitable breeding stock advice”.
- “Yes, he still gives advice when needed”.

### 3.5.2 Operational Phase

Once the beneficiaries of land reform have occupied their farms, they need to adapt to a new social setting and other socio-economic circumstances, as well as to a different farming environment. This would, in most cases, require a radical transformation from subsistence rural or township farming to the commercial use of agricultural resources. Whether this will occur, will largely depend on themselves and the formal institutional and support framework designed to support land reform projects.

#### 3.5.2.1 The State’s agents for land reform

The Departments of Land Affairs and Agriculture drive land reform; the programme is supported by the Land Bank, implemented by planning officials and in its operational phase further assisted by extension staff. A stable institutional environment is crucial for the transformation to commercial farming and project sustainability, and Table 3.44 shows that DLA staff on 35% of projects has not been replaced and on 40% of the projects the original planning official has been replaced once, with similar proportions for the different categories.

Table 3.44: Staff turnover

Department of Land Affairs and Land Bank	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Not replaced	15	35	4	40	6	43	3	30	2	22
Replaced once	17	40	4	40	4	29	5	50	4	44
Replaced twice	1	2	0	0	0	0	0	0	1	11
Replaced more than twice	2	5	0	0	2	14	0	0	0	0
Left but not replaced	0	0	0	0	0	0	0	0	0	0
Don't know	7	16	2	20	2	14	2	20	1	11
None of the above	1	2	0	0	0	0	0	0	1	11
Department of Agriculture	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Not replaced	20	47	4	40	8	57	5	50	3	33
Replaced once	5	12	1	10	2	14	1	10	1	11
Replaced twice	1	2	0	0	0	0	0	0	1	11
Replaced more than twice	0	0	0	0	0	0	0	0	0	0
Left but not yet replaced	1	2	0	0	0	0	1	10	0	0
Don't know	16	37	5	50	4	29	3	30	4	44

More important from a farming point of view would be the relations with the agricultural extension staff of the Department of Agriculture. The fact that 47% of the projects is still served by the same officials that were responsible for their projects when they took occupation of their farms, and only 12% of the projects reported that the original official has been replaced once, suggests a relatively stable institutional environment. A large number of projects (37%) though “don’t know” whether the extension staff responsible for their projects have been replaced. The majority (50%) of Category 1 and 44% of Category 4 projects fall within this category which could be either because they seek agricultural advice and support from other institutional sources (more likely for Category 1 projects) or because production hasn’t taken off yet and they don’t seek agricultural advice at all (likely in the case of Category 4 projects).

### **3.5.2.2 Government support: nature and expectations**

As projects move into operational phases the support the government’s agents of land reform would render, would be adapted to their specific roles and responsibilities in the land reform programme.

Table 3.45 summarises the support projects have received from DLA, Land Bank and the Department of Agriculture since they have occupied the farms. While 44% of projects have received no support from DLA and Land Bank, these institutions continue to play an important role in the operation of projects. Since DLA control production grants and Land Bank needs to serve its clients, 24% received financial assistance with 17% receiving assistance with production grants and 7% receiving financial advice. A significant number of projects (22%) received institutional support, and, as the following indicate, its institutional role largely revolves around the resolution of conflict:

- We called the DLA officials to come and explain to all the beneficiaries what is happening with the grants
- They held a meeting to try and resolve the problem, but it did not work. DLA then tried to help but it did not work. They accuse other from being against them and not listening to them
- DLA helped to resolve our problems by explaining matters to workers

Although its institutional role is not limited to conflict resolution, it would be essential for the operation of projects, given the possibilities for disagreement and conflict between beneficiaries.

The Department of Agriculture provided “advice” to 47% and “support” to 5% of projects, whilst 49% indicated that they have not received any help from the Department. These projects and in particular the 60% Category 1 projects that reported no help, could be seeking agricultural advice and extension support from other institutions, or, they don’t need agricultural advice because there is no agricultural production, which would include most of the 67% Category 4 projects that reported “no help” from Agriculture.



**Table 3.45: The nature of support**

<b>Assistance: Department of Land Affairs and Land Bank</b>	<b>Total</b>		<b>Category 1</b>		<b>Category 2</b>		<b>Category 3</b>		<b>Category 4</b>	
	#	%	#	%	#	#	%	#	%	#
No help	19	44	4	40	3	18	6	60	6	67
With production grant	8	17	1	10	3	18	3	30	1	11
Institutional support	10	22	2	20	6	35	0	0	2	22
Financial advice	3	7	2	20	1	6	0	0	0	0
Farming advice	3	7	0	0	2	12	1	10	0	0
Provided Service Provider/ Planner	2	4	0	0	2	12	0	0	0	0
None of the above	1	2	1	10	0	0	0	0	0	0
<b>Assistance: Department of Agriculture</b>	<b>Total</b>		<b>Category 1</b>		<b>Category 2</b>		<b>Category 3</b>		<b>Category 4</b>	
	#	%	#	%	#	#	%	#	%	#
Advice	20	47	4	40	6	43	7	70	3	33
No help	21	49	6	60	6	43	3	30	6	67
Support	2	5	0	0	2	14	0	0	0	0

Beneficiaries' expectations of these institutions are shown in Table 3.46, and the support they expect largely corresponds with the general responsibilities of the two Departments. Expectations of support from DLA and Land Bank revolve around farming resources, including direct financial assistance as well as assistance to acquire additional land and implements, whereas expectations from the Department of Agriculture revolve largely around advice on the technical aspects of farming and capacity building through after care and training. Expectations thus largely reflect the respective roles of the two departments in the land reform process. The financial assistance expected from DLA also relates to the fact that DLA control projects' production grants, and as many projects indicated reluctance on the part of DLA to pay their grant "balances", expectations of financial support includes clarity on and access to their "balances".

**Table 3.46: Expectation of support**

<b>Department of Land Affairs and Land Bank</b>	<b>Total</b>		<b>Category 1</b>		<b>Category 2</b>		<b>Category 3</b>		<b>Category 4</b>	
	#	%	#	%	#	#	%	#	%	#
Further financial assistance	25	54	7	64	8	57	6	50	4	44
Nothing	6	13	1	9	0	0	2	17	3	33
To buy another farm	5	11	1	9	3	21	1	8	0	0
Provide implements	6	13	1	9	1	7	3	15	1	11
Advice	3	7	1	9	2	14	0	0	0	0
None of the above	1	2	0	0	0	0	0	0	1	11
<b>Department of Agriculture</b>	<b>Total</b>		<b>Category 1</b>		<b>Category 2</b>		<b>Category 3</b>		<b>Category 4</b>	
	#	%	#	%	#	#	%	#	%	#
Nothing	2	3	1	8	0	0	0	0	1	10
Advice	22	38	5	42	10	46	5	36	2	20
Infrastructure development	10	17	3	25	3	14	2	14	2	20
Aftercare and training	15	26	2	17	6	27	5	36	2	20
Financial support	6	10	1	8	1	5	2	14	2	20
Mentor	3	5	0	0	2	9	0	0	1	10

Although not a large proportion, the fact that 17% of the projects expect infrastructure development from the Department of Agriculture should be noted: it could indicate the degree of awareness of departmental initiatives to support infrastructure development such as the CASP programme, and given the general condition of project infrastructure, it shows an extremely low awareness of government programmes designed to support land reform

### 3.5.2.3 The quality of support

The quality of support would, amongst other things, be influenced by the frequency of interaction. From Table 3.47 it is clear that in the operational phase, interaction with the extension staff of the Department of Agriculture increased, with 47% of the projects indicating regular visits by extension officials, whilst interaction with DLA planning officials decreased. They visited projects in operation occasionally; 32% were never visited, 25% seldom received visits and a further 25% were visited from time to time. Although this could reflect the responsibility of DLA and the changing needs of projects in the operation phase, it is an exceptionally high proportion of projects that are either never (32%) or seldom (25%) visited by DLA officials.

The emphasis in the operational phase is on production and sustainability, for which the Department of Agriculture is responsible. The fact that extension staff never visited 21% and seldom visited 14% of the projects would, however, not auger well for the future of these projects, even though the highest proportion of these projects are Category 1 projects.

Table 3.47: Frequency of project visits

Department of Land Affairs and Land Bank	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Never	14	32	5	50	2	13	3	30	4	44
Seldom	11	25	1	10	6	40	2	20	2	22
From time to time	11	25	3	30	3	20	4	40	1	11
Regularly	7	16	1	10	4	27	0	0	2	22
None of the above	1	2	0	0	0	0	1	10	0	0
Department of Agriculture	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Never	9	21	4	40	1	7	2	20	2	22
Seldom	6	14	1	10	3	21	0	0	2	22
From time to time	8	19	0	0	2	14	4	40	2	22
Regularly	20	47	5	50	8	57	4	40	3	33

Good practical farming advice is essential for production and sustainability, and Table 3.48 shows that it is associated with the Department of Agriculture. Because it is not their chief responsibility the vast majority of projects reported that they have not received good farming advice from DLA and Land Bank. As this is the task of the Department of Agriculture, the fact that only 60% of the projects believed that their advice was good and practical should be a matter of concern for the Department. Although the 36% that reported they have not received usable advice from the Department would include projects that were never visited, it would, nevertheless also include projects that did not judge the quality of extension advice too positively.

Table 3.48: The quality of advice

Department of Land Affairs and Land Bank	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Provide good practical advice	6	14	1	10	3	21	1	10	1	11
Does not provide good practical advice	36	84	9	90	11	79	8	80	8	89
Not applicable	1	2	0	0	0	0	1	10	0	
Department of Agriculture	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Provide good practical advice	25	60	4	40	10	71	5	50	6	67
Does not provide good practical advice	15	36	5	60	3	21	4	40	3	33
Not applicable	2	5	0	0	1	7	1	10	0	0

The following were cited as examples of good practical farming advice received:

- Advice on how to use water and rotational grazing.
- Stocking cattle and rotational grazing advice.
- When to plant, and suitable crops.
- Advice on sheep disease and soil preparation.
- Only comes when asked. Tell them when something is wrong and how to correct it.
- Advice on feeding cattle and disease control.
- Advice on suitable grazing grass and when to inject cattle.

This is important advice for “beginner boere” as some of the beneficiaries referred to themselves. It is, however, fairly general and basic and is judged as good practical farming advice from knowledge levels that require basic farming advice. However, as farmers progress the level of technical advice they require changes, and the fact that the highest proportion of projects that indicated they did not receive good practical advice are from Category 1 could be a reflection of the level of technical advice these projects require rather than a critique of the quality of extension services.

No extension officer can be an expert on everything though, and the experience of the female farmer of the year demonstrates the value of extension to those who seriously seek advice.

She has great appreciation for the advice she received from Mr. Mogorosi, which she “follows to the letter”. She recognises his contribution to her farming success: “Mogorosi helped me a lot and recommended me for Female Farmer of the Year. He deserves part of the award”. When he lacked the technical know-how, his service became facilitation. “Mogorosi took me to a white farmer in Buhmansdrif who showed me his greenhouse structures and offered support to erect my greenhouse once I have bought the material”. Unfortunately Mr Mogorosi has since been replaced, and she regrets his departure: “Mogorosi was replaced in August, but the new person never visits. Since August, he has not visited. He is not a good new broom”.

### **3.5.3 Agribusiness and Land Reform**

There is general agreement that government and the private sector should take hands in the delivery of land reform. In this joint venture, agribusiness and farmers will be the main partners of government.

#### **3.5.3.1 Main input suppliers**

To assess the involvement of agribusiness in land reform, projects’ main input suppliers are given in Table 3.49 per farming enterprise.

Agricultural cooperatives are the main input supplier to cattle farmers, followed by rural trading stores. Category 1 projects farming with cattle in particular support cooperatives, which represent the highest proportion in all categories. Most Category 4 projects (67%) “don’t know” their main input suppliers and this ignorance matches their production status. Although most (50%) projects indicated that they don’t require inputs for goat farming, most projects that did require inputs, obtained it from cooperatives. Supplies for sheep farming are also mostly obtained from cooperatives, followed again by rural trading stores. Suppliers to the poultry industry include cooperatives and agribusiness in almost equal measure. Overall, cooperatives are clearly the main suppliers of farm inputs to land reform projects. To

contribute more meaningfully to land reform cooperatives and other suppliers' responsibility to their land reform clients however would have to go further than mere supply to include other forms of support.

### 3.5.3.2 Additional services input suppliers provide

Table 3.50 shows that both cooperatives and agribusiness provide only limited additional support to their land reform clients, with the proportion of the 26% projects that were supported, the highest in Categories 1 and 2, which confirms the important role agribusiness needs to play in land reform.

**Table 3.49: Main input suppliers per enterprise**

Cattle farming	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Don't know	4	13	0	0	1	7	1	17	2	67
Trading store	5	16	1	11	3	21	1	17	0	0
Cooperative	18	56	7	77	8	57	2	33	1	33
Veterinarian	2	6	1	11	0	0	1	17	0	0
Fellow farmers	1	3	0	0	1	7	0	0	0	0
Agribusiness	1	3	0	0	0	0	1	17	0	0
Goats	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Don't know	0	0	0	0	0	0	0	0	0	0
Trading store	1	13	0	0	1	20	0	0	0	0
Cooperative	2	25	0	0	2	40	0	0	0	0
Veterinarian	0	0	0	0	0	0	0	0	0	0
Fellow farmers	0	0	0	0	0	0	0	0	0	0
No inputs required for goat farming	4	50	1	100	2	40	0	0	1	100
Agribusiness	1	12	0	0	0	0	1	100	0	0
Sheep	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Don't know	0	0	0	0	0	0	0	0	0	0
Trading store	3	21	1	25	1	20	1	25	0	0
Cooperative	9	64	2	50	4	80	3	75	0	0
Veterinarian	1	7	1	25	0	0	0	0	0	0
Fellow farmers	0	0	0	0	0	0	0	0	0	0
Agribusiness	1	7	0	0	0	0	0	0	0	0
Poultry	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Epol	3	23	2	40	1	25	0	0	0	0
Rainbow Chickens	1	8	1	20	0	0	0	0	0	0
Meadow	1	8	0	0	1	25	0	0	0	0
Serfontein Chickens	2	15	1	20	1	25	0	0	0	0
Cooperative	6	46	2	40	1	25	2	100	1	50

**Table 3.50: Additional support from input suppliers**

Support	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
Received additional support from input suppliers	11	26	4	40	7	50	1	10	1	11
Received no additional support from input suppliers	32	74	6	60	7	50	9	90	8	89

**3.5.3.3 Support network**

Besides family and friends, projects' support networks would comprise government, agribusiness, commercial farmers as well as beneficiaries of other land reform projects. Projects' *actual* support networks though are those that are activated when projects need support and advice.

Table 3.51 shows that the vast majority of projects across all categories source advice from the extension officers of the Department of Agriculture. It is only Category 1, and to a lesser extent Category 2 projects that have established some relations with agribusiness. For most projects however the farming world largely remains limited to the Department of Agriculture.

**Table 3.51: Projects main sources of farming advice**

	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
<b>Cattle</b>										
Haven't sought advice	2	7	1	13	1	8	0	0	0	0
Extension officer/ Dept of Agriculture	20	69	5	62	8	62	5	100	2	67
Cooperative	4	14	1	13	2	15	0	0	1	33
Veterinarian	2	7	1	13	1	8	0	0	0	0
<b>Goats</b>										
Haven't sought advice	4	40	1	100	3	75	0	0	0	0
Extension officer/ Dept of Agriculture	3	30	0	0	1	25	1	50	1	100
Cooperative	1	10	0	0	0	0	1	50	0	0
Veterinarian	0	0	0	0	0	0	0	0	0	0
<b>Sheep</b>										
Haven't sought advice	2	18	1	33	1	25	0	0	0	0
Extension officer/ Dept of Agriculture	6	55	1	33	3	75	2	67	0	0
Cooperative	1	9	0	0	0	0	1	33	0	0
Veterinarian	1	9	1	33	0	0	0	0	0	0
<b>Poultry</b>										
Rainbow	1	11	1	33	0	0	0	0	0	0
Extension Officer	7	78	2	66	1	50	2	100	2	100
Epol	1	11	0	0	1	50	0	0	0	0
Meadow	0	0	0	0	0	0	0	0	0	0

It is generally agreed that the contribution of commercial white farmers is crucial for the success of the land reform process, and farmers and farmer representative bodies regularly pledge their commitment to support land reform.

Although the figures in Table 3.52 could not be taken to indicate the extent of commercial white farmers' commitment and support to land reform, it at least shows that:

- The beneficiaries of most projects do approach established white farmers.
- Most white farmers are prepared to provide help and support when approached.

There is, therefore, a definite potential for support networks to develop on a neighbourhood basis between established commercial farmers and the beneficiaries of land reform projects. The following quotes from a few interviews provide some insight an understanding of the kind of relationships that are developing between some commercial white farmers and some land reform projects:

- “When our pump was stolen, our neighbour helped us with water.”
- “He came with his workers stopping the fires on our farm. Their attitude is good.”
- “He helped with advice and implements.”
- “The neighbour helped me to plough.”
- “The former owner and their neighbours provide advice when we ask them.”

The basis for cooperation and support exists; it needs to be developed and formalised.

