

An investigation of the success factors of black commercial farmers in the North West Province

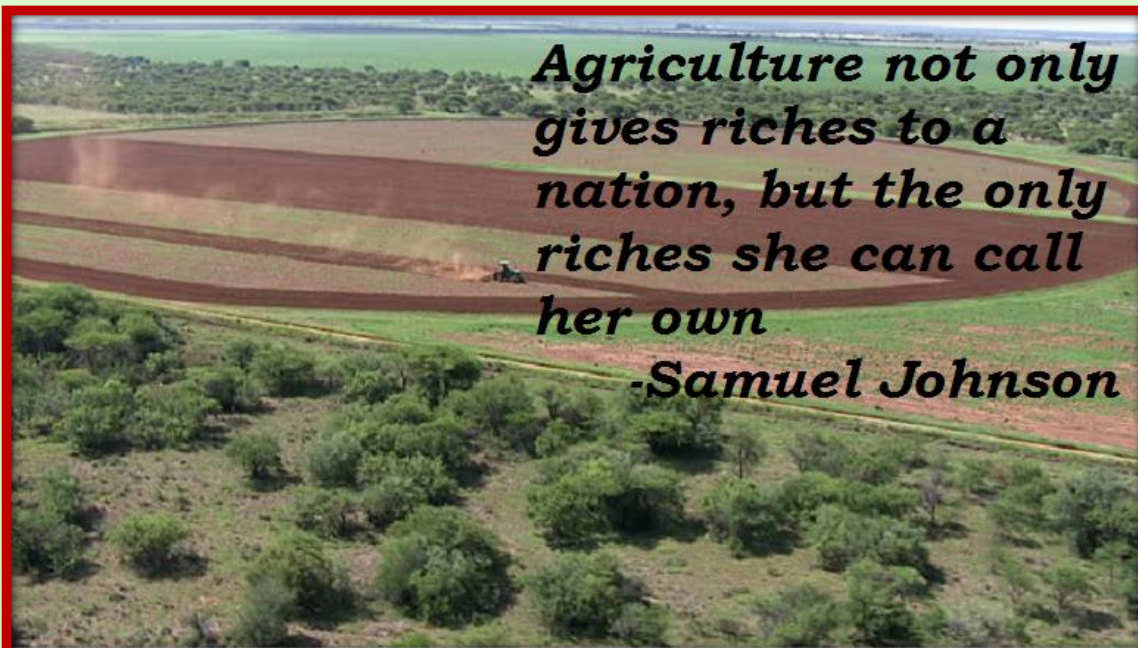
Y Peach
24780499

Mini-Dissertation submitted in partial fulfilment
of the requirements for the degree *Master of Business
Administration*
at the Potchefstroom Campus of the North-West
University

Supervisor: Prof SP van der Merwe

November 2015

AN INVESTIGATION OF THE SUCCESS FACTORS OF BLACK COMMERCIAL FARMERS IN THE NORTH WEST PROVINCE



*Agriculture not only
gives riches to a
nation, but the only
riches she can call
her own*

-Samuel Johnson

YOLANDE PEACH

ABSTRACT

South Africa's agriculture sector is characterised by two very different constituents: a small number of very modern mechanised commercial farmers and a much larger number of small-scale farmers. This dualism was a product of the Apartheid legacy that began with the controversial Natives Land Act (No 27) of 1913 followed by almost 70 years of Government policies and subsidies to advance white commercial agriculture on 84% of the land area. In contrast, black farmers were forced off their land and prohibited to farm on a large scale.

The land issue in South Africa is sensitive and emotional and to add to this emotion in the current day, the land reform process in South Africa is slow to correct the unequal land distribution of the past. To ensure black commercial farmers are successful the government and the private sector should provide adequate support to improve their success rate and ultimately protect food security in South Africa. To understand what will constitute adequate support for these farmers, the role players in the industry should first understand what factors impacts on their success.

The primary objective of this study is firstly to investigate the factors that influence the success of black commercial farmers in the North West Province and secondly to provide recommendations to industry role players and policy makers to ensure that their support structures will be suitable to increase the success of these farmers. In order to achieve the objective a semi-structured interview questionnaire was performed with 14 successful black commercial farmers in the North West Province.

Conclusions were drawn from this study on the outcomes of the factors influencing the perceived success of black commercial farmers in the North West Province. Finally, a critical evaluation was done and practical recommendations are suggested to improve the success rate of black commercial farmers in South Africa.

Keywords: commercial farmer, success factor, land reform, perceived success, black farmer

ACKNOWLEDGEMENTS

I would like to recognise the important roles that mentors, friends, family and the Potchefstroom Business School (PBS) played in this journey of obtaining an MBA.

My heartfelt appreciation to the following:

- None of my accomplishments in life or this MBA study would have been possible without the strength and protection given to me by The Almighty God. Developing my talents and skills is just paying tribute to Your unconditional Love I receive on a daily basis.
- For all the sacrifices made by my loving husband, Nico, who had to go on holidays alone, keep the tummies full and endure such stressful times during the last three years.
- To my three beautiful children, Gavin (13), Caitlin (13) and Thomas (8) who sometimes did not understand why I choose this path but still gave me so much to live for.
- To my parents, At and Cindy Shields, for instilling a questioning, information seeking hunger in all their children. Your prayers kept me going through difficult times.
- To my mentor on this project Mr Cois Harman who supported and assisted me from the beginning. It is no wonder the farmers have such high regard for you, as you are really an exceptional human being.
- To all the farmers who gave their time and shared their wonderful experiences with me. You have enriched me beyond expectation. I am honoured to have met you and the 3000 km I spent on gravel roads was worth it.
- To my wonderful friends Bertus and Susan Van Rooy who encouraged me to enrol and supported me from day one with guidance on research, long discussions, sometimes late at night and just for understanding what I was going

through. Thank you for never making me feel like I bothered you with stupid questions and even minding my children so I can spend time studying. Your contribution to my success cannot be measured.

- To my Group members of the last three years who worked hard on each project. You have made this journey memorable and like I always said –‘Teamwork makes the dream work’.
- To my fellow student, James Stander for very long discussions regarding assignments, examination preparations and during the company project. You have become a true friend and role model, thank you sincerely.
- Finally yet importantly to my study leader, Prof Stephan van der Merwe for your guidance and support during this very challenging time of starting a new job and completing a dissertation.

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LIST OF ABBREVIATIONS

AGRI SA	Agri South Africa
BATAT	Broadening Access to Agriculture Trust (of the NDA)
CASP	Comprehensive Agricultural Support Program
DBSA	Development Bank of Southern Africa
DLA	Department of Land Affairs
GDP	Gross Domestic Product
LRAD	Land Redistribution for Agricultural Development
MAFISA	Micro Agricultural Financial Institute of South Africa
PLAS	Proactive Land Acquisition Strategy
RECAP	Recapitalisation and Development Program
SLAG	Settlement Land Acquisition Grant

CHAPTER 1: NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

This mini-dissertation investigates the success factors of black commercial farmers in the North West Province, based on the perceptions of these farmers.

Chapter 1 describes the background of the study, the problem statement, the explanation of the research objectives and methodology and finally the development of the study as presented in the subsequent chapters.

1.2 BACKGROUND TO THE STUDY

South Africa's agriculture sector is characterised by two very different constituents: a small number of very modern mechanised commercial farmers and a much larger number of small-scale farmers (O'Laughlin, Bernstein, Cousins & Peters, 2013:9). The roughly 36 000 commercial farmers contribute 95% of the annual agricultural production while the almost 1.3 million small-scale farmers deliver the remaining 5% (RSA, 2010:1).

The same dualism exists within the commercial farming sector's income distribution, as 51% of the farmers earn an annual income of less than R300 000, while eight big agriculture companies earn R1 billion annually (Hall, 2009:123). This dualism was a product of the Apartheid legacy that began with the controversial Natives Land Act (No 27) of 1913 followed by almost 70 years of Government policies and subsidies to advance white commercial agriculture on 84% of the land area (Oettle, Fakir, Wentzel, Giddings & Whiteside, 1998:15).

In contrast, black farmers were forced off their land and prohibited to farm on a large scale (Hebinck, Fay & Kondlo, 2011:226). The result was that millions of very small-scale black subsistence farmers attempted to farm on about 15% of South Africa's mostly infertile land areas (Ramaila, Mahlangu & Du Toit, 2011:10). Due to lack of infrastructure, poor services and inadequate access to markets, these farmers could

not compete with the large-scale white commercial farmers (Van Schalkwyk, Groenewald, Fraser, Obi & Van Tilburg, 2012:17).

At the end of the 1980's several agricultural deregulation actions commenced, aimed at correcting this inequality mainly by terminating state support to white commercial farmers (Oettle *et al.*, 1998:6).

After the fall of Apartheid in 1994, the Land Reform policy (No 3 of 1996) of the new African National Congress (ANC) Government had three components to correct this imbalance as described below (O'Laughlin *et al.*, 2013:8):

- **Restitution** by returning land or providing compensation to those dispossessed during Apartheid;
- **Redistribution** by increasing black ownership of rural land through a grant based system; and
- **Tenure reform** by improving the security of rural dwellers.

This land reform policy aimed to achieve the target set by the ANC in 1994 to redistribute 30% of agricultural land (24.5 million hectares) to black South Africans by 1999; a target that later shifted to 2014 due to poor performance (Mapholi, Antwi, Ravhuhali & Lepofphane, 2014:59). By 2012 only 7.95 million of the planned 24.5 million hectares were transferred to black people, and the target for the completion of redistribution has again been moved to 2025 (Kirsten, 2012:1).

The current progress on this target has not been officially reported by the Minister of Rural Development and Land Reform as no cumulative hectares distributed have been reported since 2012 (Donnely, 2015).

Kirsten (2012:1) criticises the nature of the progress reports on land reform, because the deeds register does not refer to race in order to provide progress against the land reform target. Before 1994, a title deed document recorded race of the owner belonging to the "white group" or "coloured group". The race of a property's owner could also be determined by the identity document code that denoted racial groups.

This racially coded identity document system changed after 1994 and the title deed document also do not identify the race of the owner any longer (Joseph, 2013:1). This means that, actual ownership (including the race of the farm owner) is difficult to determine and thus difficult to measure against the above mentioned target (Kirsten, 2012:1). Studies by the KwaZulu-Natal Agricultural union (Kwanulu) found that more white agricultural land was transferred to black farmers through private sales since 1994 than what official numbers in this province indicate (Kirsten, 2012:1).

When trying to determine the number of black commercial farmers in South Africa, the results differ across the available reports due to a lack of an official database and statistics (Mmbengwa, Ramakumba, Groenewald, Van Schalkwyk, Gundidza & Maiwashe, 2011:1503). The most recent South African agricultural statistics report (Agristat) by Statistics South Africa was prepared more than two years ago in 2013.

This report is outdated and reported the number of commercial farmers in South Africa according to the 2007 figures as being 39 966 in total, with no indication of the racial composition thereof (Directorate of Agricultural Statistics(DAS), 2013:6). However, in 2010 the president of the agricultural organisation, Agriculture South Africa (Agri SA) estimated that approximately 20% of the commercial farmers in South Africa were black (Cunningham, 2010:1) and that about 700 of these black farmers were well-established and farmed on a large scale (Bernstein, 2013:41).

The long-awaited land audit that planned to provide accurate numbers on the population groups of farmers in South Africa was released in April 2014 (RSA, 2014:30). Unfortunately, the land audit only reported on the gender composition of privately owned land in South Africa and no data related to the population groups of farmers were included (Joseph, 2013:1). Due to the inadequacies of these reports, it is therefore difficult to evaluate the performance of land reform per province or region and to determine where the focus for the future land reform projects should be to correct the historical imbalances in the agriculture sector in South Africa (Bernstein, 2013:40).

A critique of the South African land reform process is that it promotes new black entrants to the commercial farming sector at the expense of smallholders who play a pivotal role to alleviate poverty and unemployment in South Africa according to Lahiff and Cousins (2005:127). Small-scale farming in South Africa can be categorised into subsistence farming, where a farmer only produces enough food to support his family, and smallholder farmers. Smallholder farmers produce for the local markets but due to the limiting size of smallholders' land, the production is not enough to compete in global markets (Kirsten & van Zyl, 1998:564).

Some industry experts are of the view that Government should support smallholders in order to unlock food security in South Africa instead of commercial farmers, because their contribution to local markets is just as important and with a higher employment benefit (Aliber & Hall, 2012:560; Kirsten & van Zyl, 1998:567; Lahiff & Cousins, 2005:131). This opinion is not shared by all the agriculture industry experts and role players.

According to Kepe, Lewison, Ramasra and Butt, (2011:373), the macro-economic orientation of South Africa favours large-scale commercial enterprises. The government's focus on commercial farmers is aligned with the highly commercialised South African economy that favours participation in the global market (Hall & Cousins, 2015:4). These sentiments are shared by the private agriculture sector and commercial banks according to Brienne van der Walt from ABSA Africa Agribusiness (Visser, 2014:7).

In order for farmers to be profitable in this low profit margin industry, they have to take advantage of the economies of scale benefits associated with large-scale commercial farming practices to be globally competitive (Greenburg, 2013:7). Due to various obstacles and the limiting size of their farms, small-scale farmers cannot compete with commercial farms and are therefore not seen to be viable by some industry participants (Hall & Cousins, 2015:4; Van Schalkwyk *et al.*, 2012:59).

Although accurate reporting does not exist, it is estimated that in the North West Province, more than 50% of the targeted 30% of the available agricultural land have been redistributed to black farmers by March 2012, but the reason for these good results needs to be further investigated (Donnelly, 2013:3). According to AgriStat, the number of commercial farmers in this province by 2007 was 4902, which declined with 8% since 2002 (DAS, 2012:14). If this number is further discounted at the same rate of 8%, the number of commercial farmers in this province should be around 4500 at present. According to the 2011 Census of Agricultural Households, the number of Agricultural households earning an income of more than R300 000 annually from agriculture was 3663 in the North West province which might be closer to the correct figure (Stats SA, 2011:14).

This figure of turnover was based on the typology of the agriculture sector by the Agricultural seta (AgriSETA) reflecting that all farming income over R300 000 was rated as commercial-sized farming activity (Agricultural seta (AgriSETA), 2010:8). When using the estimation of AgriSA president mentioned above, that 20% of commercial farmers are black, then 732 black farmers would be situated in the North West Province. Due to the better than average land reform targets being met in this province it might be safe to say that this figure is very conservative.

Approximately 54% of the land area in the North West Province is used for agriculture, and a study by Cloete, Van Schalkwyk and Idsardi (2011:4643) determined that unsuccessful land reform in this province would have a 0.21% decrease in national GDP. For this reason, it is important to understand what the success rate of commercial farmers are in this province and how to improve it as well as the factors that influence this.

1.3 PROBLEM STATEMENT

The land issue in South Africa is sensitive and emotional and has been this way since the days of colonialism (RSA, 2014:3). Land has more value than its material consequence due to the struggles of those who did not have access to land and the resentment towards those who had land (Du Toit, 2013:17). To add to this emotion in

the current day, the land reform process in South Africa is slow to correct the unequal land distribution of the past (O’Laughlin, 2013:8). Apart from not being on target to redistribute 30% of agriculture land to black people by 2014, more problematically, the success of black farmers who benefited by land reform to date is not good (Kirsten, 2012:2).

Food security in South Africa will be influenced negatively if previously productive agricultural land is wasted by unsuccessful land reform beneficiaries (Aliber & Hall, 2012:549). In this context, it is important to understand which factors contribute to the success of black farmers. To comprehend why some black farmers are successful and others not, this study will investigate the human, institutional, infrastructure and natural resource factors that have facilitated the achievement of black commercial farmers in the North West Province.

With this study, the researcher aims to gain a better understanding of the perceptions of these black commercial farmers regarding the factors that lead to their success in the North West Province. Commercial banks and agriculture funding agencies have models to estimate beforehand if a farmer will be successful and whether a loan can be granted to him/her (Harman, 2010:35). These and other factors identified by previous research are used to investigate the factors that black commercial farmers perceive to influence their success.

In a dry country like South Africa with extreme variable rainfall patterns, farmers are subjected to a wide range of environmental challenges (Goldblat & Von Borman, 2010:10). Apart from being subjected to changing weather patterns that reduce production, globalisation also forces the South African farming industry to keep evolving to be commercially viable, or else be left behind (Kydd, 2002:2). Today modern technology developments and the fast changing needs of consumers also put a higher premium on farmers to develop innovative solutions to enhance their crops in a cost-effective manner in order to increase their competitiveness (Zhylynska & Orobets, 2014:35).

In an interview, Brienne van der Walt from ABSA commented that: “farming is such a diversified career because you need to be on top of chemistry, biology, human resources, accounting, banking, marketing and mechanisation. To be a farmer is a very tough task” (Business Network Radio, 2014).

To equip black commercial farmers to face this tough task as highlighted above, government and the private sector should provide adequate support to improve their success rate and ultimately protect food security in South Africa. To understand what will constitute adequate support for these farmers, the role players in the industry should first understand what factors impacts on their success. Consequently, this study aims to investigate not only the factors impacting on the success of black commercial farmers in the North West Province but also their perceptions about the peculiar circumstances that they as a group face on top of the typical farming challenges.

1.4 OBJECTIVES OF THE STUDY

The research objectives are divided into primary and secondary objectives.

1.4.1 Primary objectives

The primary objective of this study is firstly to investigate the factors that influence the success of black commercial farmers in the North West Province and secondly to provide recommendations to industry role players and policy makers to ensure that their support structures will be suitable to increase the success of these farmers.

1.4.2 Secondary objectives

In order to achieve the stated primary objectives, the following secondary objectives are formulated for this research:

By means of a literature study on previous research, the following secondary objectives will be achieved:

- To define the concept of successful commercial farming in South Africa and the factors that influences the success of farming enterprises.

- To understand the peculiar context in which the black commercial farming group developed in South Africa due to past regulations and events.
- To examine the current situation in agriculture in South Africa in which these black commercial farmers need operate and be successful in.
- To investigate how the land reform process in South Africa influences the success of black commercial farmers.

By means of an empirical study, the following secondary objectives will be achieved:

- To identify the human, institutional, infrastructural and natural resource factors that influence success of black commercial farmers in the North West Province.
- To obtain insight into the perceived success factors as experienced by these black commercial farmers in the North West Province.
- To use the results from empirical research to draw conclusions on the factors that affects the success of black commercial farmers in the North West Province.
- To make recommendations to the agriculture industry and the South African government on support structures that would increase success of black commercial farmers in the North West Province according to the factors that influences them.

1.5 SCOPE OF THE STUDY

This section gives an overview of the field of study and the geographical area where the study was performed.

1.5.1 Field of the study

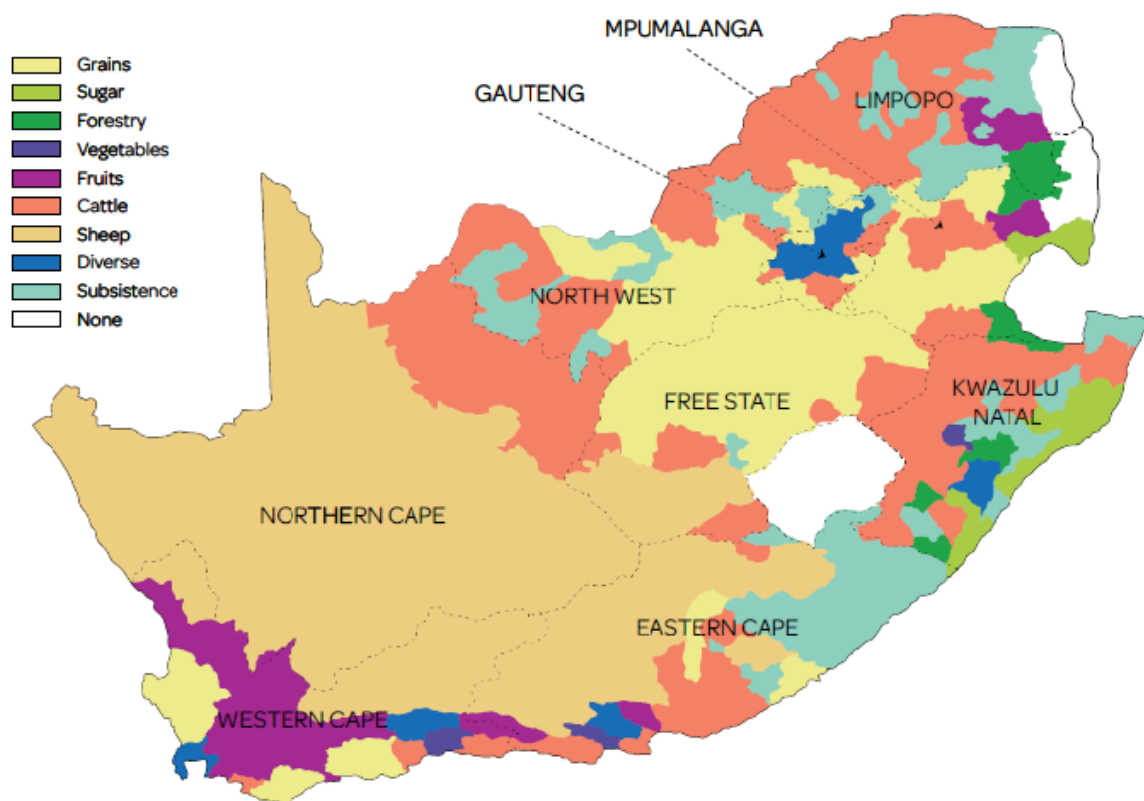
The field of this study is the agricultural sector with specific reference to the black farmers that are active in the South African agriculture industry and the elements affect success this industry.

1.5.2 Geographic demarcation of the study

The researcher conducted the study on the black commercial farming population of the North West Province in South Africa as indicated on in **Figure 1.1**. This study was not limited to a specific type of farmer and it included livestock (mainly cattle),

grain, vegetable, poultry and mixed farming (a combination of crop and livestock farming) enterprises. **Figure 1.1** is a map of South Africa illustrating all the provinces and indicating where the North West Province is. On this map, the different major agricultural regions of South Africa are illustrated. As can be seen below, in the North West Province the main types of agriculture are Grains and Cattle, which are indicated by yellow and orange sections on the map.

Figure 1.1: Map indicating the different agricultural areas of South Africa and the North West Province as the geographical area of the study



Source: African Research Institute, 2013:1

1.6 RESEARCH METHODOLOGY

This study was conducted in two phases. First, a literature review was conducted of the studies on Agriculture in South Africa to clearly understand the black commercial farming sector. This was followed by an empirical study examining the perceived

success factors experienced by black commercial farmers in the North West Province.

1.6.1 Literature study

The main objective of a literature review is to gain insight into previous research findings relating to the problem statement and providing a background for the investigation (Welman, Kruger and Mitchell, 2011:49).

The literature study in Chapter 2 defines successful commercial farmers in South Africa and identifies factors that affect the success of commercial farmers. The history and policies that shaped South African Agriculture as well as the land reform process are discussed in depth.

The purpose of the literature study was to get a deeper understanding of the context in which black commercial farmers function and how they as a group developed in South Africa. The factors that influence their success were identified through previous research on South African commercial farmers.

Various publications on the Agriculture sector in South Africa were reviewed during the completion of the literature review. These included text books related to the field of Agricultural economics, academic studies performed on the sector, private sector specialist publications as well as Government Agricultural publications. Journals and websites were accessed using Google Scholar and Google as search engine. The following topics were explored:

- The current status of the South African agriculture sector in which black commercial farmers must function.
- The history of the South African agriculture sector and the policies that shaped the sector.
- The history of black farmers in South Africa and how they as a group developed.

- Defining successful commercial farming in South Africa.
- Factors that influence successful commercial farming in South Africa.
- The characteristics and demographics of successful farmers in South Africa.

The following sources were consulted:

- Written publications
- Current industry publications
- Newspaper articles and press releases
- Scientific databases, e.g. NEXUS, EBSCO, JSTOR
- Journal articles
- Interviews with industry specialists
- Government publications

The literature study was concluded with the list of factors and perceived factors that influence success as well as the need for further study on the subject.

1.6.2 Empirical study

For the purpose of this study a qualitative research method will be used. According to Denzin and Lincoln as cited by Welman *et al.* (2011:8) “the word qualitative implies an emphasis on processes and meanings that are not rigorously examined, or measured (if measured at all) in terms of quantity, amount, intensity or frequency”. This research method is therefore suitable when aiming to develop a deep

understanding of the issues from the farmer's personal experience and perceptions, but not to find casual relationships (Maree, 2007:81). In other words, the aim of the study is to understand the experiences and perceptions of black farmers who are successful at commercial farming better, with the hope that these insights could assist policy makers and agricultural institutions to support all farmers better.

The research also includes an empirical study performed based on a questionnaire developed from the constructs identified in the literature review, and in-depth interviews with the respondents have been performed. A phenomenological method of face-to face interviews has been used to gather the information.

1.6.2.1 Construction of interview questionnaire

The semi-structured interview questionnaire is ideal to “corroborate data emerging from other sources and the researcher can get deeper clarifying answers after asking a set of predetermined questions” (Maree, 2007:87). The questionnaire has two sections at each question. The first section is used to determine what success factors identified by the literature review are present in each of the respondents' situations. The second section of each question is open-ended to gain insight into the perceptions of the respondents regarding this factor.

The questionnaire was prepared and tested on a focus group of four farmers in the Zeerust area and then refined to the final version. See Appendix A for the complete questionnaire.

1.6.2.2 Study population and sample

The study population is successful black commercial farmers in the North West Province of South Africa. A sample was taken from this population but the size of the sample was not predetermined. The researcher used non-probability sampling with the purposive and snowball methods. With the purposive sampling method the researcher, deliberately obtained a sample they deem as being representative of the population (Welman *et al.*, 2011:69).

The first set of respondents was identified by using the database of successful farmers of the business Agristart who assists black farmers in the North West Province. The respondents approached from the database acted as informants to identify other members that fit into the population of successful black commercial farmers in the North West Province. This is called snowball sampling as the sample grows like a rolling snowball (Maree, 2007:69).

1.6.2.3 Data collection

Data was gathered by using a semi-structured questionnaire to interview respondents' face-to face at their farms. The interviews were scheduled with the first set of respondents after it was pilot-tested with the focus group. The interviews were recorded with permission of the respondents and transcribed verbatim, meaning no words were changed or answers summarised (Maree, 2007:104). Before the interview, the purpose of the research was explained to the respondents and respondents were assured that their confidentiality was guaranteed.

The suggestions and steps for successful interviews set out by Maree (2007:88) were followed to get rich data. Observations on the respondents' body language and reaction to questions were noted by the researcher and included in the transcriptions of the interviews.

After the first set of interviews, during which these respondents identified other possible respondents, further interviews were scheduled and held. The interviews were held in either English or Afrikaans and the translations and transcriptions done by a professional transcriber.

1.6.2.4 Data and statistical analysis

For the first sections of the interview questions, descriptive statistics was used to get central tendencies and verify the factors identified during the literature study. Descriptive statistics involves the summary of the data contained within these

statistics in ways that allow the researcher to gain insight from them (Maree, 2007:19). Data was presented in tables and diagrams to reduce it to manageable proportions.

For the second perception type sections of the questions, content analysis was used to analyse and interpret the answers. According to Maree (2007:101) content analysis groups together similar responses to get fewer categories of answers.

1.7 LIMITATIONS OF THE STUDY

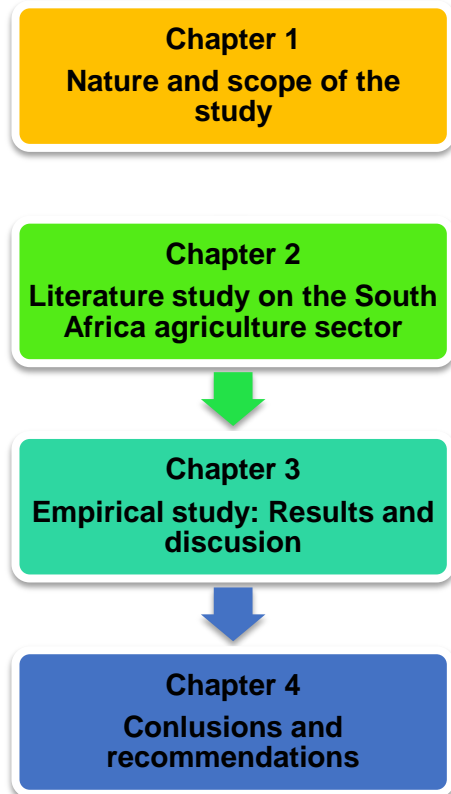
Certain limitations on the literature review as well as the empirical study are mentioned below:

1. The literature review was performed using computer search engines and only a finite set of relevant studies were taken into consideration.
2. The study was restricted to the North West Province of South Africa. Due to the diversity of South Africa's agricultural regions, the recommendations made have reference to this population group and might not be applicable to other regions.
3. The Agricultural sector of South Africa is going through a reform process where uncertainty is high. Government is not providing accurate information on the size of the black farming population.
4. The population is spread across a very large geographical area with a time limitation on the study. This influenced the researcher in that it was not possible to gather information from respondents representing the whole Province.

