



UNIVERSITEIT VAN DIE VRYSTAAT  
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# EVALUATION OF EMPOWERMENT POLICIES, STRATEGIES AND PERFORMANCE WITHIN THE AGRICULTURAL SECTOR

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# The Multi-Faceted Nature of BEE in Agricultural Production

	HH Food Safety Nets	Communal Land	Equity Schemes	Joint Ventures	Outgrowers Schemes	Multiple Ownership	Individual Ownership
Land							
Skills And Knowledge							
Finance							
Production Inputs							
Markets							
Lobbying							



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# HH Food Safety Nets

## Urban Agriculture & Food Gardens

- Major thrust of LRAD spending
- Land Reform Office projects in 2001/2002:
  - 83 530 people benefited on 365 993 ha
- Major impact on quality of life, especially food gardens
- Human factors dominant over finance and physical assets
- Group size realistic in relation to expected benefits
- Group cohesiveness (common vision, respect, benefits, rights and obligations)
- Constitution (clarity on the rules of the game)
- Leadership (external and internal 'champion')



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# Assets, Skills & Knowledge, Finance, Inputs, Markets, Lobbying

- Common to all land use categories
- Require different modes of delivery
- Each role player should focus on those cells where it has expertise and resources
- Provide a checklist for business plans
- Leadership and facilitation
- Capacity building (managerial, technical, facilitation)
- Partnerships and linkages
- Coordination
- Lobbying



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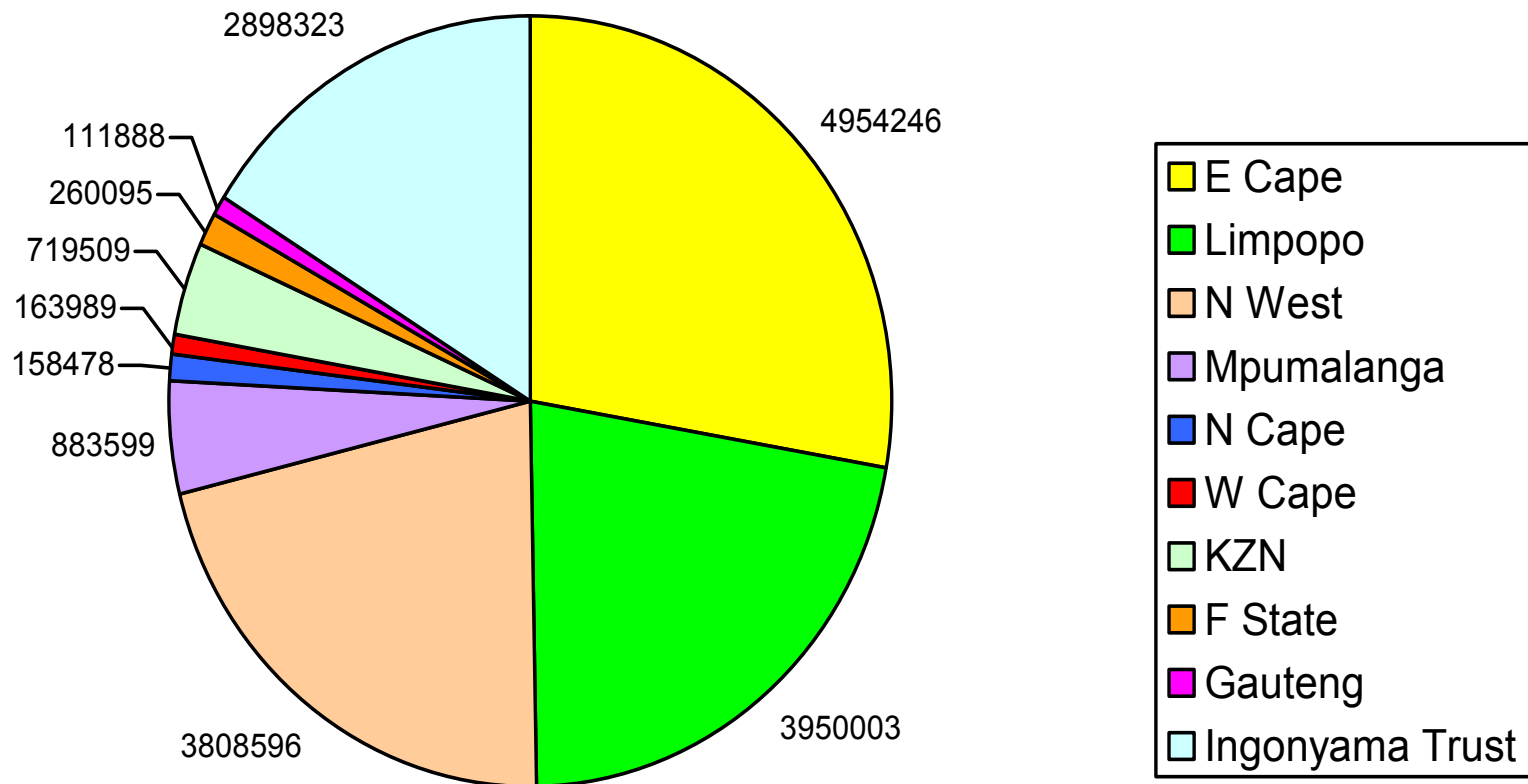
# Common Features of PDA Initiatives