The wise words of the female farmer of the year could perhaps also give direction in this regard:

“We are still starting and I accept that I need help and support from people with experience. I have therefore befriended white farmers and they are helping me a lot.”  
 “My neighbour, Coen Lamprecht, leases 40ha from me. His lease will expire at the end of 2005. Coen's attitude is good, he also depends on me. He took me to Mr. Bob Scott, who showed taught me about irrigation systems, how to plant vegetables, and how to irrigate. He came twice”

This shows understanding, eagerness to learn, the readiness to help and mutual respect.

**Table 3.52: Support from commercial white farmers**

Cattle	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
No help from white farmers	13	45	3	38	5	42	3	60	1	50
Helped by white farmers	15	52	5	62	6	50	2	40	1	50
<b>Goats</b>										
No help from white farmers	4	40	1	100	2	33	0	0	1	50
Helped by white farmers	3	30	0	0	2	33	1	100	0	0
	3	30			2	33			1	50
<b>Sheep</b>										
No help from white farmers	3	27	1	33	2	50	0	0	0	0
Helped by white farmers	7	64	2	67	2	50	3	100	0	0
	1	9							1	100
<b>Poultry</b>										
No help from white farmers	5	56	2	67	1	50	2	100	0	
Helped by white farmers	4	44	1	33	1	50	0	0	2	100

Mutual relations of support and cooperation between land reform projects could further strengthen projects' support networks. Table 3.53 shows the extent of support projects received from fellow emerging farmers, and, although most projects received no assistance on cattle, goats and sheep, most reported support on poultry and crop farming, which could indicate that ties of mutual cooperation and camaraderie are developing amongst emerging farmers.

**Table 3.53: Support from emerging farmers**

Cattle	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
No help from fellow emerging farmers	16	55	6	75	6	50	3	60	1	25
Helped by fellow emerging farmers	12	41	2	25	5	42	2	40	3	75
Goats	#	%	#	%	#	%	#	%	#	%
No help from fellow emerging farmers	6	60	1	100	3	50	0	0	1	50
Helped by fellow emerging farmers	1	10	0	0	1	17	1	100	0	0
Sheep	#	%	#	%	#	%	#	%	#	%
No help from fellow emerging farmers	7	63	2	67	3	75	2	67	0	0
Helped by fellow emerging farmers	2	18	0	0	1	25	1	33	0	0
Poultry	#	%	#	%	#	%	#	%	#	%
No help from fellow emerging farmers	4	44	2	67	0	0	2	100	0	0
Helped by fellow emerging farmers	5	56	1	33	2	100	0	0	2	100
Crop farming	#	%	#	%	#	%	#	%	#	%
No help from fellow emerging farmers	2	10	1	17	0	0	1	25	0	0
Helped by fellow emerging farmers	12	57	3	50	5	63	1	25	3	100

### 3.6 FARM MANAGEMENT

Management is considered one of the keys to successful farming, and although this section deals with a range of farm, labour and financial management issues, it is not an assessment of project or farm management; this would require a specialised study.

#### 3.6.1 Management Structures

Farm management on land reform projects are either:

- Dominated by Executive Committees through chairpersons or farm managers who are usually members of Executive Committees.
- Managed by farm owners, usually a family head or a partner/director of a small “company”.
- Organised in terms of management, supervision and labour.

The majority (Table 3.54) of projects have some arrangement around management, supervision and labour in place (40%). This management form dominates (60%) Category 1 projects, while in Category 2 projects it dominates together with “owner” management (36%). In Category 3 management is “executive committee” dominated, while the largest percentage of farms in Category 4 (44%) are not yet organised, although amongst those that are, labour, supervision and management are instituted (33%). The production status of projects therefore seems to correlate positively with management structured in terms of management, supervision and labour and management structured around farm owners.

**Table 3.54: Farm management structure**

Management Structure	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Not yet organised	6	14	0	0	1	7	1	10	4	44
Executive Committee dominated	10	23	1	10	3	21	4	40	2	22
Owner managed	10	23	3	30	5	36	2	20	0	0
Organised: labour, supervision, management	17	40	6	60	5	36	3	30	3	33

##### 3.6.1.1 Management models

The majority of projects are managed communally (60%), with similar proportions for the different categories, as can be seen from Table 3.55. In a communal management model members share ownership of the farm, all assets, costs, labour and profits. Only one project (2% of the total) in Category 1 is cooperatively managed, with members sharing the farm and infrastructure, but individuals managing their own assets and farming for their own profit. The second most common form of management is “communally as family business” (23%) of all the projects and particularly prominent in Category 3 (30%), and Category 2 (29%). Only 6 (14%) of the total projects noted that projects are managed on an individual basis with some individuals using the farm for themselves, managing their own assets for their own profit. Half of these projects, which were all initiated as communal projects, are in Category 4, resulting in this being the second most prominent management model for Category 4 (33%) projects.



**Table 3.55: Management model**

Type of Management	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Communally	26	60	6	60	8	57	7	70	5	56
Cooperatively	1	2	1	10	0	0	0	0	0	0
Communally as family business	10	23	2	20	4	29	3	30	1	11
Individually	6	14	1	10	2	14	0	0	3	33

### 3.6.1.2 Farm managers

Table 3.56 shows that executive committees or members of executive committees mostly manage farm activities. This is true in 45% of projects, but particularly in Category 4 (67%) and Category 2 (57%). Management of farm activities though is more evenly spread between “executive committee”, “farm owner or family head”, and “director/ co owner” in Categories 1 and 3, where 27% and 30% of projects respectively indicated these in equal proportions as farm managers.

**Table 3.56: Manager of farm activities**

Manager	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Manager not yet appointed	4	9	1	9	0	0	1	10	2	22
Chairman/Executive Committee	20	45	3	27	8	57	3	30	6	67
Farm owner family head	11	25	3	27	5	36	3	30	0	0
Directors/Co owner	7	16	3	27	1	7	3	30	0	0
Hired manager	1	2	1	9	0	0	0	0	0	0
Not operational	1	2	0	0	0	0	0	0	1	11

The ages of those responsible for farm management (referring to the chairpersons of committees or heads of families where these are the farm managers) range between 27 and 90 years, with an average age of 53. Levels of formal education of these individuals vary, from those having no education, to others with some form of tertiary education. The reasons for appointing them to manage farming activities are summarised in Table 3.57 below.

**Table 3.57: Reasons for appointing managers**

The 4 beneficiaries are made up out of 2 households. The males are appointed as farm managers.
He was the only one with a farming background
The family appointed him.
Members appointed him.
He was appointed because of his experience in farming.
He is the farm owner.
The farm is managed by the committee which was elected by other members
Nobody appointed me since I started this project alone.
Because he is the only the active member and one who has light.
They have an election in which the committee and chairman are chosen
They are the trustees and those who still want to farm
It is his farm, he believes that he has knowledge in farming and he is managing the farm very well
Because of all the courses he done, he was the one most suited for farm manager, and because he knows most of the white farmers.
He was appointed as he is the head of the family and the person who initiated the buying of the farm.
Based on the education qualification he has.
Because they all own this farm and they manage well.
She is the mother of most of the beneficiaries and the one who initiated the project
She was the first chairperson. It was decided that the chairperson should be the manager. New chairperson was appointed. She manages well
Because of his experience in farming and he is the father and head of the house.
He started the project and he has more business knowledge than the other members
No one way appointed, the farm is a family owned entity

### 3.6.1.3 Decision making

Most projects take farming decisions (Table 3.58) at general meetings. Although this is true for 58% of all projects, it is predominantly the case for projects in Category 4 with 78% of projects taking decisions at general meetings. In Category 1 projects, decision making in contrast to Category 4, rests mainly with farm owners and family heads (40% of projects in this category), who are also responsible for farming decisions on 33% of projects in Category 2, and 27% in Category 3. Chairmen or Executive Committees are responsible for decisions on only 13% of the projects, which is surprisingly low given the fact that 23% of projects are “executive committee dominated”.

General meetings, it would seem, are not effective decision making mechanisms; it dominates Category 4 projects with agricultural production the ultimate victim of a decision making system that too often result in no decision-making at all. Farm owners and family heads are more effective decision makers, as decision-making in Category 1 seems to confirm.

**Table 3.58: Decision making**

Farming decisions	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Executive committee members	6	13	1	10	2	13	2	18	1	11
By owner/ family head	12	27	4	40	5	33	3	27	0	0
General meeting	26	58	5	50	8	53	6	55	7	78
Not operational	1	2	0	0	0	0	0	0	1	11

### 3.6.1.4 Management of Farming Operations

The largest proportion (see Table 3.59) of all projects (37%) has members (i.e. other members than management or committee members) in charge of cattle operations. This is particularly true in Category 4 (67%) and Category 2 (50%). Directors or farm owners also comprise an important component in the management of cattle with 30% of all projects, and 63% of Category 1 projects managed by them. This being so, only 7% of projects entrust their cattle to the care of employees.

**Table 3.59: Management of farming operations**

Cattle	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Members	10	37	1	13	6	50	1	25	2	67
Employee	2	7	0	0	1	8	1	25	0	0
Directors/ Farm owner	8	30	5	63	1	8	1	25	1	33
Executive Member	7	26	2	25	4	33	1	25	0	0
<b>Goats</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Member	4	80	1	100	2	67	0	0	1	100
Employee	0	0	0	0	0	0	1	100	0	0
Directors/ Farm owner	1	20	0	0	1	33	0	0	0	0
Executive Member	0	0	0	0	0	0	0	0	0	0
<b>Sheep</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Member	3	30	0	0	2	50	1	33	0	0
Employee	1	10	0	0	1	25	0	0	0	0
Directors/ Farm owner	5	50	2	67	1	25	2	67	0	0
Executive Member	1	10	1	33	0	0	0	0	0	0
<b>Poultry</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Member	2	25	1	33	0	0	0	0	1	100
Employee	0	0	0	0	0	0	0	0	0	0
Directors/ Farm owner	4	50	2	67	0	0	2	100	0	0
Executive Member	2	25	0	0	2	100	0	0	0	0
Appointed Farm Manager	0	0	0	0	0	0	0	0	0	0

Table 3.59 shows that members, who are not members of project management structures but who are employed, manage goat operations on 80% of projects; while on 20% of all projects goats are managed by directors or farm owners. Goats therefore are like cattle managed by project members and not by employees. Similarly, directors or farm owners, mostly manage sheep operations. This is true for 50% of projects, and particularly in Categories 1 and 3, where directors/ farm owners of 67% of the projects manage sheep operations. In 30% of

projects members have this responsibility, leaving sheep in only 10% of projects in the care of employees.

The largest proportion of poultry projects (50%) are managed by directors or farm owners. This includes 67% Category 1, and all Category 3 projects that farm with poultry. Members manage a further 33% of Category 1, as well as the one poultry project in Category 4, while all (2) projects in Category 2 farming with poultry are managed by the Chairperson.

Except for 3 projects (7% of all projects) where employees take care of cattle (two projects) and sheep (one project), members or project beneficiaries predominantly manage livestock operations.

### 3.6.2 Farming Capacity and Knowledge

To manage farms requires knowledge and skill, and the managers of farming operations' farming knowledge is established by enquiring into the sources of their farming knowledge and their farming background.

#### 3.6.2.1 Sources of beneficiaries' agricultural knowledge

Table 3.60 gives an indication of the sources of farming knowledge of beneficiaries by focussing on the sources of knowledge of the managers of cattle and sheep operations.

**Table 3.60: Source of knowledge**

Source of knowledge	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
<b>Cattle</b>										
Experience	17	74	6	75	8	80	1	33	2	100
Training	6	26	2	25	2	20	2	67	0	0
<b>Sheep</b>										
Experience	4	57	2	100	1	50	1	33	0	0
Training	3	43	0	0	1	50	2	67	0	0

Table 3.60 shows that the vast majority of those responsible for managing cattle operations gained their knowledge through experience. Only in 6 cases (26% of projects) did they receive any official training in cattle management. Of these, 2 are from Category 3 projects, making up the majority (67%) of this Category's cattle managers. All the managers of goat operations obtained their knowledge through experience, and on 57% of projects that have sheep, those responsible for management of sheep operations gained their knowledge through experience, while 43% attended training. Only 2 poultry projects indicated where their managers had obtained their knowledge; one in Category 1, through experience, and one in Category 3, through training.

Although beneficiaries on all projects attended training courses in various farming enterprises, experience rather than training is the predominant source of agricultural knowledge across projects and for all farming operations. It is therefore important to establish the nature of their farming experience.

### 3.6.2.2 Beneficiaries' farming background

Project beneficiaries are either from

- rural areas, where they were exposed to subsistence and small scale commercial farming;
- commercial farms, where they were mainly farm labourers and allowed to keep a limited number of cattle; or,
- townships, where they had limited exposure to agricultural practice.

Table 3.61 shows the farming background of beneficiaries and their distribution through the different categories, as well as the number of projects they represent.

Most beneficiaries came from farm labour<sup>5</sup> and subsistence farming backgrounds. As percentages though the 344 beneficiaries from farms represent 51% of projects, and the 180 beneficiaries who practised subsistence farming represent 70% of projects. Most projects therefore include beneficiaries from subsistence farming backgrounds, and whereas the proportion of projects including beneficiaries from the other farming backgrounds are randomly, beneficiaries from subsistence farming backgrounds are evenly distributed through the different categories. Only 21 beneficiaries from just 6 (14%) projects practised small-scale commercial farming of which 4 (67%) are Category 1 projects, indicating a positive correlation between project's production status and the incidence of beneficiary representation from commercial farming backgrounds. Farming was furthermore the main source of income of 80 beneficiaries representing 50% of Category 1, 7% of Category 2, 40% of Category 3 and 22 % of Category 4 projects.

**Table 3.61: Farming background of beneficiaries**

Beneficiaries	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
# = Beneficiaries										
% = Percentage of active beneficiaries										
Subsistence farming	180	28	27	34	79	20	29	47	45	38
Commercial farming	21	3	6	8	0	0	15	24	0	0
Farm labourer	344	53	13	16	25	6	21	39	62	52
Farming as only means of income	80	12	24	30	10	3	9	15	37	31
<b>Projects</b>										
# = Projects										
% = Percentage of total projects per category										
Subsistence farming	30	70	7	70	10	71	7	70	6	66
Commercial farming	6	14	4	40	0	0	2	20	0	0
Farm labourer	22	51	5	50	9	64	6	60	2	22
Farming as only means of income	12	28	5	50	1	7	4	40	2	22

These projects (with farming as main income source) either include

- former farm labourers who acquired the farm with farm employees from other farms and represented largely in Category 4;
- former rural dwellers who lived as subsistence cattle farmers in communal areas and who formed groups to buy cattle farms where they can keep their cattle and pursue cattle farming away from the over stocked communal areas, while still maintaining links with their rural home; or

<sup>5</sup> The number of beneficiaries given excludes the 1100 beneficiaries from the Migdol project who were farm labourers because it would superficially inflate numbers and percentages.

- former rural dwellers who cultivated their own and rented other subsistence farmers' land in order to make a living from small-scale agriculture, and who bought smaller farms which they try to run as family concerns. Most of these projects are Category 1 projects.

The implications are self-evident: projects including beneficiaries from small-scale commercial backgrounds as well as beneficiaries with subsistence or small-scale commercial farming as main source of income, seem to have a better chance to make their projects work.

### 3.6.3 Labour

Farm labourers on projects predominantly consist of beneficiaries (51% of projects), as well as a combination of beneficiaries and employees (33% of projects). This is true across the four categories, to varying extents, as can be seen from Table 3.62. On only 13% of projects are the labour requirements met solely by employees.

**Table 3.62: Farm labour**

Labourers	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
<b>Beneficiaries</b>	23	51	6	60	7	50	4	40	6	67
<b>Employees</b>	6	13	3	30	1	7	2	20	0	0
<b>Beneficiaries and Employees</b>	15	33	3	30	6	43	4	40	2	22
<b>Not operational/ no labourers</b>	1	2	0	0	0	0	0	0	1	11

Viewed per farm enterprise (Table 3.63), project members comprise the majority of labourers for cattle operations (81%). This is the case for all categories with varying percentages, except for Category 3, where members and non-members are equally (50%) employed as labourers. Except for one member from a Category 2 project who has attended a course, all the others gained their knowledge through traditional cattle farming experience.

The same accounts for poultry operations, with members employed as labourers on 69% of poultry projects, and to varying degrees across all the categories. The farm manager of a poultry project in Category 1 has indicated that he wants to take members who are labourers on a training course and has made an application at Department of Labour in this regard.

It can also be seen from Table 3.63 that project members comprise 100% of the labourers on all projects and in all categories that keep goats. Labourers for sheep operations though are predominantly non-members (67%). While members and non-members are equally (50%) employed in Category 2 projects, Categories 1 and 3 both employ only non-members as labourers for sheep operations.