1.8 LAYOUT OF THE STUDY

The study is divided into four chapters as illustrated in **Figure 1.2** below:

Figure 1.2: Layout of the Study



Chapter 1: Nature and scope of the study

Chapter 1 provides an outline and background to the study. It includes an introduction of the industry and the study region, the problem statement, the objectives and scope of the study, the research methodology and the limitations of the study.

Chapter 2: Literature review on the agriculture sector of South Africa

Chapter 2 contains a literature review on the history and the current state of the agriculture sector of South Africa. Successful commercial farmers are defined and the factors influencing success are reviewed.

Chapter 3: Results, analysis and discussion of the empirical study

Chapter 3 presents the research methodology that was followed to complete the empirical study, in particular the data gathering process. The chapter also offers an analysis of the findings and presents the results.

Chapter 4: Conclusions and recommendations

In this chapter, summaries and conclusions was drawn from both the literature study as well as the results of the empirical research. Suggestions for future research were made in chapter four.

1.9 CHAPTER SUMMARY

This chapter introduced the study of factors influencing the success of black commercial farmers in the North West Province. In this chapter, the problem statement has been formulated and the objectives of the study set out. Finally, the research methodology has been explained and the limitations of the study made clear. The next chapter entails a detailed literature study on the South African agriculture sector and the factors that influence success in commercial farming enterprises.

CHAPTER 2: LITERATURE STUDY ON SUCCESS FACTORS OF FARMERS

2.1 INTRODUCTION

This chapter presents a review of the literature on the South African agriculture sector and factors that influence successful farming in South Africa. According to Welman *et al.* (2011:49), a literature study provides a background to previous research performed on the subject and the industry.

The first objective of this chapter is to review literature regarding the current state of the South African Agriculture sector. Secondly, previous literature on the history that shaped the South African agriculture sector is reviewed. Extra focus is given to research on how Government policies, private sector interventions and environmental events influenced the success of black commercial farmers in South Africa. Thirdly, the literature regarding factors that influence successful commercial farming is presented in depth in order to prepare an interview questionnaire to investigate these success factors. Lastly, a review of the agriculture sector of the North West Province and research pertaining to this Province is discussed in order to provide an understanding of how the Province is unique due to its geographic setting.

2.2 SOUTH AFRICAN AGRICULTURE SECTOR

South Africa is a rich and diverse country with a land area of 122 million hectares spread across seven climatic regions (Bernstein, 2013:25). The 86 million hectares of farmland is divided into a range of farming regions. Due to the climate-soil combination, only 12% is suitable for the production of rain-fed crops with only 3% considered truly fertile land. As illustrated in **Figure 1.1**, the majority of this farmland is suitable for grazing, with livestock farming being the largest agriculture sector in South Africa (Goldblatt & Von Borman, 2010:2).

Erosion has always been a problem in South Africa with its fragile soils that are easily eroded by wind or water (Oettle, 1998:25). South Africa is a dry country with severe periodic droughts. Only 10% of the country receives more than 750mm of rain per

year (RSA, 2011:9). With only 1.3 million hectares under irrigation, agricultural productivity is negatively influenced by low rainfall.

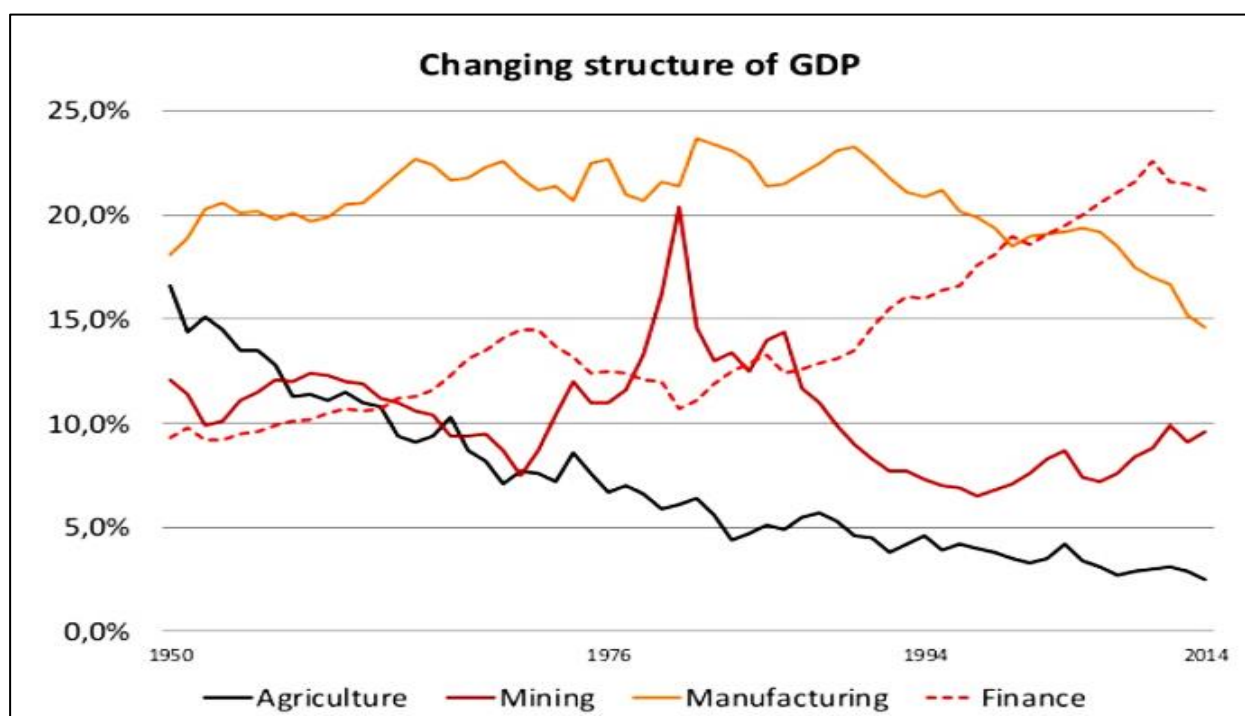
Due to hostile changes in rainfall patterns and rising temperatures over the last 30 years, it has been getting drier annually (Bernstein, 2013:25). South Africa is currently experiencing the worst drought since 1992 when maize had to be imported into the country. The current drought has been preceded by three low rainfall years (2012-2014) and there has been insufficient time for natural water resources to recover from each rainfall-deficit period (South African Weather Service, 2015:1).

The minister of Agriculture, Forestry and Fisheries announced on the 13th of November 2015 that five provinces have been declared drought disaster areas (Ngoepe, 2015:1). These are the North West, KwaZulu-Natal, Mpumalanga, Limpopo and the Free State provinces, which are the main maize producing areas of South Africa. The minister further announced that approximately R2.2 billion of maize imports would be necessary to cover the 31% lower production as announced by the Crop Estimate Committee (Reuters, 2015:1).

2.2.1 Economic growth and decline of the agriculture sector in South Africa

The South African Agriculture industry remains an important part of the South African economy even though its contribution has changed dramatically over the last few decades as depicted in the **Figure 2.1** below.

Figure 2.1: Changing structure of GDP



Source: Cronje, 2014

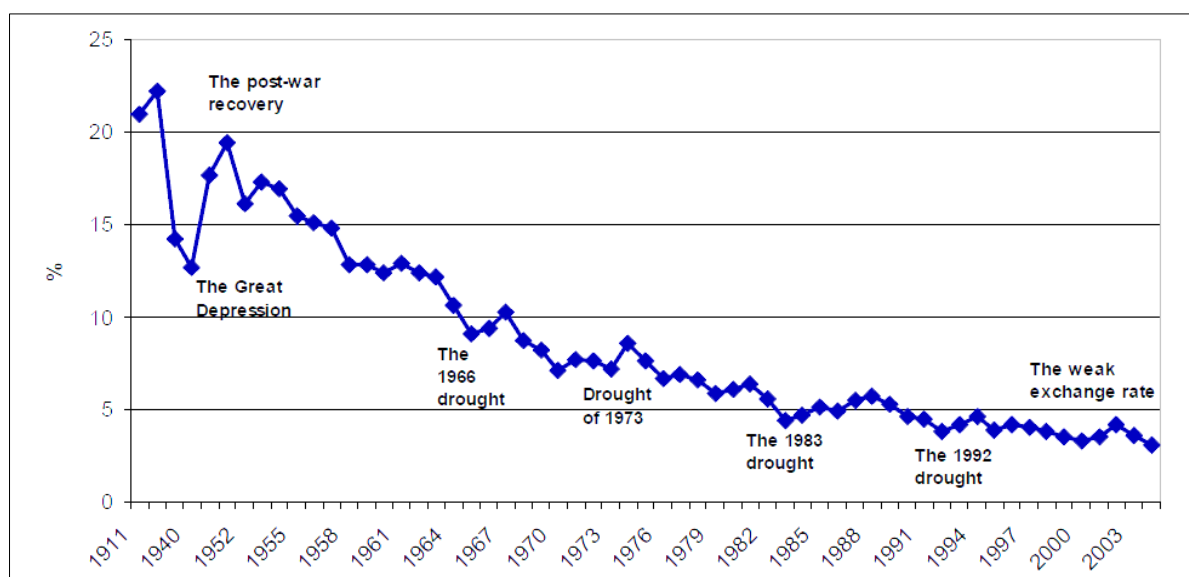
It is a natural phenomenon in the world that as other sectors grow, due to economic development and diversification, the contribution of agriculture declines (RSA, 2010:7). Figure 2.1 clearly illustrates how the agriculture sector's share in the South African GDP declined from 17 % in the 1950's to 2.6 % in 2014 (Cronje, 2014). During the periods of decline, the mining, services (finance) and manufacturing industries experienced growth in GDP share.

The current share of agriculture sector of GDP at a rate of 2.6 %, is far below the average for middle-income countries but is due to the large mining and manufacturing industries as well as the high growth of the services (finance) industry in South Africa in recent years (Bernstein, 2013:25). Although agriculture has a low share in the country's GDP, this sector stimulates growth in the rest of the economy through its forward and backward linkages with other economic sectors. Agriculture accounts for almost 10 % of the formal sector employment while more than 8% of the country's merchandised exports are agricultural products (RSA, 2010:5).

The agricultural sector's upstream linkages to the GDP include purchases of goods such as fertilisers, chemicals and implements and important upstream linkages with the manufacturing sector. Seventy percent of agricultural output is used as raw materials for the manufacturing industry as intermediate products by the food, beverage and textile sectors (RSA, 2010:8).

Although the income of commercial agriculture has increased from R20 billion in 1993 to R147.5 billion currently (StatsSA, 2015a:1), the short term trend is not consistent due to fluctuating rainfall and the exchange rate of the rand (Bernstein, 2013:25). From Figure 2.2 below indicating the decline in agriculture GDP since 1911 it is evident that drought periods are a strong influencing factor in the sector's performance on the short term with sharp declines experienced at each drought since 1966.

Figure 2.2: The contribution of agriculture to GDP since 1911 (as % of GDP)

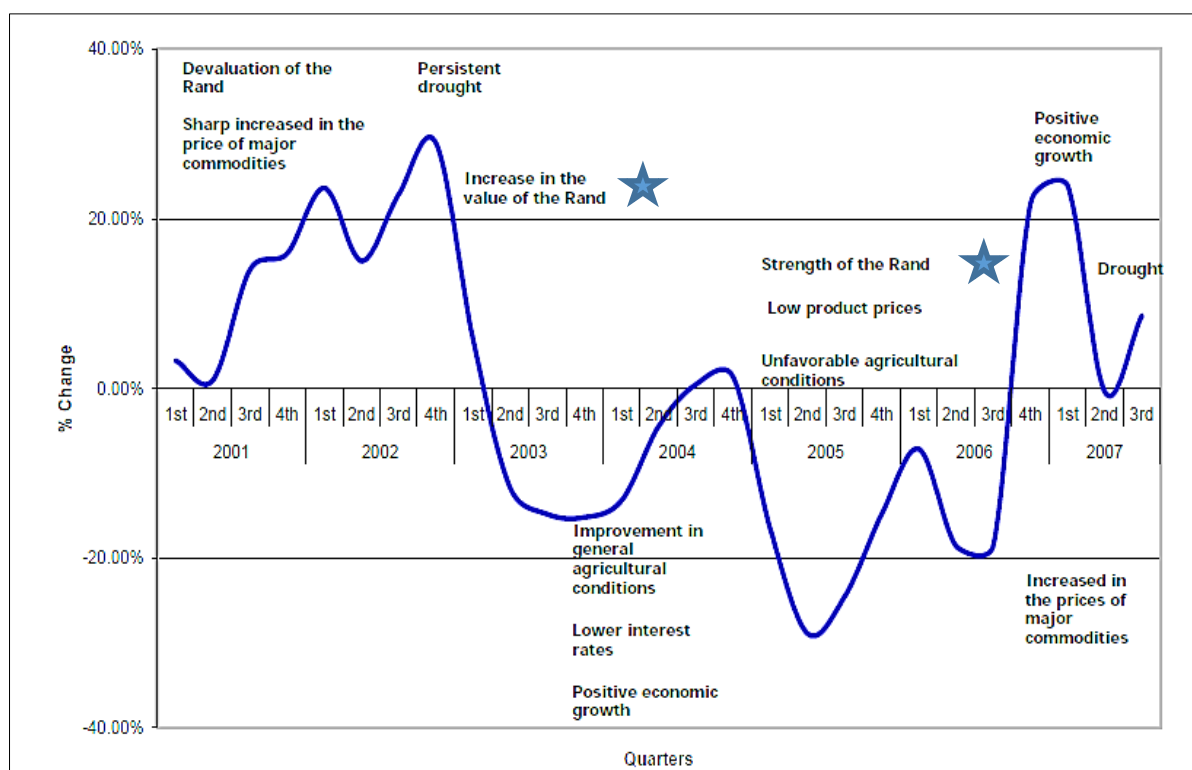


Source: RSA, 2010:7

South Africa has always been a net exporter of agricultural products although the share in total exports has decreased from 78% in 1932 to 4.2% in 2012. The mining and manufacturing sectors made up the remaining exports with mining's share being 44.2% while the manufacturing sector had a 51.6% share in total exports for 2012

(Liebenberg & Pardey, 2010:384; Maia, 2013:4). Between 2009 and 2011, South Africa's agricultural products had an export-import ratio of 2.4, indicating that South Africa exports 2.4 times more agricultural produce than it is importing (Trade, 2013:12). The strengthening of the Rand currency thus causes a decline in the value of exports and the confidence in the agriculture sector then declines during these times. **Figure 2.3** below illustrates how the confidence in the agriculture sector (indicated by the blue line) decreases with each phase of currency strengthening.

Figure 2.3: Confidence in the South African agriculture sector between 2001 and 2007



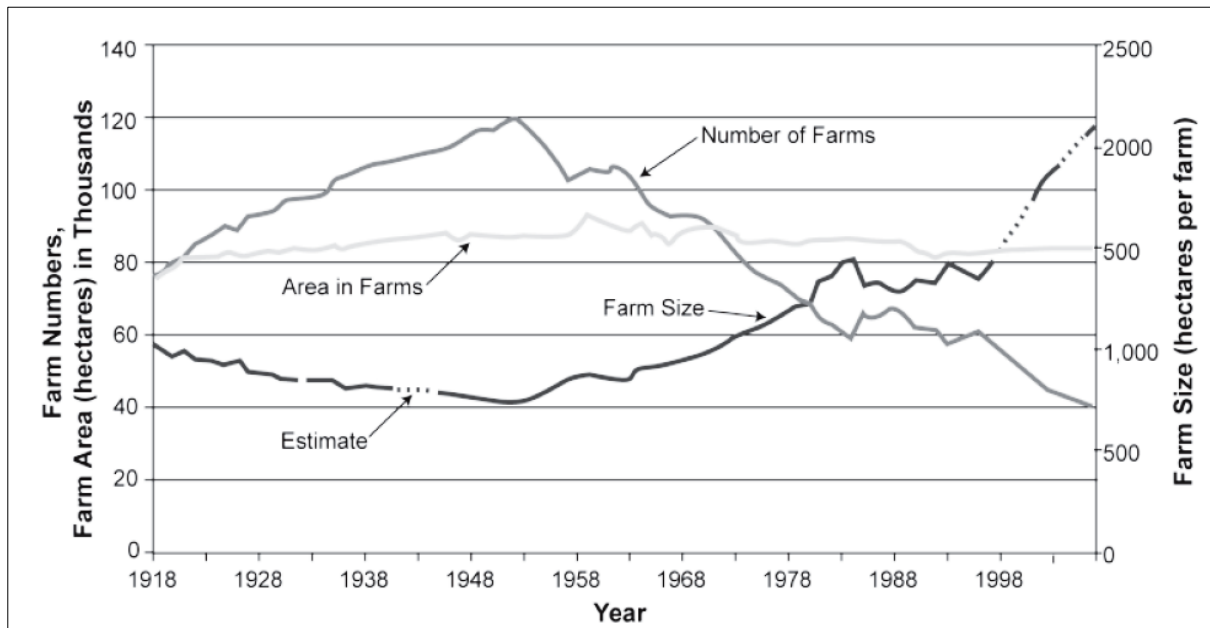
Source: RSA, 2010:18

Illustrated in the above graph, the increase in value of the Rand (indicated with a blue star) between the first and third quarters of 2003 had a decreasing effect on the confidence in the agriculture sector. The same effect is also seen in the strengthening of the Rand between the first and third quarters of 2005 with the decrease in the confidence of the Agricultural sector (RSA, 2010:18).

2.2.2 Area under farming

According to Conradie, Piesse and Thirtle (2009:13), the number of commercial farmers in South Africa decreased to about 40 000 by 2008 and the size of the farms increased while the total land area under cultivation remained between 83 and 82 million hectares. This is depicted in **Figure 2.4** below:

Figure 2.4: Farm size vs farming numbers between 1918 and 2008

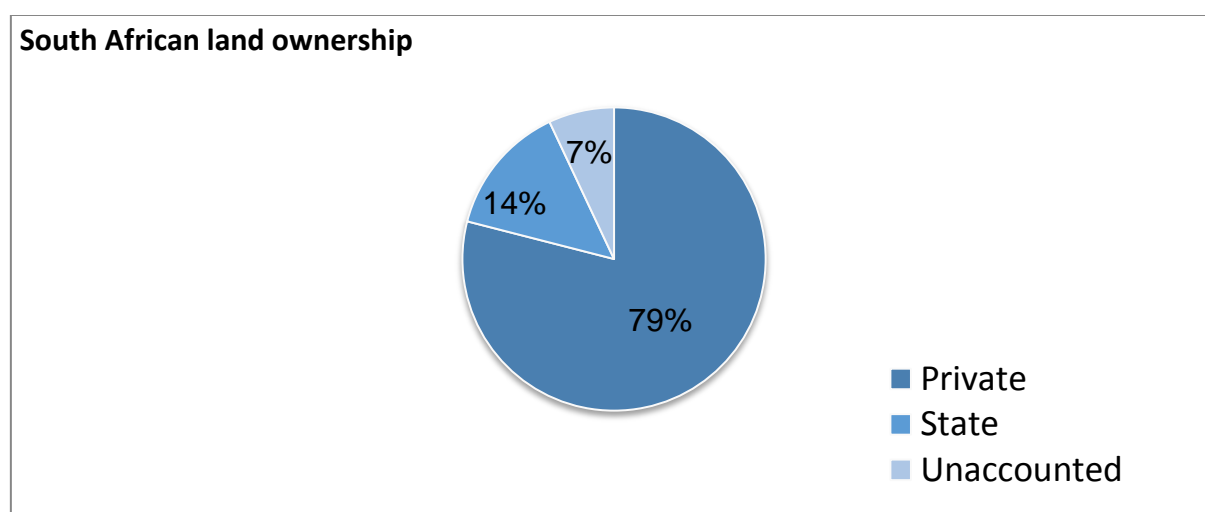


Source: Liebenberg and Pardey, 2010:392

As depicted in **Figure 2.4** above the average commercial farm size of the about 72 000 commercial farmers was just below a 1000 hectares in 1918. The total hectares farmed stayed relatively the same during the next 30 years while the number of farmers increased to about 120 000 farming units and the farm sizes decreased by 30%. Since 1948, after various government and private sector interventions that will be described in detail later in the chapter, the number of farmers declined to about 40 000 while the sizes of these farming units increased to over 2000 hectares per farm in 2008. Since 2008, the decline in commercial farming numbers and increase in farm sizes have continued (Liebenberg & Pardey, 2010:392).

In 2012 a land audit was commissioned by the minister of Rural Development and Land Reform, Gugile Nkwenti, to establish exactly how much land is privately or state owned and what the racial composition of this privately owned land is (SAPA, 2013). The use of land would also be part of this study in order to determine how much is under active agriculture. In **Figure 2.5** below the division between privately and state owned land is depicted as 14% of South African land being owned by the government and 79% owned by private individuals or companies while 7% were unaccounted for.

Figure 2.5: South African land ownership



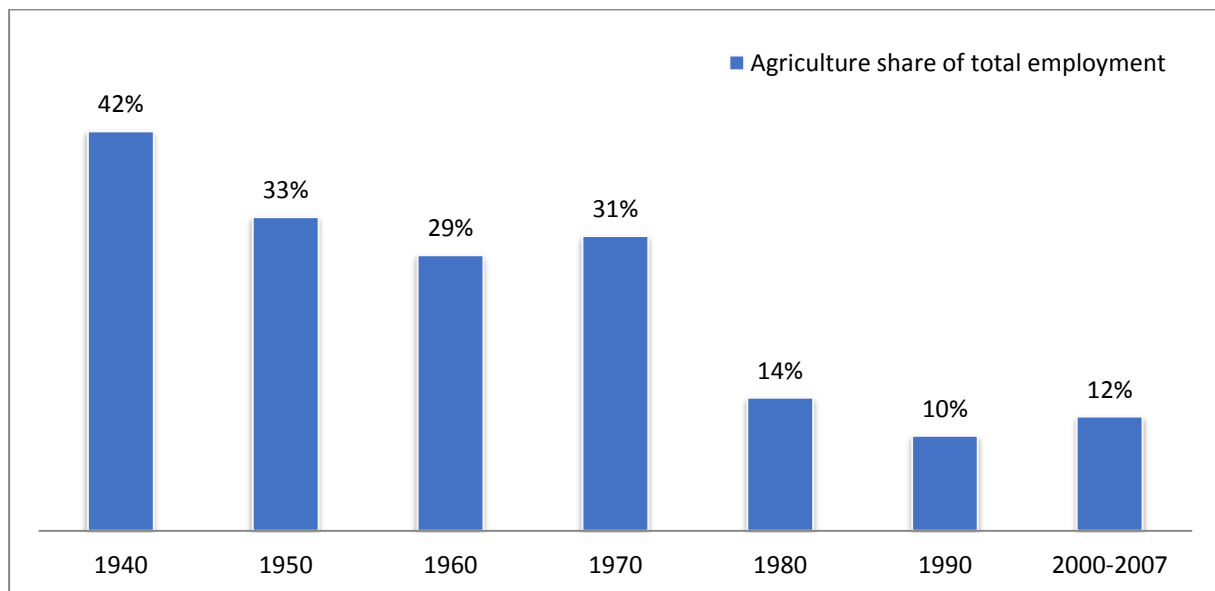
Source: Own calculation based on data from RSA, 2014:9

In order to determine how much land is currently used for agriculture, the final results of the land audit should be awaited. The preliminary results only revealed that the usage of 16% of the 122 million hectares was investigated and found that of this land area investigated 18.7% was used for agriculture. The accuracy of these results is questionable, as this percentage amounts to a mere 23 million hectares under agriculture in South Africa (RSA, 2014:11).

2.2.3 Employment in the agriculture sector

In the period following the 1913 Natives Land Act and other Apartheid policies, black Africans were forced into the labour market and this increased the black agricultural labour force in agriculture-orientated Provinces. In the then Transvaal Province (currently the Limpopo, Gauteng, Mpumalanga and eastern part of the North West provinces), employment in agriculture grew by 75% between 1918 and 1930 (Oettle *et al.*, 1998:16). As illustrated in **Figure 2.6** below it is evident that after the 1930's period, agriculture's share in formal employment saw a decrease from 42% in the 1940's to 29% in the 1960's due to mechanisation, urbanization and severe periodic droughts (Bernstein, 2013:34).

Figure 2.6: Agriculture's share of total employment



Source: Own graph based on data from Liebenberg, 2010:385

During the period between 1970 and 1980 South Africa's multifactor productivity growth of the agriculture sector was at its highest and employment in the agriculture sector was 31% of total South African employment, as depicted in **Figure 2.6** above (Liebenberg, 2010:401).

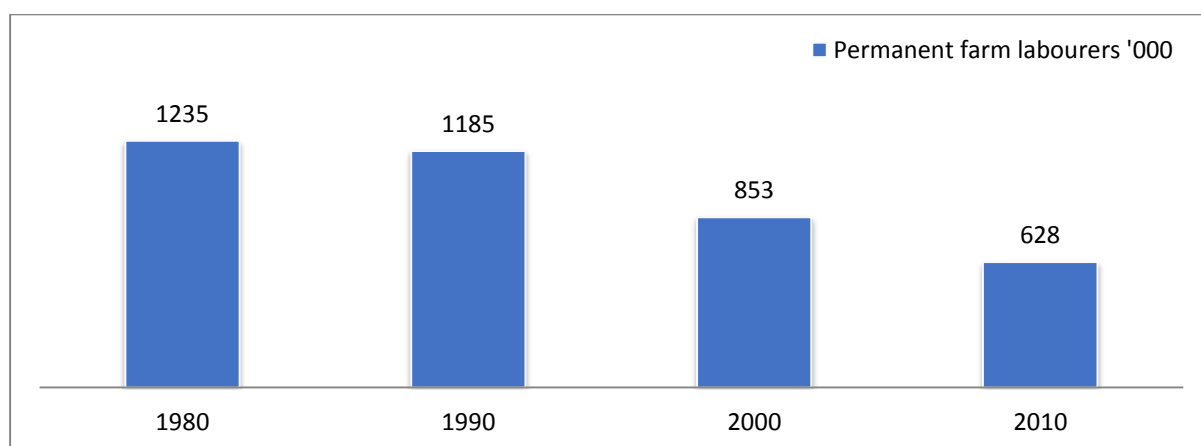
Various government policies (during and post-apartheid), environmental events, increasing employment needs of the mining sector as well as natural urbanisation

caused a decline in agriculture's share of total employment during the period between 1960 and 2007 (Liebenberg, 2010:385). Between 1960 and 1992, 2.8 million farm workers were evicted from farms due to apartheid policy and natural disasters. Peak losses in agriculture employment were due to severe droughts in 1984 and 1992 as well as general commercialisation of farms (Bernstein, 2013:34). These farm workers went to seek employment in other sectors of the South African labour market thus decreasing the share of agriculture in total employment.

Between 1995 and 2002, a notable shift happened towards casual employment on farms with 49% of total farm employment in 2002 being of a non-permanent nature (Bernstein, 2013:34; Du Toit & Ally, 2003:6). Farm labour evictions increased in 1997 and 2003, which might be attributed to two government policies that were supposed to protect farm labourers. The first was in 1997 when the government passed the Extension of Security of Tenure Act 62 of 1997 (ESTA) which aimed to secure tenure rights of farm dwellers and prevent unfair evictions (Pillay, 2014:16). The second policy was the Sectoral Determination of Agriculture in 2003, which enforced a minimum wage for farm workers (Bureau for Food and Agricultural Policy (BFAF), 2015:1). In total, 40% of farm workers lost their jobs between 1993 and 2006 due to policy reform (RSA, 2010:20).

When considering the reasons for the changes in agricultural employment during the last few decades, it is also important to take into account the decline in the number of farming operations during this time. In **Figure 2.7** below the decrease in number of farm labourers are depicted between 1980 and 2010 and another reason for the decline mentioned below:

Figure 2.7: Number of permanent farm labourers in South Africa



Source: Own graph based on data from Liebenberg, 2010:386; RSA, 2010:20

In the 1980s the number of permanent farm employees was 1,235 million and this declined to 628 000 permanent employees in agriculture in 2010. The 20% decline in commercial farmer numbers during the period 1993 to 2002 (mentioned in 2.2.2 above), led to a comparative decline in permanent agriculture employment to below one million employees (RSA, 2010:20).

