An Analysis of the Characteristics and Constraints of Small Holder Commercial Farmers in the Transkei Region, Eastern Cape, South Africa

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Abstract
With a total population of about 3.5 million, most of whom live in rural areas, Transkei is a net importer of agricultural products, including maize, and agricultural income provides only a tiny proportion of total household income.

Macro-livestock (cattle, sheep and goats) production was involved in 42% of these enterprises and accounted for 50% or more of gross cash sales in about the same proportion of enterprises, indicating the dominant commercial and cultural role of these livestock in Transkei. Micro-livestock (poultry and pigs) comprised the dominant production class in about one fourth of the enterprises, field crops and vegetables were dominant in 20% and 11% respectively.

Of 128 farm enterprises, only 14 (11%) owned their own farm lands, 39% were farming on leased lands, and an equal proportion were located on communal lands. Of 132 reporting farmers, 71% were male and the households had income from salaries or wages and only 28% reported that 50% or more of total household income was derived from agricultural sources.

Only about 15% of the interviewed farmers had electricity to their residences. 73% of respondents reported extension to be most useful source of information while 27% considered radio programmes to be more useful.

Transkei farmers marketed their crops directly to the consumers. Gross annual crop sales of as high as R160 000 were reported. Mean annual sales of livestock was R9 000.

Average annual income from poultry sales was R6818, from eggs was only R333. Pig sales averaged R3700 with the maximum being R17000.
Introduction

The general problem of agricultural development may well be the most critical development issue in Transkei (Transkei Land Reform Research Group, 1995).

South African Agriculture is characterised by inequalities, of which the most visible and most frequently referred to are those between large-scale, commercial agriculture and small-scale, mostly subsistence agriculture in the former homeland areas (Fenyes et al., 1988).

Black farmers operate in overcrowded conditions with few support mechanisms, and have been denied proper access to finance, credit, expertise and other resources. Black farmers are predominantly operating on communal land (Growth and Development Strategy, Eastern Cape Province, 1997)

Knowing which crops to grow, which new crop technologies, which farm size, which rural infrastructure investments, and which production techniques will generate that efficient agricultural productivity is partly the responsibility of farmers who typically make rational decisions within the constraints of their own households and resource environment and it is also the main responsibility of the policy makers (Eicher and Staatz, 1984).

According to Lele (1957), improving the living standards of the subsistence rural sector is important, not only as a holding operation until industrialization can advance sufficiently to absorb the rural exodus, but frequently as the only logical way for stimulating overall development.

Agriculture is the most important and crucial industry in Transkei and can be expected to remain so for many years to come (Wood & Van Schoor, 1976). For Agricultural development to take place, there must be a favourable social climate (Burger, 1975). It is therefore, obvious that the social climate and agricultural support activities such as access to credit, production loans, favourable tenure system, availability of markets, farmer resource centres and many more production factors could play a vital role in agricultural productivity of Transkei.

Purpose

In his policy speech of 1976, the former Transkei Prime Minister, Paramount Chief K.D. Matanzima said "The wealth of the Transkei lies in Agriculture but this wealth must be exploited and we can not allow it to be dormant forever" (Champion, 1976).

The major motivation of this paper is to provide an understanding of the characteristics of farmers pertaining to, physical resources, human resources, economic activities, institutional factors, challenges and possible interrelationships associated with commercial farming as an aid to addressing agricultural development in the Transkei region of the Eastern Cape.

Materials And Methods

This study was conducted in all 28 Magisterial districts of the Transkei region. The researcher constructed a survey instrument (questionnaire) to be administered to smallholder commercial farmers by means of face-to-face interviews.

The study was, limited to those commercial farmers who were co-operative and willing to be interviewed. The final sample size consisted of 135. There were also six group interviews that were conducted in six districts of Transkei.

For the purpose of this study, interviews were conducted and a questionnaire was developed to examine categories relevant to the objectives of the study. Participatory Rural
Appraisal (PRA) was also used as a research tool. Timelines and Matrix Scoring and Ranking PRA tools were used in the group interviews. All data were coded, processed and analysed in an Excel data base.

