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## **Crop Farming in Mpharane, SA – Constraints and Opportunities for a more Market-Oriented Production**

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### **Introduction**

The distribution of wealth in South Africa is still 20 years after the Apartheid highly uneven. Governmental initiatives such as land reforms and several agricultural development projects have failed in trying to reduce rural poverty and boost agricultural crop-production in the former homelands. This article is based on field work carried out in the village of Mpharane, Eastern Cape in a former homeland of South Africa. Small-scale farming is expected to play an important role in revitalizing the rural economy in South Africa (Freguin-Gresh et al. 2013) but the former homelands have instead of the intended increase in agricultural production seen a de-agrarianisation (Mtero 2012).

There are various explanations as to why the role of agriculture has decreased in favour of other livelihood activities. A development towards diversification of livelihood strategies is seen (Alemu 2012), where agriculture no longer plays the primary role, but together with other livelihood strategies are comprising a basis of the household (Hill et al. not published). During and after the apartheid era several attempts have been made by the government to minimize the inequality and lower the level of poverty in rural areas. In 2010 the provincial government in the Eastern Cape launched the Accelerated and Shared Growth Initiative of South Africa (AsgiSA), which is part of a strategy to halve poverty by 2014 (AsgiSA 2011; AsgiSA 2006). The aim of this is to modernize agriculture and make the production more market oriented (Mtero 2012). However, the initiative had limited success and the majority of the small-scale farmers in Eastern Cape are still mainly practicing subsistence farming, where relative few products reach a market (Lahiff and Cousins 2005).

The main objective of this research article is to investigate why smallholders in Mpharane are primarily producing to own consumption and what the constraints and possibilities are for a more market-oriented production.

In total, there is a population of over 1500 households in Mpharane and the village is located in an area with high biological productivity and high mean annual rainfall. Farming practises are characterised by being an integrated system with low input. Many women also work in the field since there is an uneven gender distribution – with about 50% more women than men (Prag & Birch-Thomsen 2013). The reason for this seems to be that the men often work outside the village (Matatiele 1 n.d.). Approximately 46,7 % are employed within community services, while agriculture accounts for 11 % of the employment (Matatiele 1 n.d.).

Mpharane is governed by dual authorities. The tribal positions are inherited within the family whereas the government positions are elected by the community. While the chief decide who will

have access to which land plots it is the elected ward councillor which are taking the initiatives in cooperation with the provincial government for implementing agricultural projects such as Asgisa. According to the villagers the experience from Asgisa illustrates that it was a good initiative for the community, since more land was cultivated, but the individual farmers only received ten per cent of the revenue from the yield, which was much less than what they usually could earn when cultivating their outfield themselves. Some have not been cultivating their land for years and was, therefore, satisfied with their share of the revenue.

**Material and Methods**

A range of methods have been used to illuminate the constraints and opportunities for a more market oriented production in Mpharane. Based on random sampling a questionnaire was carried out to provide quantitative data on current farming practices and some questionnaires developed into a mixed method interview, were open ended questions also were included. This was to understand the constraints for enhancing crop production. Furthermore qualitative interviews were conducted with key-informants such as the chairman for the tractor association in the area, the ward councillor, a farmer owing a tractor and a farmer without a tractor.

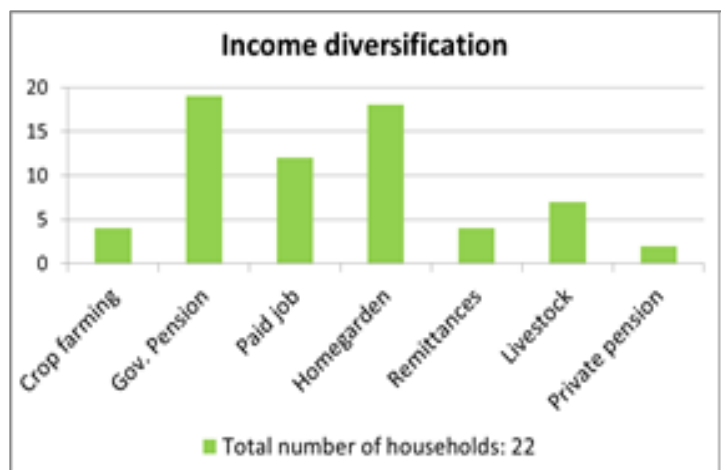
Geographical positioning systems were used to record the locations of households participating in the questionnaire and key informants. Participatory Rural Appraisal (PRA) sessions was used to map and develop a seasonal calendar, mapping of the use of crops, a historic timeline focusing on the development of crop-farming in Mpharane and a mapping which could be used to categorize the villagers income according to the locals own perception. Furthermore, informal conversations and observations were used as complimentary sources of information regarding constraints and opportunities, farming practices and sale of surplus. Three soil samples have been conducted to investigate the quality of the soil and examine whether differences exist between the red and the black soil which was the two main types of soil found in the area of Mpharane.

Throughout the process we have been guided from a literature review about the general themes and conflicts concerning small-scale farming in the South African context. During the analysis the literature has served as a triangulation of the empirical data and a framework for the analysis.