Currently, agriculture's share in formal employment has decreased to an all-time low of 5.7 % in the third quarter of 2015 (StatsSA, 2015b:1). Apart from the above-mentioned reasons, a wide range of environmental conditions and circumstances resulted in the growth or decline of the agriculture sector employment during the past century, including unstable produce prices, exchange rate fluctuations, increased mechanisation and technology developments (AgriSETA, 2010:10).

2.3 DUALISTIC NATURE OF THE SOUTH AFRICAN AGRICULTURE SECTOR

The prevailing contrast between different types of farming enterprises within the South African agriculture industry can be partly attributed to various Government policies and private sector interventions dating back as early as 1894.

2.3.1 South African Policies that shaped the agricultural sector

The future for sustainable agriculture cannot be understood without reference to the Apartheid and pre-Apartheid policies that influenced agricultural development (Oettle *et al.*, 1998:15). South Africa's agriculture sector is intensely tainted by colonial conquest and deprivation with the uneven paths of commercial accumulation (O'Laughlin *et al.*, 2013:2).

A schematic summary of the major policies up until the period of deregulation of the agriculture sector in 1980 was compiled in **Figure 2.8** from a range of sources and will be explained in detail afterwards.

Figure 2.8: Summary of major agriculture related policies until 1980

1913 Native Land Act (No:27)	<ul style="list-style-type: none"> •Africans could only buy or lease land in 7% of the country called 'Native reserves' situated in marginal agriculture areas while white South Africans could farm on better quality land (This was later increased to 14%) •Anti-squatting provisions prevented share cropping on rented white farmland
1922 Land Settlement Act Further Amended Act (No:21)	<ul style="list-style-type: none"> •Amendments of the original Act of 1912 •Made land available for white farmers
1937 Marketing Act (No:26)	<ul style="list-style-type: none"> •Established Control Boards to intervene in the market and become monopoly buyer and seller with annual fixed prices to control imports and exports •Pan- territorial and pan-seasonal pricing
Agricultural financing Acts-1912; Land Bank Act & Amendments 1912-1958 ; Agricultural Credit Act 1926 (Amendment 1966)	<ul style="list-style-type: none"> •Subsidised interest rates by Land/Commercial Banks •Short/medium and long term loans were provided to farmers •Viable farm size were established and only assisted if farm size met the viable size determined
1946 Soil Conservation Act (No:45); 1941 Forest and Veld Conservation Act(No:13)	<ul style="list-style-type: none"> •Optimal resource utilisation through contouring, dams and fences provided by the State
1970 Subdivision of Agricultural Land Act (No:10)	<ul style="list-style-type: none"> •Not allowed to subdivide farms without ministerial approval - farms were kept at large commercial sizes - small scale farming was viewed in negative light by funding institutions

Source: Own summary from Hebinck *et al.*, 2011:226; Kirsten & Van Zyl, 1998:562; Makhura, 2008:4; O'Laughlin *et al.*, 2013:5; Vink, Van Rooyen & Karaan, 2012:3-4

Highlighted above are only the major policies that shaped the agriculture sector but between **1910 and 1935**, a staggering 87 Acts were passed to assist farmers in South Africa (Hebinck *et al.*, 2011:226). Although the success of the white farmer class was made possible through state regulation and subsidy, one should also take into consideration the important role that the mineral revolution played in South Africa (Hall & Cousins, 2015:2). The eruption of the mining industry in South Africa started with the first diamond discovery in **1867** and gold discovery by **1886**. This quickly turned mining in South Africa into the nation's staple economy and fuelled the state and private sector income to enable support for agriculture in the rest of the country (Maia, 2013:6).

The massive state-engineered programme during **1910 to 1970** of “optimal agriculture development” was based on the three pillars of financing, resource utilisation through infrastructure and marketing (Vink *et al.*, 2012:4), that will be explained in detail below:

1. The **Financing** pillar of the development plan consisted of tax incentives and subsidised interest rates made possible by, amongst others, the Agriculture Credit Act of 1926 as well as the Land Bank Act of 1912 with its amendments (Vink *et al.*, 2012:4).

The Agricultural Credit Board was established to assist the weaker farmers who faced problems with commercial banks (Makhura, 2008:4). The Land Bank assisted farmers with an average credit record while commercial banks provided loans to financially healthy commercial farmers (Oettle *et al.*, 1998:70).

Farmers were assisted to acquire land and were provided with production loans to operate the farms. Infrastructure and Mechanisation finance assisted the development of profitable farming operations and reduced labour requirements (Vink *et al.*, 2012:4).

The affordable credit led to heavy borrowing and 'over-mechanisation' between 1970-1980 even causing negative real interest rates and making it profitable for farmers to be in debt (Hall, 2009:125). Due to the environmental vulnerability of agriculture in a dry country, the risks involved with an unstable climate were mitigated by the Agricultural credit Acts to ensure sustainability during droughts with regards to loan repayments (Vink *et al.*, 2012:4).

2. **Optimal resource utilisation** was ensured by various Conservation Acts between 1946 and 1983. Contours, dams and fences were financed by the state to provide legal control of soil erosion. Disaster assistance was provided during droughts, floods, fires and other natural disasters in order for the farmers to continue to farm profitably (Vink *et al.*, 2012:4).
3. The **marketing** system of agricultural produce was transformed through various programmes. The first step was the establishment of the Marketing Control Board through the Marketing Act of 1937 (Vink *et al.*, 2012:3). This Act gave the Marketing Board the authority to intervene in the market and control a commodity if enough farmers requested it (Oettle *et al.*, 1998:72). The Control Board thus had a monopoly over imports and exports, as well as supply and demand of a specific commodity by controlling the prices and fixing it on an annual basis (Hall & Cousins, 2015:2).

During the Great Depression of the **1930s** subsidies and price support through single channel marketing assisted white commercial farmers to get through the difficult times even before the Marketing Act of **1937** was promulgated (Oettle *et al.*, 1998:16).

Pricing was done on a Pan-territorial and Pan-seasonal system. Pan-territorial pricing, on a cost-plus basis (same price irrespective of distance from the market) meant that farmers closer to the delivery point cross-subsidized farmers that had to transport the produce from further away. This increased the geographic

production base of the agriculture sector even into more marginal (less profitable) areas of the country (Vink *et al.*, 2012:3).

Single channel agents were appointed by the Control Board to manage the products, which usually was the local supply Co-operative in the area. The infrastructure of these co-operatives was developed with the loans from the Land Bank to erect large grain storage facilities to cater for pan-seasonal pricing system of delivery (Hall & Cousins, 2015:2; Oettle *et al.*, 1998:70).

The pan-seasonal pricing system of the Control Boards meant that farmers delivered all their produce at harvesting as the price was fixed for the year. No extra infrastructure on farms to store produce was necessary, which resulted in over-supply of storage and transport during the off-peak periods (Vink *et al.*, 2012:3).

Being agents for the Control Boards boosted the Co-operative's turnover and profitability and they became the business wing of the South African agriculture sector and today more than 270 Co-operatives accounts for 80% of agricultural marketing (Oettle *et al.*, 1998:70; Hall & Cousins, 2015:3). The co-operatives became part of the whole value chain of the agriculture sector, by supplying inputs, credit, distribution and sales and exports of agricultural products (Greenburg, 2013:5).

It is important to mention however that these co-operatives managed to reinvent themselves after deregulation of the sector during 1980-1990 in order to keep their power over the market by listing on the Johannesburg Stock Exchange (Bernstein, 2013:24). The Co-operative Act of **1920** however excluded black farmers from participating in farmer co-operatives thus only white farmers benefitted by being members of these large co-operatives (Liebenberg & Pardey, 2010:388).

The agriculture sector was administered by a National Department of Agriculture, and an important responsibility was to retain the white rural vote for the National Party (Oettle *et al.*, 1998:16). The private sector and public sector created harmonious support to address the needs of the capital-intensive farm enterprise model. This support was to provide technical, financial, institutional and human resources assistance (Oettle *et al.*, 1998:16).

Starting in the 1910's up to the **1950-1970** periods, the South African Agriculture sector experienced physical and economic expansion (at least for white commercial agriculture) but during the **1950-1960** period, the composition of the sector changed. These changes came in the form of farm consolidations where fewer farmers farmed on larger land areas (refer to **Figure 2.4** above), and labour movements to other sectors (Liebenberg & Pardey, 2010:390).

From **1960 to 1970**, the focus of the South African agriculture sector mirrored that of international Agriculture through technical innovation to improve agricultural practices (Mmbengwa, 2009:18). With the Subdivision of Agricultural Land Act (No 10 of **1970**), it became very difficult and costly to subdivide land into smaller farming units which the Government deemed uneconomical and number of farmers consolidated their operations and farm sizes increased (refer to **Figure 2.4** above) (Oettle *et al.*, 1998:56).

The “financialisation” of the **1970s** marked higher competition between agriculture and other capital markets like mining, energy, industry and especially the growth of the financial sector (Hall & Cousins, 2015:2). This high growth period of the South African Economy was supported by high gold prices and the agricultural sector being reaching its most competitive stage but was brought to a halt with the international oil crises during the mid-seventies (RSA, 2010:19).

By the **1980s** the agriculture sector again experienced growth again due to direct Government transfers to farmers and highly supported product prices. At this stage farming credit as provided by the Land Bank (22%), commercial banks (21%),

Department of Agriculture through direct farm transfers (10%), the co-operatives (8%) with the remaining provided by discount houses, insurance companies and other financial institutions (RSA, 2010:53).

In the years of economic sanctions against South Africa, which started with a resistance to Apartheid from the early **1970s** in urban areas, Government placed a high priority on food security by subsidising production of crops, which could have been imported at a lower cost. Government also financed the research and development of strategically important technologies and commodities like sunflower oil as a diesel substitute (Bernstein, 2013:43; Oettle, 1998:17). Despite this support, the agriculture sector could not regain momentum.

2.3.2 Deregulation of the agriculture sector

With the declining South African economy by the late 1970's, the agriculture sector was in distress when income from exports declined rapidly (due to international sanctions), removal of Government support and farming debt being three times more than in the previous decade (Hall, 2009:122). The Apartheid reform had started and by 1994, state support to farmers was almost zero (O'Laughlin *et al.*, 2013:7).

Organised agriculture had to reposition itself for a post-apartheid deregulated environment if it were to survive (Bernstein. 2013:23). The first step was when the agriculture co-operatives consolidated into private agribusiness corporations, some listed on the Johannesburg Stock exchange, and secondly the consolidations between large agri-businesses like Tiger Brands, Premier foods, Foodcorp and Remgro (Greenberg, 2013:7). Later as another step towards transformation, the organization that coordinated agriculture between farmers and the Government, the South African Agricultural Union (SAAU) rebranded itself as Agri South Africa (Agri SA) in 1999 to include all races as members (Bernstein, 2013:24).

When the Government adopted a self-sufficiency policy towards agriculture, concentration in the market intensified even more especially to enable agri-businesses to compete globally (Greenberg, 2013:8). After democracy in 1994, the

agri-business policy of Government shifted from self-sufficiency towards competitive advantage and food imports were increased to reduce prices.

South Africa participated at the Uruguay Round (1986-1994) of General Agreement on Tariffs and Trade (GAFF) and together with 122 other countries established the World Trade Organization (WTO) to regulate international trade. The GATT was a multilateral agreement that regulated international trade through the WTO with the purpose of reduction in tariffs and opening of markets internationally (Greenberg, 2013:5).

In 1996 South Africa became member of the Cairns Group of exporting countries that influences agricultural reform and promotes open agricultural markets. With this South Africa made a smooth transformation from Apartheid policy to agricultural trade liberation (Greenberg, 2013:8).

2.3.3 History of Black Farmers in South Africa before Democracy

The negative connection between land ownership and the black people of South Africa has progressed under colonial and white minority governments until democracy in 1994 (Oettle *et al.*, 1998:15). The principle of limiting African landowners to a single plot of land was introduced by **the Glen Grey Act** of 1894. The land-use regulations that this act described have recurred in land policies to the present day. In the former Ciskei and Transkei, this act fixed the size of plots to between 2.57ha and 4.28ha. The colonial administration used the measure to create a labour force as the small size of the farms, warranted owners to seek additional income (Hebinck *et al.*, 2011:225).

Until the end of the 19th Century, South Africa had a highly skilled class of African farmers who produced summer grains, and kept large herds of livestock. White landowners even leased land to these farmers, particularly in the then Transvaal (currently the Limpopo, Mpumalanga, Gauteng and eastern part of the North West provinces), Free State and Natal provinces (Oettle *et al.*, 1998:15). This pattern started changing towards the end of the 19th Century when the estates of white

property owners were changed into commercial farms and African rent-paying farmers reduced to farm labourers.

During the 19th Century, other factors like **Hut taxes** affected the dynamics of the black agriculture sector. Hut taxes were charged per African Hut or household and benefited the colonial government by forcing Africans off their farms to labour in the colonial economy. African farmers whose wealth was stored in their cattle had to send other family members to work for the colonialists in order to get money for paying these taxes (Oettle *et al.*, 1998:15). The fact that the household member with the most employment potential went to work elsewhere meant that the women (restricted by pass laws and caring for their children), the less educated, the physically disabled and the aged were left to stay and work on the farms (Oettle *et al.*, 1998:16).

The **Natives Land Act No 27 of 1913** was another legislative attempt to force Black farmers off their land to a series of 'Native reserves' covering 8% of the country. The political and economic objective of the "reserve" policy was to maintain labour reserves, in which a degree of food self-sufficiency could be retained, with households depending on supplementary cash income (Oettle *et al.*, 1998:16).

The **Co-operative Act of 1920**, which prohibited black membership of the large Co-operatives, meant that marketing of their produce was done by unequipped homeland Departments of Agriculture resulting in poor pricing mechanism and high rates of failure by farmers (Liebenberg & Pardey, 2101:388).

With the decrease in agriculture prices during the **Great Depression** of the 1930's, subsidies and price support were provided to white farmers while black farmers were excluded from these support mechanisms (Oettle *et al.*, 1998:16). Black farmers who were still on their farms had a challenge to find suitable markets for their products (Oettle *et al.*, 1998:16).

Interventions into the use of land were justified by the welfare of the soil during these times and led to the 1936 Native Trust and Land Act No. 18. This act provided the legal framework for Government to reclaim 'Native areas' for rehabilitation by means of '**Betterment Planning**' (Vink *et al.*, 2012:3). Resistance was widespread against the, sometimes forceful, removal of rural Africans to designated residential areas as this act divided the areas into arable, grazing and residential areas (Hebinck *et al.*, 2011:226).

Two more legislative forces shaping black agriculture was in the form of **The Native Authorities Act of 1951** and the **Promotion of Bantu Self-Government Act No 46 of 1959**. These acts transformed the 'Native reserves' into self-governing states called homelands but the homeland administrations did little to advance agricultural development and enable the farmers to compete against large scale farmers (Oettle *et al.*, 1998:18).

In order for a more controlled use of this resource the **act of culling** (reducing cattle numbers by killing it) was introduced to prevent overgrazing (Hebinck *et al.*, 2011:227). However for the African farmers cattle represents both productive and consumptive values and a means of savings and storage of wealth for taxes and emergencies (Cousins & Lahiff, 2005:128), thus keeping a high as possible number of cattle was very important to them.

Support to farmers in the homelands failed and inspired a more practical approach regarding black farmer development and the **Development Bank of Southern Africa** (DBSA) was formed in the mid 1980's (Mmbengwa, 2009:18). The aim of the DBSA was to "foster a balance between urban and rural development, and to enable income generation and food security in the poorest areas of South Africa" (Vink *et al.*, 2012:5). The DBSA followed a large-scale project methodology and farmers were supported and financed on a project basis and not individually through Development Corporations of the DBSA in order to create economies of scale (Makhura, 2008:5). These large-scale projects were capital intensive and could not be sustainable without proper funding but soft loans were only provided on an ad hoc basis by the

DBSA. The then CEO of the DBSA Dr Simon Brand, motivated a shift to smaller scale projects with fewer scarce resources required (Vink *et al.*, 2015:6).

This restriction of the DBSA led to the establishment of **the Farmer Support Programme (FSP)** by the DBSA in 1986 to create a broad range of support services for black farmers (Mmbengwa, 2009:19). Through the FSP, funding was provided to homeland area farmers for inputs, machinery and mechanisation services. The FSP were to fund extension services, demonstrations and research, training to these farmers as well as the formulation of policy (Vink *et al.*, 2012:6).

Measured by an increase in production by the black farmers up until democracy in 1994, the FSP was successful but it had a few limitations according to Mahura (2008:5) and Vink *et al.*(2012:12-17):

- The system was only able to provide short-term finance and rigid support, as per contractual agreement, but due to the climatic vulnerability of farmers in a dry country, this could not ensure sustainability during drought periods.
- Farm sizes were also too small, as farmers did not have enough access to land in the small homeland areas. Farmers did not have the security of owning the land, and were called 'executive labourers'.
- The consultants who provided management services passed the high overhead costs onto the farmers thereby increasing cost to unsustainable levels.
- The support services were not available to all the farmers across South Africa.
- There was not enough coordination between government agencies, the private sector and non-profit organisations to provide support successfully.
- Support services had to vary according to the needs of specific areas and types of farmers.

2.4 GOVERNMENT LAND REFORM PROGRAMS

2.4.1 Pre-1994 land reform

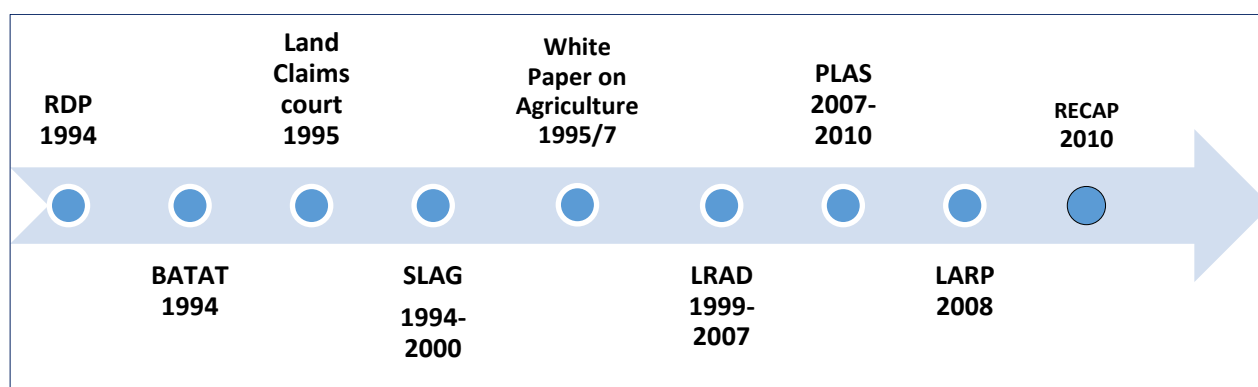
With the passing of the Abolition of Racially Based Land Measures Act in March 1991, the Apartheid administration under F.W. De Klerk started the land reform process in South Africa. Although with limited scope, this act repealed the 1913 and 1936 Land Acts and all other provisions regulating the ownership of land according to race (Hebinck *et al.*, 2011:220). The deregulation of the agriculture marketing system before 1994 included the removal of price controls and subsidies, closure of the Control Boards, eliminating single channel marketing schemes and elimination of import controls (Greenberg, 2013:5).

2.4.2 Post-1994 land reform

On the 1st of January 1997, the new Marketing of Agricultural Products Act (No 47 of 1996) was implemented to formalise the range of deregulations in the agriculture sector in order to become a free-market industry (Van Schalkwyk *et al.*, 2012:116). The strategic objective of the post-1994 land reform had a more comprehensive concern for national reconciliation but the respect for the free market system had to be balanced with historic dispossession (Hebinck *et al.*, 2011:221).

Below in **Figure 2.9** is a timeline of the land reform process prepared from various literature and will be discussed in detail hereafter.

Figure 2.9: Timeline of the land reform process



Source: Own compilation based on data from Greenberg, 2013:9-12; Hebinck *et al.*, 2011:221; Vink *et al.*, 2012:1

The land reform process in South Africa after the 1994 democratic election was launched by the **Reconstruction and Development Programme (RDP)**. With this programme, land reform was regarded as a driving force for the process of rural development but did not focus on agriculture other than providing a framework for agriculture to accompany land reform initiatives (Vink *et al.*, 2012:1).

The focus on agriculture came in the form of **The Broadening of Access to Agriculture Thrust (BATAT)**, a body that was supposed to assess the needs of black agriculture's training and initiate a shift away from white dominance in agriculture (Vink *et al.*, 2012:1). This programme was not very successful as agricultural training and education was only implemented eight years later in 2002 (Greenburg, 2013:24).

The purpose of the **Land Claims Court** was to adjudicate overlapping and competing claims and faced larger scale challenges than pre-1994 land reform initiatives where resource planning and procedures created the most problems (Hebinck *et al.*, 2011:22).

The first funding vehicle for Department of Land Reform and Rural Development's programme for land redistribution was introduced in the form of the **Settlement Land Acquisition Grant (SLAG)** in 1994. Through this mechanism, commercial farms for sale by willing sellers were to be acquired for transfer to beneficiary groups (Greenberg, 2013:9). These small grants (R16 000 later increased to R20 000) per beneficiary were made available to poor households with earnings of less than R1500 per month, to buy land. These beneficiaries had to organise into groups to be able to buy farmland and then function on a project basis to operate and farm on the land (Hall, 2009:17).

The Department of Land Affairs mobilised communities to acquire land but found that these farms were too small to support all of the beneficiaries as full-time farmers. The plan was that the emerging farmers would use the grant to gain access to loans for

additional land but the beneficiaries were not credit-worthy enough to do so (RSA, 2010:40). Another failure of the SLAG system was that no funding was available for post-settlement support (Jacobs, 2003:3)

A recommendation by the Strauss Commission on rural finance in 1996 was that the Agricultural Credit Board, who provided funding to emerging farmers during the Apartheid era, resumed their role as last resort lender and be supported by the Land Bank (Jacobs, 2003:16). The impacts of redistribution through this channel were strongly criticised and a widespread collapse of SLAG-financed projects resulted in the cancelling of this funding mechanism in 1999 (Aliber & Cousins, 2013:142).

The **White Papers on Agriculture** in 1995 and 1997 defined the client base of agricultural services in such a way as to include most rural users of natural resources and supported initiatives for the development of small-scale farmers. It argued that agriculture should contribute to the enhancement of the quality of life of rural people via increased employment, income and food security. (Oettle *et al.*, 1998:49) Through the White papers, the department of Agriculture wanted firstly to highlight the potential of the agriculture sector to reach the goals of the RDP. Secondly, the roles and responsibilities of Government and the private sector had to be defined, in order to achieve the agriculture sector's vision.

The result was a discussion document named "*Agricultural Policy in South Africa*" with three goals:

- I. To build an internationally competitive agricultural sector based on efficiencies.
- II. To support a more diverse structure of production through an increase in successful smallholder farming enterprises.
- III. To implement policies and institutions that will conserve natural agricultural resources (RSA, 2010:2).

After a lengthy planning and consultation phase between 1999 and 2000 a new approach to Agricultural reform was launched. This funding scheme, by the Department of Rural development and Land Reforms was the **Land redistribution**

for Agricultural Development (LRAD) grant system which was launched in 2001 (RSA, 2010:40).

The Department of Land Affairs (DLA) entered into an agency agreement with the Land Bank for disbursement to LRAD beneficiaries. An amount of R50 million was transferred in 2001 to the Land Bank to distribute to beneficiaries according to a grant-loan ratio of 1:4 – one part ‘own contribution through the grant’ and four parts loan finance provided by the Land Bank (Jacobs, 2003:17). The LRAD grant ranged from R20,000 to R100,000 (RSA, 2010:40).

The LRAD policy was less prescriptive in its use and allowed for groups or individuals to acquire land although groups were not allowed to subdivide the land after a group purchase and thus failed to make smaller areas of land available to farm on (Aliber & Cousins, 2013:142). The grant amounts were not increased over time to keep up with the rising cost of land in South Africa (Hall, 2009:14).

The purpose of LRAD was to initiate an entrepreneurial black commercial farmer class without deserting the rural poor, who could still group together in projects at communal level (Jacobs, 2003:4). For this reason, the grant was increased in 2008 to R431 000 in order for family groups to acquire farms (Aliber & Cousins, 2010:142). Only these few higher grants enabled individuals and households to own, manage and use the land productively (Hall, 2009:14). The reality was that the LRAD system then failed the poor because only educated and ‘well-connected’ beneficiaries got assistance from this grant and developed into commercial farmers (Aliber & Cousins, 2010:158).

By 2007, the total hectares of land redistributed through land reform by means of LRAD and SLAG were a mere 2.6 million in almost 13 years, 10,6% of the targeted 24,5 million by the Land Reform policy of government (No 3 of 1996).

In order to increase agricultural productivity through land reform, the National Land Summit held in 2005 reviewed the reasons for failure of previous land reform models

and introduced the new **Proactive Land Acquisition Strategy (PLAS)** (RSA, 2010:40). The willing buyer-willing seller model was reviewed and consequently PLAS was based on the assertion that when there is a need for land, this need will be quantified through a state-driven processes and then proactive land acquisition will take place. The acquired land will then be matched with the demand for land (RSA, 2010:40). This pro-active approach was also used to establish the Land and Agrarian Reform Project (**LARP**), which targeted farms of more than 500 hectares in size.

Before implementation of PLAS the Land and Assistance Act (No 126 of 1993) had to be amended to resolve previous interpretation problems. With this model of land reform, Government purchased high-potential farms and leased it to chosen beneficiaries with an option of future purchase. This allowed for different contextual approaches and included moveable farm property and shares in farms to be acquired (RSA, 2010:41).

The redistributed land progress in terms of hectares of the PLAS, SLAG and LRAD systems were gathered by analysing the annual reports of the Department of Rural Development and Land Reform and tabled below in **Table 2.1:**

Table 2.1: Hectares of land redistributed in South Africa through land reform

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	TOTAL
Ha	684	322	181	187	857	156	346	444	240	163	393	158	154	354	4,637

Source: Own calculation based on RSA, 2010:41

From the table above 4.637 million hectares of farmland were redistributed by means of the different land reform redistribution models. The Minister of Rural Development and Land Reform, Mr. Gugile Nkwinti, reported that 6.7 million hectares were distributed by 2009 when including restitution schemes. Add to this another 882 238 hectares distributed through PLAS between 2009 and May 2012 and 368 483 ha through restitution programs (Nkwinti, 2012). From the table above the hectares

distributed for 2013 and 2014 equates to another 508 000 hectares thus making the total land transferred to date 8.458 million hectares, which is 10.3 % of the 82 million hectares available for agriculture in South Africa.

The most recent phase in Land Reform is the **Recapitalisation and Development Programme (RADP, henceforth abbreviated as RECAP)** that was launched in 2010. The programme's objectives are set out below, and have been evaluated by Business Enterprises (2013:1):

- I. to increase agricultural production;
- II. to guarantee food security;
- III. to graduate small farmers into commercial farmers;
- IV. to create employment opportunities in the agricultural sector; and
- V. to establish rural development monitors (rangers).

Struggling Land Reform farms acquired since 1994 that have received little or no support, but have potential to become successful, will receive technical and financial assistance through RECAP.

The evaluation found there are varying degrees of understanding among RECAP stakeholders and Government officials of what RECAP is. The cost-benefit analysis did not have good results as the benefits to a small number of beneficiaries came at a high cost. An average of R463 284 was spent per beneficiary or R588 284 spent to create one job in the six provinces included in the evaluation. In the Free State R1.02 million was spent per beneficiary without the creation of a single additional full-time job.

After their evaluation of the RECAP programmes first 2 years, Business Enterprises (2013:1) advised that the best recommendation would be to redesign and correct all the public agricultural support programmes by removing all the different schemes and funding models. The establishment of "an all-inclusive fund to support land acquisition, extension and mentorship, agricultural finance and market access" was proposed.

As another support structure for land reform beneficiaries, BATAT was not achieving its objectives and therefore the **Comprehensive Agricultural Support Programme (CASP)** was proposed and launched in 2004 to facilitate agricultural development by improving post settlement support services to beneficiaries of the Land and Agrarian Reform programmes (Mpandeli & Maponya, 2014:137). BATAT was a National Agriculture Department initiative but implementation was necessary on a provincial level where they had barely any operational involvement (Oettle *et al.*, 1998:50). For this reason, CASP was funded by Provincial and National budgets and implemented on both these levels. CASP also provided post-settlement support to farmers who acquired land privately and was engaged in value added enterprises domestically (Vink *et al.*, 2012:1).