Results

A data base for use in GIS showing the location of all farm enterprises identified in the survey has been captured. Each of these enterprises was categorised as belonging to one of 16 enterprise types, depending upon the nature of their agricultural production. Most frequent were enterprises that combined macro-livestock (cattle, sheep or goats) and field crops, followed by poultry enterprises. Macro-livestock production was involved in 42% of these enterprises and accounted for 50% or more of gross cash sales in about the same proportion of enterprises, indicating the dominant commercial and cultural role of these livestock in Transkei.

Micro-livestock (poultry and pigs) comprised the dominant production class in about one fourth of the enterprises, field crops and vegetables were dominant in 20% and 11% respectively.

Land tenure status has great implications for agricultural investment and development in Transkei. Of 128 farm enterprises only 14 (11%) owned their own farm lands, 39% were farming on leased lands, and an equal proportion were located on communal lands. However, leased lands, represented about 88% of the total land area occupied by these farmers. The size of these farm enterprises ranged from 0.02 ha (a poultry enterprise) to 900 ha. More than one third of the total of nearly 16 000 ha was used specifically for livestock production and 20% devoted to crops and vegetables. The remainder included fallow, forest, wasteland and unspecified land uses.

<table>
<thead>
<tr>
<th>Land Tenure Status of respondents, Transkei, 1996 (n=135)</th>
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</thead>
<tbody>
<tr>
<td>Freehold</td>
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<tr>
<td>1%</td>
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</table>

Figure 1 Land Tenure Status in Transkei, 1996

Of 135 reporting farmers, 71% were male and the households had income from salaries or wages and only 28% reported that 50% or more of total household income was derived from agricultural sources.

Despite the importance of non-agricultural income for most farmers, the majority of them employed one or more permanent labourers (average of four) and many also hired occasional labourers. The substantial use of labour clearly confirms the commercial nature of these enterprises.
Only about 15% of the interviewed farmers had electricity to their residences. Only nine farmers reported use of any type of electrically powered implements or devices in their enterprises.

Figure 2  
\textbf{Ranking of information sources by farmers, 1996}

When asked about their sources of information on agricultural topics, 73% of respondents reported extension sources to be most useful while 27% considered radio programmes to be more useful. Agricultural programmes on television were regularly watched by only 27%, while 81% regularly listened to the Ezolimo programme on Radio Mhlobo Wenene. Eighty-seven farmers regularly read an agricultural magazine (Farmers Weekly) in all but two cases.

Of the total land allocated for crops about 90% was used for maize and dry beans, 5% for potatoes and 5% for 12 other crops.

Figure 3  
\textbf{Dominant enterprises in the Transkei farming sector (n =1 35)}

Only 25 farmers had irrigation for their crops. Nine farmers used diesel, four used petrol and three used electricity for pumping. The average cost per farmer for diesel fuel used
for irrigation was R4518. Forty-nine other farmers reported that water sources suitable for irrigation were located within 1 km off their fields.

All farmers marketed their crops directly to the consumers. Although gross annual crop sales of as high as R160 000 were reported by only about one fourth of the respondents, gross sales in excess of R10 000 annually were reported. Mean annual sales of livestock were R9 000.

Fifty-eight farmers were involved with some form of macro-livestock. Of these all but two included cattle in their operation, either solely or in mixed livestock operations. Overall, however, sheep outnumber cattle among these Transkei farmers (6962 Vs 4292). Goats amounted to only 1865 head. Offtake of livestock was 16.5%, of which 915 was for sales, also indicating a commercial orientation. Nineteen of these farmers stated they milked cows and 13 reported milk sales. Testing of milk and milking parlour practices normally associated with commercial dairy were largely absent.

Management of livestock is not intensive, use of supplementary feeds is rare. Although vaccination and dipping were practiced by 82% of livestock farmers, only 5% used other medicines or veterinary services. Absence of fodder-flow programmes and production of fodder crops for winter use may be especially limiting in the sour-veld areas.

Chicken operations were reported by 43 farmers, keeping an average of 330 birds each. Average annual income from poultry sales among these producers was R6818 to a maximum of R60 000. Annual income from sales of eggs was insignificant in comparison, averaging only R333. All sales were made directly to the public.

Eighty percent of the respondents heated their poultry houses for some part of the year. Nearly 50% of respondents with poultry reported using paraffin as a heating fuel, 20 percent used gas and only 7% used electricity. Use of gas was most expensive, respondents reported spending an average of nearly R10 000 per annum on this energy source. All those questioned believed that access to electricity would enhance their poultry production.