**Table 3.63: Labour per enterprise**

Labour status	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	#	%	#	%	#
<b>Cattle</b>										
Members	67	81	34	77	25	96	5	50	3	100
Non members	16	19	10	23	1	4	5	50	0	0
Total	83		44		26		10		3	
<b>Goats</b>										
Members	14	100	1	100	12	100			1	100
Non members	0	0	0	0	0				0	0
Total	14		1		12				1	
<b>Sheep</b>										
Members	5	33	0	0	5	50	0	0		
Non members	10	67	4	100	5	50	1	100		
Total	15		4		10		1			
<b>Poultry</b>										
Members	24	69	15	68	6	75	3	60		
Non members	11	31	7	32	2	25	2	40		
Total	35		22		8		5			

**3.6.3.1 Labour relations**

Recent labour legislation aimed at protecting the rights of employees, and in particular the Extension of Security of Tenure Act (ESTA) that protects the residential rights of farm workers and farm residents, will, if not already, impact on labour relations on land reform projects in future. Table 3.64 shows that employees are resident on 42% of the projects. These projects are already subject to the provisions of the Act, as resident employees could use the provisions of the Act to obtain residential security should any labour disputes arise.

Former farm employees are resident on 30% of the projects, and 31% of these projects (with resident former employees) reported that the former farm employees are causing problems. It is therefore no surprise that the representatives of 35% of the projects rejected the Extension of Security of Tenure Act (ESTA) and 23 % qualify their support for the Act with the proviso that former residents can only stay if they work.

**Table 3.64: Residential status of employees**

	Projects	
	#	%
<b>Employees resident on farm</b>		
Yes	18	42
No	25	58
<b>Former farm employees resident on farm</b>		
Yes	13	30
No	30	70
<b>Former farm employees a problem</b>		
Yes	4	31*
No	9	69*
<b>Extension of Security of Tenure Act</b>		
Support	18	42
Qualified support	10	23
Reject	15	35

\* As percentages of the 13 projects with former farm employees living on the farm.

The Act has already impacted on farming activities on land reform projects. On a farm in the Lichtenburg area 8 former employee families occupy the labour houses and graze their cattle on a beneficiary of land reform's farm, all to the sheer dismay of the current owner who stand helpless against their use of resources he is indebted to Land Bank. Members of other projects who had to confront the realities of ESTA share his bitter resentment of ESTA. The following statements represent the views of the 23% that qualify their support for as well as the 35% that rejected ESTA:

- "They can stay on the farm until they get other work."
- "Don't know the Act and will not allow it to be practiced on my farm."
- "It is really unfair."
- "It's being oppressive to the owner and it results in problems because they enjoy all the benefits of the owner."
- "The act is not good, because the farm belongs to me, not to former residents."
- "The Act was meant to punish the whites, now it is punishing us."

### 3.6.4 Financial Management

Table 3.65 establishes the financial management status of the projects and shows that:

- Only 18 of the projects (42%) have access to a fund to cover farm expenses, and while the percentage in Category 1 (78%) is relatively high, only 10% and 33% of projects in Categories 3 and 4, respectively, have access to such a fund.
- The majority of projects (70%) keep financial records up to date.
- The majority (67%) of projects have determined their financial needs. Specific needs that were identified by some of the projects are summarised in Table 3.66, which shows that funds, additional livestock, and improvements in farm infrastructure are regarded as the primary financial needs.
- Less than half (42%) of project or committee members have been trained in project or financial management. This percentage is slightly higher in Categories 2 and 4 where respectively 50% and 56% of members have received such training. Almost all (95%) project representatives believe that their project and financial management skills need to be developed.

**Table 3.65: Financial management status of projects**

Financial Management	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Is there a fund to cover farm expenses?	18	42	7	78	7	50	1	10	3	33
Are financial records kept and are they up to date?	30	70	10	100	7	50	9	90	4	44
Have the financial needs of the project been determined, and what is required?	28	67	7	70	8	62	8	80	5	56
Are any members/Committee members trained in project or financial management?	18	42	2	20	7	50	4	40	5	56
Do participants think their project and financial management skills need to be developed?	40	95	8	89	14	100	10	100	8	89



Table 3.66 summarises some of the specific financial needs that have been mentioned on some of the projects.

**Table 3.66: Financial needs**

Project	Financial needs
Boikhutsang Community Property Association (CPA)	R1,5 million
Nanagang Trust	R 0.5 million
AST Africa	More cattle
Aredireng	Electricity, fences, borehole, windmill, reservoir
Bopazanang	Funds to increase livestock, purchase equipment and repair dams and fences
Mphelengwana farming project	Money to purchase implements
Merry-go-round	Funds to purchase vehicles and land
Kgotso farm union	Poultry structure, transport, cultivation machinery, hydroponics tunnel
Reaitirela farming trust	More funds
Migdol CPA	To build houses. The building will start in Jan 2005
Mvala CPA	Dams, windmill, fences, cables, renovation of dairy
Multi Layer	Don't know the costs, need more broiler houses, want cash flow, need money to do something else during the cycles

### 3.7 PRODUCTION

#### 3.7.1 Farm Enterprises

The distribution of enterprises in which project beneficiaries are engaged is summarised in Table 3.67. The majority (60%) are involved in beef cattle farming, particularly in Category 2 (79%), and Category 1 (70%). The second most common enterprise farmers are engaged in is the cultivation of dryland crops (53%) followed by irrigated cropping with most projects involved in some form of vegetable production and a few producing crops under irrigation (35%). Other enterprises include goats, sheep, a pig project, broilers and one layer project.

**Table 3.67: Enterprises**

Enterprise	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Cattle (beef)	26	60	7	70	11	79	4	40	4	44
Dairy	2	5	2	20	0	0	0	0	0	0
Goats	6	14	1	10	4	29	0	0	1	11
Sheep	11	26	3	30	3	21	3	30	2	22
Pigs	1	2	0	0	1	7	1	10	0	0
Broiler	6	14	3	30	1	7	2	20	0	0
Layers	1	2	0	0	1	7	0	0	0	0
Cultivation	23	53	6	60	9	64	5	50	3	33
Irrigation	15	35	5	50	6	43	3	30	0	0
No activities	3	7	0	0	0	0	0	0	3	33

Table 3.68 shows the factors motivating projects' particular choice of farm enterprises. The most common of these were expected income, cited by 37% of projects, followed by market possibilities (35%). Most projects, therefore, were motivated by income related *expectations*. Besides income, projects in Category 1 in particular also considered production related *realities* such as climate and soil, their own farming experience and the enterprises that were

practised on the farm to a much greater extent than other Categories in deciding on farming enterprises.

**Table 3.68: Basis on which enterprises were chosen**

Reasons for choosing enterprise	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Climate and soil	7	16	2	20	2	14	3	30	0	0
Practised by previous owner	5	12	2	20	0	0	2	20	1	11
Expected income	16	37	4	40	6	43	1	10	5	56
Market possibilities	15	35	3	30	5	36	5	50	2	22
Previous experience	4	9	2	20	2	14	0	0	0	0

### 3.7.2 Cattle

#### 3.7.2.1 Project histories

The 27 projects that include cattle as enterprise form have been initiated between 1999 and 2004. Table 3.69 outlines the history of these projects and shows that 27 projects have been established for a year or longer, 21 for two years or more, 11 for three years or more, 4 for four years or more and 3 for five years or more.

**Table 3.69: Histories of cattle enterprises (# of projects)**

Year initiated	Period in operation	Total	Category 1	Category 2	Category 3	Category 4
1999	5 years	3	0	0	1	2
2000	4 years	4	0	1	1	2
2001	3 years	11	1	6	2	2
2002	2 years	21	7	9	3	2
2003	1 year	27	8	12	4	3

#### 3.7.2.2 Herd size on arrival/at project initiation

Table 3.70 below shows that, on arrival, the beneficiaries of 20 projects had cattle, amounting to a total of 751 head of cattle with 91 head of cattle the largest number per project (the only project in Category 4 that had any cattle on arrival) and 38 head of cattle the average number of cattle per project. Individual beneficiaries or families owned the vast majority of these cattle: on 70% of the projects engaged in cattle farming beneficiaries brought their own cattle to their new farms, and on 15% of the projects the cattle with which beneficiaries arrived were owned by families. This means that on most of the farms or projects individually owned cattle are kept on communally owned farms.

**Table 3.70: Herd size on arrival**

Herd size	Total	Category 1	Category 2	Category 3	Category 4
Total number	751	169	320	171	91
Highest number	91	57	56	83	91
Number of projects with cattle	20	6	10	3	1
Average number of cattle/ project	38	28	32	57	91

Only 27% of the projects that are currently engaged in cattle farming did not have cattle on arrival. The majority of those that had kept their cattle on communal grazing in rural areas, while others brought their cattle from town commonages (15% of projects mostly from Category 2), or from the farms where they were living before (projects in Category 2 and 4).

**Table 3.71: Origin of cattle**

Origin	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
<b>No cattle on arrival</b>	7	27	3	38	2	17	1	33	1	33
<b>Rural area</b>	13	50	5	63	5	42	2	67	1	33
<b>Town commonage</b>	4	15	0	0	4	33	0	0	0	0
<b>Other farms</b>	2	8	0	0	1	8	0	0	1	33

Since communal grazing areas and town commonages are severely overstocked and generally overgrazed and farmers restrict the cattle numbers employees can keep, access to farms through land reform provides many beneficiaries of land reform projects with additional grazing.

### 3.7.2.3 Herd growth through purchases

#### 3.7.2.3.1 Initial purchases

The numbers of cattle that have been purchased since the start of the projects are summarised in Table 3.72. This table shows:

- 12 projects (of the 27 projects that have cattle) bought a total of 471 head of cattle on arrival, amounting to an average of 39 head of cattle per project that bought cattle, which translates to an average of 17 head of cattle acquired per project engaged in cattle farming.
- 7 of the 27 projects in operation for a year bought a further 46 head of cattle in the first year of operation at an average accumulation of 2 per year.
- 9 of the 21 projects active for two years bought 43 cattle in the second year of operation at an average accumulation of 2 per year.
- 1 of the 11 projects active for three years bought 1 head of cattle in the third year of operation with no average accumulation of cattle.
- 3 of the 4 active projects bought 3 head of cattle in the fourth year of operation at an average accumulation of 1 per year.
- 1 of 3 projects active for five years bought 7 head of cattle in the fifth year of operation at an average accumulation of 2 per year.

**Table 3.72: Accumulation of cattle through cattle purchases.**

Cattle bought	On arrival	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Total</b>						
Number bought	471	46	43	1	3	7
Highest growth	84	30	22	1	3	7
Number of projects that bought cattle	12	7	5	1	1	1
Average number of cattle bought/ project that bought cattle	39	7	9	1	3	7
Number of active cattle projects	27	27	21	11	4	3
Average accumulation of cattle on all cattle projects	17	2	2	0	1	2

The 471 cattle projects bought on arrival is 62% of the 751 head of cattle beneficiaries had, which means that the majority of the cattle land reform beneficiaries keep belongs to individuals who keep their cattle kept on communal resources.

### 3.7.2.3.2 Accumulation

Figure 3.2 shows the average accumulation of cattle through cattle purchases per category.

After initial purchases to establish projects, the average accumulation of cattle through further purchases declined significantly from 17 to 2 in year one, 2 in year two, 0 in year three, 1 in year four and 2 in year five. The increase in the average accumulation from year four to year five is due to cattle purchases in Category 4 in year five. After the 40 head of cattle Category 4 projects bought on arrival Projects in Category 4 did not acquire any additional cattle in years one to four, until year five when a project in Category 4, made an additional purchase of 7 head of cattle in the fifth year of operation. Besides this upswing in cattle purchases in Category 4, only Category 1 projects (operative for only 2 years) show an increase in purchases after a significant decline on the initial purchases.

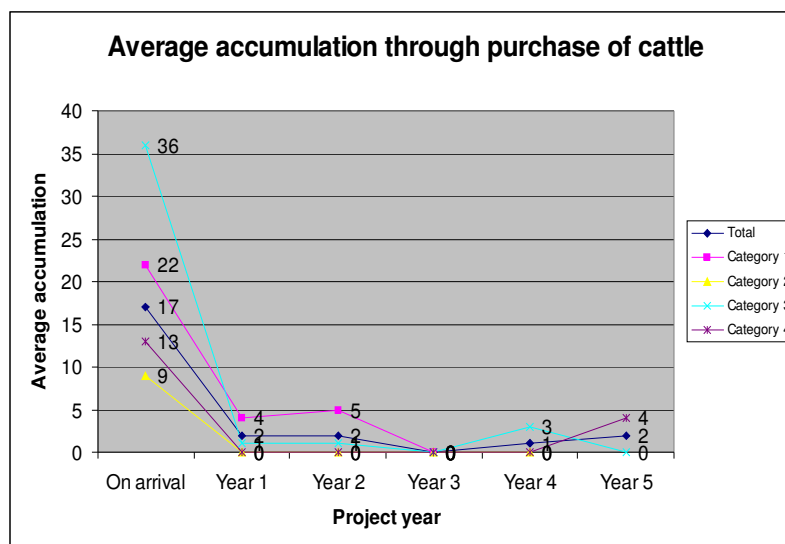


Figure 3.2: Average accumulation through purchase of cattle

### 3.7.2.4 Cattle sales

Of the 27 active cattle projects 10 sold cattle in the first year of operation. The total number of cattle sold was 127, which translated to an average of 13 per project, or 5 per active cattle project. The highest number sold by a single project was 23, in Category 1.

**Table 3.73: Cattle sales**

	Sales/year					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Total sales	127	153	16	0	0	296
Highest sales	23	51	9	0	0	
Number of projects	10	7	3	0	0	
Average sales/ projects with sales	13	22	5	0	0	
Number of active projects	27	21	11	4	3	
Average sales/ active projects	5	7	1	0	0	

In the second year of operation with 21 projects operative, sales increased to 153 head of cattle, and to 7 head of cattle per operative project. Sales declined dramatically in the third year (with only 11 projects operative for 3 years) to only 16 head of cattle sold at an average of 1 head per project. Projects running for their fourth and fifth years had made no sales.

In analysing the average number of cattle sales per category it was determined that Category 1 had the highest average sales per project in year one followed by a sharp decline in year two, after which sales seem to stabilise towards year three at an average of 2 per project. This pattern which suggests more constancy (although it could still be early days) differs from the other categories that sold cattle, with high figures recorded in the second year of production followed by zero sales for years three, four and five.

The majority of projects that sold cattle required income for various purposes, but mainly to cover farm expenses, including in some cases calves sold to buy a bull as an investment into future cattle production. Overgrazing and drought were also mentioned as reasons for cattle sales.

### 3.7.2.5 Current herd size

The current herds across all projects total 1576 as shown in Table 3.74, with 615 in Category 1, 712 in Category 2, 197 in Category 3 and 52 in Category 4. The highest number of cattle on a single project (in Category 2) is 260, while the average number of cattle per project is 63. A total of 25 projects have cattle at this point, most (11) of these in Category 2, followed by 8 projects in Category 1, 4 in Category 3, and 2 in Category 4. Although Category 2 projects have more cattle than Category 1 projects, Category 1 projects have on average 77 head of cattle per project against the 65 head of cattle per Category 2 projects, 49 of Category 3 and 26 of Category 4 projects. Compared to the averages on arrival of 28, 32, 57 and 91 head of cattle per project for Categories 1, 2, 3 and 4, respectively, the following is important:

- The average number of cattle per project has increased in Categories 1 and 2 with average net gains after cattle sales of 49 and 33, respectively, per project.
- The average number of cattle per project declined sharply for Category 3 and dramatically for Category 4 projects with net losses of 8 and 65 respectively.

**Table 3.74: Current herd composition**

Current herd composition:	Total	Highest number/ project	Average number/ project	Number of projects
<b>Total</b>	1576	260	63	25
<b>Category 1</b>	<b>Total</b>	<b>Highest number/ project</b>	<b>Average number/ project</b>	<b>Number of projects</b>
	615	162	77	8
<b>Category 2</b>	<b>Total</b>	<b>Highest number/ project</b>	<b>Average number/ project</b>	<b>Number of projects</b>
	712	260	65	11
<b>Category 3</b>	<b>Total</b>	<b>Highest number/ project</b>	<b>Average number/ project</b>	<b>Number of projects</b>
	197	84	49	4
<b>Category 4</b>	<b>Total</b>	<b>Highest number/ project</b>	<b>Average number/ project</b>	<b>Number of projects</b>
	52	45	26	2

These differences are important; it could reflect two different approaches to cattle ranching on land reform projects:

- To Category 1 and to a lesser degree also to Category 2 projects, cattle seem to be a resource for farming and accumulation albeit on a low level, as evidenced by cattle sales and herd growth with Category 1 projects topping both. These projects do not just keep, but farm with their cattle.
- In Categories 3 and 4, and for various reasons, which would include the prevailing drought, cattle are a survival strategy and used as a means to overcome crisis.

### 3.7.2.6 Resource use

Table 3.75 provides details about the use of grazing resources per project and average stocking rates per category. Category 2 projects, stocked at 4.1ha per livestock unit is probably vastly overstocked, while Category 1 projects, stocked at 7.2 ha per livestock unit, is probably also at risk of overstocking. In contrast however, Categories 3 and 4 projects stocked at 24 and 35 hectares per livestock unit are probably under-stocked. Given the fact that the grazing is shared with small stock, Categories 1 and 2 have most probably reached their maximum cattle carrying capacity, while cattle numbers can still increase on Categories 3 and 4 projects.