In the first progress report of CASP by the Department of Agriculture the following challenges were identified as just over 50% of the R200m allocated was spent on CASP projects. Only the Kwazulu Natal Province utilised their full budget of R37m with the Freestate province only utilising 10%. The **CASP Recharged** program was launched in 2005 to improve on the poor performance of the first year of CASP (NDA, 2005:8-14):

- **Ineffective delivery systems at Provincial level.** Planning started late and implementation was not communicated between Provincial Treasury and Agriculture departments. Mismatch between business plan and funding.
- **Procurement and tender system cumbersome.** Tender committees were not identified and tender specifications not clearly communicated and followed.
- **The mobilization of civil society is lacking.** Due to lack of Database (will be elaborated later in this report) by the Department of Agriculture uncertainty was widespread as to who the target beneficiaries was.
- **The financing criteria are not clear.** The needs of beneficiaries did not match the finance criteria of only providing infrastructure as operating funding was needed in existing and failed projects.

- **Lack of capacity.** Very weak monitoring and evaluation systems on all levels and a lack of economic and engineering experts for planning stages. Extension officers not specialists to deal with unique challenges.
- **Non-compliance to the grant conditions.** No reporting (monthly or quarterly) and funding not spent according to plan.

The CASP programme is still ongoing and made good progress to support black farmers during the last 10 years with almost R3.8 billion spent on beneficiaries since inception and another R3.1 billion budgeted for 2012-2014 period (Department of Agriculture, Forestry and Fisheries (DAFF), 2012:6).

Another financial assistance product developed by the Government to assist smallholder farmers was through the Micro Agricultural Financial Institute of South Africa, (MAFISA). **MAFISA**'s purpose was to improve access to credit for smallholder farmers. To empower the black middle class through agriculture the product called Agricultural Black Economic Empowerment (**AGRIBEE**) was developed (Mmbengwa, 2009:20).

2.4.3 Land Reform conclusion

The ANC's target to have 24.5 million hectares of farmland transferred to black farmers by 1999 (4.9 million hectares per year), was later moved to 2014 and is now the target for 2025 (O'Laughlin *et al.*, 2013:8). The question of how the Government came to set such a high target in the first place and then only averaging a mere 206,520 hectares redistributed per year, can be answered by studying the planning process followed by the Land and Agricultural Policy centre (LAPC) of the ANC in 1996.

This high target was proposed by the World Bank, who envisioned that large numbers of emerging farmers would buy land with their own funds, based on a report by the Macroeconomic Research Group (MERG) in 1993. MERG suggested that there are "immense possibilities for putting economic pressure on farmers....to

encourage all farmers to begin to invest in wage labour intensive, technologically dynamic and internationally competitive production structure” (Bernstein, 2013:24).

Despite all efforts to speed up land reform, the net effect of the land programme has been limited with only a third (10,3 % calculated above) of the target met in 21 years. And although statistics are not available due to a lack of an accurate government database (Mmbengwa *et al.*, 2011:1503) government admitted that by 2009 the failure rate of new land reform projects could be as high as 50% (RSA, 2010:40).

The fact that the Deeds register does not make provision for racial division of privately owned land adds to the confusion of how much agricultural land have been purchased by black farmers through own funds. To add to the confusion and difficulty of measuring against the 24,5million target, the latest land reform models involves (PLAS & LARP) government purchasing the farms thus ownership of farmland is not actually transferred to black farmers.

The much-anticipated final report of the land audit of 2012 might clear the perplexity but until it is released, the results of healing the inequality of the South African Agriculture sector will remain open for speculation.

2.5 DEFINING SUCCESSFUL COMMERCIAL FARMERS

2.5.1 The Commercial farming debate

There are three types of farmers in South Africa namely commercial farmers, small-scale farmers, who have the potential to become commercial farmers and subsistence farmers (Bernstein, 2013:41). There are two views among role players and experts in the agriculture sector on which type of farmer to support in order to have a sustainable agriculture industry.

Based on the successes of the nineteenth century small-scale African farmers, various experts are proposing that a support model for small-scale farmers will be the solution to land reform in South Africa (Hebinck, 2011:229). Du Toit (2013:21) agrees

with this view, as Large-scale commercial farming does not contribute significant levels of employment and is unsustainably reliant on fossil fuels and agrochemicals.

The other school of thought is that only commercial sized farming enterprises will be sustainable and successful and that emerging farmers should develop their operations to be highly effective with maximum productivity and to utilise economies of scale and full value stream participation (Tobin et al, 2012:41). Various agriculture experts in the private sector shares this view as commercial farmers earn high incomes and are globally competitive (Mmbengwa, 2009:17). According to Hebinck *et al.* (2011:229) agriculture experts view commercial farming as the best alternative for agricultural development as commoditisation is seen as an advanced form of production with non-commercial farming holding no future.

As mentioned above there are not accurate data on the numbers, types and success of black farmers (Commercial and small-scale) in South Africa which makes it impossible to measure the extent to which these groups add to productivity of the agriculture sector (Bernstein, 2013:41)

2.5.2 Definition of a successful commercial farmer for this study

Successful farming is difficult to define as perceptions in South Africa as based on historical views, as discussed in previous sections of this chapter, without accurate data to prove or disprove this view (Aihoon & Kassier, 2007:11). Due to the geographic diversity of this dry country, successful farming will also be different between provinces and different types of farming enterprises (Hall, 2009:125). Performance and sustainability are vital fundamentals of any business to be successful not just farming operations (Mmbengwa *et al.*, 2011:1501)

According to Oettle *et al.*(1998:13) sustainable agriculture is successful agriculture and meets the needs of current livelihood without inhibiting the needs of future generations. This definition has three dimensions:

- Economic- the farm should be profitable for the farmer and community,

- Ecological- the natural resources should be used productively but should be conserved to stay productive; and
- Social – the farming enterprise should be culturally acceptable for the community.

According to AgriSETA (2010:8) a simple definition of a successful commercial farmer is that he/she earns more than R300 000 in annual turnover and owns most of the land he operates on. This definition can be further elaborated by mentioning that the farmer is profitable and markets his produce independently. He is able to repay input loans annually and still grow the business in the long term to be sustainable (Harman, 2010:4).

Commercial farming requires specialisation and these farmers should have sufficient capital to, on the one hand pursue the farming activity, but also on the other hand to serve as insurance against risk. This insurance against risk can typically be in the form of an additional income, ownership of other assets or savings and pensions (Twine, 2014:4).

2.6 FACTORS INFLUENCING SUCCESS OF SOUTH AFRICAN FARMERS

All the farmers in South Africa need to be successful in producing agricultural products for food security and to alleviate poverty. The black commercial farmers who have emerged after 1994 should become part of the network of mainstream agricultural producers in order to achieve this goal above (Terblanche, 2011:55).

A farmer's capacity will have a direct influence on the success of his farming enterprise and these capacities can be categorised into internal and external capacities (Mmbengwa *et al.*, 2011:1501) Internal capacity is dependent on the farmer whilst external capacity is influenced by outside structures, institutions and service providers. For the purpose of this literature study capacity are further categorized into Human; Institutional & Economic; Infrastructure and Natural resource factors (Van Der Merwe, Cloete & Van Schalkwyk, 2012:3907).

In a study by Lombard *et al.* (2006:11-12) and replicated by Harman (2010), various factors have been identified that influence farming success. These factors were categorized into the capacity factors mentioned above in **Table 2.2** below:

Table 2.2: Factors identified and categorised into types of factors

Identified factor	Category
Farming experience	Human
General artisan experience	Human
Aspirations	Human
Perception of interrelations	Human
Willingness to take risks	Human
Perception of pre-conditions for project settlement	Natural resources
Perception of relative value of records	Human
Perception of factors that prohibits the person to farm or manage in an optimum manner	Natural resources and Infrastructure factors
Profit orientation before farming	Human
Percentages of total time spent to manage	Human
Degree of accepting tribal decisions (traditional behaviour)	Human
Openness to advice from fellow farmers (and to undergo training) on farming related issues	Human
Openness to advice from fellow farmers (and to undergo training) on general issues	Human

From the above classification, it is clear that Harman (2010) and Lombard conclude that Human factors play a very important role in determining whether a farmer will be successful or not. The personal characteristic and experience of the farmer will influence whether he succeeds or not. Lombard *et al.* (2006:13) further note that the “feeling of pride in ownership” encourages farmers to make meaningful decisions regarding their farming enterprise and overcome challenges.

More factors that are Human related were identified and used by Harman (2010:13) in his study to prepare screening models before famers were assisted to acquire or

receive land based on model of the time used by Agri-SA. These factors were also categorised into the previous capacity building categories in **Table 2.3** below:

Table 2.3: Identified factors, categorised into type of factors

Identified screening factors	Category
What makes a person a farmer?	Human
Lifestyle or the heart	Human
Level of education	Human
Overall knowledge	Human
Skills and previous employment	Human
Training and the ability to be trained.	Human
Age and state of health	Human
Farming background	Human
Financial situation (Balance sheet)	Infrastructure
What is the own contribution the applicant can bring	Infrastructure
Off-farm income	Infrastructure
Marital status	Human
Number of dependants	Human
Criminal record	Human
Physical disabilities	Human
Plan (own business plan) how he or she sees the land in question	Natural resources

From the above **Table 2.3**, it is evident that most of the factors identified belong to the Human factor category.

2.6.1 Human Factors

For the purpose of this study, human factors can be described as the personality characteristics of an individual as well as the biographical, experience, qualifications, entrepreneurial orientation, resilience and locus of control factors that might influence an individual's probability of success (Mmbengwa *et al.*, 2011:1501) . According to a study by Brown and Larson (1977:7) black farmers in America's perception on the factors that influence their success were mostly related to their characteristics and management skills.

2.6.1.1 Biographical factors

Age: Varying conclusions have been made regarding the effect that age of farmers have on their success in South Africa. According to Randela (2005:455), younger farmers are expected to be more progressive and commercialised but his study proved that older farmers were more commercialised and this might be due to a longer period of experience. In a study by Menong *et al.*(2013:141) it was found that more older farmers were involved in managing commercial farms as younger participants did not have the necessary management experience and skills.

The same conclusion as above by Menong was also reached by Coetzee (1977:1) who found that the older farmers in their study had more than 17 years farming experience, which enhanced their chances of success.

In contrast, younger farmers were found to be more entrepreneurial and willing to take risks with new farming technologies than older generation farmers (Inwood, 2013:2).

Gender: Agriculture are seen to be more 'male' orientated sector even though women have been participating on all levels in South Africa agriculture and are motivated by government initiatives to get more involved in agriculture (Department of Rural Development and Land Reform, 2009:31).

As mentioned in section 2.6.1.5 below, an internal locus on control leads to higher resilience and it was found that females have higher resilience scores than males, despite their locus of control differences (Shehu & Mokgwathi, 2008:101).

2.6.1.2 Desire to farm

According to perceptions of black farmers that were studied by Coetzee (1977:2), the most important factors for success are the desire to farm. These farmers believed that you "have to be a farmer at heart" to be able to make a success. The same conclusion was reached in a study by Brown & Larson (1977:28) where a farmer's love for the land influenced their determination and willingness to work hard at achieving success.

According to various studies, as summarised by Inwood (2013:1), a feeling of fulfilment through farming was ranked as the most important motivation to continue this occupation despite the various challenges. Jahromi and Zamani (2007:185) agree with this and rate the achievement motivation as the most important factor for a farmer to be successful.

2.6.1.3 Experience and qualifications

It is natural that experience or qualification in a specific field will enhance the chances of being successful in that field. The more experience and qualified the more successful a person will be.

Growing up in a farming oriented family: Farmers who did not grow up on farm might have the same economic motivation to farm but those who could derive knowledge and skills from their past experience growing up on a farm, will have an increased chance of making a success (Inwood, 2013:2).

Education level and qualifications: According to Coetzee (1977:1), a certain level of education cannot be correlated to farming success as the results of successful farmers vary on all ranges. Those farmers with higher levels of education were found to be more information seeking and practised improved farming techniques. This is confirmed by Jahromi and Zamani (2007:184) who found that farmers' education level influences their production performance.

Farming experience: Coetzee (1977:1) found that black farmers who gained experience from previous employment on white commercial farms, proved more successful than those who did not have this experience.

Most of the respondents in a study on LRAD beneficiaries had between one and ten years farming experience, but these black farmers were not very successful and struggled to generate sustainable farming income (Moagi & Oladele, 2012:97).

2.6.1.4 Entrepreneurial orientation

According to Cloete (2010:262) entrepreneurial orientation in farmers can be ascribed to the level of education and training they received. Entrepreneurship and creativity in production and marketing strategies are seen a condition for successful agriculture in South Africa (Cloete, 2010:119).

All the respondents in the study by Coetzee (1977:2) showed advanced entrepreneurial tendencies and risk taking behaviour.

2.6.1.5 Resilience and locus of control

Resilience can be defined as the positive response to risks and overcoming unfavourable circumstances (Theron, 2006:199). According to Shehu & Mokgwathi (2008:96) resilience is an internal strength and an interpersonal skill.

Locus of control can be defined as the belief that you are in control of your behaviour and life events (Jahromi & Zamani, 2007:180). According Theron (2006:207) an internal locus of control positively influences a person's resilience, and this will in turn increase agricultural production according to a study by Jahromi & Zamani (2007:187).

Internal locus of control of farmers was found to be positively influenced by a higher education level, availability of information and a high interest in farming while older farmer were found to have more external locus of control (Jahromi & Zamani, 2007:185).

2.6.2 Institutional and Economic Factors

Institutional factors play a role in supporting the farmer by creating capacity through Government, agricultural organisations and institutions like extension officers and Agricultural colleges (Mmbengwa *et al.*, 2011:1501).

Public agricultural extension service can be defined as a service which is financed by Government and delivered by the employees of a public sector agency. The extension officers provide support in the form of training and knowledge transfer provides a regulatory function concerning monitoring and reporting to Government and organising study groups and networks designed for the farmers (Tobin, 2012:48). There are unfortunately various other definitions and services as viewed by experts and extension officers themselves, regarding their roles in developing agriculture in South Africa. This confusion creates a lack of professionalism and dissatisfaction with the service by the farmers (Afful, 2012:26).

2.6.2.1 Entry barriers and Government policies

As discussed in **Section 2.4** the South African Government is providing a large range of support services to black farmers in South Africa through policy reform. These policies like AgriBEE are aimed to develop a competitive black commercial farming sector in South Africa and removing entry barriers for new entrants (Trade, 2013:66).

2.6.2.2 Support structures

Agricultural support structures can be further categorised into Pre-settlement support and Post-settlement support when dealing with new farmers. In both these structures will be financial and technical support functions as well as for farmers are not newly benefitted by South African Land Reform Department of Rural Development and Land Reform, 2009:7). According to Hebinck *et al.* (2011:223) networks and expert knowledge systems are crucial for success in the agricultural sector. The agricultural expert system in South Africa links together Government structures and professional organizations in a tight network. Most experts have a background in either commercial agriculture with training at University faculties of Agriculture or worked for state funded institutions.

2.6.2.3 Public extension services

The general objective for extension was to transfer educational benefits of universities to ordinary people and started in the mid-19th century in England (Afful,

2012:17). Soon these university lectures to ordinary people started including agricultural topics and was later funded by the British government. The traditional aim of public sector extension was to boost the nation's agricultural export, ensure food self-sufficiency -security, as well as employment (Afful, 2012:21).

In South Africa the first extension services were performed to control soil erosion as well as plant and livestock diseases. The extension officers were highly trained with postgraduate qualifications, and in the 1970s they became actively involved to educate farmers. These services were mainly provided to white commercial farmers by large private sector institutions, while government extension workers supported farmers in the former homelands (Afful, 2012:25).

This scale and complexity of providing free public extension to a growing number of farmers in a wide geographic area led to the free public extension becoming largely ineffective. Apart from a lack of capacity by the extension system, financial constraints also hampered the success of this service. In the commercial sector, the extension support provided is of a reactive nature, while in the emerging farmer and food safety net sectors the approach is more proactive (Jacobs, 2003:11).

In order to overcome the increasing skills gap between commercial and emerging farmers and the inefficiencies of the extension system, the South African government initiated a mentorship program. Through the Strategic Plan for South African Agriculture in 2001 and the BBBEE framework for Agriculture in 2004, a mentorship program was identified as a key success factor for developing a black commercial farming sector (Terblanche, 2011:56).

2.6.2.4 Mentorship

According to Afful (2012:181) this mentorship discussed in 2.6.2.3 is a support mechanism to help address land-reform programmes of the South African government by contributing towards the following:

- New farmer integration into the commercial farming sector.
- Narrowing the skills gap between new farmers and current commercial farmers in both agricultural production and business knowledge.
- Post-settlement support for new farmers.
- Integration of new farmers into farming communities for support and service networks.
- Unlocking agricultural commodity and service markets for emerging farmers.
- Continuous training of individuals in agricultural developments

This mentoring program was to integrate experienced commercial farmers with young developing farmers on a personal level and bypassing bureaucracy and institutions. Research found there was notable willingness among commercial farmers to act as mentors for emerging farmers (Terblanche, 2011:63).

2.6.2.5 Pre-settlement support

The pre-settlement support refers to the assistance that land reform beneficiaries will require in order to get access to and start operating on a farm. Before a land reform project is approved, the potential beneficiaries have to go through an arduous process of having business or development plans drawn up by private sector design agents. These plans outline the farming activities and kinds of support services required in projects (Jacobs, 2003:3). The formulations of practical business plans before settlement will result in a higher chance of success and agricultural development for new farmers (Van der Merwe *et al.*, 2012:3907). These plans serve as guidelines on utilising resources and the level of institutional support required by new farmers.

Mmbengwa *et al.* (2012:7167) found that black farmers who had some form of business plan prepared before starting their farming operation, had a 32% greater possibility of making a success.

2.6.2.6 Access to information and training

Although extension officers and mentors provide farmers with information, other networks and organised agriculture also serve this purpose and increases a farmer's production rate (Jahromi & Zamani, 2007:184).

Continuous training is a vital factor for farmers to be successful and can be provided by agricultural colleges, through mentorship programs and by the private sector organisations in agriculture (Jacobs, 2003:12).

2.6.2.7 Technical support

Technical support services include information and training on agricultural aspects such as agricultural inputs, production, market and supply chains (Moagi & Oladele, 2012:100). Technical information and support is of utmost importance for sustainable production and success (Meyer, 2000:174).

2.6.2.8 Financial support

Most studies agree that access to loans has a positive relationship with the successful farming enterprises and is a constraining factor when finance is not available (Mmbengwa *et al.*, 2012:7166; Randela, *et al.*, 2008:462). Financial support can be divided into capital to purchase farms and equipment (long-term finance), productions loans (medium term finance) and short-term operational loans. Access to all of these types of finance is an important factor in farmers' success (Makhura, 2008:12).

Financial support in the form of an additional non-farming income by black farmers was rated as an important factor for success to enable the purchase of inputs and stabilise their cash flow during faming off-seasons (Coetzee, 1977:2). This is confirmed by Mmbengwa *et al.* (2012:7166) who found that black farmers with their own sources of funding had 30% higher probability of being profitable than those who had to utilise alternative funding.

2.6.2.9 Economic factors

The economy of a country will most certainly influence any business that is operated within its borders and this goes for agriculture as well. The growth rate of a country will influence the overall success of the agriculture sector. In terms of individual farming success the economic situation influences the price of inputs and labour and the profitability of the farming enterprise (Tradingeconomics, 2015).

2.6.2.10 Financial factors

According to Vink and Van Rooyen (2009), medium sized black commercial farmers earns between R300 000 and R2 million per year. Tabled in **Table 2.4** below is the typology of black commercial farmers in South Africa.

Table 2.4: Types of black commercial farming enterprise

Production Unit	Turnover	Ownership & Management
Large commercial on private property	>R2 million	Family owned but incorporated multiple farms. Rent in land – professional management
Medium commercial on private property	R300 000 to R2 million	Family owned, could be incorporated. Some renting in of land – family management
Small commercial on private property	<R300 000	Family owned, generally part time. Some lifestyle farming (game ranches, weekend farms)

Source: Own table based on Vink and Van Rooyen, 2009:35

2.6.3 Infrastructure Factors

2.6.3.1 Size of farming land

The size of a successful farm has been highly debated as each geographic region and crop type will have different results as well varying levels of productivity on the each type of land (Hebinck *et al.*, 2011:227; Menong *et al.*, 2013;142).

2.6.3.2 Economies of scale and value chains

Economies of scale can be defined as the idea that as production increases to a certain capacity, the cost per unit decreases (Jacobs & Chase, 2014:111).

Exploiting economies of scale in the production of agriculture products in South Africa increases a farmer's success rate and profitability (Ramaila *et al.*, 2011:12; Trade, 2013:103). Highly capitalised commercial farms aim to utilise the economies of scale benefit in an increasing manner in order to be globally competitive (Greenburg, 2013:1).

According to Mmbengwa *et al.* (2011:1503), commercial farmers aspire to be involved in the whole value chain of agriculture whereas value chain participation of small-scale farmers is minimal. A value chain is the linkages between different activities in a specific sector that creates value to the customer (Jacobs & Chase, 2014:678). For example in the agriculture sector, it can entail that a farmer produces the feed for his livestock instead of buying from another producer and then selling some of the feed to other livestock farmers.

2.6.3.3 Having the necessary farming implements and equipment

Another success factor for black farmers was the availability of implements and farming equipment to operate on their farms (Coetzee, 1977:2).

2.6.3.4 Ownership of land

Research by Coetzee (1977:2), found no differentiating effect on success between black farmers who were farming on rented land and those who owned the land that they farmed on although those who owned the land showed more determination to make a success.

In contrast, Brown and Larson (1977:27) found that farm ownership increases commitment and determination and thus have a positive effect on success of the farmer. These landowners have also shown better community involvement and

participation in organised agriculture. In agreement with this statement, Menong *et al.* (2013:142) found that livestock farmers who owned their land showed better gains in cattle weight, which ultimately increases the farmer's income.

Land ownership is regarded as necessary for commercial farmers to be successful as it influences farmers to make more long-term efforts due to the sense of security it creates (Raleting & Obi, 2015:191).

2.6.3.5 Best practices and record keeping

Practicing technical best practices in term of soil conservation, pest control and irrigation methods will add to a farmer's success rate and sustainability (Ramaila *et al.*, 2011:42).

According to Mmbengwa *et al.* (2012:7166), good record keeping by the respondents in their study have not led to increased success although research suggest that book keeping is necessary for profitability of farmers.

2.6.3.6 Type of farming enterprise

The financial profitability models of each type of farming enterprise differ across the diverse geographic regions of South Africa. Operating the type of farming best suited for the region will increase farming success (Goldblatt and Von Borman, 2010:11). According to Inwood (2013:2), farming income will be maximised by diversifying the farming operations through a combination of farming types due to the seasonal nature of farming income streams. Van der Merwe *et al.* (2012:3917) found that when choosing between types of farming operations in the North West province of South Africa, cattle farming proves to be the most successful.

2.6.3.7 Strategic planning

Most of the successful black farmers a study by Coetzee (1977:3) were found to have long-term plans for their farming enterprises and methods on how to achieve these plans.

2.6.4 Natural Resources Factors

2.6.4.1 Geographics

Depending on the suitability of soil and the elevation structure of a specific region, the success of farming enterprises will be influenced depending on the type of farming enterprise chosen (Randela *et al.*, 2008:462)

2.6.4.2 Rainfall

South Africa is a dry country and agriculture uses 50% of the available water. The rainfall in an area will influence the success of a farmer who does not have irrigation systems (Goldblatt & Von Borman, 2010:2; Mapholi, Antwi, Ravuhali & Lefophane, 2014:65).

2.7 AGRICULTURE IN THE NORTH WEST PROVINCE

The North West Province is a medium-sized (9.7% of South Africa's surface) province in the North of South Africa on the Botswana border. **Figure 2.10** indicates the geographical location of the North West Province in South Africa and the regional layout into four regions.

Figure 2.10: Geographical Location of the North West Province in SA and regional map



Source: Show me, 2015:1

The province is mainly rural and flat with a wide variety of animals, eco systems and plant species due to the diverse climate and rainfall. The North West Province is a summer-rainfall region with temperatures ranging from up to 31°C in summer to as little as 3 °C in winter. The Magaliesberg mountain range extends about 130 kilometres in the North-East and the Vaal River forms the province's southern border with the Free State province. Mahikeng (previously Mafeking, then Mafikeng) is the capital, with Potchefstroom and Klerksdorp the biggest cities. 80% of the economic activity of the province takes place in the Rustenburg (Platinum) region.

The province is divided into four regions namely the Western (Bophirimi) region, Southern region, Eastern region and Central region as depicted in **Figure** above. Due to the wide variation in climate throughout the Province the rainfall patterns and vegetation varies substantially. On average, the western region has rainfall of less

than 300 mm annually with the South Eastern region receiving more than 600 mm per year. Droughts and floods occur regularly and influences agriculture negatively. Agriculture in the Province contributes 6.9% of total Agriculture GDP share in South Africa with Livestock contributing 21.8% the North West Province's Agriculture GDP.

It is estimated that more that 54% of the surface area of the North West is used for agriculture. The most fertile parts are in the Rustenburg and Brits areas where mixed farming are followed and crops such as citrus, vegetables, wheat, cotton and ground nuts are planted. The eastern section gets a higher rainfall with livestock, followed by grain farming. The dryer central and western areas are used for a combination of livestock and wildlife farming enterprises.

According to CENSUS 2011 the population is 3 509 953 with 90.3% Black, 8.3% White, 1.2% Coloured and 1.2% Asian.

2.7.1 Current Status of Land Reform in the North West Province

To determine the number of commercial farmers currently active in the North West Province the AgriStat data of 2013 (which still reports 2007 figures) was used in **Table 2.5** below. The average decline in numbers over the previous 14 years (2007-1993) was used to calculate the decrease since 2007 to 2014. The result is 3 534 commercial farmers currently active. Accurate figures are not available, as the Land Audit has not yet revealed that section as mentioned previously (AgriStat, 2013:6).

Table 2.5: Number of commercial farmers active in North West Province

Year	Number	Decrease	% Decrease
1993	7 638		
1996	7 512	126	2%
2002	5 349	2 163	29%
2007	4 902	447	8%
2014	3 534*	1 368	28%

Source: Own calculation based on data from DAS, 2013:6

Contradictory results on the number of CASP beneficiaries in the North West Province are reported on the latest progress from the CASP support funding for the year 2011/2012. The total beneficiaries reported to receive support with the budget of R133.8m was 5720 while in the next table where the beneficiaries were split into the different types of farmers, the total beneficiaries added up to 1,464 farmers who received support.

On a positive note, Business Enterprises (2013:2) reported that in North West Province, RECAP has contributed directly to the creation of jobs. RECAP beneficiaries in North West Province are however, the most dissatisfied with their strategic partners and/or mentors.

2.8 CHAPTER OVERVIEW AND SUMMARY

The purpose of the literature study has been to provide insight into the South Africa agriculture sector and factors that influence success of black commercial farmers. Chapter 3 deals with the Empirical study and how the interview questionnaire was formulated and the data gathered. The data collection methodology and the population and sample will be discussed and the statistical analysis to be used explained. The findings of the study will be reported at the end of chapter 3.

CHAPTER 3: EMPIRICAL STUDY AND DISCUSSION OF RESULTS

3.1 INTRODUCTION

The first section of Chapter 3 presents the empirical research method and design that was followed in order to achieve the objectives determined in chapter 1 (1.4). The research design is an outline of the methods that will be used while performing the investigation, gathering and analysing the data.

The second section of this chapter deals with the descriptive analysis of the respondents' profiles which is illustrated with graphs and tables. Conclusions of each finding is discussed and related to the relevant supporting literature. In the last section of chapter 3, the qualitative analysis of the perceived factors of success is reported and conclusions made on these findings. Due to the qualitative nature of this section, text is used to gain insight into respondents' beliefs and perceptions instead of numbers.

3.2 RESEARCH APPROACH

The research approach that was followed is qualitative in nature, which is associated with the social constructivist paradigm (Maree, 2007:48). The emphasis is on the socially constructed nature of reality by recording and analysing data in an attempt to uncover the deeper meaning and significance of human experience and cannot be generalised to other larger groups (Maree, 2007:51). The results of this research on black commercial farmers in the North West Province might not be applicable to other groups of farmers' perceptions and beliefs.