**Results and Discussion**

The research indicates that the majority of the villagers mainly rely on other incomes such as government pensions or non-farm employment. Instead agriculture serves as a contribution for the household. Rather few households cultivated their outfields whereas the majority had a vegetable garden contributing to the household consumption. This is illustrated in the diagram below on income diversification. Here 17 households have ranked the home garden as an important contribution. Even though it was common to cultivate a home garden a decrease, among the villagers cultivating outfields, had been taking place. A number of constraints were identified as relevant causes and these will be presented and discussed in the following.

Farming in Mpharane is not a primary income but mainly used for subsistence and thereby only one mean to support the household among many others. The villagers are keen to diversify their different income and thereby reduce their vulnerability. Nearly, all households receive some type of government pension (old age grant, child grant, disability grant etc.) and they were highly dependent on this income which was monthly returning whereas income from sale of crops such as maize



was seasonal (Female villager). In relation to this it was emphasized that a paid job was more attractive since it was a reliable income, which stood in contrast to farming where yield, prices and shocks fluctuated.

As illustrated in the graph on 'Income diversification' (page 2) more villagers in Mpharane was currently dependent on government pensions and their home garden than a paid job. This can be explained by the 37,3% unemployment rate in the Matatiele municipality (South African Local Government Association 2010).

Previously, households used oxen to plough the outfields which lowered input cost for the farmers. Today, most villagers hire a contractor to plough the field, as the majority explained this by ploughing with oxen being too time consuming. However, harrowing and planting was done mostly with oxen as hiring the contractor for these tasks was too expensive. The use of tractor to plough the outfields has caused an increase in the operation costs of farming an outfield and the people interviewed paid between 600 and 850 rand for the ploughing one outfield of approximately one hectare.

Several of those villagers deciding not to plough their outfield have had their oxen stolen by people from Lesotho and could not afford to buy new oxen. Thereby, the lack of traction and the expensive input for hiring a tractor to plough the field constituted a big constraint for crop production in Mpharane. It is a general trend that many small scale farmers have to give up farming due to the increasing costs (Mtero 2012).

Examining growth conditions it became clear that the area is prone to hailstorms, flooding and drought. The area is especially vulnerable to flooding and the two other risks seemed to be lesser of a problem. Looking into the soil around Mpharane it was found that the red soil should always be applied artificial NPK fertilizer, or Kraal manure, otherwise it would not yield properly, due to the fact that the soil is very poor in nutrients. The black soil is not fertilized, as the common conviction is that black soil is rich in nutrients, so nutrient input is not needed on these soil types. However, the black soil has a higher risk in terms of flooding. The soil samples supported the existing knowledge from the farmers about the need of different cultivation practices and risks.

Beside the climatic risks involved in farming a main constraint for the farmers is their limited access to liquidity for financing seeds and ploughing. The lending possibilities in Mpharane consisted of either borrowing money from the Stokvel or 'Loan Sharks'.

<p>Stokvel is an association with five members where they pay 50 Rand each month to the shared box and at the end of the year share the earnings. Normally people can borrow a maximum of 200 Rand from the stokvel and seldom people borrow to plough their fields from stockvel. The interest rate is 20% per month and people have to pay back the interest rate every month.</p>	<p>The 'Loan Sharks' are different individuals around Mpharane which are known for borrowing out money to people. They demand the same rate as Stokvel of around 20%. However, this option seemed to be unpopular because of lack of "customer care" as one farmer mentioned.</p>
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Overall, there is a lack of reliable lending opportunities e.g. to finance renting a tractor for ploughing an outfield. In general the farmers also had a sceptical view of borrowing money to invest in farming, which can be explained by the risks in terms of level of yield and hence not being able to pay back the loans. Furthermore, the wealthiest farmers in town which are those who owns a tractor, did not become rich from farming, rather they had been employed with a paid job e.g. at a factory or in the mining industry, where they had been making savings to be able to invest in a tractor and henceforward benefit from it when cultivating the field and for transport of timber and water.

The tenure system in Mpharane is a collective system where the chief distributes and solve land issues for people in the area. Most household has a Permit To Occupy (PTO) which has been inherited from generation to generation. If the farmers wish to farm more land they can rent or share an outfield with family/ friends. Since all land is communal property and under tribal authority, farmers who can't afford to plough their outfield cannot use their field for obtaining a loan to get access to liquidity. Currently, the tenure situation is characterised by a situation where some wealthy farmers are eager to get more land while many from the village cannot afford to cultivate their outfield. Hence, much land is uncultivated and it can therefore be argued that adjustments are needed before the present tenure system will benefit the community as a whole by supporting cultivation of available arable land.

For the majority, the main purpose for cultivating land is to feed the household and livestock. Therefore, selling of crops is a third priority. For regular farmers it is only some years which generate leftovers whereas the biggest farmers in Mpharane usually have a surplus which they sell from. They sell from their house to other people in the village and are satisfied with that arrangement.

### **Conclusion**

The climate related risks cause hesitation for villagers to expand crop production. Additionally, lack of liquidity entails that many households can't afford to rent a tractor to plough their field and the current lending possibilities as well as the land tenure system does not support easier access to liquidity for farming. In general, farming is not seen as a primary income source and the villagers have a preference for more stable income sources provided by a paid job or pensions. Villagers in Mpharane engage in subsistence farming as part of their household strategy. But only a minority in Mpharane base their entire livelihood on agricultural activities, instead it is common that people gain from several livelihood activities to decrease their vulnerability to risks. Rather than access to a market low yields were identified as the main constraint for a more market oriented production.

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