**Table 3.75: Grazing and stocking rates per category**

	Total	Category 1	Category 2	Category 3	Category 4
Total grazing (ha)	15155	3937	2951	4610	3657
Average grazing/project (ha)	561	562	268	1152	914
Number of projects with cattle	26	7	11	4	4
Average number of cattle/ project	63	77	65	49	27
Average stocking rate/ha	9/head	7.2/head	4.1/head	24/head	35/head

### 3.7.2.7 Problems with cattle production

Table 3.76 below shows that the most serious problem experienced by cattle farmers is practical farming problems, indicated by 37% of the total projects as one of the three main problems they experience. This is followed by drought, or other natural disasters, as cited by 30% of projects, poor livestock/ farm infrastructure, as indicated by 26% and theft indicated by 22% of projects.

**Table 3.76: Problems experienced with cattle production**

Problems	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Drought/Natural	8	30	2	25	3	25	3	75	0	0
Input and production costs	2	7	0	0	1	8	1	25	0	0
Beneficiary participation	2	7	0	0	1	8	1	25	0	0
Capital funds	3	11	2	25	0	0	0	0	1	33
Lack of extension support	1	4	1	13	0	0	0	0	0	0
Poor livestock/farm infrastructure	7	26	2	25	4	33	1	25	0	0
Theft	6	22	1	13	4	33	1	25	0	0
No serious problems	2	7	2	25	0	0	0	0	0	0
Don't know	0	0	0	0	0	0	0	0	0	0
Grazing area too small	5	19	2	25	2	17	0	0	1	33
Practical farming problems	10	37	2	25	6	50	1	25	1	33
Transport & Markets	4	15	2	25	1	8	1	25	0	0

### 3.7.3 Small Stock

#### 3.7.3.1 Small stock numbers

Upon arrival at the acquired farms a total of 340 small stock (including goats, sheep and pigs) were brought along by members of 13 projects, as is shown in Table 3.77, at an average of 26 head of stock per project. The majority of these came from Category 2, with 6 projects bringing a total of 126 head of small stock. The highest number of stock brought by a single project was 74, in Category 3, followed by 70, from a Category 4 project.

**Table 3.77: Herd size on arrival**

Herd Size	Total	Category 1	Category 2	Category 3	Category 4
Total number	340	20	126	88	99
Highest number	74	20	50	74	70
# of projects with small stock	13	1	6	3	3
Average # of small stock/ project	26	20	21	29	33

Table 3.78 shows that the majority of small stock projects (53%) kept their stock in rural villages before bringing them to their new farms, while 2 projects in Category 2 kept their small stock on town commonages, and a project in Category 4 had his small stock on another farm.

**Table 3.78: Where were small stock formerly kept?**

Grazing Area	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
N/A	6	32	3	75	1	11	1	33	1	33
Rural villages	10	53	1	25	6	67	2	67	1	33
Town commonage	2	11	0	0	2	22	0	0	0	0
Other farms	1	5	0	0	0	0	0	0	1	33

#### 3.7.3.2 Small stock purchases

Table 3.79 summarises the numbers of small stock projects bought upon arrival and in subsequent years for projects in operation:

- upon arrival 9 of the 16 projects that had goats or sheep when their projects were established bought a total of 400 small stock at an average of 44 head per project;
- the highest number of new stock bought at this point was 200 which indicates that although small stock is on most projects a secondary farming activity, it is also a main enterprise on some projects; and
- in year 1, a total of 75 new stock were bought by 16 projects, followed by 104 bought by 12 projects in year 2 at an average of 8.5 per project, 30 bought by 5 projects in year 3 at an average of 6 per project, and none since.

**Table 3.79: Small stock bought since projects began**

Small stock bought	On arrival	Year 1	Year 2	Year 3	Year 4	Year 5
Number bought	400	75	104	30	0	0
Highest growth	200	34	42	20	0	0
Number of projects that bought small stock	9	5	5	2	0	0
Average number of small stock bought/ project that bought small stock	44	15	21	15	0	0
Number of active small stock projects	16	16	12	5	3	2
Average accumulation of small stock on all small stock projects	25	5	9	6	0	0

As can be expected, most projects bought small stock on arrival to either establish or increase small stock herds, with Category 4 achieving an average accumulation of 67 head of stock per active project on arrival, only to drop to zero in subsequent years. The same pattern of high initial purchases followed by sharp declines in subsequent years, prevails in the other categories with only Category 1 projects showing a slight increase in average purchases after the decline in the first year of operation.

### 3.7.3.3 Current small stock numbers

Total small stock numbers amounts to 863 head of small stock on 17 projects at an average of 51 head per project, as is shown in Table 3.80. This is 133 more than the numbers of small stock beneficiaries arrived with and bought when projects were established. Although a Category 4 project boasts the highest number of stock per project (112 in Category 4), Category 1 projects, with 75 goats per project have the highest average number of small stock.

**Table 3.80: Current small stock numbers**

Current herd composition	Total	Highest number/ project	Average number/ project	Number of projects
Total	863	112	51	16
<b>Category 1</b>	<b>Total</b>	<b>Highest number/ project</b>	<b>Average number/ project</b>	<b>Number of projects</b>
Total	301	101	75	4
<b>Category 2</b>	<b>Total</b>	<b>Highest number/ project</b>	<b>Average number/ project</b>	<b>Number of projects</b>
Total	280	70	40	7
<b>Category 3</b>	<b>Total</b>	<b>Highest number/ project</b>	<b>Average number/ project</b>	<b>Number of projects</b>
Total	95	62	32	3
<b>Category 4</b>	<b>Total</b>	<b>Highest number/ project</b>	<b>Average number/ project</b>	<b>Number of projects</b>
Total	137	112	69	2

### 3.7.3.4 Sales

In the first year of operation projects sold on average 9 head of small stock (137 head sold by 16 projects), and in most categories, except Category 2, stock sales plummeted from initial



sales in year one to remain at zero or near zero averages per project subsequently. The high first year average per project for Category 4 projects was forced as a result of theft.

### 3.7.3.5 Problems

While almost a third (31%) of projects have not experienced any serious problems with small stock production, most commonly cited problems included drought noted by 25% of projects, particularly in Category 3 (67%), too small grazing areas and practical farming problems (both 19%). Theft was also mentioned as a problem by 13% of projects, particularly in Categories 1 (25%) and 3 (33%), while input and production costs, raised by only one project, is seemingly not an important problem for projects keeping sheep and goats.

**Table 3.81: Problems experienced with small stock production**

Problems	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Drought/Natural	4	25	1	25	0	0	2	67	0	0
Input and production costs	1	6	0	0	1	20	0	0	0	0
Theft	2	13	1	25	0	0	1	33	0	0
No serious problems	5	31	0	0	3	60	1	33	1	50
Grazing area too small	3	19	1	25	2	40	0	0	0	0
Practical farming problems	3	19	2	50	1	20	0	0	0	0
Transport & Markets	1	6	0	0	0	0	1	33	0	0

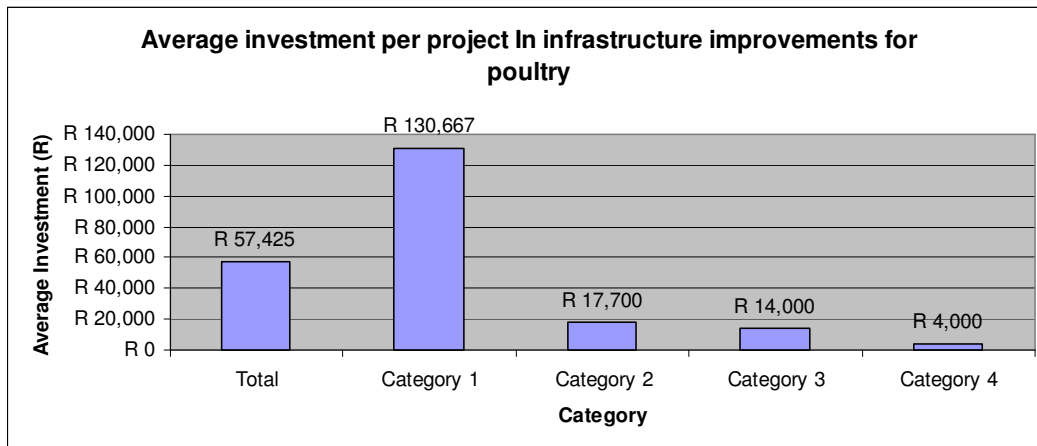
### 3.7.4 Poultry

Poultry production, being less resource dependent, seems to be gaining popularity in land reform projects as more and more smaller groups of beneficiaries buy smaller farms. Broiler projects are distributed as follows through the different categories:

- Category 1 - 3 projects;
- Category 2 - 1 project;
- Category 3 - 2 projects;
- Category 4 - 1 project.

Besides these, one layer project (Category 2) produces eggs.

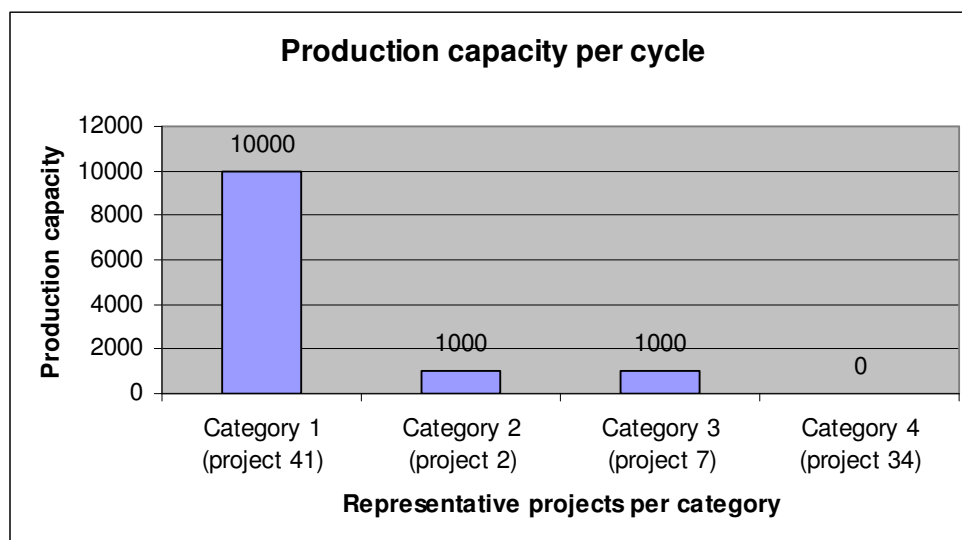
Being less resource dependent, poultry projects require either existing infrastructure developments (that would be reflected in the farm price) or investment in infrastructure development. Figure 3.3, showing the average investments in poultry infrastructure per project, indicates huge differences in average investments between Category 1 projects and projects in the other categories, with the average investment per project of Category 2 projects of R17 700, being only 14% of the average investment of R130 667 per project for Category 1 projects.



**Figure 3.3: Average investment in infrastructure improvements**

The investment in infrastructure determines the production capacity of projects and as can be seen in Figure 3.4, the production capacity per cycle of the project representing Category 1 is tenfold that of the projects representing other categories. The improvements of poultry infrastructure and the higher production capacity, however, come at a price and, although it is in most cases covered by the production component of grants, some of the broiler projects in Category 1 are heavily indebted, primarily because farm prices included the infrastructure for broiler production, and loan finance was required to pay for the farm and maintenance of the infrastructure.

Season Star trading paid R1,5 million for an 87-hectare a farm near Ventersdorp with three broiler houses with a combined carrying capacity of 69 000 broilers. To buy the farm the four owners had to obtain a Land Bank loan of R1,2 million, and in order to meet the requirements of the production contract they secured a further R50 000 from Rainbow Chickens for renovations and improvements. Despite the production contract of 69 000 broilers six times per year, the huge debt placed the project at risk as was evidenced by the fact that loan repayments were in arrears.



**Figure 3.4: Production capacity per cycle**

The production capacity per cycle of the projects representing the different categories indicates potential, and depending on the number of cycles per year, could translate to annual production capacities of 60 000 and 6000 taken at 6 cycles per year. The exact figures though would look different, largely because most of the broiler projects were quite recently established and as they had to overcome serious production problems most of them have either not completed 6 cycles yet, or have as yet not reached these production targets.

### 3.7.5 Crop farming

Dry land crop production is practised by 23 (53%) of the 43 projects included in the study and follows cattle production as the most common enterprise. Although 15 (33%) of the projects indicated irrigated crop or vegetable production as enterprise, more than half of these projects' irrigation infrastructure is not functional and cultivation and cropping is therefore predominantly practised on dryland.

#### 3.7.5.1 Land resources and use

**Table 3.82: Arable land per category**

	Total	Category 1	Category 2	Category 3	Category 4
Total arable land (ha)	3779	467	1026	158	2129
# of active projects	23	6	9	5	3
Ave #ha cultivated/project	15	38	11	1	2
Available land per project	164	78	114	32	710
% Cultivated in first year	9	49	10	3	0

Table 3.82 provides an outline of arable land resources. It shows that Category 4 projects have on average of 710ha arable land available per project, which is almost 10 times more than the 78ha per project available for Category 1 projects. Although cultivation requires land, the extent of cultivation is not determined by availability of land as such.

Table 3.83 below summarises the extent of dry land cultivation. In the first year of operation projects planted a total of 340ha, after which cultivation declined rapidly to 186ha in the second year, and 6ha in projects' third year 3, after which cultivation ceased. Averages dropped from 15ha per project to 9ha in year two and eventually to zero for projects running for four or five years.

**Table 3.83: Extent of dry land cultivation**

<b>Total</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Total ha planted	340	186	6	0	0
Highest number of ha planted	100	100	5	0	0
Number of projects that cultivated	11	5	2	0	0
Percentage of projects that cultivated	48	24	20	0	0
Average number of ha cultivated per project	31	37	3	0	0
Number of crop producing projects active	23	21	10	6	4
Average ha cultivated per active project	15	9	1	0	0

Viewed per category (Table 3.84), the dismal picture of dryland cultivation is further supported as even Category 1 projects confirm the general pattern of decline from year one to subsequent years. Category 1 projects cultivated on average 38 hectares or 49% of their agricultural land in the first year of operation, followed by Category 2 cultivating 11 hectares or 10 % of their arable land, and Categories 2 and 4 making almost no use of their arable land. Although Category 1 projects increased the area of land cultivated zero in the second year to an average of 3 hectares per project in year three, it remains only a fraction of the average of 78 hectares of arable land available for Category1 projects.

**Table 3.84: Extent of dry land cultivation per category**

<b>Category 1</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Total area planted (ha)	230	0	5		
Average area cultivated/project (ha)	38	0	3		
<b>Category 2</b>					
Total area planted (ha)	101	25	0	0	0
Average area cultivated/ project (ha)	11	3	0	0	0
<b>Category 3</b>					
Total area planted (ha)	4	31	1	0	0
Average area cultivated/project (ha)	1	6	1	0	0
<b>Category 4</b>					
Total area planted (ha)	5	130	0	0	0
Average area cultivated/project (ha)	1	65	0	0	0

The fact that other categories' year-to-year performances are even poorer, confirms the predicament of cultivation on land reform projects. Its explanation lies not in the relative performance of categories but in the individual circumstances of projects.

### **3.7.5.2 The dilemma of land reform**

To produce a good maize harvest in Northwest Province (“Wes Transvaal”), fields need to be properly cultivated and planted at the right time. This can only happen if farmers have access to implements and production inputs and most projects do not have the appropriate implements and machinery to utilise their resources. The study established the following:

- Some land reform beneficiaries did not have their own tractors to plough their land and could either not plough their land or only managed to get their land ploughed late. These beneficiaries were expecting assistance from the Northwest African Farmers’ Union to plough their land but such assistance was not yet available by mid-December. Their neighbours who had their own implements and tractors had already ploughed their land by early December and were just waiting for the rains to come for them to plant.
- Some of the land reform beneficiaries used part of their land reform grant to purchase machinery and implements. However, they did not have funds to buy production inputs and were expecting some financial assistance from Northwest African Farmers’ Union. Therefore, they could not undertake any production activities.

“Waiting” in various guises has become the dilemma of production. First the farmers waited for government, now they pin their hopes on their organisations. Projects without implements are waiting for implements, and projects with implements are waiting for funds. It would seem it is only individuals managing their own or their families’ projects, who have their own implements and machinery, and who are prepared to commit/risk their own or their families’ funds who get crop production going.

### 3.8 MARKETING

#### 3.8.1 Marketable produce

Most projects are involved in more than one enterprise and could therefore produce more than one marketable product; almost half (49%) of the projects (Table 3.85) though are not producing any marketable produce. As could be expected no Category 4 projects are producing any surpluses for the markets, and to lesser degrees this is also true for the other categories, with 30%, 36% and 40% of projects in Categories 1, 2 and 3 respectively producing no marketable produce. Projects that do market produce, market mainly crops (maize and sunflower) and cattle, followed by vegetables, produced on small scale under irrigation, small stock (including sheep, goats and pigs) and broilers.