3.3 EMPIRICAL STUDY

The empirical study will explain the research design, population, sample technique, data collection method and analysis.

3.3.1 Research design

The research design refers to the overall strategy that will be followed to address the research problem through qualitative data gathering techniques that is not experimental in nature (Maree, 2007:78) but rather explorative in nature.

3.3.2 Why qualitative research was selected

According to Welman *et al.* (2010:9) the difference between qualitative and quantitative research can explained as in **Table 3.1** below:

Table 3.1: Difference between quantitative and qualitative methods of research

Quantitative- Positivism paradigm	Qualitative- Social Constructivist paradigm
Uses large sample	Uses small samples
Researchers try to understand the facts from an outsider's perspective	Researchers try to achieve an insider's view by talking or observing behaviour
Data is highly specific and objective	Data is rich and subjective
The location is artificial	The location is natural
Reliability is high	Reliability is low
Validity is low	Validity is high
Generalises from sample to population	Generalises from one setting to another

Quantitative research focusses on gaining reliability through studying large groups in order to generalise, while qualitative methods are applied to study smaller groups to get valid information. As explained section 3.2 above, with this study, the perceptions of a specific group will be studied in order to get a detailed picture of their reality and the qualitative interview questionnaire approach will be more suited.

3.3.3 Population and sample

The population of this study was successful black commercial farmers in the North West Province of South Africa. Several attempts were made to obtain a database of

black commercial farmers in the North West Province. Due to a lack of reliable databases in the Agriculture sector of South Africa as mentioned in the literature study a convenience sample techniques was used by obtaining the help of an expert in the North West Province who provides assistance to this population group.

This private database of Mr Harman of Agristart was used to select successful black commercial farmers. Agristart is a business that provides information services to black commercial farmers in the North West Province.

The researcher was introduced to the potential respondents by Mr Harman and after participating in the study, the respondents were asked to nominate other potential participants. This is termed the snowball sampling method and used in situations where is it challenging to identify member of a population (Saunders *et al.*, 2009:240).

The size of the sample was not predetermined, as with qualitative research it is not known what sample size will result in rich enough data to be used. Rich data is achieved when no new themes emerge from the respondents' answers and this point in the investigation is defined as data saturation (Maree, 2007:79). Data saturation was reached by interview number 10 but the researcher continued with more interviews as the appointments were already scheduled in advance with four more participants.

3.4 GATHERING OF DATA

The development of the interview questionnaire will be discussed in this section as the design of a questionnaire forms an important part of the research design

An interview is a two-way conversation where the interviewer asks the respondents pre-determined questions to understand their beliefs and perceptions regarding the research question (Maree, 2007:87). During the process of the interview, trust toward the interviewer is developed and this is an important issue in interview research as it influences the quality of the data that the interviewees are willing to share with the interviewer.

The construction of the interview questionnaire is important in order for the study objectives to be met and semi-structured and open-ended questions were included to get clarification of the respondents' perceptions.

The questionnaire should be based on literature and previous research on the construct and designed to enable easy understanding and interpretation (Maree, 2007:159). The questionnaire was developed in English although the home language of the respondents is Setswana and a pilot test was necessary in to ensure easy understanding.

3.4.1 Questionnaire pilot test with focus group

Before finalising the questionnaire, pilot interviews were held with members of the population group to determine whether rich enough data will be collected to achieve the objectives of the study. Mr Harman, who provided the database for the population, attended the pilot interviews to firstly ensure a trust relationship with the respondents towards the interviewer and secondly to translate the questions in Setswana for clearer understanding where necessary. These questions were then reformulated to increase ease of understanding among the respondents.

Based on the outcome of the pilot test the final interview questionnaire was developed. The questionnaire consisted of two sections. The first section entailed demographic questions and specific factor questions identified in the literature in order to profile successful commercial farmers. The second section consisted of open-ended questions to gain an understanding into the perception of success factors by the respondents. A copy of the questionnaire is included in Appendix 1.

3.4.2 Data collection

Data was collected by means of the interview questionnaire described in 3.4.1 above. The researcher first arranged to meet the potential respondents in order to gain their trust. The researcher therefor attended a famers' information event in the study area to explain the purpose of the research to potential participants in group format and

then met with the willing participants individually. The objectives of the study were explained in detail and interview dates were scheduled after the participants agreed to participate. Interviews were scheduled with the respondents for times that suited their schedules and the researcher drove to their farms to meet face to face and observe their farming operations.

The respondents who were later identified by other respondents were first visited by the researcher on their farms to explain the purpose of the study and to request their participation. Interviews on a more convenient date were then scheduled with them. These initial meetings intended to gain the trust of the respondents in order to get truthful and rich information from them. Due to the geographic extent of the region and a pre-interview meeting with all the participants, the interviews took place over a period of five weeks from 18 September 2015 to 22 October 2015.

3.4.3 Interviews

Before the interviews, the researcher spent time with the respondents to observe their operations and have a casual conversation with them regarding their journeys to become successful farmers. The purpose of the study was again explained and their anonymity guaranteed. Face to face interviews was held at the respondents' farms and the interviews were recorded with permission of the respondents. Although the questionnaire was prepared in English, interviews were held in either English or Afrikaans depending on the preference of the respondents. During the interview, observations were recorded by the interviewer and noted on the questionnaire answer sheet. The interviews lasted between 30 minutes and 2 hours.

The questions were not necessarily asked in sequence as it appears on the questionnaire to enable a flowing conversation between the researcher and the interviewee. The researcher made sure at the end that all the questions were covered during the interview.

The interviews were transcribed and translated where necessary by a professional transcriber. The full transcriptions and recorded interviews are available on efundi upload.

3.5 DATA ANALYSIS

The purpose of qualitative data analysis is to extract explanation and understanding from the information and involves interpretation by the researcher (Maree, 2007:99).

The transcribed interviews were assigned a number that corresponds to the respondent in order to guarantee anonymity and only the interviewer knew which number relates to which respondent. The transcriptions were analysed with descriptive analysis techniques for the first section of the questionnaire and by means of content analysis for the second section. Content analysis summarizes the information into easily understandable key constructs. (Maree, 2007:101).

3.6 RELIABILITY AND VALIDITY OF RESULTS

In order to ensure the reliability and validity of the results the following approaches were followed:

- The sample was selected from successful black farmers in the North West Province that represents the population, as they would have first-hand experience of the factors that influenced success in their farming enterprises.
- The questionnaire was based on an extensive literature study on the agricultural sectors and factors that were reported by previous research that influences success.
- The questionnaire was tested with pilot interviews on a sample of successful black commercial farmers to ensure that the objectives of the study will be achieved.
- To ensure the validity of the information collected, the researcher spent adequate time with the respondents and questions were rephrased until the respondents understood what was asked.
- The transcriptions and translations were performed by a professional transcriber/ translator in an accepted academic format.

- After the interviews, the transcribed copies were sent to the respondents to validate the accuracy of their answers.
- The research findings of Section 1 were presented in a simple frequency tables and graphs for easy interpretation while section two was presented as quoted text from the transcriptions.

3.7 RESULTS OF PROUDEST MOMENT

All the farmers that participated in this study can be categorized as successful according to the criteria mentioned in 2.5 above, even though the measure of success is a relative term. This study was exploratory in nature in order to gain insight into what motivates farmers to continue even with all the challenges they face being exposed to nature.

After each interview, the researcher asked the respondents what their proudest moment was as a farmer. Even though this question did not really form part of the study the responses are deemed very important because it provides a “picture” or vignette of the most important elements that these successful black farmers note when they reflect on their “proudest” moment (interpreted for the purpose of the study as the most successful moment) as a commercial farmer. The full responses and the analysis thereof are attached in Appendix 2.

The responses of the participants regarding their proudest farming moment, gives meaning to their motivation to be farmers in South Africa and what they perceive as important elements of their success. From the analysis of the participant’s responses in Appendix 2, and reported in **Table 3.2** below, it is evident that the most mentioned concept is having the necessary resources to be a farmer:

Table 3.2: Proudest moment analysed

Code nr	Code description	Frequency
A	Receiving acknowledgement	6
B	Pride of the land	7
C	Having resources to farm	10

The participant's responses regarding this concept of having the resources to farm are giving them a sense of security that they will be successful. The responses to illustrate this "sense of security" are quoted below:

"It has lessened my stress and I feel every time, everything that I've planted on the irrigation, I'm sure that I'm going to get." – Respondent #3

"Yes, I felt good because I then knew that I was going to sleep well." – Respondent #2

"I don't owe anything on it anymore and I know I have the farm." – Respondent #8

"And I never in my life would say I'm doing good, but at that moment, that first cycle in this new, with this new abattoir, for the first time in my life I said I did good." – Respondent #14

The second most important construct identified was the "pride or love for the land" as a perceived important factor for the respondent's success. The respondents used phrases like "beautiful" and "good quality" to describe their produce and that made them happy, as can be seen in the quotes of the responses below:

"Those beautiful maize." - Respondent #4

"When I see calves, the first calve coming out. And I can see the quality of that calves that yes, I've selected the right bull." – Respondent #5

The last construct identified at the least important was getting acknowledgement for their work from their peer and other institutions. These farmers take pride in their produce and do not really need acknowledgement from other to know that they are doing well. One of the respondents received a farmer of the year award in 2004 yet this farmer's proudest moment was the day that a centre pivot was installed on the

farm. This confirms the fact of a “sense of security” is seen as very important for these farmers having to make a success in a dry country like South Africa.

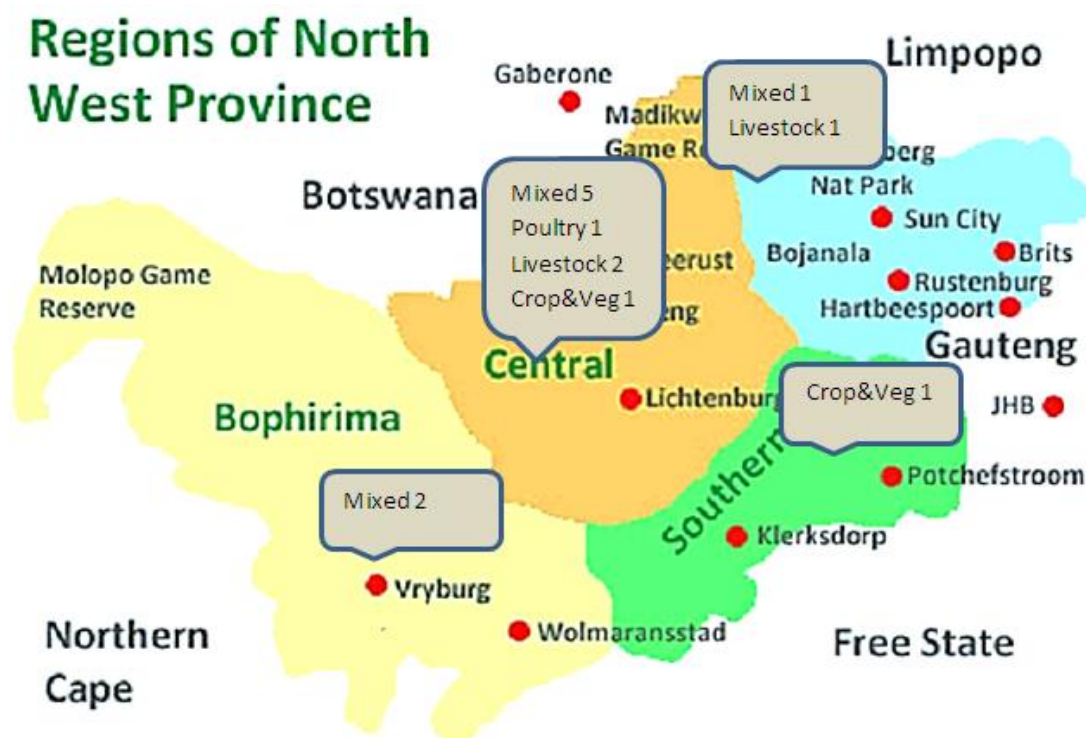
3.8 RESULTS OF SECTION 1

These results are presented in a descriptive format using tables and graphs to illustrate how the participants compare to the factors of successful farmers identified in 2.6 above. Quotes from the participants’ responses are included to confirm the results and give a deeper understanding of their answers.

3.8.1 Region and type of farming enterprises

Due to the fact that the North West Province has such a diverse agriculture sector based on the diversity of the regional landscape as explained in 2.7 above, it is important to first understand where the respondents’ farming enterprises are situated. See **Figure 3.1** below where the number of respondents’ farms per region and the type of farming activity are indicated on a North West Province map.

Figure 3.1: Respondents locations and type of farming



Source: Show me, 2015:1

Most (64%) of the respondents are situated in the Central region of the Province with two respondents in the Eastern and Western regions each and only one in the Southern region.

During the interviews, it became apparent to the researcher that farmers who bought the land did so in the regions where they grew up and was proud to be landowners. The land reform beneficiaries had to accept farms in regions where land was made available by the Government, which sometimes meant living alone on the farm while their families lived in their original communities. One of the respondents were only recently joined by his family after farming for over seven years on that particular farm while two others are still living alone and only visits their families occasionally. See quotations of the farmers who were joined by their wives on the farm:

“Yes. I think the coming time of year, yes. Because this is the first year that my wife is at the farm. In the past she wasn’t here. I have, as I mentioned, to get things going and get it right but it’s not easy if you must catch grease here on the other side and then it gets on the paper.” – This respondent was asked about his record keeping and the improvement he attributes to having his wife on the farm.

In the Central region, the majority (5 out of 9) of respondents practise mixed farming, which includes some form of crop or vegetable farming as well as livestock farming. Two of the Central region respondents only farm with livestock while one only farm with Grains and vegetables. The last Central region respondent has a Poultry farm.

In the Western region, both the respondents have livestock farms and the Southern region’s respondent has a grains and vegetable farm. In the Eastern region, one farmer practise livestock farming while the other mixed farming.

Mixed farming is practised in total by half of the respondents as this a method of diversifying their risk and create cash flow during the crop off season by selling

livestock. This is confirmed by the following remarks from respondents on their cash flow challenges and is quoted below:

“There are times when cash is low, yes. But I have cattle, you know. Cattle always helps you with this thing.”

“Yes, like vegetables. Yes. Like now, I am busy planting vegetables, selling it there in town while the crop is on the land.”

“No, we sell cattle to make a little bit of money.”

“So actually all they’re doing is making money there. So if I now have cattle and I am on a farm, I don’t mean communal land, I insure my cattle so that when things don’t go so well, I slaughter my cattle. Like last year there where I planted, there was very little maize. I harvested that maize, I ground it up for my sheep ...” – Respondent #7

3.8.2 Biographical information

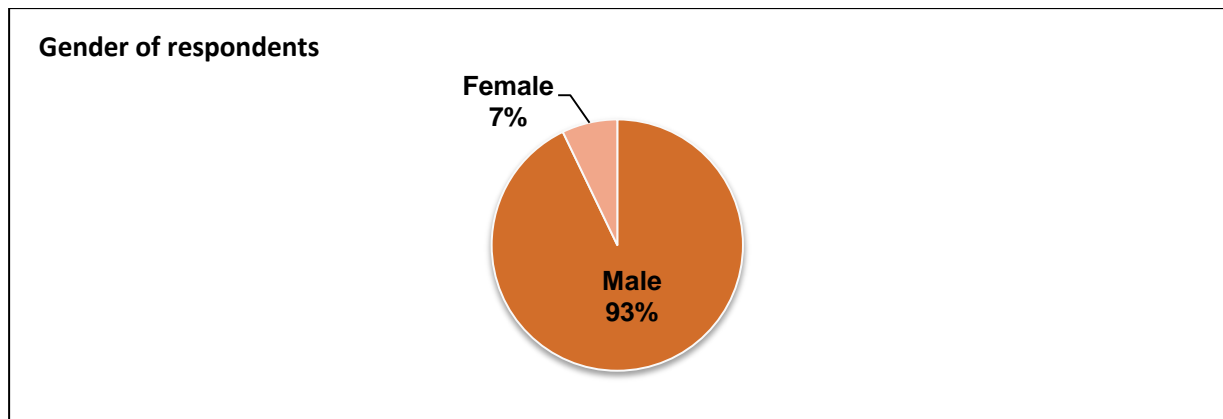
3.8.2.1 Gender

The gender of the respondents as presented in **Table 3.3** below, were 93% male and 7% female but has no significance in terms of the gender spread of commercial farmers in the North West Province as this gender composition is not available and will be revealed with the land audit.

Table 3.3 Gender

Gender	Total	Percentage
Male	13	92.86%
Female	1	7.14%
Total	14	100%

The gender results are depicted in a graph in **Figure 3.2** below:



The above results however correspond with previous research by Moagi & Oladele (2012:197) who found that 85 % of the black commercial farmers in the North West province that took part in their study were males. Menong *et al.*(2013:140) attributes this to the fact that the majority of black commercial farmers in the North West Province practices some form of livestock farming which is deemed a male type of industry.

In section 2 of the interview the respondents were asked whether they believe it is easier for males than females to make a success of farming. 71% responded that it makes no difference and that it depends on the type of person not the gender (see 3.12.1 below).

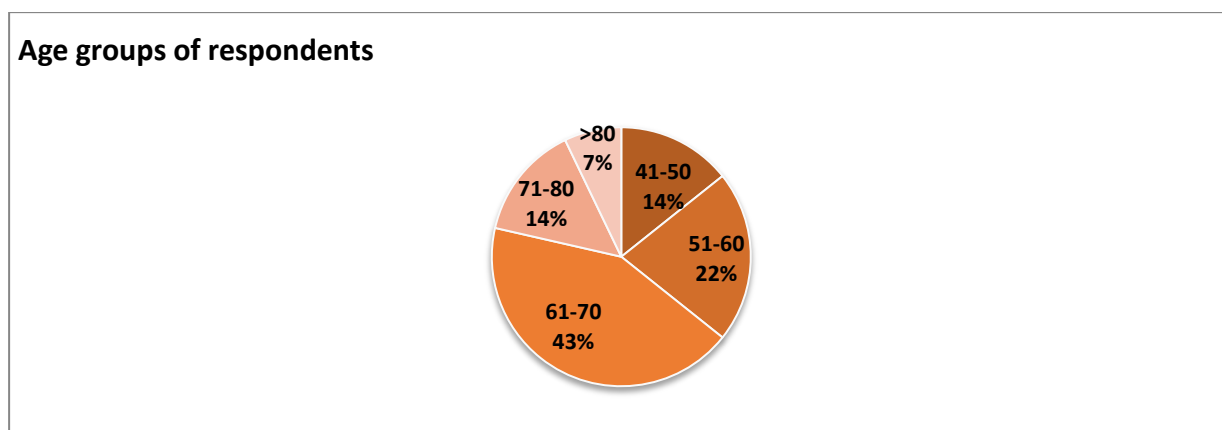
3.8.2.2 Age

The age composition of the respondents in the study is tabled below in **Table 3.4** with the Mode age range being between 61 and 70 years of age.

Table 3.4 Age Group of respondents

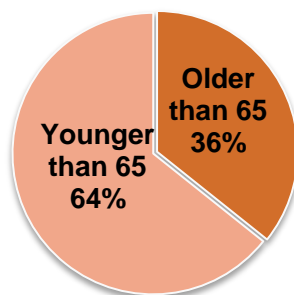
Age group of respondents	Total	Percentage
>40	0	0.00%
40-50	2	14.29%
51-60	3	21.43%
61-70	6	42.86%
71-80	2	14.29%
<80	1	7.14%
Total	14	100%
Mode	61-70	

The ages of the respondents are depicted the **Figure 3.3** below indicating the percentages as per **Table 3.4** above.



These results are supported by Moagi & Oladele (2008:97) who found that farming is considered an alternative job for people who have retired from their other, more lucrative employment. Three of the respondents, older than 60 are in fact retired from very successful careers. The results can further be divided into farmers older than the normal working age of 65 and those younger and found that 2 thirds of the respondents are above the expected working age in South Africa. See **Figure 3.4** below.

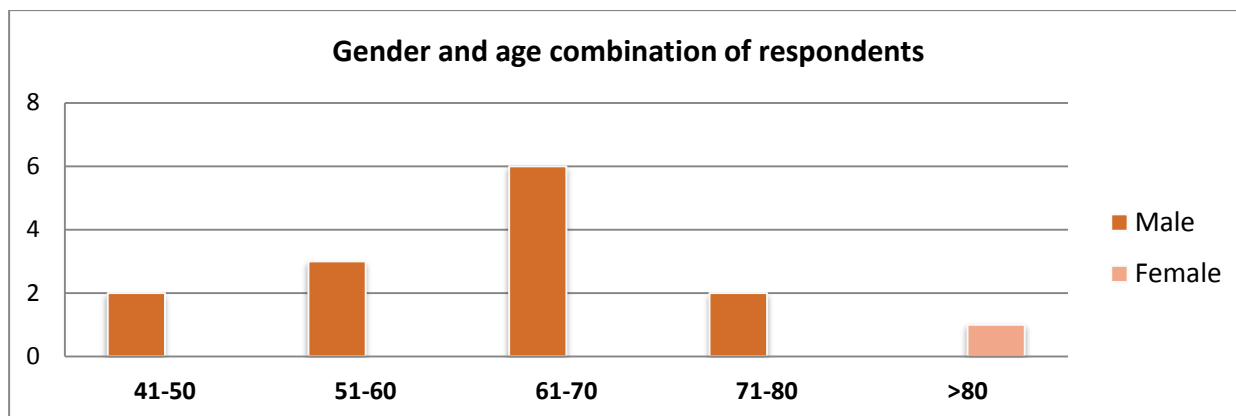
Age split at 65 years



The results also indicate that younger people might not view farming as a career options as none of the respondents were younger than 41. Care must be taken not to read too much into this observation as Mr Harman is an older man and has more clients in his age group.

Data from Agri SA indicates the average age of South African farmers are 62 compared to the European union with an age of 55 and Australian farmers' average age being 53 (Anon, 2015). Research done on black commercial farmers in the North West Province by Menong *et al.*, (2013:141) found that a third of their respondents fell between the 46-55 age group which is much younger than this studies' majority of respondents.

The gender to age distribution of the respondents reveals that the oldest respondent is female. See **Figure 3.5** below depicting that all the male respondent are in the age groups younger than 80.



The female respondent indicated in the interview that after retirement she was bored with just sitting at the house and requested to participate in the land reform initiatives. She received the LRAD grant and contributed some of her pension towards buying the farm as well as taking out a Land Bank loan. She has been farming successfully for the last 15 years. Her response is quoted below:

*“Yes, pension and then I was bored to sit at home, so I requested for a farm. Because you know the *** [previous occupation], you get up early in the morning, seven o’clock you are on duty. Ooh, it’s business. Yes. Pension, you just have to sit there and what and you finish what are you doing again? You cook or you finish what else. The day is so long.”*

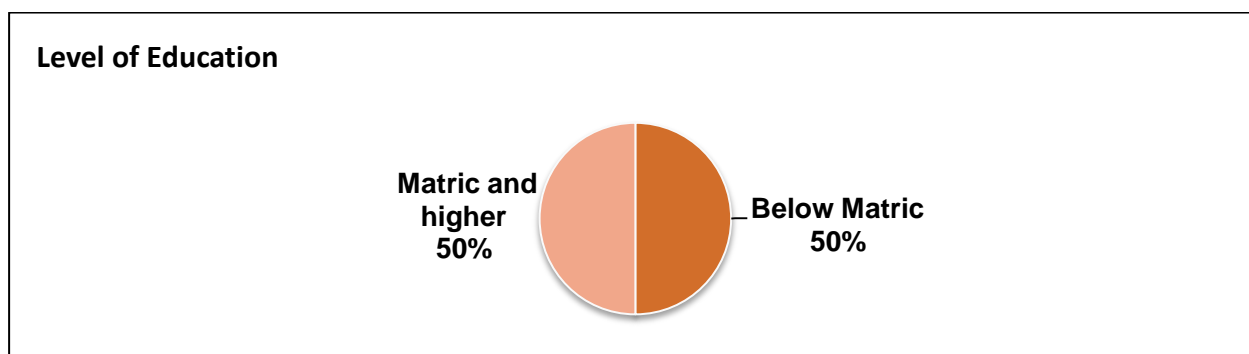
3.8.2.3 Level of education

The levels of education of the respondents are displayed in tabular form below in **Table 3.5**. More than a third of respondents had some high school qualification. These are an older generation where it was common practice for men to leave high school early to find work.

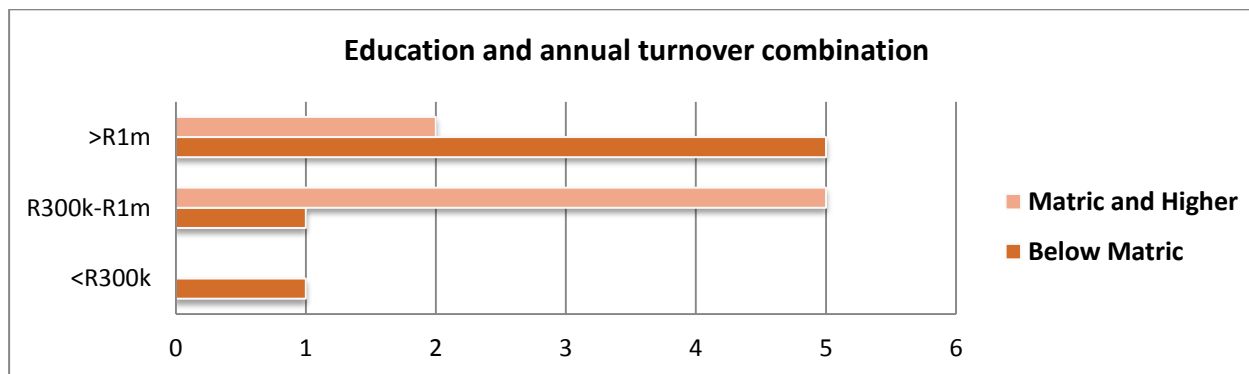
Table 3.5 Highest qualification

Highest Qualification	Total	Percentage
Some primary school	1	7.14%
Completed primary school	1	7.14%
Some high school	5	35.71%
Matric	1	7.14%
Diploma	2	14.29%
Degree	2	14.29%
Post-Graduate degree	2	14.29%
Total	14	100%

When the results are divided into below matric and matric and above the respondents are split 50/50 which can be explained by the fact that formal education is not a prerequisite to become a farmer. See **Figure 3.6** below.



These results become more interesting when the level of annual turnover is combined with the level of education can depicted in the graph below in **Figure 3.7**.



Even though the lowest turnover are achieved by a respondent without a matric qualification, 36% the respondents with more than R1 million annual turnover are also in the lower than matric bracket. From these results, it is clear that a high level of education does not necessarily determine the level of income in the black commercial farmers that was studied. One of the more successful respondents earning more than R1 million annual turnover, told the story of how the teacher, the school principal and the preacher came to persuade his father to send him back to school after grade 8, but his heart was set on farming.

3.8.3 Employment and experience background

3.8.3.1 Growing up in agricultural household

All (14 out of 14) of the respondents indicated that they were raised in agriculture orientated families. Most of these farming enterprises have been on communal land due to black land ownership being restricted to less than 5 hectares per family, during their childhood through Apartheid laws mentioned in 2.3.3 above. The value of growing up on a farm and learning through this experience to become a successful farmer are discussed in 3.12.3 below.

3.8.3.2 Years as commercial farmer

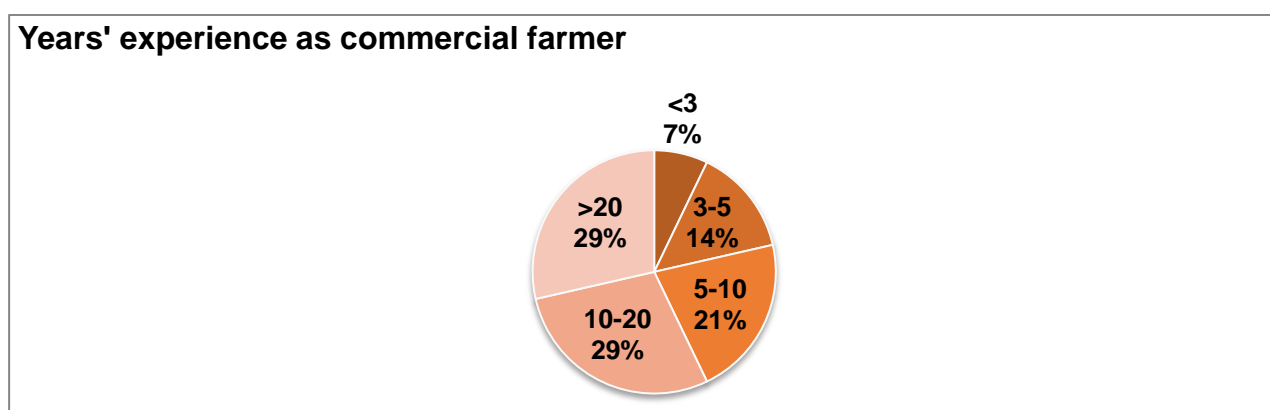
The level of experience of these farmers on commercial scale is displayed in the **Table 3.6** below.