Only 15 farmers reported pig production in 1996. All were small-scale enterprises, the average number of pigs per producer was 12 and the maximum 29. Income from sales of pigs by these respondents averaged R3 700 in 1996 with the maximum being R17 000.

These findings clearly demonstrate that agriculture is a viable economic option for many residents of the Transkei region. However it must be recognised that many other factors come in to play in limiting the economic development of agriculture in the Transkei, including land tenure issues, poor roads, lack of services and information sources, distance to markets and their availability, credit facilities and other infrastructure limitations.
Table 1. Challenges identified by the farmer groupings

<table>
<thead>
<tr>
<th>Constraint</th>
<th>Status</th>
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<tbody>
<tr>
<td>Infrastructure</td>
<td></td>
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<tr>
<td>Access roads</td>
<td>Poor network of roads from the main road to the farms</td>
</tr>
<tr>
<td>Energy source</td>
<td>Most farms have no power lines</td>
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<tr>
<td>Fencing</td>
<td>Old fencing exist, animals stray their land</td>
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<tr>
<td>Water supply</td>
<td>Deficiency of irrigation water, some rely on borehole water</td>
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<tr>
<td>Farmer support centres</td>
<td>Situated far from farms, farmers have to travel long distances for input supplies</td>
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<tr>
<td>Social Factors</td>
<td></td>
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<tr>
<td>Tenants</td>
<td>Presence of inherited tenants from previous owners threaten production</td>
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<tr>
<td>Theft</td>
<td>Resettled communities nearby and on tenants were cited as being problematic</td>
</tr>
<tr>
<td>Vandalism</td>
<td>The property on the leased farms was in most cases subjected to vandalism</td>
</tr>
<tr>
<td>Institutional Factors</td>
<td></td>
</tr>
<tr>
<td>Tenure system</td>
<td>A need to move from leasehold to ownership rights were strongly recommended</td>
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<tr>
<td>Credit facilities</td>
<td>There was a great concern about the interest rates, they found it difficult to emerge from loans secured</td>
</tr>
<tr>
<td>Markets</td>
<td>Lack of advice on marketing strategy and unavailability of markets for their produce</td>
</tr>
<tr>
<td>Technical support services</td>
<td>Lack of veterinary and extension support services from the government</td>
</tr>
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</table>

**Educational Importance**

Africa’s economic strength and vitality depends upon a sound agricultural sector. This means that small-scale farmers must be given the opportunity to improve their conditions, and thereby, through their new productivity, improve the condition of their countries (ARDRINEWS, 1990). The small-scale commercial farmer in the Transkei, as revealed by the findings, operates under complex farming environment. In this environment a combination of physical, economic and institutional factors influence farmer decisions.

A typical Transkei farmer is endowed with a bundle of physical resources consisting of privately used arable land holdings and communally used grazing land, human resources derived from the family members and capital assets (livestock and cash holdings) acquired by the household over time. The amount of resources possessed by the household limits the maximum size of agricultural activities because markets for resources such as land and capital are often missing and local markets for agricultural labour are very thin.

Farm production of crops or livestock require a combination of internal resources (land, labour, capital) and external inputs (seed, fertilizer, feeds, machinery) which have to be acquired from the input markets. It is therefore clear from the findings that output from farm production contributes to household income directly through retention or indirectly through...
sales. The decisions of households to grow food crops instead of cash crops or to hold onto cattle stocks instead of selling them can only be understood in the context of overall consumption demands and budgetary constraints. Unlike large-scale commercial farmers who enjoy access to financial markets, the smallholder farmer has to take into account consumption demands on the farm budget when making production decisions. Budgetary demands may force the household to sacrifice yield in favour of immediate survival needs by weeding the fields of the neighbour for a wage while its own crop is suffering from lack of weeding.

It is also obvious from the findings that the existing set of agricultural policies and institutional regulations also affect the farmer’s production environment and market expectations. The following key avenues affect the farmer’s environment. Research and extension policies affect household decision-making and management skills. Output and resources market and price policies affect households through product and resources utilisation decisions while input delivery and credit policies affect households through input application decisions. It is also evident that the farming environment becomes even more complex due to the uncertainty of weather, marketing and pricing policies on the basis of their own subjective expectations.

References