**Table 3.85: Marketable produce per category**

Marketable produce	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
None	21	49	3	30	5	36	4	40	9	100
Cattle	10	23	4	40	5	36	1	10	0	0
Goats	3	7	1	10	2	14	0	0	0	0
Sheep	4	9	2	20	1	7	1	10	0	0
Broilers	3	7	1	10	1	7	1	10	0	0
Pigs	1	2	0	0	1	7	0	0	0	0
Crops	10	23	3	30	5	36	2	20	0	0
Vegetables	7	16	1	10	3	21	3	30	0	0
Eggs	2	5	1	10	1	7	0	0	0	0

##### 3.8.1.1 Livestock

While the greatest proportion (44%) of projects (Table 3.86) have not yet marketed cattle, those that have, perceive price (37%) and transport (22%) as the most common problems associated with the marketing of cattle. Transport is also a significant problem for projects marketing sheep. The few projects that have marketed goats, dairy products and pigs, marketed locally and they haven't experienced problems marketing these products because marketable volumes are relatively small.

**Table 3.86: Problems with marketing of livestock**

Problems marketing cattle	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Not applicable (have not marketed cattle yet)	12	44	3	38	6	50	1	20	2	67
Transport	6	22	2	25	1	8	3	60	0	0
Distance	4	15	1	13	1	8	2	40	0	0
Price	10	37	3	38	3	25	3	60	1	33
No problems marketing their cattle	3	11	2	25	1	8	0	0	0	0
Are they sometimes forced to sell at lower prices?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Not applicable	25	58	4	40	7	50	6	60	8	89
Yes	12	28	4	40	5	36	2	20	1	11
No	6	14	2	20	2	14	2	20	0	0

Given the importance of price in marketing livestock, the vast majority of projects that sold animals (28% of the 42% that sold livestock) indicated they had to sell animals at lower prices than they expected. Many factors influence livestock prices, and the lower prices that had been forced on 40% of Category 1, 36% of Category 2, 20% of Category 3 and 11% of Category 4 projects that sold livestock could be due to the prevailing draught in areas of Northwest Province and the condition of the livestock put up for sale. Although it could also be ascribed to unrealistic expectations, it could however also be due to a lack of knowledge and experience regarding commercial livestock marketing, which could result in unrealistic expectations and the marketing of poor quality animals.

### 3.8.1.2 Poultry

Poultry are marketed either locally or by means of standing contracts and the problems experienced with the marketing of poultry and poultry products (summarised in Table 3.87) are related to the method of marketing. The most common problems experienced in marketing of poultry are:

- Markets, experienced by poultry projects in Categories 2 and 4. Markets are more specifically a problem of poultry projects without standing contracts and depended on local markets.
- Transport, cited as a common problem by projects in Category 1 and 2. Transport becomes a problem when projects endeavour to move beyond the local market to serve other markets.
- Price, cited as a problem by 1 project in Category 1 servicing a standing contract at a given price per chicken.

**Table 3.87: Problems with marketing of poultry**

Problems when marketing poultry	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
No problems marketing their poultry	3	38	2	67	0	0	1	50	0	0
Transport	2	25	1	33	1	50	0	0	0	0
N/A (have not marketed poultry yet)	1	13	0	0	0	0	1	50	0	0
Price	1	13	1	33	0	0	0	0	0	0
Markets	3	38	0	0	2	100	0	0	1	100

### 3.8.1.3 Crops and vegetables

The marketing of maize and sunflowers (the main crops grown) is not experienced as a problem on any project producing these crops, although the majority of projects marketing maize (28%) admitted that they do not understand the current maize marketing system. Table 3.88 further summarises the problems associated with the marketing of vegetables and shows that the majority of projects growing vegetables (23%) do not experience problems marketing their produce (such as vegetables going to waste on the land). This though should not automatically be taken as an indication of strong local demand for vegetables. The fact that most projects engaged in vegetable production can market their produce could reflect the nature and volumes of vegetable production rather than market access and possibilities.

**Table 3.88: Marketing of Crops: Vegetables and Maize**

<i>Vegetables: Do crops sometimes get rotten on the fields due to the lack of market possibilities</i>	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Not applicable	30	70	8	80	8	57	6	60	8	89
Yes	3	7	0	0	1	7	2	20	0	0
No	10	23	2	20	5	36	2	20	1	11
<i>Maize: Do they understand the present maize marketing system</i>	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Yes	7	16	3	30	2	14	1	10	1	11
No	12	28	3	30	6	43	1	10	2	22
Not applicable	24	56	4	40	6	43	8	80	6	67

### 3.8.2 Markets

While the largest proportion of projects (47%) has not yet marketed any products, amongst those that have, maize and sunflowers are marketed to cooperatives while the “local market” is the most common market (30%) for other products, followed by auctions, sale at farm gate (which is also a local market.) and private buyers (which can also be local buyers). Though agribusiness (Rainbow and Monsanto) is involved, its role is limited and besides cooperatives, projects are left largely to themselves to market their produce in what would be highly competitive markets.

Category 1 projects mostly market their produce at auctions (40%), whilst Category 2 (29%) and Category 3 projects mostly market locally (50%). Local markets by and large provide produce directly to the end consumer, be it at farm gate or local village level, and is associated with small quantities/volumes. Larger volumes require the use of market mechanisms and more sophisticated marketing strategies as is evidenced by the fact that auctions are the main and agribusiness an important marketing channel for Category 1 projects, whilst local markets are the dominant market for Category 2 and 3 Projects.

**Table 3.89: Marketing of products**

Where are products marketed?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Not applicable	20	47	3	30	5	36	4	40	8	89
Auctions	7	16	4	40	3	21	0	0	0	0
Private	5	12	3	30	1	7	1	10	0	0
Rainbow	1	2	1	10	0	0	0	0	0	0
Monsanto	1	2	1	10	0	0	0	0	0	0
Farm gate	7	16	2	20	3	21	2	20	0	0
Locally	13	30	3	30	4	29	5	50	1	11

#### 3.8.2.1 Contracts

Only 7% of projects indicated that they have standing contracts for the marketing of their produce. These projects are all from Category 1 (30% of this category), and include 2 broiler projects and 1 vegetable project with standing contracts for 69 000 chickens every six to seven weeks to Rainbow Chickens and daily fresh vegetables to Fruit and Veg City in Mafikeng. These projects are the most successful in terms of production, and their contracts necessitate regular supply of good quality broilers and vegetables.



**Table 3.90: Standing contracts**

Do they have standing contracts?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Yes	3	7	3	30	0	0	0	0	0	0
No	40	93	7	70	14	100	10	100	9	100
For which products?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Broilers	2	67	2	100	0	0	0	0	0	0
Vegetables	1	33	1	0	0	0	0	0	0	0
Maize	0	0	0	0	0	0	0	0	0	0
Meat	0	0	0	0	0	0	0	0	0	0

**3.8.2.2 Sales at the Farm gate**

The majority of projects (65%), indicated that they would sell at farm gate, compared to 28% who indicated that they would not, and 7% who did not know. Category 1 farmers were particularly divided on the issue, with half indicating that they would, and half that they would not, mainly because the volumes they produce require other marketing strategies such as auctions or standing contracts.

**Table 3.91: Sale at farm gate**

Would they sell at farm gate?	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Yes	28	65	5	50	12	86	7	70	4	44
No	12	28	5	50	1	7	3	30	3	33
Don't know	3	7	0	0	1	7	0	0	2	22

**3.8.2.3 Product distribution**

Of those that do distribute their products to markets, the largest proportion (24%), use own transport to do so, while 19% hire transport, and a further 17% rely on produce to be collected from farm gate. The high proportion (44%) of Category 1 projects indicating that produce is collected at farm gate could include some that sell at farm gate, but mainly those projects with standing contracts for broilers that are collected at farm gate.

**Table 3.92: Product distribution**

Means of distribution	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Not applicable	17	40	1	11	6	43	2	20	8	89
Own transport	10	24	3	33	4	29	2	20	1	11
Hired transport	8	19	1	11	3	21	4	40	0	0
Collected at farm gate	7	17	4	44	1	7	2	20	0	0

**3.8.2.4 Market Information**

Just over half (51%) of projects indicated that they do not get any information on product marketing. In contrast to this general trend, the majority (70%) of Category 1 projects indicated that they do get market information.

**Table 3.93: Information on product marketing**

Marketing information	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Do not get	22	51	3	30	8	57	5	50	6	67
Do get	21	49	7	70	6	43	5	50	3	33

Contrary to information regarding product marketing, 51% of projects indicated that they do get information about market prices. Category 1 appears to be most informed on this matter with 70% indicating that they get product market information.

**Table 3.94: Information on market price**

Price information	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Yes	22	51	5	50	8	57	7	70	2	22
No	18	42	5	50	6	43	3	30	4	44
Not applicable	3	7	0	0	0	0	0	0	3	33

### 3.8.3 Market Training and Skills

The vast majority of project members (72% of projects), have not received any training in marketing matters, and it is felt by an even greater majority (87%), that there is a need for skills development in this area. Members of 36% of Category 2 projects, 40% of Category 3, and 33% of Category 4 have received some training, but in Category 1 members haven't received any training

**Table 3.95: Training of members**

Are members trained	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Yes	12	28	0	0	5	36	4	40	3	33
No	31	72	10	100	9	64	6	60	6	67
Need for skills development	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Yes	26	87	8	89	5	63	6	100	7	100
No	4	13	1	11	3	38	0	0	0	0

### 3.9 INVESTMENT AND INCOME

Land reform requires, besides the natural resources acquired by buying farms, investment in infrastructure, implements, livestock and production. Government invested taxpayers' money as grant funding in land and production capital to establish sustainable land reform projects. Projects in turn invested grant funding, loans and their own funds in infrastructure, implements, livestock and production to get farm incomes in return. This section assesses the relation between investment and income.

#### 3.9.1 Government investment

Government invested R24 288 777 in farm purchases to establish the 43 projects included in the study at an average of R578 304 per project. Government furthermore invested R23 011 866 in production capital at an average investment of R547 901 per project to improve the farm infrastructure, acquire implements and livestock and to cover production costs.

**Table 3.96: Government investment**

	<b>Total</b>	<b>Average /project</b>	<b>Average/beneficiary</b>
Grant/Loan	R 47 300 643	R 1 126 205	R 20 042
Farm purchase	R 24 288 777	R 578 304	R 10 292
Production capital	R 23 011 866	R 547 901	R 9 750

#### 3.9.2 Projects' investments

In order to generate farm incomes projects invest from year to year funds from production grants, loans or their own resources to improve and maintain farm infrastructure, buy implements and livestock and cover production costs.

##### 3.9.2.1 Total investment

Table 3.97 summarises projects' (land reform beneficiaries') investment of production grants, loans and own funds in farm infrastructure, implements, livestock and crop production. The 43 projects' investment since they were initiated until December 2004 amount to a total of just over R4 million, which is an average investment of almost R100 000 per project, or R1 807 per beneficiary. Investments in projects and production however is only 18.5% of the production capital government made available to establish projects and carry them through the first one or two production cycles.

**Table 3.97: Projects' investment**

	<b>Total</b>	<b>Average /project</b>	<b>Average/beneficiary</b>
Infrastructure	R 772,113	R 17,956	R 327
Implements	R 1,390,163	R 32,329	R 589
Livestock	R 1,220,100	R 28,374	R 517
Crop production	R 882,657	R 20,527	R 374
<b>Total</b>	<b>R 4,265,033</b>	<b>R 99,187</b>	<b>R 1,807</b>

### 3.9.3 Incomes

Table 3.98 below shows that a total income of about R1.54 million has been earned by the 43 projects since they were established until December 2004. This equates to R35 804 per project, or R652 per beneficiary, with the highest earning enterprise been poultry production (R707 079). Averages could, however, be somewhat deceptive as:

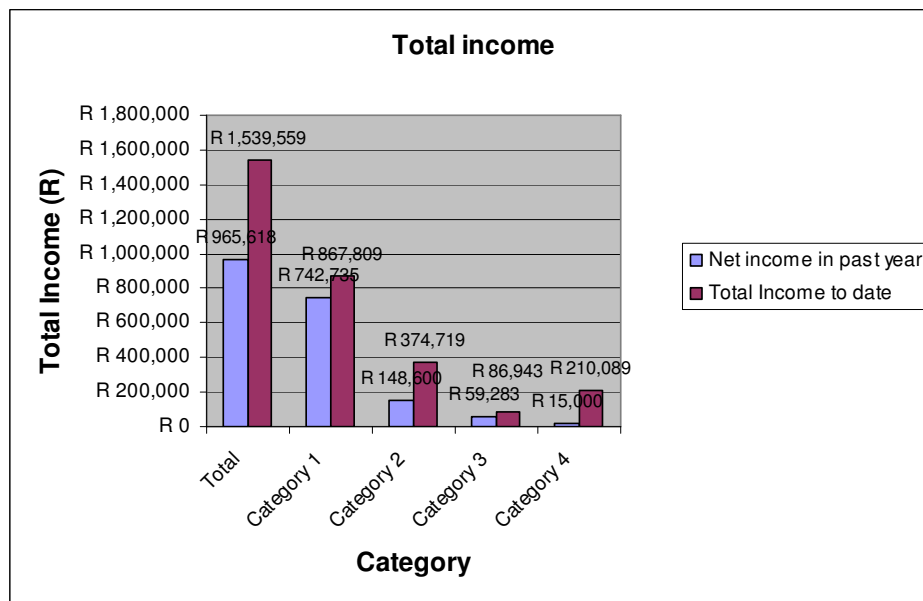
- The table combines the total incomes of projects that are 5 years in operation with the total incomes of projects that have been in operation for a year or two.
- Total averages are the total average of all enterprises, whilst most projects generate income from one or two enterprises

Average incomes are therefore merely indications of the incomes land reform projects generated, and an average income of R35 804 per project or R652 per beneficiary remain meagre whether generated over one, two three or more years.

**Table 3.98: Total income per enterprise**

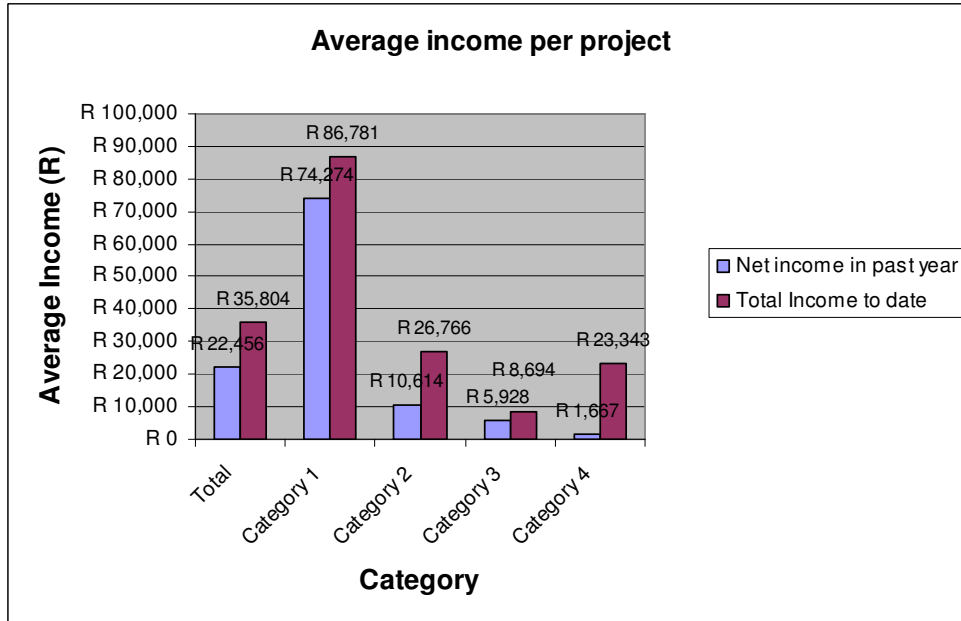
	Total	Average per project	Average per beneficiary
Cattle	R 401,600	R 9,340	R 170
Small Stock	R 62,450	R 1,452	R 26
Poultry	R 705,079	R 16,397	R 299
Crop Production	R 370,430	R 8,615	R 157
<b>Total</b>	<b>R 1,539,559</b>	<b>R 35,804</b>	<b>R 652</b>

Figure 3.5 compare projects’ total income to date with projects’ net income for 2004 per category, and shows that income has been highest in Category 1 projects, and lowest in Category 3, although Category 4 had the lowest income in the past year.