Table 3.6 Years farming

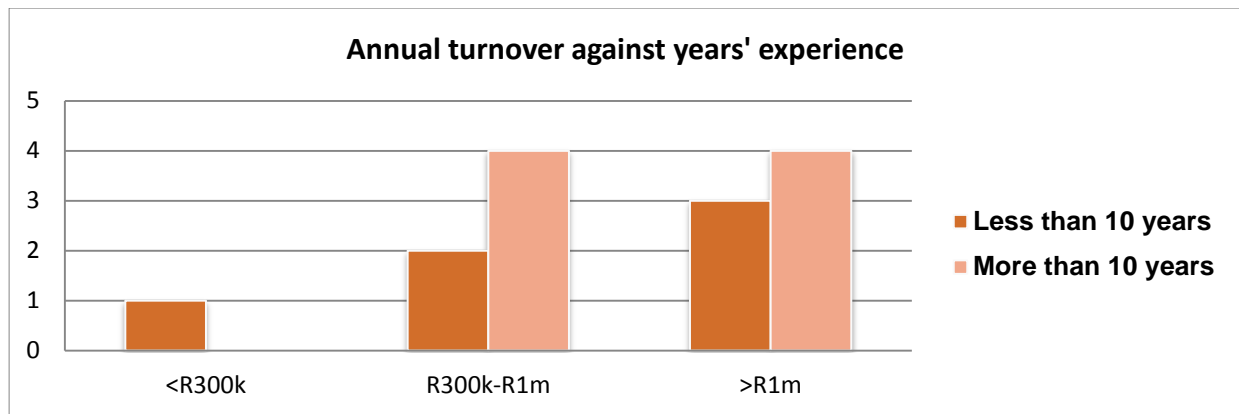
Years' experience as commercial farmer	Total	Percentage
Less than 3 years	1	7.14%
3-5 years	2	14.29%
5-10 years	3	21.43%
10-20 years	4	28.57%
More than 20 years	4	28.57%
Total	14	100%

Although most of these farmers have been farming all their lives on smaller scale, only the experience as a commercial farmer has relevance here, as there are distinct differences between small-scale and commercial farming in South Africa as discussed in 2.5.1 above.

The commercial farming experience levels are depicted in **Figure 3.8** below:



When summarising these results, more than half (57,14%) of the farmers have more than 10 years of experience as a commercial farmer in the North West Province. This summary is combined with the annual turnover of the respondents who have more than 10 years' commercial farming experience and those with less than 10 years commercial farming experience. See **Figure 3.9** below:



The respondent who has less than three years' experience also has the lowest turnover of less than R300 000 per year. The results are summarised into more than 10 years and less than 10 years' commercial experience and combined with annual turnover in the graph below. Half of the farmers with more than 10 years' experience earns income of between R300 000 and R1 million and half (50%) earns more than R1 million per annum.

3.8.3.3 Agriculture qualification and training

The agricultural training that these farmers received was divided into 3 categories as per **Table 3.7** below:

- Formal qualification through a University or Agricultural college.
- Short training courses offered by the Government's department of Agriculture and the Department of Land Reform and Rural development; Private sector companies like North West Cooperation and input suppliers and Organised agriculture like Grain SA, Agricultural Research council (ARC) and Agri SA.
- Training through experience and networking – without attending any courses.

Table 3.7 Types of agriculture training

Type of agriculture training	Total	Percentage
Formal diploma or degree	1	7.14%
Government/ private sector and organised agriculture	12	78.57%
Experience and networking	2	14.29%
Total	14	100%

The types of training programmes and the respondents' perceptions of the training they receive through Government and Private sector initiatives are presented below in the form of quotations from the transcriptions:

"Yes, we still attend. Recent certificates from Grain South Africa and NWK. There are a lot of certificates that I have." – Respondent # 3

"Grass and ... Farm and grass management. In fact they call it this livestock and grass management course. What grasses grow when and, you know, you've got palatable grasses, you've got non-palatable and how do you go about managing those. Because if you leave ... If for instance if I leave a cattle here for, say maybe 30 cattle here for six months and all here is palatable, by the third month, this, there'll be nothing left here. So one needs to be able to control them, balance and you know, sometimes you leave them there for certain period of time, when you see the grass is that high, you move them somewhere else. Yes. And artificial insemination, I've done that as well." – Respondent #5

"My training was with Grain SA at all the training courses." – Respondent #9

"The only ones I have, it's like some short courses, agricultural programmes South Africa." – Respondent #10

"Yes, I did have their things. They taught me something. Grain SA, NWK." – Respondent #12

The two participants who did not attend any agriculture training sources but learned from experience and networking with other farmers had the following responses:

“No, I didn’t learn anywhere.” – Respondent #13 who have been farming for only a few month to date – Respondent # 13

“No, never. They called me, I never attend. I always told them come and have a look. Come and see where. They said where do you learn, I learn here from the white people. Yes, the other farmers in the surroundings here.” – Respondent # 4

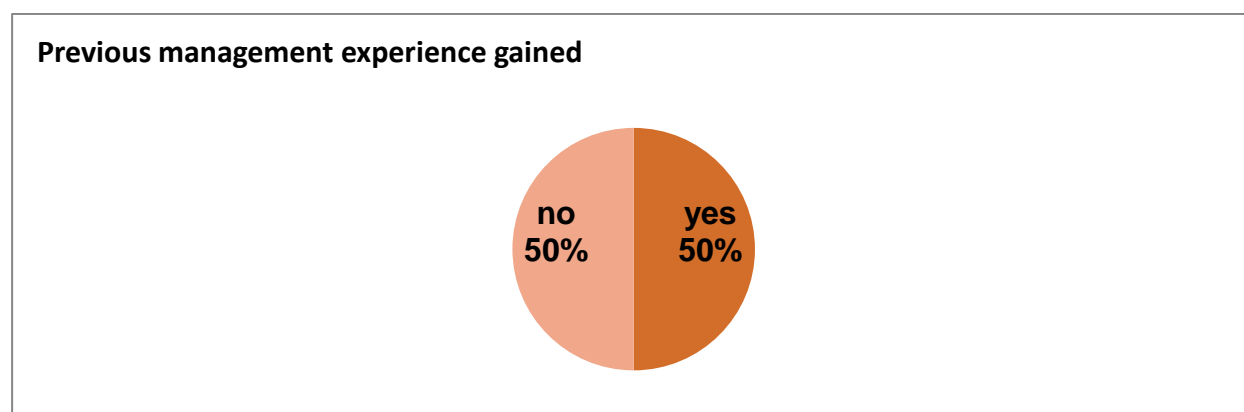
3.8.3.4 Business management and product marketing training

One of the respondents received formal management training at the Botswana Commercial School in addition to the management and marketing training obtained by all the respondents through Government, private sector and organised agriculture training initiatives.

The value and importance of agriculture and business training, according to the respondents, are further analysed and reported in 3.12.4 below.

3.8.3.5 Management experience

Half of the respondents have previous gained management experience through other careers and by being small business owners as displayed in **Figure 3.10** below.



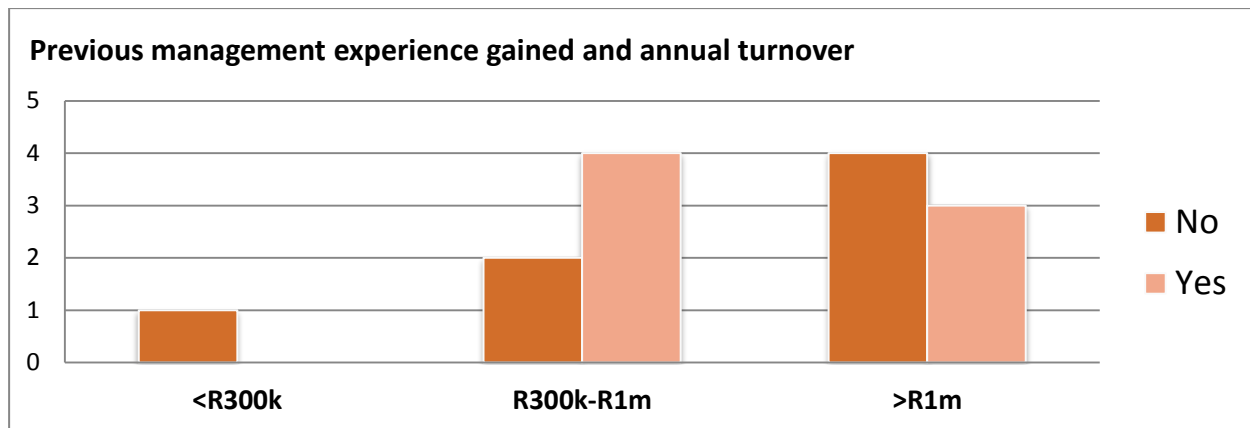
The responses of some of the respondents' regarding their management experience are quoted below:

"Yes, for my own business. I bought a bookshop business so I manage it." – Respondent #11

"Yes, I was the manager of these people for 500 people. I also worked in the district here. There I had 150 people. The projects. I didn't have assistants on all those projects then I had to run and order the material, everything, exactly like a quantity surveyor for all the things that needs to be done there." – Respondent #4

*"Yes, I was HR manager. ***[previous employer of respondent], yes. And after a lot of courses in line with the business management process and financial management. You know, we've done that. As HOD you have to go through those kind of things."* – Respondent #5

The results of management experience gained were combined with annual turnover per respondent in Figure 3.10 below. The results indicated that of the 7 respondents who did not have previous management experience, more than half (4) had an annual turnover of more than R1 million, 3 earns between R300 000 and R1 million annually and one less than R300 000 per year. Previous management experience gained in this case did not necessarily indicate low income levels. The respondent with below R300 000 annual turnover had no previous management experience but also had less than 3 years' farming experience.



3.8.4 Personal Characteristics

3.8.4.1 Openness to advice

All of the respondents indicated their openness to advice by specifying whom they would probe to get information for agriculture and business related questions. Most of the respondents' answers included their neighbouring farmers as they have good relationships with them and knowledge sharing is a normal occurrence. Some of the responses are quoted below to confirm the statement above:

"Yes, I always look for, what do you call them? The clever guys. Look, if I struggle a bit with pesticide, I look for the guys ..." – Respondent #7

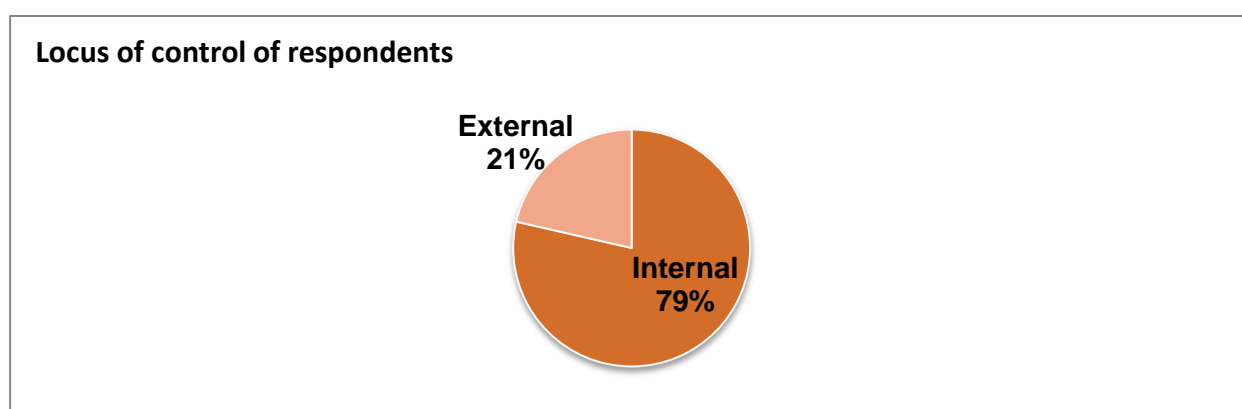
"Yes. If my neighbour knows something, yes. Sometimes then you get, his head is just as shiny as my head. It's better if you ask your neighbour, he comes quickly." – Respondent #2

"I never avoid, when I see something, I get in my bakkie, say sorry to bother you ... Sometimes I ask, they don't get mad at me." – Respondent #4

"I'll pay for that. I'll pay for advice. If people, you know, if things goes my way I'll have people here every day. No, who can criticise me because I believe with critiques comes a better person." – Respondent #5

3.8.4.2 Locus of Control and resilience

As discussed in 2.6.1.4 above, an internal locus of control leads to better performance in agriculture. In order to determine if the respondents tend to have a more internal than external locus of control, four questions were asked regarding their belief that their actions and decisions influence success instead of luck or chance. Based on the answers, 78.57% of the respondents were classified by the researcher as having an internal locus of control as can be seen in **Figure 3.12** below:



Some of responses from the participants who were classified as having an internal locus of control are quoted below:

“No, this business of farming, hard work then there’s also a little bit of luck. But without hard work you won’t see any of the luck.” – Respondent # 4

“And you will be blessed in what you do and your luck is ... I can say you create your luck.” – Respondent # 7

“No, I must get a plan, get what I want, do it and then get the results. Ooh luck, no.” – Respondent #3

“No, I don’t believe in luck. I don’t believe in ... No. I believe that if you make a wrong judgement, it’s gonna come back and hit you. If you make right decisions, it will determine your destination.” – Respondent #5

“The right decision at the right time. I don’t believe into things like luck. Yes.” – Respondent #10

“Yes, I think it depends for me how I handle the situation. You know, in any situation, there is something which is good inside, but it’s not everybody who sees it. Yes. Some people say no, I’m bad luck, this had happened to me. He won’t see what is inside, what is good there. But I always, I believe in any situation when it comes ,you must analyse it and see what is ...” – Respondent #11

“It comes from the decision because the decision will think how to manipulate what you have, the physical environment, to make a success out of it.” – Respondent #14

3.8.4.3 Entrepreneurial orientation

When asked whether the respondents see themselves as being entrepreneurial, a few did not really recognize the word. The researcher then explained to them what it means to be an entrepreneur and 10 respondents indicated that they see themselves as somewhat of an entrepreneur. They indicated that they sometimes take risks and that the risks have mostly paid off. Four of the respondents indicated that they take risks often and that they are always trying creative ways in which to make money in their farming business. One respondent even rents out his tractor to the municipality when not in use by himself to earn extra income. See a quote from his response below:

“Yes, I just have a plan. I have a plan. You will see I have one tractor there, I let these people from the municipality hire it.”

3.9 RESULTS OF INSTITUTIONAL AND ECONOMICAL FACTORS

3.9.1 Institutional factors

3.9.1.1 Participation in organised agriculture

Almost two thirds of the respondents are actively participating in agriculture organisations like GrainSA, AgriSA, NWK studygroups, AFASA (African Farmers Association of South Africa) and NERPO (National Emergent Red meat Producers organisation). See **Table 3.8** below.

Table 3.8 Participation in organised agriculture

Participate in organised agriculture	Total	Percentage
Yes	9	64.29%
No	5	35.71%
Total	14	100%

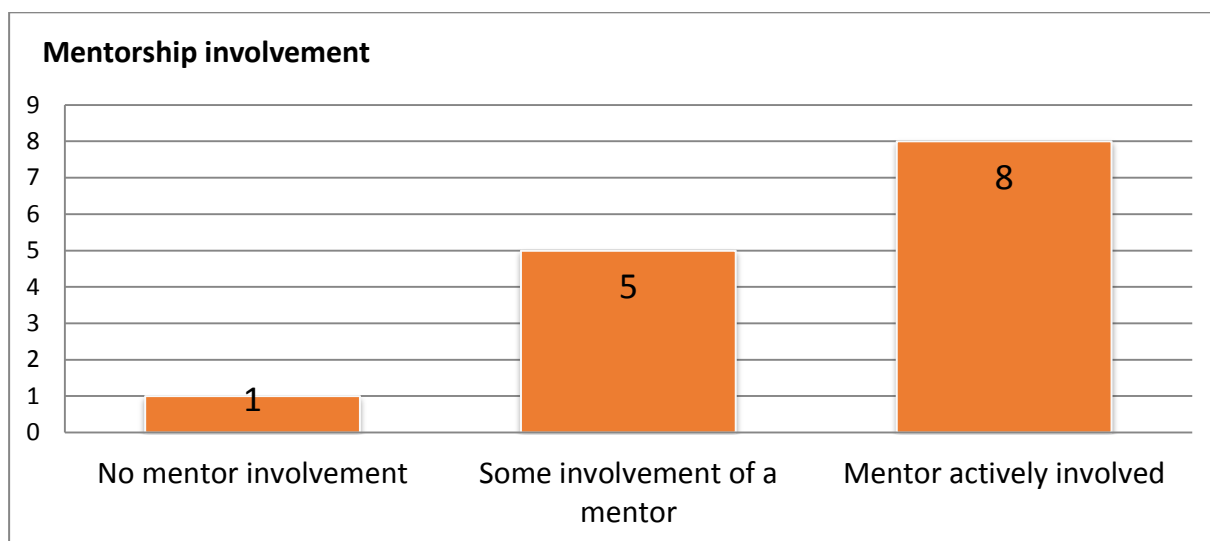
The importance of being part of agriculture organisations for the success of participants are discussed in 3.12.7 below.

3.9.1.2 Mentorship

Due to the fact that most of the farmers were beneficiaries of land reform in some way or another, most of the respondents have mentorship involvement as this is a requirement by the land reform schemes. In **Figure 3.13** below the number of respondents with full mentorship involvement is eight while 5 respondents have some mentorship involvement. Only one respondent has no mentorship and this is out of choice because he has an agriculture qualification and worked for the Department of Agriculture for many years and would could not be mentored by someone with less experience than himself. His response is quoted below:

“Well with me, it was who will? Cause then I was appointed a mentor, they talked about a mentor and for me a mentor, a mentor must be a little bit higher, you know.”

– Respondent #14

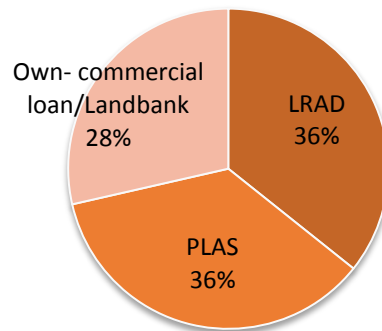


The value of having a mentor, as perceived by the respondents will be analysed and reported in 3.12.5 below.

3.9.1.3 Land reform beneficiary

Ten respondents (72%) are beneficiaries of land reform of which 50% through LRAD and 50% through PLAS. With the LRAD grant, ownership was transferred and with PLAS the Government is the owner and the farmer leases the farm with implements from the Government (see **Figure 3.14** below). The farmers who financed the purchase of property themselves did so by means of Commercial banks and Land bank loans.

Finance for farming enterprise



The efficiency of the current land reform programs and the respondents' views on how to improve it are discussed in 3.12.9 below.

3.9.1.4 Support structure- Government, Agriculture organisations, Networks and neighbours

Based on the results in 3.8.11-3, all of the respondents receive support either from Government through land reform programs or from organised agriculture by being member of the organisations. All of the respondents indicated that they have good relationships with their neighbours and can rely on their support. Their responses are quoted below:

"Yes, we exchange and we call each other." – Respondent #8 on exchanging ideas with neighbours and getting support from them in case of emergency.

I go a very long way with my neighbours. We have the neighbourhood unity where we are always together, especially during fire period. There's a mutual relationship. Yes." – Respondent # 6

"Yes, very good. I can go to them and ask." – Respondent #11

“Yes, we do. I just go here and to that other man over here. We help each other.” – Respondent # 12 showing the researcher the direction of where his two neighbours are situated.

“Generally the farming practices. I would ... My fellow farmers, you know, who are experienced in a particular subset of enterprise.” – Respondent #14

3.9.1.5 Training availability

Based on results of 3.8.2.3 and 3.8.2.4 the respondents receive adequate training and go for refresher courses on a regular basis. Training are readily available through Government, private sector and organised agriculture and includes agricultural, business management and marketing training. None of the respondents indicated that they experience a lack of training availability and that the value of this training is perceived as very high. The respondents’ perceived importance of continuous training for successful farming are discussed in 3.12.4 below

3.9.2 Economic factors

3.9.2.1 Availability of finance to purchase land

Two of the three respondents who financed the purchase of their farms through commercial banks or Land bank indicated that obtaining funding was an easy process and one indicated that he would go through the process again if necessary. One of the respondents cannot attain a finance loan even though owning other property in Rustenburg. The respondents’ responses are quoted below:

“Yes, it was very easy. They didn’t even, you know, ask for a contribution, my own contribution or deposit, nothing. It was very easy, yes. Yes, they are. They always phone me. If you want another farm, you must tell us. We’ll always help you. It was a good experience for me.” – Respondent #11 describing his experience with financing his farm through the Land Bank.

“Well with me it was easy because I qualified. I was very comfortable with them.” – Respondent #6, who believes that the Land Bank has his best interest at heart.

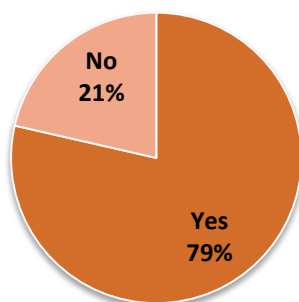
*“Yes. But I will tell you what happened with ***[commercial bank nr 1]. All the years I worked with ***[commercial bank nr 2]. But back then, then the loan it was [commercial bank nr 1]. And now, you know, the contract says you’re going to pay the farm off over ten years but then in two years’ time I said no, these people’s interest will cut my throat. I’m going to end up paying double for this farm. Then I paid that [commercial bank nr 1] immediately. But then I got another farm. I said alright, here’s another farm, you can help me again. Then they refused. They refused. Yes. But see, they refuse because the interest on that money, that eight years was lost...”* – Respondent #1 who had to finance the purchase of his second farm through another commercial bank due to paying off the first loan 8 years before the due date.

“Look, frankly speaking, if I tell you how many times I’ve tried the banks to buy. I’ve always known that you know, I can buy the farm. Every time I listen to them talking, I think all they worry about is their risks, nothing else.”- Respondent #5 who cannot obtain a lone but is in the process of financing the purchase of his farm through selling other property.

3.9.2.2 Availability of operational finance

Most of the respondents have access to production facilities or bank overdrafts to fund farming operations. A production loan is a medium term facility to purchase inputs for a production season and is financed through the Land bank or commercial banks. Overdraft facilities are used for short term funding needs. In the **Figure 3.15** below the farmers without access to facilities are 21% of the respondents These three respondents are land reform beneficiaries on the PLAS funding scheme and receives funding from Government via a short-term grant.

Access to production loans or bank overdraft



A response that confirm the reason for needing a short term funding mechanism are quoted below:

“Yes, because sometimes maybe you go to the auction, you see a bargain, you must have a ready money to buy.” – Respondent #11

3.9.2.3 Feeling towards debt

Only one of the 14 respondents had a good feeling towards debt. He’s response are quoted below:

“Yes, I feel comfortable with the loan. I would rather put my money aside or buy something with that money and then take a loan for a farm. Why? Because I know most people will talk about the interest being charged on loan, they forget that interest, you deduct it from your income statement. You don’t lose it. Yes. That is the best way. Yes, I see it otherwise. Because let’s say I buy now a farm for R5 million, today, through the bank. For sure in 10 months’ time that farm will be worth something like R12, R13 million. Yes. It will go up. It appreciates.” – Respondent #11

When asked the question if they would rather pay a loan of quicker than the repayment schedule or use the excess money to fund other investments, 13 respondents indicated that they would and have already paid loans long before due

dates. In 3.9.2.1, respondent #1 recalled the incident where he could not obtain another loan from a bank because he paid off the previous loan ahead of time. When the researcher asked the respondents about their feelings towards debt, their body language at moods became sombre. Quoted below are the respondents' responses regarding being in debt:

"I always worked with debt but I wasn't happy. The whole time I was in debt I wasn't happy. And then the year was also a little bit difficult, I struggled, then I, the remaining debt was about R600 000. But then I paid it in December." (with his wheat harvest)- Respondent # 7

"Yes, I'll pay it because I'm scared of debt." – Respondent # 2 referring to paying off a loan quicker than the due date if given the means to do so

*"It's a struggle. But you have to pay it. We usually take debt from ***[agriculture organisation] and we then pay it each year. No, I don't have debt now."* – Respondent #8

"Ooh, I don't like. Ooh, I hate debt, you know, very much. I like paying cash if it is possible. Really, debt is increasing or the money that you are supposed to ... If I'm supposed to buy the tractor for 200 thousand, it would be double. And then if I don't pay, they take me to court, they take me away." – Respondent #3 on feeling towards debt. When asked if a loan would be paid off quicker than the due date if possible the reply was: *"Yes, if it is possible. Because there's increase in the interest, is making it go up. And it's reasonable to pay it or if I have money, than to pay it off."*

"Yes, debt hurts but what can you do? It hurts but what can you do? If you want to work in life. Those years, my heart had such a different beat when it came to debt but now it looks to me like, as I worked, I believe life has to be there and debt has to die. It won't die, die completely but I go .." – Respondent #4

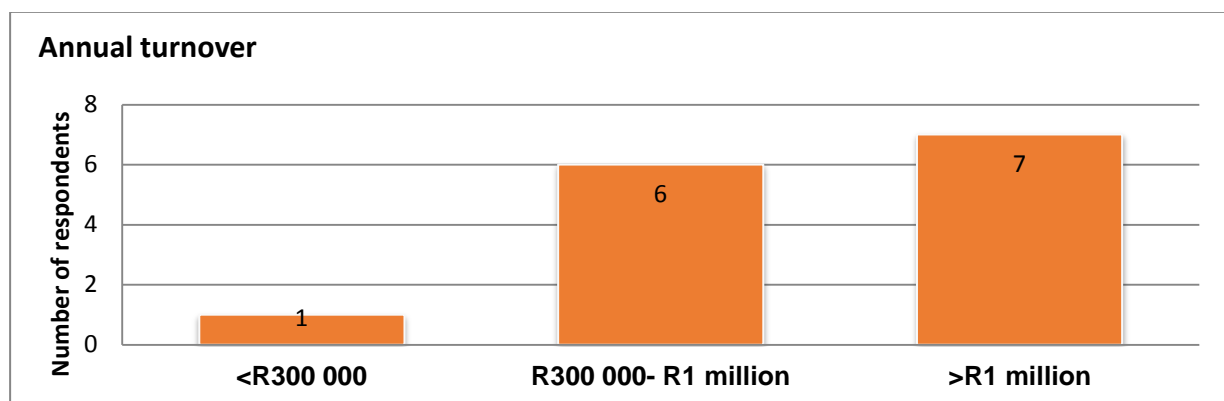
"Yes. If I borrowed I am willing, when I am done, I have to pay it. Then I will have a clean slate again. I then start from there and go like this. I don't want to have debt." – Respondent #9

“No. My approach or attitude is that I should not have debts. That is the first thing. I should not ... Even SARS, I make it a point that you pay, you avoid debt as much as one could do. But you’ll find that at times it’s not possible to be clean out of debt right through. Yes. But where it is necessary I can gauge myself after thorough consideration that I’ll manage, after I thoroughly looked at if I take this debt, I’ll manage it within a reasonable period of time. I won’t like to have a debt that I will not ...” – Respondent #6

This negative attitude towards debt by respondents was confirmed by a study where none of the black farmers interviewed had any debt on their farms and would save for long periods in order to purchase farming equipment with cash (Coetzee, 1977:2).

3.9.2.4 Annual turnover

Half (7) of the respondents earn more than R1 million per year as displayed in the graph below in **Figure 3.16**. Only one respondent earns less than R300 000 annually and six respondents earn between R300 000 and R1 million per year.