- Implement Land Care
- Promote international competitiveness through regulatory functions
- LRAD
  - Link prospective clients to opportunities and assist with applications
  - Assist with business plans and/or assessment
  - Provide aftercare (training, extension, life skills)
- Provide key infrastructure on communal land (resource protection & use enhancement)
- Major effort in food gardens



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# Available State Land





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## State Land Issues

- Some state land not so readily available
  - Urban development, conservation areas, forestry (inventories)
  - White owned farms under livestock rearing and rainfed cropping to groups of new owners
- High tech farms via equity shareholding, outgrower schemes and joint ventures
- One man one farm transfers the exception



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# Commercial Farms

- There is an equity target of 30% land transferred by 2015
- Need some policy changes – differentiate between poverty relief and equity in the agricultural sector (different funding policies)



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# Communal Land

- Communal areas: enhance benefits focusing on infrastructure, extension, finance schemes, market access (PDA)
  - 38% of cattle population in former homelands
  - Management of crop production, especially seedbed preparation (200kg to 4000kg per ha)
  - High value crops (33% of SA tea from Lusikisiki)
- Some new thinking
  - Too many non-agriculturalists practicing opportunistic agriculture
  - Promote agricultural entrepreneurs in the community
  - Transfer control of resources to them
- Transfer of 'consolidated' state land a priority (Challenges)
  - Current occupants, long project cycle
  - Claims from neighbouring communities



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# Suggested Roles

- LAND
  - Let farmer organisations identify “willing sellers”
  - Let PDAs identify “willing buyers”
- FINANCE
  - DLA & Landbank to finance
  - Need to bridge the gap between land price and productive value
  - Need to reduce farm size
  - Shorten transaction time



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## Suggested Roles (cont.)

- SKILLS AND KNOWLEDGE
  - Farmer to farmer technology transfer
  - Commodity organisations
  - Agribusiness
- MARKETS
  - North West & Gauteng– Market access
- LOBBYING



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# Case Study

- **Golden Fleece of the Eastern Cape**
  - facilities and training for owners of wool sheep in communal areas
  - market through the formal auction system
  - access to the international wool market
- **Lessons Learned**
  - recognition that development is driven by the profit motive
  - role of commodity groups (NWGA) and marketing organisations (BKB) is essential to the success of the project
  - win-win situation
  - access foreign markets, inflow of money



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# Commodity Organisations

- International competitiveness
- Empowerment through PPPs & HRD
  - Capespan Group
  - Milk Producers' Organisation
  - Emerging Red Meat Producers' Organisation
  - National Wool Growers' Association
  - Deciduous Fruit Producers' Trust
  - Grain SA
  - South African Wine and Brandy Company
  - Agricultural Business Chamber



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## Other Organisations

- NGOs
  - Grassroots continuity and experience
- New Farmers' Development Company Ltd.
  - Mobilise venture capital
  - Legal and financial expertise
- Fourseas Trading Enterprises (Pty) Ltd.



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# Equity Schemes/ Joint Ventures Critical Success Factors

- High level of trust
- Appropriate legal framework
- Change in management style
- Real sense of ownership by the beneficiaries
- Short-term benefits to the beneficiaries
- Economic viability
- Growth opportunity (venture capital partner)
- Entry/ exit mechanisms



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# Agribusiness

- Fast track mechanism for empowerment (more cost-effective than primary production)
- Outside the ambit of PDA?
- New Farmers' Development Company Ltd.



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# Re-focusing Land Reform

- Major impact on quality of life, especially food gardens
- Highlighted the importance of social dynamics
  - Group cohesiveness (common vision, respect, benefits, rights and obligations)
  - Human factors dominant over finance and physical assets
  - Leadership (external and internal “champion”)



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## Suggested Policy Changes

- Fine-tune LRAD: different grant conditions and project guidelines for different land users
- Poverty alleviation (group schemes): human factors, social dynamics, after-care
- Mainstreaming previously disadvantaged people into the agricultural economy:
  - Focus on entrepreneurs (selection criteria)
  - Using state funds to lever matching finance (assets and operations)
  - Capacity building (knowledge base, technical skills, life skills, self image)



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## A Shared Vision

- Subdivision vs. collective ownership
- Operational capital
- Opportunistic agriculture
- Entrepreneurs vs. communities
- Agribusiness for fast tracking benefits
- Training
- Sustainable resource management



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In the words of Minister Didiza:

*“A United and Prosperous  
Agricultural Sector”*