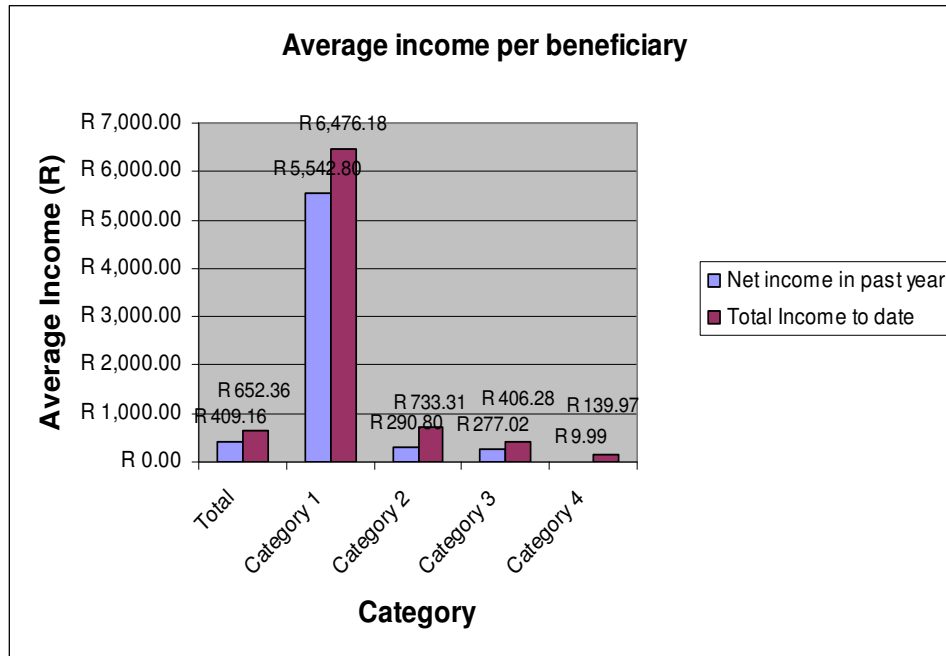
**Figure 3.5: Total income per category**

Figure 3.6 shows that the average income per project has been lower over the past year (R22 456), than over the total duration of the project (R35 804). Both have been significantly higher for Category 1 projects than all the others.



**Figure 3.6: Average income per project**

Category 1 stands out even more prominently in Figure 3.7, noting average income per beneficiary over the past year, and to date.



**Figure 3.7: Average income per beneficiary past year to date**

### 3.10 REVITALISATION: THE BENEFICIARIES' VIEW

To establish what beneficiaries think would be required to revitalise their projects and ensure the sustainable use of their farms, their views and opinions on the following were obtained:

- the means to resolve the financial problems of projects;
- the means to ensure sustainable production; and
- the assistance government should provide to revitalise projects.

#### 3.10.1 Addressing projects' financial problems

The majority (58%) of project representatives believe that an additional grant funding would be required to resolve the financial problems of projects. While 28% of the project representatives thought that loans could be used (see Table 3.67) and 9% of the project representatives (representing 4 projects, 3 of which are from Category 2) believe that more land would help, only 2 project representatives (5%), thought that improved farming techniques would be of any use towards addressing the financial problems of projects.

Project representatives still look predominantly outside themselves and their own potential centre of influence for help, ideally opting for additional grant funding (which presumably would not need to be repaid), followed by loan funding (again from an external source, although this would need to be repaid at some point in the future), while only a very small minority consider the possibility of greater personal responsibility in the form of improved farming.

**Table 3.99: How can financial problems be resolved?**

Means to resolve financial problems	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Loan finance	12	28	3	30	4	29	3	30	2	22
Additional grant	25	58	7	70	8	57	6	60	4	44
More land	4	9	0	0	3	21	0	0	1	11
Improved farming	2	5	0	0	0	0	2	20	0	0

#### 3.10.2 Means to ensure sustainable production

Project representatives' views on what would be required to ensure sustainable utilisation of farm resources is summarised in Table 3.100. Again it shows that the predominant emphasis for sustainability is external. Additional funds would, according to 47% of project representatives, ensure sustainability. The fact that knowledge was perceived as the next most common means towards sustainable production (indicated by 23% of project representatives), is encouraging as it assumes some level of personal responsibility in improving their own knowledge base. However, the low ranking of member commitment (14%) and hard work (12%) as means to ensure sustainable production remains a cause for concern and confirms the general tendency prevailing on most projects to "wait" upon external resources to ensure production.

**Table 3.100: Sustainable production**

Means to ensure sustainable production	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Funds	20	47	4	40	8	57	5	50	3	33
Hard work	5	12	1	10	1	7	1	10	2	22
Extension support and aftercare	6	14	0	0	1	7	2	20	3	33
Diversification	5	12	2	20	2	14	1	10	0	0
Member commitment	6	14	0	0	2	14	1	10	3	33
Equipment	5	12	2	20	1	7	2	20	0	0
Knowledge	10	23	1	10	4	29	2	20	3	33
Expansion	7	16	1	10	3	21	2	20	1	11

### 3.10.3 Government assistance

As government is the most common source for external assistance, the assistance required from government was established. Project representatives again externalised the assistance. The primary forms of government assistance sought are more funds (79%) and the equipment and infrastructure needed for production (35%) compared to the much lower ranking of assistance that would internalise the process of production such as training (33%), advice (16%) and information (14%).

**Table 3.101: Government assistance**

Means for government to assist	Total		Category 1		Category 2		Category 3		Category 4	
	#	%	#	%	#	%	#	%	#	%
Provide more funds	34	79	8	80	9	64	9	90	8	89
Provide training	14	33	2	20	6	43	1	10	5	56
Provide advice	7	16	1	10	3	21	0	0	3	33
Provide equipment, machinery and infrastructure	15	35	1	10	5	36	5	50	4	44
Provide information	6	14	2	20	2	14	2	20	0	0
Additional land	2	5	1	10	1	7	0	0	0	0

The predominant emphasis on additional funds may be understandable, but could also result in disappointment, as such funds may not always be forthcoming. Assistance in other forms, geared towards improving own skills and resources may be available from various sources, but only if it is sought. While the emphasis is on funds and assistance is externalised, projects could be disinclined to consider assistance in such a broader perspective, predisposing/subjecting them indefinitely to “waiting”.

## **4 RECOMMENDED ACTIONS TO REVITALISE THE LAND REFORM PROGRAMME IN THE NORTHWEST PROVINCE**

Measures to turn around land reform projects that are not meeting the land reform objective of commercial viability should be informed by a clear understanding of the reasons for their (projects') failure. These reasons have been outlined in sections 2 and 3 of the report and are summarised below. This section of the report also draws important lessons from the research carried out and presents proposals for addressing project and programme level issues impeding land reform projects from achieving commercial viability.

### **4.1 REASONS FOR PROJECT FAILURE: A SYNTHESIS**

From a comprehensive audit of 124 of the 177 registered projects in Northwest Province, we determined that 34 (or 27%) are currently not operational and thus do not meet the land reform objective of commercial viability for a variety of reasons. When other aspects of the different projects are analysed it seems that more projects could potentially be classified as non-operational or at least on the verge of becoming non-operational. This suggests that the proportion of land reform projects that are not commercially viable exceeds 27%. The comprehensive audit of the 124 projects in Northwest Province made it possible to characterise the projects as follows:

- On a third (39) of the projects, either the members were locked in conflict or the majority had lost interest in the projects. In some cases this has resulted in the projects being abandoned and stopped.
- Only 42% (52) of projects are producing effectively and marketing their produce.
- No production has occurred on 24% (30) of the projects since the land reform beneficiaries obtained the land.
- Deterioration and vandalism of farm infrastructure was observed on 50 (40%) of the farms.
- At least 55% (69) of the farms had no implements while a further 27% (34) needed additional implements.

The audit of all the land reform projects in the province attributed the failure of 27% of the projects to the following:

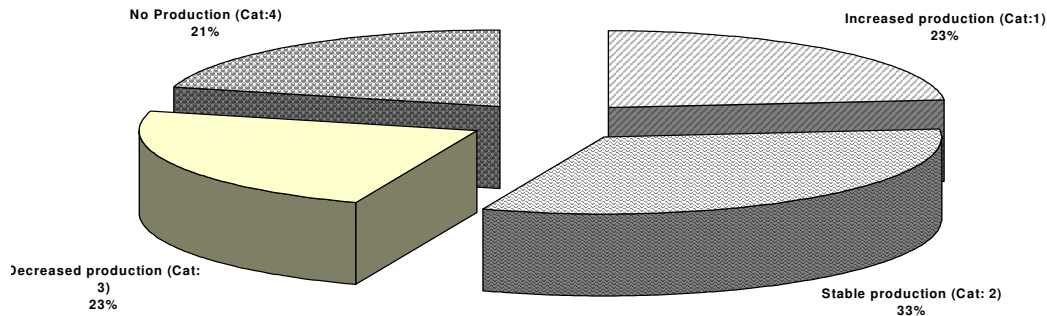
- Ten of the projects are SLAG/commonage projects and, for most of these projects, the objective is only to use the farm for residential purposes. Therefore, there are no agricultural production activities taking place.
- Conflict within the land reform beneficiary groups because of members who lost interest. The active members do not want to produce, because they do not want to share the income generated with the other members who did not participate.



- Poor infrastructure, lack of implements and lack of funds lead to the halt of agricultural activities.
- Conflicts between beneficiaries and former residents affect the operational status of the farm.
- Farm income generated from the projects is not sufficient making it necessary for land reform beneficiaries to seek employment elsewhere.

In the detailed review of the selected 43 projects, four categories of beneficiary farms (projects) were identified largely on the basis of current production status as follows:

- Category 1: Projects showing **increased production** [10 farms];
- Category 2: Projects showing **stable production** [14 farms];
- Category 3: Projects showing **decreased production** [10 farms];
- Category 4: Projects showing **no production** [9 farms].



**Figure 4. 1: Status categories of land reform projects interviewed**

Our analysis indicates that at least 44% (19) of the projects reviewed either do not produce anything or experienced a significant decline in production. This figure provides a rough indication of the minimum proportion of reviewed projects that are not meeting the land reform objective of commercial viability. Therefore, in our proposals for revitalization we are largely concerned with the 19 projects falling within Categories 3 and 4 although it would be important to look at Category 2 farms as well given that these farms could also potentially be at risk in becoming non-viable farms. *[It is interesting to note that the 9 non-operational farms out of our sample of 43 farms represent 21%, which is more or less in line with the 27% recorded in the audit of all projects]*

The reasons for the non-production and commercially non-viable status of Categories 3 and 4 farms are as follows:

- No investment in or improvements and maintenance of farm infrastructure.

- Limited access to funds to cover production costs. Only 18 of the projects (42%) have access to a fund (or production loan) to cover production costs. While the percentage in Category 1 (78%) is relatively high, only 10% and 33% of projects in Categories 3 and 4, respectively, have access to such funds.
- Poor decision-making and management of farming activities. This often directly correlates with the management and governance forms selected by the beneficiaries. In Category 1 projects, decision making in contrast to Categories 3 and 4, rests mainly with farm owners or family heads. “Collective decision making” was particularly prominent in Categories 2 (29%) and 3 (30%).
- Limited active beneficiary involvement in project activities. The production and commercial viability status of the projects is directly related to the degree of beneficiary involvement. Only 9% of beneficiaries on Category 4 projects are actively involved in farming.
- Many beneficiaries have lost interest in the project. Members from the different projects (60% of farms in Category 4) believe that those who are not involved in farming expect “nothing” from the land reform project. They are just happy that their needs for residential security have been met and that they don’t expect anything more and prefer employment on the neighbouring farms. The loss of interest correlates with declining production: 60% of Category 3 and 56% of Category 4 projects have experienced serious loss of member interest. It however begs the question: Is loss of interest a cause of declining or zero production, or is it just a consequence and a manifestation of the fact that most farms just cannot accommodate or sustain the number of project beneficiaries.
- The lack of aftercare to beneficiaries. Aftercare programmes were not included in any of the business plans of Category 4 farms and in 50% of farms in Category 3. Our earlier analysis shows that aftercare is rendered to 40% of Category 1, 36% of Category 2, 30 % of Category 3 and 11% of Category 4 projects, which suggests a direct relationship between project performance and aftercare. Exposure to mentorship follows more or less the same pattern (except for the drastic deviation in Category 3) with mentors appointed to 40% of Category 1, 29% of Category 2, and 11% of Category 4 projects.
- Limited advice and support from the Provincial Department of Agriculture. The Department provided “advice” to 47% and “support” to 5% of projects, whilst 49% indicated that they had not received any help from the Department.
- Limited support by input suppliers and access to input markets. In Category 4 a total of 67% of projects “don’t know” their main input suppliers and in a way match their production status.
- Limited engagement with agribusiness. It is only Category 1, and to a lesser extent Category 2 projects, that have established some contractual agreements with agribusiness whereby a secure market with limited risk is established.
- Limited agricultural experience of beneficiaries. Only 21 beneficiaries from just 6 (14%) projects practised small-scale commercial farming of which 4 (67%) are

Category 1 projects, indicating a positive correlation between project's production status and the incidence of beneficiary participation in commercial farming (commercial farming background).

- Limited financial management skills. Almost all (95%) of project representatives believe that their project and financial management skills need to be developed.
- General farming related problems. Most commonly cited problems included drought noted by 25% of project representatives, particularly in Category 3 (67%), too small grazing areas and practical farming problems.

## **4.2 LESSONS AND PROPOSALS FOR FUTURE LAND REFORM PROJECTS**

The results of the comprehensive and detailed analysis reported in Section 3 indicate that many of the land reform projects in the Northwest Province are not meeting the objectives of the land reform programme. The reasons for this may be found at both the project and programme levels as clearly indicated in the synthesis provided above. This synthesis also provides important guidelines to be considered in planning future projects to ensure that these projects have a greater chance to meet the objectives of the land reform programme and achieve success in terms of improving rural livelihoods. Attention needs to be given to factors responsible for the failure to meet land reform programme objectives at the two levels.

### **4.2.1 Proposals to address programme level issues**

In this section we discuss a number of proposals that are largely of an institutional and legal nature that should be implemented at the programme level (national and provincial), which could make an important contribution to success at the project level.

#### *Review/develop selection criteria for beneficiaries*

A point that is strongly echoed by all officials from the Department of Agriculture in the province and which came out clearly from our analysis is that there is a clear correlation between beneficiaries' commercial farming experience, farming for profit as an objective and the viability of the farming enterprise. This should indicate that selection of beneficiaries for LRAD grants should take the previous farming experience into account and also consider the objectives of the beneficiaries. If the objective of the land reform programme is to ensure productive and sustainable utilisation of the land, then these types of criteria should be contributing to achieving this objective.

Thus, it is recommended that selection criteria for land reform beneficiaries are developed to have a much more meaningful selection of beneficiaries by ensuring that selected beneficiaries have both the interest and capacity/potential to farm successfully on a commercial basis. The proposal here is to move slightly away from the proposed selection criteria developed by Van Rooyen and Njobe-Mbuli (1996)<sup>6</sup> to make a much more stronger

<sup>6</sup> Johan van Rooyen and Bongwiwe Njobe-Mbuli: Access to land: selecting the beneficiaries; Chapter 18 in: Van Zyl J, Kirsten J and Binswanger H P. 1996 Agricultural Land Reform in South Africa, Policies, markets and mechanisms. Oxford University Press, Cape Town.

case for the “productivity” component of their three-pillar set of selection criteria. It can be argued that their argument of disentanglement as an important criterion can largely be accommodated under the land claims process and that the land redistribution process be more focussed on the beneficiaries’ ability to productively utilise farmland.

It is also important to limit the number of beneficiaries per project. Small groups or individuals should be preferred beneficiaries rather than going the “rent-a-crowd”- route which often leads to conflict, loss of interest and a range of managerial problems which ultimately - as shown in our results – leads to project failure. Many beneficiaries utilised the land reform programme to satisfy a need for residential land and to have access to a small plot to cultivate subsistence crops and rear some animals. These specific needs can be met in peri-urban settings, on municipal commonages, on state land or in some form of agri-village. In this way we could prevent taking scarce, productive and high potential agricultural land out of agricultural production. The ultimate objective of land reform is to distribute 30% of the land by 2014 and to ensure a more representative farming community. It does not necessarily mean that 30% of the population should get the land.

The message is thus clear: Select “farmers” in small groups or as individuals for the agricultural land reform programme and utilise other non-farm land to satisfy other land needs and to achieve the government’s equity objectives.

Consideration should also be given to making an approved/acceptable business plan a condition for approval of land reform grants. However, care should be taken to ensure that the business plan is implemented rather than making it a tool for obtaining grants. The aftercare programme (discussed below) should have a special focus on monitoring and assisting the implementation and adjusting the business plan.

*Approval processes for grants/loans to be streamlined to shorten the process.*

One of the reasons for project failure relates to the lengthy process in getting applications for LRAD grants approved. The lengthy start-up time contributed to loss of interest by beneficiaries and group conflict and also poor agricultural performance.

We also found very successful black farmers who acquired land through their own means and own financing but were unsuccessful in getting the LRAD grant. Ideally we would like to see more of these individual farmers with strong own initiative and strong entrepreneurship to be established. It is unfortunate that the current LRAD processes discriminate against such farmers. At the same time there could be much more land already transferred to black farmers that is not recorded by the official processes. There is, therefore, more than enough reason to consider streamlining the approval process and also to make it less rigid so that aspirant beneficiaries can actively search for land and close such deals before applying for the grant. In such way beneficiaries will not lose the potential purchase of a farm as a result of the lengthy approval process (as so often happened).