One thing that needs to be taken into account during the results of this study is the fact that South Africa are experiencing the worst drought in more than 20 years as discussed in 2.2 above. This negatively affects farmers’ production and thus their income. When asked what their prospects for next year are, only one respondent was hopeful for a better season. His response is quoted below:

“I don’t know. We’re asking, we’re asking. Because this year makes us, we must always believe. Something we must always do, we must always believe. All of the farmers need to believe. We believe the year will have to be better.” – Respondent #4

Other respondents’ growth expectations are quoted below:

“Well the aim is always high. The aim is always high because ... The aim is always high. I think I like to grow it to the upper standard quality and quantity and yes.” – Respondent #6

“I’m growing and I can measure that with the way I buy assets. And I don’t believe too much in money, I believe in assets. If I’ve got the money, I must, either I buy a house somewhere in Joburg. Like now I’ve got three flats I’ve already bought in Joburg or I buy a farm. I must keep a little bit of money.” – Respondent # 11

“My prospects is growing vertically in terms of the numbers that I have here and also ... Yes, diversifying.” – Respondent # 14

One of the respondents does not want to grow his business as the turnover is already over R1 million and his response is quoted below:

“I want to maintain it the way it is. We don’t want to grow.” – Respondent # 8

3.9.2.5 Cash flow health

As can be expected from the seasonal nature of farming operations, all of the respondents indicated that at times their cash flow was not very stable. The respondents with other forms of income could use this during challenging cash flow periods and the respondents with mixed farming enterprises indicated that livestock sales provided bridging cash flow during these times as discussed in 3.8.1 above.

One respondent have been creative and rents out his equipment to the local municipality in order to sustain a healthy cash flow. His response is quoted below:

“Yes, I just have a plan. I have a plan. You will see I have one tractor there, I let these people from the municipality hire it.” – Respondent #12

3.9.2.6 Personal asset value

An observation by the researcher when interviewing the respondents is that only two respondents had high merit for personal assets like upmarket motor vehicles and luxury property. The other respondents invested all additional income in paying off debt and acquiring new implements for the farming operation. The female respondent, who won a cash price with the Female Farmer of the Year Award, used this money to sink another borehole on her farm while living in a humble home.

Another respondent received a grant to put up a home on his Government rented farm and decided to buy a pre-fabricated house instead and use the remaining money to create more infrastructure on the farm.

Some of the respondents barely had any furniture in their houses as they live alone there and do not need luxuries. One of respondent does not even have electricity in his home and spend evenings gazing at the stars or goes to bed early and rises before sun rise.

3.10 RESULTS OF INFRASTRUCTURE FACTORS

3.10.1 Farming infrastructure

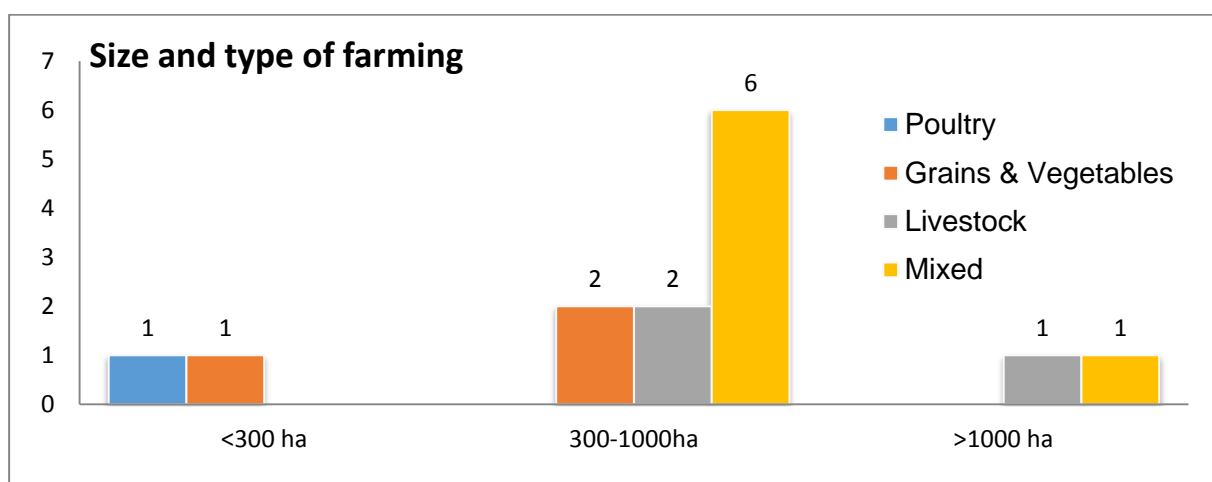
3.10.1.1 Size of the farm

The sizes of the respondents' farms are tabled below in **Table 3.9**. The sizes of the farming operations vary between 80 ha for the smallest farm to 1018 hectares for the largest farm. The smallest farms are commercially viable due to having poultry farming operation with broiler houses on one and vegetable farming on the other, which only requires small pieces of land area.

Table 3.9 Size of farm

Size of the farm	Total	Percentage
<300 ha	2	14.29%
300 – 1000 ha	10	71.43%
>1000 ha	2	14.29%
Total	14	100%

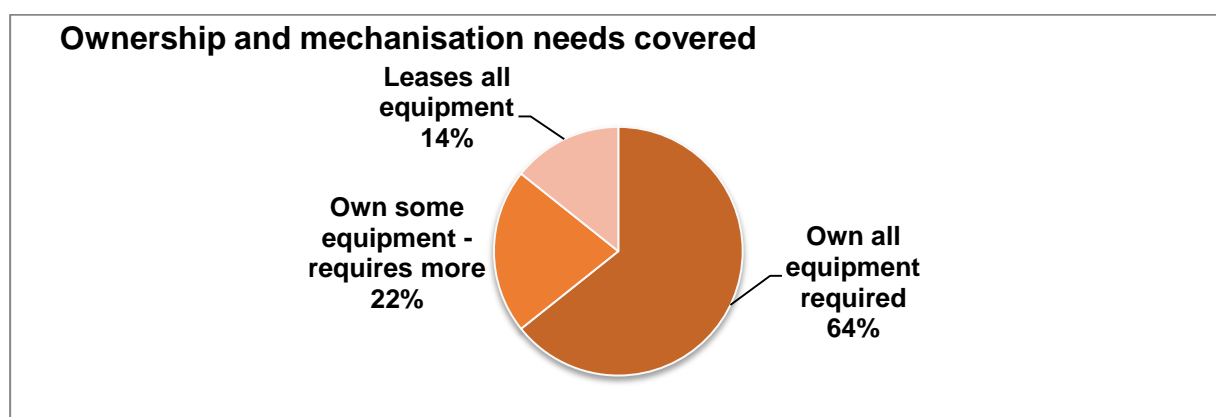
When the size of the farms is combined with the type of farming operation in **Figure 3.17**, it is clear that successful poultry and vegetable farms require small piece of land (below 300 hectares). The Grain and Vegetable farms of the respondents vary between 300 and 1000 hectares, while the Livestock and mixed farming enterprises are practiced on farms exceeding 300 hectares. One of the livestock farms and one of the mixed farming enterprises are exceeding 1000 hectares in size and both these farming operations earns in excess of R1 million income annually.



3.10.1.2 Availability of implements and machinery

The level of mechanisation and implements required differs depending on the type of farming enterprise (Van Schalkwyk *et al.*, 2010:98). Most (86%) of the respondents in this study owns all their machinery and implements while the remaining 14% have to lease some implements and machinery. The results of respondents that feel they

have all the equipment needed to farm successfully is almost two thirds (64.29%) of the total respondents as can be seen in **Figure 3.18** below:



3.10.1.3 Farm owned or leased

More than half (57.14%) of the respondents are the owners of their farms and the remaining leases the farm as depicted in **Table 3.10** below. One of the six respondents that are leasing the farm does so from a private individual while the other 5 are land reform beneficiaries of the PLAS grant and leases the farm from the Government.

Table 3.10 Ownership of farm

Ownership of farm	Total	Percentage
Respondent owns farm	8	57.14%
Respondent leases the farm	6	42.86%
Total	14	100%

The land reform beneficiaries receive a 5 year lease agreement from Government but these contracts are not always formalised by Government representatives and creates uncertainty amongst the respondents.

“I don’t have a lease contract yet. Yes, I’m here for two years now and I don’t have a lease contract yet.” – Respondent #7

One respondent's lease term might be extended to ten years as quoted below:

"Yes, they gave me five years. On five years I've already used two years. I'm going for three now. But they're busy making another contract. Longer, yes. They're talking about ten years." – Respondent #12

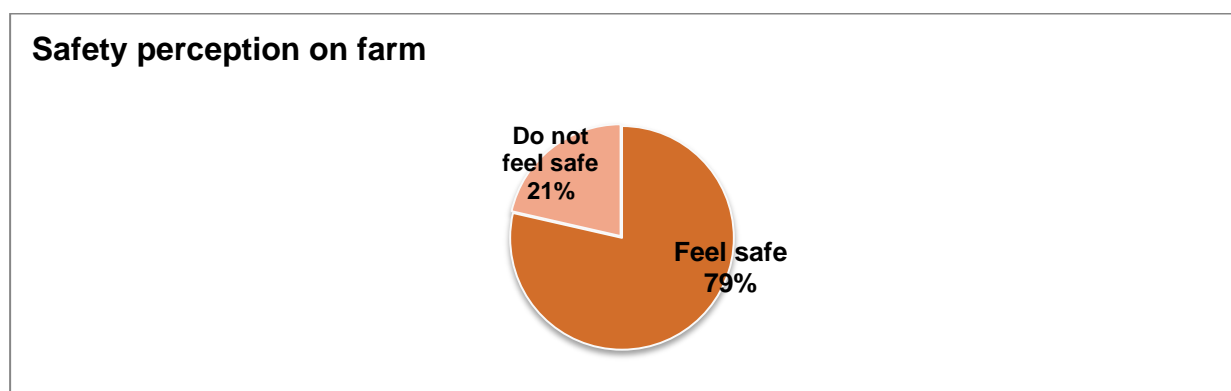
The process of obtaining a farm to rent was also a long tedious process as recalled by one respondent and quoted below:

"It was a difficult process for me in the sense of time. It took lot of time. It took a lot of time. It wasn't something that, you know, you quickly get in and you get the farm. I think it took me 2008, 2009, 2010, 2011" – Respondent #14

The perceived influence of owning land towards making a success on a farm is discussed and reposted in 3.12.9 below.

3.10.1.4 Security perception of the farm

As **Figure 3.19** below indicates that most of the respondents feel safe living on the farm while one of the respondents who indicated to feeling unsafe might be due to his previous profession that has a higher risk of intimidation.



One respondent who indicated that he feels safe on the farm have hired a private security firm to patrol the farm and did not hire the labourers who worked on the farm previously. His responses on the two ways to be safer are quoted below:

*“No. I still have the people from ***[private security firm]. They walk around there and they watch the place. I’ve been here for two years now but from where I was, I don’t actually hire the people around here. I’ve come a long way with people, you see. The people from where you are, it’s them that actually look around here and tonight they come back. They come and get ... Even if he doesn’t work here anymore, he comes back. He knows where this and that is.” – Respondent #7*

The female farmer was assisted by her mentor to put up a security fence around her house and she indicated that she feels safe on her farm. Her response are quoted below:

“Yes. Because I’m not alone here as such because I’ve got my son inside the security fence and then I’ve got other son which are there. But that man, Johan, built up this fence, security fence for me. I lock it up in the evening. Yes, I feel safe. I’ve got the numbers of the police although they never come on time. But we do phone them if there’s something, you’re scared of something.”

3.10.1.5 Pest control practices and veterinary use

Only one respondent are not making use of professional pest control specialists. This respondent has been farming for less than three years and has not received any agricultural training from the Government of private training institutions. These results are confirmed with findings by Mapholi *et al.* (2014:63) who found that 95% of the respondents in their study had access to state veterinary services.

3.10.2 Administrative infrastructure

3.10.3 Financial record keeping

The level of record keeping was categorised into Good, Average and Bad and referred to financial and other farming activities. Good record keeping meant a

respondent would have a system whereby the financial wellbeing of his enterprise is known to him on a monthly basis. Monthly records are sent to a professional accountant for submission of taxation schedule. Average record keeping entails keeping all source documents of transactions in a filing system and a professional accountant produces financial statements and ensures compliance to taxation laws. Bad record keeping would be when insufficient records are kept in order to provide an accurate picture of the farm's financial situation.

As depicted in **Table 3.11** below, no respondent beliefs to have bad record keeping whilst 57.14% indicated to have good recording keeping and 42.86% have average record keeping.

Table 3.11 Record keeping

Record Keeping	Total	Percentage
Good	6	42.86%
Average	8	57.14%
Bad	0	0.00%
Total	14	100%

The responses of the participants on their financial and general farming record keeping performance are quoted below:

“Well I keep the records, I keep the records and at the right time I present the records to the bookkeeper.” – Respondent #6

“Yes, I have a bookkeeper. But I have, I write it in a book.” – Respondent #13

“No, we keep it together then we give it to the bookkeeper. Statement for statement, all the ...” – Respondent #8

“Yes. I think the coming time of year, yes. Because this is the first year that my wife is at the farm. In the past she wasn't here. I have, as I mentioned, to get things going

and get it right but it's not easy if you must catch grease here on the other side and then it gets on the paper.” – Respondent #9

“I do it myself. Okay, I do have the bookkeepers but I also keep my things, I've got files. My invoices and everything, I file them.” – Respondent #10

“Yes. The only good thing that I do is that I've got my little paperback where I keep all my slips. But look, I will do with a lot of help when it comes to that. But yes, I do have an accountant who's doing that for me. Yes.” – Respondent #5

“I've got an accountant. So almost every month, I give him information, invoices and so on. They handle the financial year. He submits at SARS.” – Respondent #11

*No, I do my recordkeeping. I had the, what you call, these things. Yes, I file everything in here and then I've got somebody who's helping me. I used to have ***[accountant's name] in Zeerust but now she took pension and then she transferred us to Lichtenburg. They're still new. They only did my records last year for the first time.” – Respondent #3*

3.10.4 General farming operations record keeping

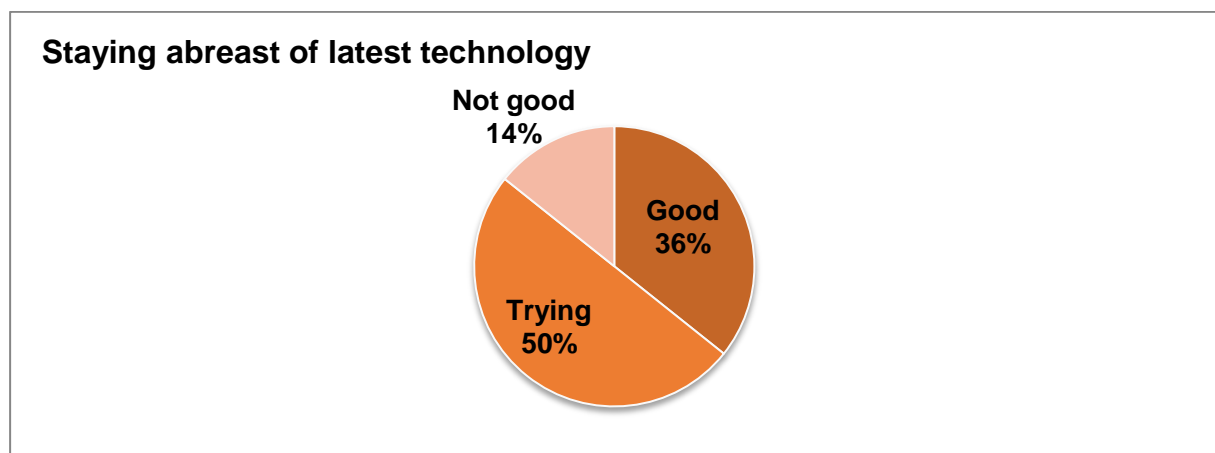
The responses of the participants regarding their record keeping methods are quoted below to provide insight into how they manage their operations:

“No, I can't do it all. I do some of it myself. That guy I said that I'm employing. Yes, he records the diesel, those things. I have my notebook where I write that today we did this pump and this pump's depth is this much and the water is that much and I paid so much for that. Now, one of my cows here was sick. I gave it an injection and then I wanted to write it down and then it was already done and I don't know when it was. You can't go back afterwards. So I take my book in my bakkie so that when I get into my bakkie, I just take the book then I sit and write it down or I just write those points, the date and those points as I sit there then I write everything down.” – Respondent #7

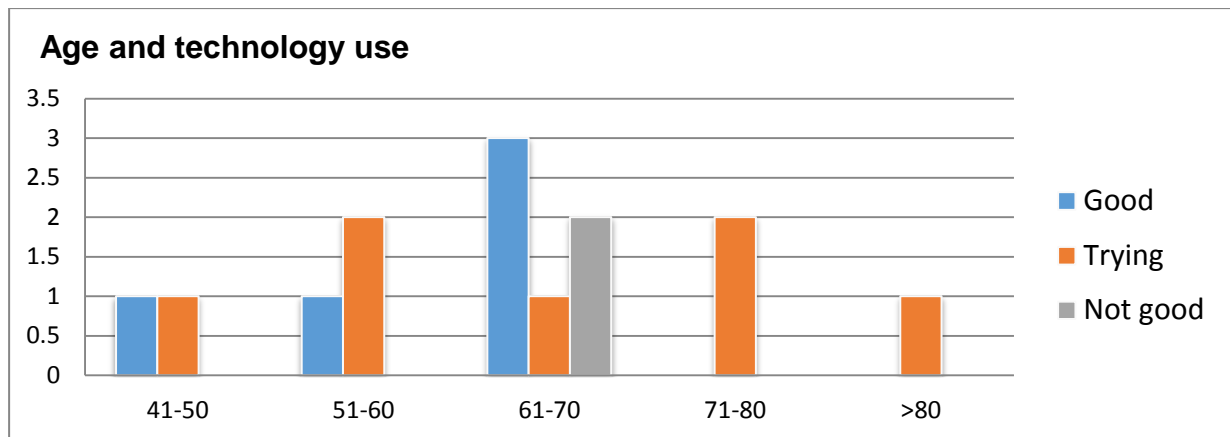
“Yes. I keep my record for everything that I have done. For everything that I claim there, especially my diesel record. I take a reading each time that I use diesel, then I know I have this much diesel for today, I have used that much.” – Respondent #4

3.10.5 Use of information technology

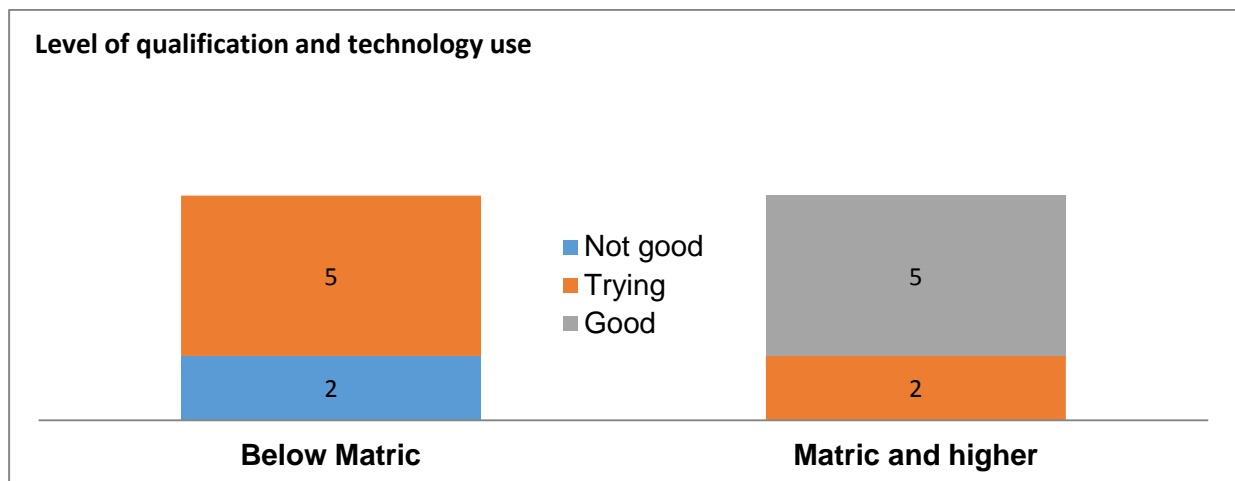
As detailed in **Figure 3.20** below, half (7) of the respondents are trying to keep abreast of the latest information technology developments and have access to emails and internet or are making use of smartphones. Five (36%) of the respondents indicated that they are good at keeping up with these technologies and use it on a daily basis. The two (14%) respondents who are not comfortable with technology and do not make use of it are in the 61 to 70 age category.



All of the respondents' belief that technology is important if farmers want to make a success and are attempting to improve their knowledge of the new developments. When combining the age groups with technology uses in **Figure 3.21** below the results do not expose a specific relationship between age and technology use. All the age groups have respondents that are trying to keep up with the latest information technology while the age group between 61 and 70 years have three respondents who are good at using latest technology and the two respondents who are not using technology.



When linking the level of qualification with the use of technology in **Figure 3.22** below, the five respondents with the highest qualifications are the respondents who are good at using technology and those with the lowest are not good or trying to keep up.



The responses of the respondents regarding the use of technology are quoted below:

“Yes, I must say it’s quite difficult. Everyone says it’s important because it is important but it’s difficult. It’s difficult for people who did not grow up with it.” – Respondent #7

“We old people struggle. We have children, they always help us.” – Respondent #8

“Yes, the children help me. They help me. The technology is alright. It’s very clever, it’s very clever things this technology. But we, for the years and there where we come, we don’t understand so well but it does offer us something.” – Respondent #1

When asked whether the respondents regard it an important factor for success to keep up with the latest information technology developments, all of the respondents agreed. The reasons for this statement were not further investigated during this study.

3.10.6 Insurance

The respondents were asked what types of insurance they currently have and the results were tabled below in **Table 3.12**.

Table 3.12 Types of insurance

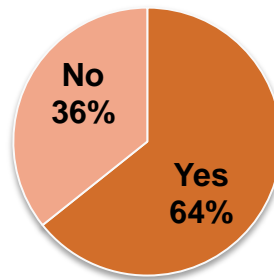
Types of Insurance	Number of respondents	Percentage
Household and property	14	100%
Medical Aid	7	50%
Crop/Livestock	4	29%
Farming implements	10	71%

All of the respondents have insurance on their property and household assets while 71% have insurance on farming implements and equipment. Half of the respondents belong to a medical aid and only 29% (four respondents) have crop or livestock insurance. These last two types of insurance are more expensive than household and farming equipment insurance. Confirming these results, Inwood (2013:2) found that health care for farmers are more expensive due to being self-employed and farmers being “land rich yet cash poor” cannot afford sufficient medical aid schemes.

3.10.7 Strategic plan

The respondents were asked whether they have a medium and/or longer term goals for their farming enterprise and if they have a plan of how to achieve these goals. In **Figure 3.23** the results are depicted with 64 % having a strategic plan while 36% do not have a plan.

Existence of strategic plan for farming enterprise



Of the 9 respondents that have a strategic plan in place, 8 have indicated that they have good record keeping while the 5 respondents who do not have a strategic plan in place are those with an average record keeping standard as discussed in 3.9.3 above.

The strategic plans of the respondents are explained by quoting their answers below:

“Yes. In five years’ time I want to buy another farm where I believe my son, this one, he likes farming. I believe that at that time, then we’ll be farming together. Maybe he’ll be farming on that farm. Yes. After ten years then maybe he’s bought his own farm.”
– Respondent #7

“Yes, we want irrigation pivots. We want to grow a little bit and also give to the children.” – Respondent #8

“Yes. The thing is I want to, in three years’ time really I should have finished paying off my land and then just working for profit. Working for profit and for my children.” – Respondent # 3

I can’t grow. The only way for to grow is to go and rent another farm somewhere, lease another farm somewhere. It’s my wish, it’s my dream to grow my stock to. Yes. One thing about me, I’m not a number person. I’m a quality person. I believe in that if you have 100 cows and I can have 50 quality cows, I’ll still, it’s better. I’ll still compete

with the guy with 100 cows because it's not about the number, it's about the quality."

—Respondent #5 who is in the process of acquiring his own farm, if he obtains funding or by selling other property.

"Yes. Yes, definitely. I would like to see myself, as a long term plan, having my own farm, registered in my name. Registered in my name. Something I can call my property, and then being a successful, vibrant business. Yes. I'm making steps towards because the first thing is to have money. Is to have money. So you have to save so that you can realise that dream. Because even if you go to the bank, you tell them I've got this and this farm, I want to buy one or another, they'll expect you to contribute something. Yes. So one has to be ready for such." —Respondent #10 who is farming on rented property through the PLAS initiative.

"Yes, I mentioned plans. Those plans just needs, you know, financial injection. Unfortunately government cannot do that so I will do it on my own with properties that I have sold ... And invest.. And then we're talking about a centre pivot. I have an Eskom line so can I do a centre pivot underneath? It still has to be answered because it's going to be on my land. So yes. And if I can get one centre pivot and I have just maybe 20 hectares of legume crop, I would want to semi-intensify the beef." - Respondent #14 who wants to diversify his farming operations.

"Alright, I know. I know. My plan is, that farm which I say it is 650 hectares, in ten years' time I would like to see it being something like 3000 hectares. By buying property around it, yes. Because what I know, I've got a friend. It's a white farmer next to me. But he's having something like 3000 hectares around and that portion I bought it from the estate of his grandmother. Now he doesn't use all of his camps so he had leased some of them to me. You see. Why? Because those have got no enough water. So myself, I got no problem of water. So I would think, I don't know, but I'll have to make a, you know, a good approach to him. I want to suggest can't you sell say this other portions to me and then we take that money, you buy more cattle and then I supply you with water. Yes. So I'm planning to that. Yes. But I don't want to hurt him. I want him to benefit." — Respondent #11

3.11 RESULTS OF NATURAL RESOURCES FACTORS

3.11.1 Rainfall

The whole of South Africa experienced a severe drought in 2015 and all the respondents have an annual rainfall of below 500 mm per year.

3.12 PERCEIVED SUCCESS FACTORS BY BLACK COMMERCIAL FARMERS

This section below will provide representations of participant responses during the semi-structured interviews of Section two of the interview questionnaire. Based on factors identified during the literature study, questions were compiled to attain the perception of black commercial farmers regarding what influences their success.

Quotes from the interviews were used to illustrate key findings.

3.12.1 Factor 1: The most important influencing factor for successful farming

The participants were asked to name the most important factor that would influence successful farming. The analysis of the respondents perceptions were done in Appendix 3 and reported in **Table 3.13** below:

Table 3.13 Code of the perceived most important success factors

Code nr	Code description	Frequen
a	Love for farming and being motivated to work hard to achieve farming success	12
b	Having farming experience and management skills	12
c	Having resources and farming type diversity	4

From the above table, the love for farming and being motivated to achieve success were rated as the one of the most important factors for success. Quotations from some the responses that confirm this statement are included below:

“Passion. I mean love for what you’re doing. Something you do without expecting anything in return, just for the love of it. It makes you go an extra mile.” - Respondent #5.

“Just true love. Yes. You must have a heart for farming. And when it doesn’t go so well, he won’t last. But if you have a good heart and you have a love for farming, then you can continue.” – Respondent #8

“I must have interest, I must be hard working, I must be creative. You know. Yes, all those things.” – Respondent #3

“Well, you need to have passion. You need to have the drive. You need to have the patience. And then you can bring in the training, you can bring in the experience.” – Respondent #14

The next factor that is perceived to be important for success is having farming experience and management skills. Some of the responses that corroborated this statement are quoted below:

“Yes, he should have knowledge. He needs to know exactly what he’s doing. That’s what a successful farmer should be like, he should know exactly.” – Respondent #9

“Yes. The biggest thing is to know how to do these things and the models and how you manage the whole business. How you handle the whole farming from start to.. Yes, to the end.” – Respondent #7

“Well a successful commercial farmer, the most important aspects is good management. Management. I think that is very essential into everything. Because once you’ve got good management skills, you are likely to see where you are going. Planning, good planning because time is essential. Time is essential in farming. Once times beats you, no.” – Respondent #10

The last construct identified by the respondents is having the necessary resources to farm and the following quotes from responses confirm this statement:

“A lot of things. A lot of things. He needs money. He needs people to help and equipment, tractors and everything for the farm.” – Respondent #13

“You know, the thing that can make me a good farmer, if I have good equipment for the work. One. Two is the rain. Yes, you don’t know always if you can get rain in the good season. Like a tractor, the thing that ploughs the land. It’s that that can make you a good farmer, but without those things.”– Respondent #12

3.12.2 Factor 2: Gender as an influencing factor of successful farming

The respondents were asked whether they belief it is easier for males to be a successful commercial farmer than for females. The responses of these respondents were analysed in Appendix 4.