*Coordination between government departments*

Coordination and integration of activities of government departments dealing with land reform issues, especially the Departments of Agriculture and Land Affairs, needs urgent attention. The conflicting objectives of making land available to as many people as possible (Land Affairs) and sustainable commercial agricultural production (Department of

Agriculture) need to be reconciled. Also, integration/coordination of activities among different units within a department needs to be attended to. *[We have for example encountered many cases where land reform beneficiaries were not even aware of the CASP programme or were not aware how to apply for this.]*

The fragmentation of the various streams of funding and support services between and within government departments needed for the successful implementation of land reform in South Africa is a matter of great concern. In the initial conceptual thinking of the land reform programme it was envisaged that all funding for land, production credit, on-farm infrastructure, community based infrastructure, market access, training, etc should all have been channelled through one department or agency. Unfortunately, this did not happen and the fragmentation is so huge that there is now a major coordination challenge in bringing all the elements from extension support and mentoring through to production finance and the land acquisition grant timeously to the beneficiaries to prevent farming activity coming to a complete halt resulting in financial ruin. From our interviews with beneficiaries, it seemed that this issue of uncoordinated delivery of the most needed services and funding is partly to blame for some of the project failures and the potential risk of failure faced by projects in all categories.

This is clearly an aspect that needs to be addressed at programme level nationally which could, if properly addressed, have a major positive impact on the future success of the land reform programme.

#### *Support and aftercare*

Acquiring a farm today in an uncertain, competitive and antagonistic world with potentially a large debt load is a rather tough assignment. In this respect the value of support and aftercare provided by the Departments of Land Affairs and Agriculture cannot be underestimated. Just knowing that there is a dedicated person(s) with whom one can get in touch to handle critical queries and problems will be much appreciated. Even a regular visit (perhaps weekly) from the financial institution providing the production loan would go a long way in achieving success for these new farmers. The same would apply to the agribusiness firm buying the output or from the cooperative or company supplying inputs. All of them should be enticed or incentivised by government to assist in this important task of farmer settlement.

Providing dedicated aftercare to all land reform beneficiaries would require more staff to reduce the number of projects/beneficiaries per government official. An important rule of thumb is that one official in the Department of Agriculture should be responsible for not more than 5 land reform cases. The budget and perhaps staff structure in the provincial governments would probably not allow for this and in that case a mentorship programme, involving existing commercial farmers should be implemented to assist in this task. There should however be a dedicated official for every mentor and beneficiary to ensure that the system functions effectively and with professionalism. There has already been many offers by commercial farmers to assist in such a mentoring programme. The important thing is to utilise this observed goodwill by quickly implementing such a programme with speed to ensure the success of future land reform projects and perhaps in assisting the revitalisation of some of the projects that are on the verge of collapse.

## 4.2.2 Proposals to address project level issues

### *Training and capacity building*

Despite selecting beneficiaries with prior agricultural knowledge and skills, substantial training and capacity building is required. Managing your own business, making technical and financial and marketing decisions in your own capacity is a totally different ball game. These skills are largely acquired over time and with experience but the process can be fast-tracked by presenting comprehensive courses covering all aspects in farm management: record keeping, financial management, technical aspects, marketing, use of the future markets, and basic contract and labour law. These skills cannot be provided by extension workers but require more specialised training through some form of agri-academy, agricultural colleges, short courses, or farmers days which all can be funded through the education and training authority for primary agriculture (PAETA).

This training should be implemented very soon after the beneficiary has successfully taken possession of the farm. It would not be wise to wait with these training activities for more than a year.

### *Governance and management systems at project level*

It is vital that more serious attention be paid to the constitutions (rules) that govern groups of beneficiaries whether they have formed common property associations, closed corporations or trusts. This institutional framework or constitution needs to be more explicit about a number of aspects:

- Means to punish or reward nonperformance/performance. Thus, an effective system of incentives is needed to ensure active participation by beneficiaries
- If certain beneficiaries lose interest, there should be an effective and well-understood mechanism to make provision for beneficiaries to exit the project with no claim on any part of the land or the profit generated from the land (the problem the state could have with this is that beneficiaries basically got R5 000 for sweat-equity (their labour) invested in the project). If they leave some people have now been enriched by using other people to acquire tax payer's money }
- Conflict resolution mechanisms should be put in place to address conflicts among beneficiaries and between beneficiaries and their neighbours.

### *Improved access to production credit*

The systems whereby beneficiaries can access production finance need restructuring. Service delivery and expansion of the "foot print" of the Land Bank and other financial institutions need to improve. This would require more dedicated field workers from the financial institutions that could assist with financial planning and monitoring farming progress and the utilisation of the production loan facility. The access to this type of funding is critical for the continued farming activity on all land reform projects.

### **4.3 PROPOSALS FOR THE RE-ENGINEERING OF EXISTING LAND REFORM PROJECTS IN THE NORTHWEST PROVINCE**

Having analysed the mistakes and lessons from the past few years of experience with land reform in the Northwest Province, we have provided some important guidelines to secure a successful and sustainable future for land reform in the Northwest Province (and perhaps for the country as a whole). We now turn our attention back to the existing projects in the province and consider various alternatives for the revitalisation of projects in the Northwest Province that seem to be not viable any more or are facing bankruptcy.

Many of the proposals discussed in Section 4.2 above, can also be applied to the specific problem cases identified earlier in the report. There are basically a few important aspects that need immediate attention:

#### *Group issues: conflict, lack of interest, and very few active members*

In this regard a quick review of the constitutions and management structures of the group needs to be done and important adjustments made. In collaboration with the DLA, discussions should be held to think about a clean exit strategy where members have lost interest. Introduction of proper incentives and remuneration for remaining members that work on the project should then be considered. Adjustments to the management and decision making system within the various beneficiary communities need to be done quickly. The active engagement and support by officials from the Department of Land Affairs will be needed in this regard.

#### *Lack of operational capital*

In many projects this was highlighted as a major constraint and hurdle to a successful project. The remaining balances of the LRAD grant takes a long time to be accessed or access to production loans via the Land Bank and others is not forthcoming. Some quick intervention by the officials in DLA and Department of Agriculture responsible for the specific projects is needed to ensure that balances of LRAD grants are made available and that special arrangements are made for more production finance. A system of deferred payments on production loans should be negotiated to provide some form of grace period to allow the farming activities to be kick-started. Training in financial management for all beneficiaries should run parallel to this process.

#### *Implements, infrastructure and maintenance*

The lack of implements, shortage of animals to establish commercial herds, poor and limited infrastructure as well as the maintenance of fences, boreholes, pumps, etc are aspects that were raised across all categories of farmers but much more severe in the case of Categories 3 and 4. Urgent investment in these aspects in virtually all projects is necessary to allow some projects to be revitalised, to prevent others from becoming non-viable and to ensure growth in farming activity on others. Fortunately the government already has the programme and funding in place to assist these farmers – the Comprehensive Agricultural Support Programme (CASP). This programme is ideally structured and for this purpose – it just requires a fast and efficient roll out. A suggested fast-track approach would be to attend to the identified projects classified as Category 3 and 4 (listed in ANNEXURE 5) and assess their infrastructural and implement needs so that an application for CASP funds can urgently be made to ensure that

production can be reactivated. At the same time, the process to link beneficiaries up with financial institutions or production loans should also commence.

Many beneficiaries that we visited mentioned the need for a “kick-start” to get all their plans to increase production in motion by investing in irrigation systems, infrastructure, animal handling facilities, dairy parlors, etc. Access to CASP funding should provide that most needed “kick-start”. The principles of the CASP programme correspond very much with the programmes the National Party government implemented in the 1950s and 1960s to provide Afrikaner farmers with a much needed “kick-start”. In this tough competitive agricultural environment it is important, very appropriate and necessary that beneficiaries gain access to the CASP funding.

Because of the vandalism of farm infrastructure and farm buildings on 50 farms, immediate attention should be paid to addressing this problem through engagement with the beneficiaries. Substantial investment would however immediately be needed to upgrade the infrastructure on these farms so that farming activity can continue without any hindrances.

#### *Improvement of government support to projects*

A much more hands-on and day-to-day approach in engaging with the beneficiaries is needed. If current staff structures are under pressure, the Department of Agriculture should make use of mentors and agribusiness to help in this huge task of post-settlement support and advise given that qualified staff is limited.

#### *Training*

Identify immediate to short term training needs of beneficiaries on the problem cases and bring all active and interested beneficiaries for a series of short courses to prepare them for the upcoming planting season.



## 5 ANNEXURES

### 5.1 ANNEXURE 1: INVENTORY OF LAND REFORM PROJECTS IN THE NORTHWEST PROVINCE

(Data supplied by Department of Land Affairs, Department of Agriculture and Land Bank)

Project name	LRAD STATUS	District	# of beneficiaries	Size of land (ha)
A re direng Trust	LRAD	Vryburg	38	2182.00
A Re Tsweletseng Temothuo	LRAD	Brits		31.38
ADU,S.A.-RUST	LRAD-LB	Rustenburg	1	72.52
Agisanyang Balemi-Rui	LRAD	Vryburg	51	663.00
Anix Trading 730 J.Q-RUST	LRAD-LB	Rustenburg	15.79	
AST Afrika	LRAD	Marico	3	773.00
Badirammogo Trust	LRAD	Vryburg	20	333.00
Baitiredi	LRAD	Vryburg	22	410.00
Bakerville	SLAG	Lichtenburg		799.97
Bakgatla ba motsa	SLAG			
Balemi ba Merogo	SLAG	Brits		17.04
Bankies, OL-LTBG	LRAD-LB	Delareyville	7	177.00
Baphadima Kopano Trust	LRAD	Vryburg	29	1201.00
Barolong Balemirui	SLAG	Vryburg		2443.21
Bathako ba Leema				
Bathoki	LRAD	Schweizer-Reinecke	18	79.00
Blaaubochkuil	Agriculture			
Blaauwbank/Ikageng	Agriculture	Lichtenburg		916.00
Bodibe	LRAD	Central	180	915.00
Bodibe CHAIN Farmers (Rietkolk Farm)	LRAD	Central	180	214.00
Boikhutso ( commonage)	Commonage	Lichtenburg	65	72.24
Boikhutso (Broedersput)	Tenure	Bophirima		337.00
Boikhutsong CPA/Goedgevonden farmworkers	ESTA	Ventersdorp		856.67
Boiteko	LRAD	Vryburg	19	428.00
Bonolo Tissue Manufactures-RUST	LRAD-LB	Rustenburg	65	312.23
Bopaganang	LRAD	Vryburg	28	753.00
Boschkuil	SLAG	Wolmaranstad		376.00
BOSELE MOSEKI CC-VRBG	LRAD-LB	Vryburg	3	112.00
Braklaagte	Commonage	Lehurutshe		2086.00
Brakspruit/Farm Mahemsvlei	PROD/SETLEME NT	Klerksdorp		446.19
Bray	SLAG	Vryburg		1846.40
BUFFELSVLEI	LRAD	KLERKSDORP	30	14.00
Dikhing Farming Project-VRBG	LRAD-LB	Vryburg		1311.65
Dire BJ-RUST	LRAD-LB	BRITS	1	46.00
DREAMTEAM TRADING 659 CC-Potch	LRAD-LB	Potchefstroom	2	20.00
E Maluleka	LRAD	Rustenburg	1	457.00

E-NKUKHU-Potch	LRAD-LB	Potchefstroom	1	18.00
Enselberg	LRAD	Marico	328	3200.00
F & G Farming CC	LRAD	Ventersdorp	4	82.54
Farm Erfdeel 274	SLAG	Klerksdorp		155.35
Flint	LRAD	Klerksdorp	10	384.00
Gabaathole Farm Project	LRAD	Vryburg	43	754.00
Ga-Moeka	SLAG	Moretele		219.07
Ga-Rankuwa Farmers	LRAD	Brits	27	26.07
Gatelang Pele	LRAD	Vryburg	28	598.00
Golang Enterprises	LRAD	Brits	20	13.00
Grasfontein/TSHWARAGANANG	SLAG	Lichtenburg		898.76
Groenkloof/Modderspruit	SLAG	Brits		34.84
Grootfontein	LRAD	molopo	6	201.00
Helpmekaar boerdery	LRAD	Bophirima	35	727.73
Ikageng	LRAD	KLERKSDORP	20	175.00
Interactive Trading 424 (Pty) Ltd	LRAD	Klerksdorp	17	21.41
Ipopeng Batlhaping Trust	LRAD	Vryburg	23	443.00
Ipopeng Trust	LRAD	Potchefstroom	10	12.00
Jachtkraal	SLAG			2000.00
Joseph & Sons (Pty) Ltd	LRAD	Klerksdorp	12	432.60
Katlego	LRAD	Klerksdorp	17	21.41
Katologo Farming Project	LRAD	Vryburg	18	79.00
Kgame SE	LRAD	Marico	3	25.00
Kgotso Farms Union	LRAD	VRYBURG	20	32.00
Kitlanong	LRAD	Vryburg	22	1162.00
Klaarstroom	LRAD	Zeerust	6	720.00
Klipfontein	production & Settlement	Klerksdorp		248.00
KLIPPIEGROOT CC-VRBG	LRAD-LB	Vryburg	4	21.00
Kokosi-Thusanang CPA		Fochville		630.74
Kopano Botshelo	LRAD	Vryburg	35	599.00
Kopela	SLAG	Delareyville		22.86
Koster Commonage	Commonage	Bojanala		860.00
Kotla Commercial Enterprise	LRAD	Bojanala	3	108.00
Kruger,FD-LTBG	LRAD-LB	Lichtenburg	1	514.00
L B LETIMELA	LRAD	VRYBURG	2	139.00
Leeuwdoringstad Commonage	Commonage	Wolmaranstad		1464.00
Leeuwfontein	SLAG	Lehurutshe		1422.00
Legotlo SE-RUST	LRAD-LB	Marico	1	457.03
Leruo Sefala	LRAD	Vryburg	34	1157.00
Lesolobe Family Trust-RUST	LRAD-LB	Marico	6	849.00
Letsema la Barui	LRAD	Bophirima	35	316.79
Liliespan	Settlement	Southern		21.70
Lotlampona	LRAD	Bophirima	44	981.00
Mabaalstad (ga-Matsipa)	SLAG	Rustenburg		414.54
Madibogo/Siyaya	SLAG	Delareyville		352.53
Madisong Ranch-VRBG	LRAD-LB	Delareyville	5	338.00
MAHAMBABA-LTBG	LRAD-LB	Lichtenburg	1	148.00
MAHNE J-Potch	LRAD-LB	Ventersdorp	1	441.00
Mahube	LRAD	Vryburg	19	102.00
Makanda Properties-RUST	LRAD-LB	Marico	6	135.38
Marabutse Mashukuyanye David-LTBG	LRAD-LB	Ditsobitla	1	131.15
Marabutse,MD-LTBG	LRAD-LB	Lichtenburg	4	131.00
Marikana Commonage	Commonage	Bojanala		60.00

Masibambaneni Family Trust	LRAD	Ventersdorp	60	769.90
Masibi, P.H.	LRAD-LB	Molopo	1	2198.81
Mavula Enterprise CC	LRAD	Bojanala	2	23.35
Mbelle AB	LRAD	Lichtenburg	1	140.00
Mer-Go-Round-Trust	LRAD	Vryburg	35	1857.00
Migdol	SLAG	Delareyville		1454.01
Modipane,BJ-LTBG	LRAD-LB	Lichtenburg	2	7.00
Mogodi,Tebogo Alex-LTBG	LRAD-LB	Lichtenburg	1	158.10
Mogopa	SLAG	Klerksdorp		7908.00
Mogoritshane	LRAD	Bophirima	48	2014.00
Mogorosi KP	LRAD	Lichtenburg	1	843.18
Moloto,J.M.-RUST	Non-LRAD-LB	KOSTER	2	395.87
Monametsi Joseph Phaedi-LTBG	LRAD-LB	Lichtenburg	1	329.00
Monna wa Pula	LRAD	Bophirima	4	42.83
Monye, Kabo Elvis-LBG	LRAD-LB	Ditsobotla	1	254.74
MOSIANE,PB-LTBG	LRAD-LB	Lichtenburg	2	186.00
Motlhape Farming	LRAD	Bophirima	24	393.00
Mphelengwana	LRAD	Vryburg	8	21.00
Multilayer	LRAD	Potchefstroom	3	25.00
Multilayer Trading 816 CC	LRAD	Potchefstroom	6	8.57
Mvala	LRAD	KLERKSDORP	8	99.00
Nanogang trust	LRAD	Potchefstroom	12	202.00
New Eersterus		Moretele		6294.13
Nexor 306 CC	LRAD	Marico	2	210.00
Nkagisang	SLAG	Rural		193.69
Nkaikela	ESTA	Central		426.30
Nooitgedacht	ESTA	Southern		183.00
Oersonskraal	SLAG	Wolmaranstad		756.29
OJ SEODIGENG-VRBG	LRAD-LB	Vryburg	1	676.46
Osopias	LRAD	Bojanala	1	72.52
Oukasie Itsoeng farmers	SLAG	Brits		15.28
Phaedi,MJ-LTBG	LRAD-LB	Lichtenburg	4	329.00
Pheko Asset Management & Basele Moseki Farm CC-VRBG	LRAD-LB	Vryburg		112.00
Plantjies farming Trust	LRAD	Vryburg	12	4.00
Poland	Settlement	Bojanala		4.90
PRIDESHELF CC-LTBG	LRAD-LB	Lichtenburg	10	434.00
Quite Living-RUST	LRAD-LB	Marico	6	259.00
Ratshikana,SA-LTBG	LRAD-LB	Lichtenburg	1	300.00
Reagile	LRAD	Vryburg	20	214.00
Reaboka (Valkop)	LRAD	Central	50	230.00
Reatirela	LRAD	Vryburg	15	43.00
Refathogile Farmers	LRAD		22	39.46
REIDA PROPERTY-RUST	LRAD-LB	Marico	2	773.00
Rietvallei	LRAD	Southern	12	25.18
Roedekuil	Settlement	Brits		
Rosendal	Commonage	Bophirima		1044.00
Schweizer Reneke	Commonage	Bophirima		3085.60
SEASONS STAR TRADING 94 CC- Potch	LRAD-LB	Ventersdorp	4	83.00
Sebolai,AA-LTBG	LRAD-LB	Lichtenburg	1	52.00
Segwaelane Balemi Itsoeng	SLAG	Brits		19.53
Segwaelane Itireleng Balemi	SLAG	Brits		19.53
Selaledi,AA-RUST	LRAD-LB	Rustenburg	3	26.00

SERFONTEIN FERTILE EGG PROD-Potch	LRAD-LB	Potchefstroom	38	16.00
Sethabetsi	LRAD	Bophirima	45	2195.00
Seven Seasons	LRAD	Southern	19	252.00
Sibanda	LRAD	Rustenburg	4	52.00
Stilfontein 408 (Mpho Farming Trust)	Settlement	Southern		6.00
Stinkwater Trust farm/New Stand		Moretele		2600.00
Swartruggens	SLAG	Rustenburg		0.71
Syferlaagte	LRAD	Klerksdorp	39	334.00
Thato	LRAD	Vryburg	25	335.00
Thato-Thabi Farmers-RUST	LRAD-LB	BRITS	4	20.00
Tholo FARMS	LRAD	Lichtenburg		
Thou Boswa Cattle Project	LRAD	Kuruman	23	857.00
Tigane Landless Community	SLAG			330.08
Tiisang	LRAD	Vryburg	36	922.00
Tirisano Farm Project	LRAD	Vryburg	29	661.00
Tiro,GT-LTBG	LRAD-LB	Lichtenburg	2	240.00
Tlhabane Gabriel Tiro-LTBG	LRAD-LB	Lichtenburg	1	240.00
Tlhabologo	LRAD	Vryburg	35	1333.00
Tlhagale Family	LRAD	Central	1	436.02
Tsanana Farming BK-Potch	LRAD-LB	Ventersdorp		294.00
Tshing Commonage	Commonage	Klerksdorp		1567.00
Tshipidi	LRAD	vryburg	23	703.00
Tsholofelo	LRAD	Vryburg	37	936.00
Tshwaraganang	SLAG	Klerksdorp		167.54
Tsimologo Trust	LRAD	Vryburg	42	2392.00
TSZ DITHIPE-Potch	LRAD-LB	Ventersdorp	1	34.00
TUTUBALA (PTY) LTD-Potch	LRAD-LB	KLERKSDORP	6	11.00
Vaalbosput	LRAD	Bophirima	15	655.00
Valleifontein	LRAD	Central	2	82.00
Vyeboschlaagte	SLAG			
W A MOETI	LRAD	VRYBURG	1	770.00
Welverdiend	SLAG	Lichtenburg		476.04
Wildfontein	ESTA	Central		404.45
William Velaphe Mahamba-LTBG	LRAD-LB	Lichtenburg	1	138.00
Woodpark (Ithuteng)	LRAD	Central	16	428.00
Zilimbola,TS-LTBG	LRAD-LB	Lichtenburg	6	255.00
ZISAMEMLENI FARMING (PTY) LTD-PTA	LRAD-LB	BRITS	2	21.00
???	LRAD-LB	Lichtenburg	1	843.00

## 5.2 ANNEXURE 2: LIST OF AUDITED PROJECTS

Project name	District	Number of beneficiaries	Land size (Ha)	Operational (Yes/No)
A re direng Trust	Vryburg	38	2 182	Yes
Agisanyang Balemi-Rui	Vryburg	51	663	Yes
Anix Trading 730 J.Q-RUST(Semoba flora project)	Rustenburg	5	15.79	Yes
AST Afrika	Marico	3	773	Yes
Badiramongo Trust	Vryburg	20	333	Yes
Baitiredi	Vryburg	22	410	Yes
Balemi ba Merogo	Brits	26	17.04	Yes
Baphadima Kopano Trust	Vryburg	29	1201	Yes
Barolong Balemirui	Vryburg	146	2 443.21	Yes
Batlhoki Trust	Schweizer-reneke	25	79	Yes
Bodibe CHAIN Farmers (Bloedzuigerspan)	Central	180	915	No
Bodibe CHAIN Farmers (Rietkolk Farm)	Central	180	214	No
Boikhutso ( commonage)	Lichtenburg	65	72.24	No
Boikhutso (Broedersput)	Bophirima	77	337	No
Boikhutsong CPA/Goedgevonden farmworkers	Ventersdorp	127	856.67	Yes
Boiteko	Vryburg	19	428	Yes
Bonolo Tissue Manufactures-RUST	Rustenburg	65	312.23	Yes
Bopaganang	Vryburg	28	753	Yes
Boschkuil	Wolmaranstad	Settlement	376	Yes
Bosele Moseki CC-VRBG	Vryburg	3	112	Yes
Braklaagte	Lehurutshe		2086	No
Brakspruit/Farm Mahemsvlei	Klerksdorp	110	404.00	Yes
Bray	Vryburg	74 households	1846.39	Yes
Dire BJ-RUST	Brits	1	46	Yes
Dreamteam trading 659 CC-Potch	Potchefstroom	2	20	Yes
E-Nkukhu-Potch	Potchefstroom	1	18	No
Farm Erfdeel 274	Klerksdorp	Settlement	155.35	No
Flint (Itekeng)	Klerksdorp	10	62.7	Yes
Gabaathole Farm Project	Vryburg	43	754	Yes
Gatelang Pele	Vryburg	28	598	Yes
Golang Enterprises	Brits	20	13	No
Golden tatto	Ventersdorp	17	200	Yes
Grasfontein/TSHWARAGANANG	Lichtenburg		898.7	Yes
Groenkloof/Modderspruit	Brits		34.84	Not yet transferred
Grootfontein/Tsatsimpe	Matshogo	6	201	Yes
Helpmekaar boerdery	Bophirima	35	727.73	Yes
Ikageng	KLERKSDORP	20	175	No
Ikageng CPA	Lichtenburg	60	702	Yes
Iphutheng	Ratlou	15	428	No
Ippeng Batlhaping Trust	Vryburg	23	443	Yes

Ipopeng Trust	Potchefstroom	10	12	Yes
Itereleng farmers trading cooperative	Ditsobotla	10	72	Yes
Katologo Farming Project	Vryburg	18	79	Yes
Kgotso Farms Union	Vryburg	20	32	Yes
Kitlanong	Vryburg	22	1162	Yes
Klippiegroot CC-VRBG	Vryburg	4	21	Yes
Kokosi-Thusanang CPA	Fochville	60	630.74	No
Kopano Botshelo	Vryburg	35	599	Yes
Kotla Commercial Enterprise	Bojanala	3	108	Yes
Kruger,FD-LTBG	Lichtenburg	1	514	Yes
Leeuworingstad Commonage	Wolmaranstad	Commonage	1464	No
Leeuwfontein	Lehurutshe		1422	No
Leruo Sefala	Vryburg	34	1157	Yes
Letsema la Barui	Bophirima	35	316.79	No
Liliespan	Southern	20 households	21.702	No
Lotlampona	Bophirima	44	981	No
Kruger,FD-LTBG	Delareyville	5	338	No
Kruger,FD-LTBG	Lichtenburg	1	148	Yes
Mahne J-Potch	Ventersdorp	1	441	No
Mahube	Vryburg	19	102	Yes
Marabutse,MD-LTBG	Lichtenburg	4	131	Yes
Masibambaneni Family Trust	Ventersdorp	60	769.89	AA
Masibi P.H.-LTBG	Molopo	2	2 198.80	Yes
Mavula Enterprise CC	Bojanala	2	23.35	Yes
Mer-Go-Round-Trust	Vryburg	35	1857	Yes
Mgiba Family	Southern	8	154	Not yet transferred
Migdol	Delareyville	1200	1 757.00	Yes
Modipane,BJ-LTBG	Lichtenburg	2	7	Yes
Mogodi,Tebogo Alex-LTBG	Lichtenburg	1	158.09	Yes
Mogoritshane	Bophirima	48	2014	Yes
Moloto,J.M.-RUST	Koster	1	395.86	No
Monametsi Joseph Phaedi-LTBG	Lichtenburg	1	329	Yes
Monna wa Pula	Bophirima	4	42.82	Yes
Monye, Kabo Elvis-LBG	Ditsobotla	2	254.74	Yes
Mooimeisiefontien	Lichtenburg	1	52	Yes
Mosiane,PB-LTBG	Lichtenburg	2	186	Yes
Motlhape Farming	Bophirima	24	393	Not yet transferred
Mphahlele, MS-LTBG	Jagersfontein	1	685	Yes
Mphelengwana	Vryburg	8	21	Yes
Multilayer Trading 816 CC	Potchefstroom	6	8.56	Yes
Mvala	KLERKSDORP	8	99	Yes
Nanogang trust	Potchefstroom	12	202	No
Nkagisang	Southern	152	193.69	Yes
Nkaikela	Central		426.29	No
Nooitgedacht	Southern	about 70	183	No
Oblate CPA	Southern	68	383	Yes
Oersonskraal	Wolmaranstad	Settlement	756.29	No
Oukasie Itsoseng farmers	Brits	33	15.28	No
Phaedi,MJ-LTBG	Lichtenburg	4	329	Yes

Plantjies farming Trust	Vryburg	12	4	Yes
Prideshelf CC-LTBG	Lichtenburg	10	434	Yes
Ratshikana,SA-LTBG	Lichtenburg	1	300	Yes
Reagile	Vryburg	20	214	No
Reaoboka (Valkop)	Central	50	248	Yes
Reatirela	Vryburg	15	43	Yes
Reida property Investment Ltd (Pty)	Marico	2	773	Yes
Rosendal	Bophirima	Commonage	1 044	No
Schweizer Reneke	Bophirima	Commonage	3 085.60	Yes
Season Star Trading 94 CC-Potch	Ventersdorp	4	83	Yes
Segwaelane Balemi Itsoseng	Brits	18	19.53	Yes
Segwaelane Itireleng Balemi	Brits	20	19.53	Yes
Sethabetsi	Bophirima	45	2195	Yes
Seven Seasons	Southern	19	252	No
Thato	Vryburg	25	335	Yes
Thando Jholo (Zilimbola)	Lichtenburg	6	255	Yes
Tholo FARMS	Lichtenburg	10	368.16	No
Thou Boswa Cattle Project	Kuruman	23	857	Yes
Tiisang	Vryburg	36	922	Yes
Tirisano Farm Project	Vryburg	29	661	Yes
Tiro,GT-LTBG	Lichtenburg	2	240	Yes
Tlhabane Gabriel Tiro-LTBG	Lichtenburg	1	240	Yes
Tlhabologo	Vryburg	35	1333	Yes
Tlhagale Family	Central	1	436.01	Yes
Tshipidi	Vryburg	23	703	Yes
Tsholofelo	Vryburg	37	936	Yes
Tsimologo Trust	Vryburg	42	2 392	Yes
TSZ Dithipe-Potch	Ventersdorp	1	34	Yes
Tutubala (PTY) LTD-Potch	KLERKSDORP	6	11	Yes
Valleifontein	Central	2	82	Yes
W A Moeti	VRYBURG	1	770	Yes
Welverdiend	Lichenburg		476.04	Yes
Wildfontein	Central		404.45	No
William Velaphe Mahamba-LTBG	Lichtenburg	1	138	Yes
Woodpark (Ithuteng)	Central	16	428	No

### 5.3 ANNEXURE 3: LIST OF NON-OPERATIONAL LAND FORM PROJECTS IN NORTHWEST PROVINCE OBTAINED FROM THE AUDIT

Project name	District	Number of beneficiaries	Land size (Ha)
Bodibe CHAIN Farmers (Bloedzuigerspan)	Central	180	915
Bodibe CHAIN Farmers (Rietkolk Farm)	Central	180	214
Boikhutso ( commonage)	Central (Lichtenburg)	65	72.24
Boikhutso (Broedersput)	Bophirima	77	337
Braklaagte	Central (Lehurutshe)	Settlement	2086
Farm Erfdeel 274	Southern (Klerksdorp)	Settlement	155.35
Golang Enterprises	Bjanala (Brits)	20	13
Ikageng	Southern (Klerksdorp)	20	175
Iphutheng	Central (Ratlou)	15	428
Kokosi-Thusanang CPA	Southern (Fochville)	60	630.74
Leeuworingstad Commonage	Southern (Wolmaranstad)	Commonage	1464
Leeuwfontein	Central (Lehurutshe)	Settlement	1422
Letsema la Barui	Bophirima	35	316.79
Liliespan	Southern	20 households	21.70
Lotlampona	Bophirima	44	981
Madisong Ranch-VRBG	Delareyville	5	338
Moloto,J.M.-RUST	Bojanala (Koster)	1	395.86
Nanogang trust	Southern (Potchefstroom)	12	202
Nkaikela	Central	Settlement	426.29
Nooitgedacht	Southern	about 70	183
Oersonskraal	Southern (Wolmaranstad)	Settlement	756.29
Oukasie Itsoseng farmers	Bojanala (Brits)	33	15.28
Reagile	Bophirima (Vryburg)	20	214
Rosendal	Bophirima	Commonage	1044
Seven Seasons	Southern	19	252
Tholo FARMS	Lichtenburg	10	368.16
Wildfontein	Central	Settlement	404.45
Woodpark (Ithuteng)	Central	16	428



**5.4 ANNEXURE 4: LIST OF 43 PROJECTS THAT WERE INTERVIEWED IN DETAIL**

<b>Project name</b>	<b>District</b>	<b>Size of group</b>	<b>Land size (Ha)</b>
A re direng Trust	Vryburg	38	2182
AST Afrika	Marico	3	773
Baitiredi	Vryburg	22	410
Baphadima Kopano Trust	Vryburg	29	1201
Bathhoki Trust	Schweizer-reneke	25	79
Boikhutsong CPA/Goedgevonden farmworkers	Ventersdorp	127	856.67
Boiteko	Vryburg	19	428
Bopaganang	Vryburg	28	753
Brakspruit/Farm Mahemsvlei	Klerksdorp	110	404.00
Dreamteam trading 659 CC- Potch	Potchefstroom	2	20
Grootfontein/Tsatsimpe	Matshogo	6	201
Ikageng CPA	Lichtenburg	60	702
Iphutheng	Ratlou	15	428
Ipopeng Batlhaping Trust	Vryburg	23	443
Ipopeng Trust	Potchefstroom	10	12
Itereleng farmers trading cooperative	Ditsobotla	10	72
Kgotso Farms Union	Vryburg	20	32
Kokosi-Thusanang CPA	Fochville	60	630.741
Mahube	Vryburg	19	102
Marabutse,MD-LTBG	Lichtenburg	4	131
Mer-Go-Round-Trust	Vryburg	35	1857
Migdol	Delareyville	1200	1,757.00
Modipane,BJ-LTBG	Lichtenburg	2	7
Monye, Kabo Elvis-LBG	Ditsobotla	2	254.7402
Mooimeisiefontien	Lichtenburg	1	52
Mosiane,PB-LTBG	Lichtenburg	2	186

Mphelengwana	Vryburg	8	21
Multilayer Trading 816 CC	Potchefstroom	6	8.5653
Mvala	KLERKSDORP	8	99
Nanogang trust	Potchefstroom	12	202
Nkagisang	Southern	152	193.69
Oblate CPA	Southern	68	383
Plantjies farming Trust	Vryburg	12	4
Ratshikana,SA-LTBG	Lichtenburg	1	300
Reagile	Vryburg	20	214
Reaoboka (Valkop)	Central	50	248
Reatirela	Vryburg	15	43
Reida property Investment Ltd (Pty)	Marico	2	773
Season Star Trading 94 CC-Potch	Ventersdorp	4	83
Thando Jholo (Zilimbola)	Lichtenburg	6	255
Tholo FARMS	Lichtenburg	10	368.1638
Tsimologo Trust	Vryburg	42	2392
Tutubala (PTY) LTD-Potch	KLERKSDORP	6	11

**5.5 ANNEXURE 5: LIST OF PROJECTS IN CATEGORIES 3 AND 4**

Category 3	Category 4
Dream Team	Tholo Agric Farming
Grootfontein Marabutse	Iphutheng
Bopazanang	Nanagang Trust
Mphelengwana farming project	Reagile
Merry-go-round	Migdol CPA
Kgotso farm union	Ikageng CPA
Reaitirela farming trust	Nkagisang CPA
Plantjies Project	Tutubala Project
Itereleng farmers trading co-operative	Botihotsi Farming Trust
Baphadima Kopano farming trust	