More than a third (71%) of the respondents did not belief gender to be an influencing factor of successful commercial farming. The results of the response analysis are reported in **Table 3.14** below:

Table 3.14 Code analysis of gender influence for success

Code nr	Code description	Frequency
a	Love for farming and being motivated to work hard to achieve farming success	6
b	Having farming experience and knowledge	3
c	Having resources and guidance	4

From the table above the construct of loving farming and being motivated to work hard at achieving success was the most prominent reason for not agreeing that gender influences successful farming. The respondents consider this factor to influence success irrespective of the gender of the farmer. Some of the responses of these respondents are quoted below:

“If you have an interest in what you are doing” – Respondent # 3

“No. It depends on how your heart is. You must have love for those animals.... then you will be able to.” – Respondent #1

“If you are a female, you have the passion for farming,.” – Respondent #6

“I don’t think so. It’s only a matter of commitment, passion. I mean I believe whatever kind of business anyone has got passion for, they’ll make a success of it regardless of you are a male or a female. I don’t think there is any boundary there.” - Respondent #10

The second most important construct identified by the analysis is having the necessary resource and guidance and this statement is confirmed by the below quotes:

“and you have guidance it is not more difficult for a woman.” – Respondent #3

“you get financial assistance, you have the land to farm on, you can do more than what the man can do.” – Respondent # 6

The last construct identified by the analysis is to have the necessary experience and knowledge in order for female farmers to just as successful as her male counterparts. The response to confirm this statement is quoted below:

“It is the same as long as the female farmer is clever. Sometimes you get that they farmed with their husbands. Yes. They started farming with their husband and then she holds on.” – Respondent #2

Less than a third (29%) of the respondents belief that is gender is an influencing factor in the success of black commercial farmers in the North West. The analysis of these reasons for agreeing that gender influences farming success are reported in **Table 3.15** below:

Table 3.15 Code analysis of gender influencing farmer success

Code nr	Code description	Frequency
a	Security- unsafe on farms for females	1
b	Operational hardship	3

From the above table the most prominent reason for agreeing that gender influences success is due to the operational hardship of farming operations. To corroborate this statement the responses of these respondents are quoted below:

“It’s got more challenges. From personnel, also from the work itself. Especially I would say if one does not have the background. So you can imagine if it was a black lady. I have my daughter here who is struggling to break through and well, we had to have our own strategy anyway.” – Respondent #14

“But farming is difficult. It’s hard work because you work in the sun and you work outside, not inside the house. Yes.” – Respondent #13

The construct of security on farms and that an unsafe environment is not suitable for female farmers are validated by the response quoted below:

“Yes. I think taking into account the situation in South Africa now, not only about the difficulty in terms of farming per se, but the issue of safety, yes. It becomes more difficult for a female to be a farmer than male. I mean, you see where I am now. I don’t think any woman would be here on their own this time of the night. On that basis yes, I think it’s a bit difficult. Our situation is not very conducive for a female to be a farmer.” – Respondent #5

3.12.3 Factor 3: Growing up on a farm or agricultural orientated household

As mentioned in 3.8.3.1 above, all of the respondents indicated that they grew up in a farming orientated household. Then the question was asked whether they deem this as an important factor for a farmer to be successful. Most (11 out of 14) of the respondents suggested that they believe this to be important. Their responses were

analysed in Appendix 5 to form the following list of constructs in **Table 3.16**, based on their reasons for agreeing with this statement:

Table 3.16 Constructs that agree with growing up on a farm as important factor

Code nr	Code description	Frequency
a	Gaining farming knowledge and learn how to work hard	9
b	Learning to love farming	2

From the above table it is evident that gaining knowledge and experience as well as an example of how to work hard was rated by the respondents as the most prominent reasons for their perception of the analysed question above. To corroborate this statement the responses of some participants are quoted below:

He saw everything. He was there in the back of the tractor with the dad. He helped them to repair the tractor when it's broken. He saw what happened to the cow when it find difficult to give birth. You know, he's seen all those things. – Respondent #5

"It's better because he has some skill. Yes. It's just to get a bit more because in the city we farm, but it's just to eat, not to sell." – Respondent #13

"But someone who was born there, he knows. Even if he sees something, he knows no, it's not right, he should do it differently." – Respondent #4

"Because as I sit here I drew from that experience" – Respondent #14

The next construct that was identified in the analysis was that growing up on a farm instils a love for the land with the children and this love was listed as one of the most important factors for farmers to success in 3.12.1 above. Responses that confirm this statement are quoted below:

"I do believe so because it's in the blood. It's in the blood. They are growing up with it. Yes." – Respondent #10

The reasons given by the respondents who did not deem growing up on a farm as an important factor for success were analysed in Appendix 5 and the results reported in **Table 3.17** below:

Table 3.17 Analysis of why growing up on a farm is not seen as important

Code nr	Code description	Frequency
a	The scale of commercial farming and technology developments are growing constantly	2
b	Struggling example would not motivate to farm	1
c	You can just employ people with knowledge	1

From the table above it is evident that these respondents believe that farming on commercial scale have develop and changed so much that the experience they received from their parents are not valid any longer. Responses that confirm this statement are quoted below:

“And you know each year the experts they say farming changes Yes. They say the technology, it just changes and changes, yes. When I started farming, I just knew the planter and the ploughs but today, not anymore. And I use the wrapper. It all becomes big, big, big.” – Respondent #12

“I think it can be the same if he can do good work. Because on a farm you need to do good work. [then referring to his father] No, he did not farm on such a big scale” – Respondent #8

The respondent also noted that to have an example of struggling on a farm will not be beneficial for success. The response is quoted below to confirm this statement:

“He started with cattle, those old days. Then in the end he bought tractors. But he struggled. He was never successful. Yes, he kept on going. When he passed away he was still poor. – Respondent #8

The last construct was that if a farmer did not grow up on a farm he should employ knowledgeable workers with high experience levels as can be seen from his response below:

“if you didn’t grow from the farm, if you don’t know anything about farming, it’s better you employ people who have got the knowledge.” – Respondent #11, who considers management skills as the most important factor for successful farming.

3.12.4 Factor 4: The importance of continuous training in agricultural developments

From the results in 3.8.2.3 and 3.9.1.5 it is evident that the respondents attend quite a number of agricultural training courses although two farmers had learnt from experience and networking. The respondents were further questioned whether they consider continuous agricultural training as important for success as a commercial farmer. Most (11 out of 14) of the respondents indicate that they regard continuous training as an important factor for successful farming. Their responses were analysed in Appendix 6 and the results of the analysis are reported below in **Table 3.18:**

Table 3.18 Reasons for agreeing that continuous training is important for success

Code nr	Code description	Frequency
a	Updates on new developments in whole farming business	7
b	Training is motivating	1

From the above table it is evident that the respondent who regard continuous training as important are due the fact that it keeps them updated on the latest developments on the whole agriculture business environment. Responses to confirm this statement are quoted below:

“Yes. Each time it’s good. We can’t say at this stage I’m all good. It changes constantly, you need to keep up”. – Respondent #12

“Yes, it is. It is. One will never say I’ve learned everything, I’m enough. No, no. You can’t.”- Respondent #10

“Training, it’s a way of life. I mean if anybody works ... You know, every day when you meet a person, it doesn’t matter how young that person is or how old that person is, you learn from that person and especially when it comes to farming. I always say to people if there’s anybody who says it’s enough, he knows everything about farming, he’s mistaken. Because every day of your life ... It changes Every day you see a new thing and what you think you knew then, somewhere along the line things changes. So yes, forever as a farmer you learn until you stop farming.” – Respondent #5

“Well, training doesn’t end. Training doesn’t end. As I sit here yes, I may have the background, agricultural training, my experience but there are certain shortcomings. Especially in a situation like mine where I’m man alone. I manage and operate everything, HR, you know.” – Respondent #14

“It is very important. It is very important because you know, things are changing every day and you must be up to date.” – Respondent #11

Another construct identified is that training motivates these respondents as can be seen from the response below:

“Yes. It upgrades you. It upgrades you well and it’s motivating.” – Respondent #3

The responses from the three respondents who did not regard continuous agriculture training as important for commercial farmers’ success were analysed in Appendix 6 below. The results were that they found continuous training was only necessary for new farmers and it wastes experienced farmers time. The responses are quoted below to corroborate this statement:

“Yes. I would say look, you can go through all of those training because look for example he’s going to start farming now but he never farmed. He never farmed.” –

Respondent #1, referring to new farmers who never had any farming experience. This respondent attended training courses through Grains SA but has more than 30 years farming experience and does not deem continuous training important for experienced farmers.

“Another thing about courses, I see they waste my time”- Respondent # 4 who did not attend any agriculture training courses but learnt from his neighbours how to farm successfully.

3.12.5 Factor 5: Mentorship involvement is important for success as a commercial farmer

As reported in section 3.9.1.2, only one respondent did not have any mentorship involvement but this respondent has an agricultural qualification and served as an extension officer for the Department of land reform and rural development for many years.

The respondents were asked whether they consider mentorship involvement as an influencing factor in the success of commercial farmers. The distinct difference between their responses has to do with whom they refer to as mentors. The respondents who did not agree with this statement referred to mentorship through extension services provided by the government while those who agreed, referred to private mentorship provided by neighbouring commercial farmers and agricultural organisations.

The three negative responses were analysed in Appendix 7 and the results are reported below:

The respondents regarded extension officers as mentors to not having the necessary experience to mentor farmers and that it is only beneficial for beginner farmers. Another negative response identified was that extension officers make decisions on the farms behalf without consultation. Responses to corroborate these statements are quoted below:

“... Because if I look at this mentor thing, like I saw this thing in Mafikeng, most of them got a mentor but the mentor did not do the work. Nothing about farming. Then it doesn’t help.” – Respondent #1 referring to extension officers from Government acting as mentors while having no agriculture experience. This respondent has been farming on commercial scale for more than 20 years.

“For other farmers. Not for me. There are farmers that I see they must have a mentor” – Respondent #7 who has won the Toyota young farmer of the year award 10 years ago.

“The mentor is difficult. One mentor is good, another mentor is ... Yes. Now he makes my things his things. He decides on his own.” – Respondent #12 referring to how the extension officer made decisions on his behalf without consultation with him.

The responses of the respondents who agreed that mentorship is important for the success as commercial farmers were analysed in Appendix 7 and the results reported in **Table 3.19** below:

Table 3.19 Reason to agree that mentorship is important for success

Code nr	Code description	Frequency
a	Mentors provide training and support	5
b	Mentors have knowledge and are more qualified	3
c	Mentorship is for new farmers without experience	2

From the above table it is evident that the respondents deem the training and support they receive from their mentors as the most important reason for agreeing that mentorship involvement adds to success as a farmer. The responses that confirm this statement is quoted below:

“So for the rest of his life, he’s been ... As long as I can remember, since I started buying the first cow, he’s been there.” - Respondent #5 referring to a very successful

older farmer who has been his mentor on a private basis and they have a “father and son” relationship

“Yes, now I’m on my own but the results of his being here has helped me to put up a centre pivot.” – Respondent #3 referring to a farmer from the district appointed by Grain SA as mentor

“Yes. Sometimes if you don’t know the stuff, he teaches you. It’s nice.” – Respondent #2 referring to his appointed mentor who is also his neighbour.

“Too much, it helps too much because he comes with his knowledge then helps -
Respondent #8 who had a mentor for a period of one year.

“Yes, it is important. It is important. Especially when you have not grown up in the farming family.” – Respondent #11 who has been farming on a commercial level for more than 20 years.

The respondents also regard mentors as having more knowledge and experience than what they have and this is important for mentorship to increase success. The responses to confirm this statement are quoted below:

“Yes. Look, it’s someone who ... Understands a bit and has a higher qualification as you. Yes, it can help a lot.” – Respondent #9 who has more than 20 years farming experience and had a Grains SA mentor for a short period.

“Yes, if it is the right mentor. The right mentor. It works. They at least give you something.” - Respondent #4 referring to the fact that his own mentor (extension officer) said he should rather continue on his own.

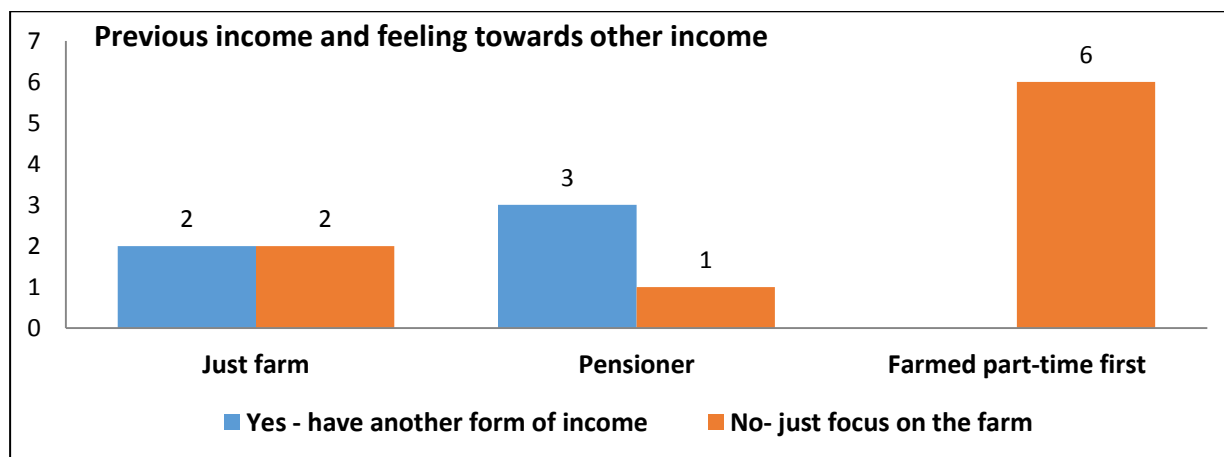
3.12.6 Factor 6: Other occupation or form of income to subsidise the farming operation

The participants were asked whether they have another form of income to subsidise the farming operations and whether they consider it an important factor to have another form of income.

Four of the respondents (29%) indicated that they are retired from previous occupations and are receiving a pension to help support their farming operations. 43% of the respondents have worked elsewhere whilst farming on a part-time basis but are now full time farmers. The remaining four respondents have always been full time farmers although two of them indicated that they earn rental income from properties.

The respondents then had to indicate whether they regard that having another form on income or employment, influences a farmer's success or whether this is believed to be a distraction. In Figure 3.24 below the combination of both these results are illustrated.

Figure 3.24 - Previous income and feeling towards other income



The responses of the six respondents, who farmed on a part-time basis at first, were analysed in Appendix 8 and the results are reported below in **Table 3.20**:

Table 3.20 Reasons not have other employment

Code nr	Code description	Frequency
a	Farming operations need sole focus by farmer	7
b	Diversified farming production types	2

From the above table it is evident that the respondents consider focussing of the farm as more important for success than having another form of income or employment. These respondents had first-hand experience of earning another income through employment elsewhere and farming at the same time. Yet they all agree that is more beneficial for farming success to focus on the farming operation alone and rather diversify the production to earn additional income. These respondents' responses are quoted below:

"It's better if you are just a farmer and you are always at your farm so that you can see exactly what is going on. You know. It's better that way but perhaps you should also have something to ... Yes, to keep the money coming in." – Respondent #9

"I think it would be better to just farm. Not to do a lot of things at the same time." – Respondent #8

"Yes, it's better if you just focus on the farming. Because if you don't do it, the people ... You lose too much, you get damage. Sometimes, people who work there, if they can see that the boss, I'm not here then they steal the stuff. Yes. Then they don't work ..." – Respondent #2

"It's in me, it's my passion, it's my life. But yes, you'll have to diversify if you're hoping to be a successful farmer. Otherwise you'll go down the drain. You know, you've seen how many farmers, commercial farmers have ..." – Respondent #5 indicating that the focus should still be on the farm only but to diversify the income from the farming operation.

“Yes, it distracts him. But the farm must make money. You need cattle, everything on the farm. Maybe if you need money you can take something somewhere else, just with the farm. Not outside.” - Respondent #12

“No, I think it is a big job to farm. You have to do it alone and not do other work.” – Respondent #13 who has only been farming full time for a few months.

The next observation from **Figure 3.24.** is that three of the four participants who have retired and have invested some of their pension money in the farming operations. Their responses were analysed in Appendix 8 and the results reported in **Table 3.21** below:

Table 3.21 Reason why additional income helps

Code nr	Code description	Frequenc
a	New/start-up farmers need additional income	2
b	Additional income provide cash flow for costly farming	3

From the table above it is evident that these respondents regard additional income as important for beginner farmers and to provide cash flow for costly farming operations. Their responses are quoted below as confirmation of this statement:

“No, farming is expensive. It always need an additional source of income. Yes. You cannot just only depend on your product, which generates income for you. You can do, you can proceed, you can be successful within that farming source of income but I think if you have another source of income, it is quite helpful for the farming business.” – Respondent #6

“Yes, it helps me a lot because here in farming, it’s okay but at times like now or last year, we didn’t harvest so much. And so my pension is helping me to pay the workers and to buy that emergencies” – Respondent #3

The last respondent who is a pensioner but do not agree that earning another income is beneficial for success has the following reason from his own experience:

“Yes, it is better. This business of going to work over there and there, later on you miss things.” Respondent #4 referring to rather focussing on farming and not try to get another form of income.

Lastly illustrated by **Figure 3.24** is that off the four respondents who have always just been full time farmers, two feel that the focus should just be on farming while the other two deem is important for success to have some other form of income

The positive responses towards having another form of income are quoted below:

“No, for example look, that thing that they say cash flow, it’s always ...” Respondent #1 who is implying that your focus will not be distracted by another way to earn some income.

Yes. It’s necessary to have an extra income but one shouldn’t compromise their farming business. You shouldn’t compromise your farming business. Yes. Because with farming the thing is that if you plant now, you can only harvest next year June, July. You see, it’s quite a long time before you can get some income there. –
Respondent #10

The last two respondents who are of the perception that is not a success-influencing factor to have another form of income have the following reasons:

“You should just focus on the farm. Yes. You will be able to do your best because you’re always making plans and the things are here and you are here. So what you want to do, it happens. You do what you can. You plan, you plan how to do it. Yes. And if you always monitor the things that you want to do, it’s always success. ... Let’s say your cattle have fallen ill and you don’t see it and that man tells you, if the cow wants to die, then he says it started all of a sudden. But if you’re always there you see him, you see him every day. You see everything there.” – Respondent #7

“I don’t think so. No. Because another source of income takes time from you. Yes. So you lose somewhere. Yes, you lose some.” – Respondent #11

When summarising the combined analysis from all the respondents, the following results were obtained as reported in **Table 3.22** below:

Table 3.22 Additional income analysis

Code nr	Code description	Frequency
I	Farming operation needs sole focus	10
II	Additional income should come from diversified farming production	2
III	Additional income provides cash flow for expensive farming operations	4
IV	New farmers needs start-up funding	2

From the above table it is evident that most of the respondents agree that farmers should focus only on the farming operation and not have other employment that will take divide their attention. Although additional income is beneficial, it should rather be gained by diversifying their farming production types.

3.12.7 Factor 7: Participation in organised agriculture

In 3.9.1.1 the results indicate that 9 out of 14 respondents participate in organised agriculture. The respondents were then asked whether they feel that participating in organised agriculture add to a commercial farmers success or not. The

Nine of the respondents agree that participating in agriculture is important for successful commercial farming. Their responses were analysed in Appendix 9 are the results are reported in **Table 3.23** below:

Table 3.23 Participation in organised agriculture benefit analysis

Code nr	Code description	Frequency
a	Groups share ideas and give opinions	6
b	Receiving advice to improve farming operations	9
c	Not wasting resources	1

From the table above it is evident that the reason for agreeing that participation in organised agriculture add to success is due to the fact that the respondents receive advice to improve their operations. The benefit if sharing ideas in study groups are also rated as being very beneficial. The responses of the respondents are quoted below to confirm this statement:

“I’ll always believe that, you know, no one manage an island and no one will ever succeed on his own. If you sit there on your own, you might have all the money in the world but on your own, that money won’t mean anything. So the more you get into other people, you get to hear what other people are saying, how other people see things, it builds you, it helps you, it makes you a better person. So yes. Not necessarily that groupings works all the time.” – Respondent #5

“Yes. They advise us, they assist us in getting, what you call, monies for ploughing, for what. They help us, recommend us and what not.” – Respondent #3

“Yes, because they come with the information to say this way, prices of diesel and you know, as it always ...” – Respondent #9.

“Yes and those people, these people from Grain SA, that study group is always here. Yes, here at my place. And we go to the lands, we stay here afterwards, we go out to the land. All those things you want know, you get ... Practical things, yes. Spraying ... Yes ,everything. You know, they’re far from these people from the government. Grain SA is very good, very good” – Respondent #12

The three respondents who disagree with the statement that participation in organised agriculture adds to success is due to fact that some of these organisations do not give anything in return and wastes their time with meetings and conferences. When these responses were analysed in Appendix 9 the results indicated that the most prominent perception is that participating in agriculture wastes these respondents' resources.

3.12.8 Factor 8: Owning or renting a farm

The results of 3.10.1.3 indicated that 8 of the 14 respondents are the owners of their farms while 6 respondents are renting their land. Only one respondent are renting from a private individual and the other 5 respondents are land reform beneficiaries through PLAS and are leasing the farms from the government.

The respondents were asked to indicate whether they consider the ownership of a farm to play a role in the success of the farming operation. Most of the respondents feel that owning your property makes a difference in the manner in which you work on that farm. Their responses were analysed in Appendix 10 and the results reported in **Table 3.24** below:

Table 3.24 Owning a farm is more beneficial for success

Code nr	Code description	Frequency
a	Take better long-term care of the farm by improving it without asking for permission	9
b	Security of knowing where you stand regarding the farm	5
c	Not paying rent – more investment money available	1

From the above table it is evident that the respondents perceive that owning their farmland will result in taking better care of it and improving on it without having to ask for permission. The responses that confirm this statement are quoted below:

“I would say they will be more successful because if a property is yours, you take care of it. But if you rent it, you know, you won’t make improvements on it.” – Respondent #11 who is a farm owner

“Because if you own, you take care of.”– Respondent #14 who is a PLAS land reform beneficiary and lease the farm from the government.

“Cause the whole interest will be focussed to the farm. Knowing that actually what I’m doing, I’m doing it for myself, not for any other person.” – Respondent #6 who owns his farm

The next construct that was reported in Table 3.23 above is that owning the farm provides security of knowing what is going to happen with his farm. Some of the PLAS beneficiaries have indicated that the Department of land reform are not communicating with regarding lease contracts and getting approval for improvements take too long. The response of the respondent that confirm this statement are quoted below:

“Look, if I want to build a store here, I first need to write a letter to the department. No. If you want to do something, you first have to ask. Then they have to look at your file and then they must go and sit and say you can do it. Then they write a letter. Then they come. Now you’ve seen something else and it’s not that thing anymore. Yes. If you bought it you farm as you please. You can’t have plans.” – Respondent #7 who is a PLAS beneficiary.

The respondent who does not agree with the other respondents regarding the influences of ownership of the farm in making a success on it had the following response:

“I don’t think there’ll be any huge difference there because always it’s about hard work, commitment and passion doing the job you are doing. Yes, the only difference which might there, it might be that the other one who’s leasing have to pay the lease. So that will be the difference. The one who’s owning the farm, everything is his form there.” – Respondent #10- who is a PLAS beneficiary and leases his farm from the government. This respondent speaks from experience as he leases his farm, yet he

feels that with passion, hard work and commitment a farmer can make a success even though he is not the owner of the farmland.

3.12.9 Factor 9: How to increase land reform effectiveness

The respondents were asked to give their opinions on how the land reform process can be changed to be more effective. Most of the respondents are land reform beneficiaries and their perceptions are based on actual experience with the process. The responses of the participants were analysed in Appendix 11 and results on this analysis will be discussed here.

After initial analysis, some of the identified codes were combined to form the following list of constructs in **Table 3.22** below:

Code	Code description	Frequency
a	Administrators do not have the farming knowledge to ensure proper screening of applicants, implementation and communication	7
b	New farmers should prove themselves worthy and be screened to ensure adequate knowledge to farm	6
c	All the resources over a longer term should be provided	4
d	Proper training and guidance should be provided	3
e	Hard working farmers should be assisted not political friends	3
f	Buying the farms or having viable leases	3

From the above table it is evident that the most prominent shortcoming identified by the respondents were the administrators lack of proper implementation and planning of the land reform process. Responses that corroborate this statement are quoted below:

“people who are there in the office of our MEC or the ministers, don’t they look at what is happening?” – Respondent #4

“And the biggest problem with our land reform is that there’s no plan. They come, they hand over the farm to the people there and they hope that things will happen on it’s own” – Respondent #5

“I work with my tractor here on the farm, other than that I hear nothing.” – Respondent #12 referring to a lack of communication by the government administrators

The next identified construct was potential beneficiaries should first go through a screening process to prove themselves worthy of be a land reform beneficiary as the wrong types of people with no farming experience were given farm previously and they are unskilled and nor producing. This statement is confirmed by the following responses:

“Then they give it to the people who want to drink beer there at the bar. Go and look for the right people” – Respondent #4

“farm but they give it to someone that will just damage it. It has to be a farmer” – Respondent #9

“But let them show and prove themselves first where they are living in communal lands.” – Respondent #10

The third and fourth constructs deals with the resources and support that beneficiaries should receive over a longer time period in order to ensure these farmers stay profitable and sustainable.

The construct identified of only supporting hard working farmers goes together with the second construct listed above regarding screening potential beneficiaries to ensure that they will be able to work hard at making a success. The respondents’ perception is that currently political friends who do not have the skill or inclination to farm are being benefitted by land reform instead of hard working farmers. To corroborate this statement the responses are quoted below:

“it’s a matter of identifying real farmers. Because in most cases you find new entrants being allocated farms and then at the end of the day, you don’t have anything to show.” – Respondent #10

3.13 CHAPTER OVERVIEW AND SUMMARY

This chapter reported on the empirical research. The first segment of the chapter explained the research design and the reason for doing a qualitative study. The population and the sample were discussed as well as the interview questionnaire development.

The semi-structured interview questionnaire had two sections and included closed and open-ended questions. The questionnaire was finalised after a pilot test on a focus group. The first section of the interview questionnaire entailed demographic questions and specific factor questions identified in the literature in order to profile successful commercial farmers. The second section of the interview questionnaire consisted of open-ended questions to gain an understanding into the perception of success factors by the respondents.

The process of the interview, how the data was analysed and the measures taken to ensure the reliability and validity of the results were detailed.

The next segment of the chapter reported on the results of the first section of the interview where the respondents were described based on criteria of successful commercial farmers identified in the literature study. The results were illustrated using tables and graphs and the participant responses were quoted to provide a deeper understanding of the context that they operate in.

The last segment of chapter three provided insight into the perceptions of the respondents based on the second section of the interview questionnaire. The responses to the open-ended questions asked were presented as quotes from the

interviews to get rich information on the opinions and experiences of the respondents.

In the next chapter, conclusions will be drawn from the main findings reported in chapter three. Recommendations will be made on how to increase the likelihood of success in black commercial farmers in the North West province based on these respondents' results.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

In the previous chapter the results of the empirical study on the success factors of black commercial farmers in the North West Province was presented. In chapter 4, conclusions will be drawn from these results in combination with the problem statement and the literature study.

Following the conclusions on the main factors of successful black commercial farmers, practical recommendations will be made to the farming community. Further recommendations will be made to the agriculture institutions and policy makers who aim to develop black commercial farmers in South Africa.

Lastly, the study objectives will be evaluated based on the conclusions reached and suggestions will be made for further research on the subject.

4.2 CONCLUSIONS ON LITERATURE STUDY

The South African agriculture sector is going through the worst drought in more than 20 years, which is affecting the production and success of many farmers in the country. This sector is still a major role player in the country's GDP due to its forward and backward linkages in the manufacturing sector.

This sector have experienced numerous changes in policies over the last century resulting in the number and farm size of the participants in the industry sector increasing and decreasing over and over again during this period.

In order to correct the dualism between the different role players in the sector, the democratic Government initiated a land reform process in 1994, which have seen some improvement but not enough and only a third of the target of 24.5 million hectares have been redistributed to black people.

One of the aims of the land reform process is to create a large black commercial farming sector and the literature research revealed countless factors that will affect the success of these black commercial farmers.

4.3 CONCLUSIONS ON EMPIRICAL STUDY

An empirical study was conducted on 14 black commercial farmers in the North West Province. Based on the literature study presented in Chapter 2 and the results obtained in Chapter 3, it is now possible to draw conclusions and recommendations on the perceived factors that influence success in black commercial farmers in the North West Province.

4.3.1 Conclusions on the proudest moments of respondents

In conclusion, it was found that the respondents in this study perceive the security of having all the necessary resources to farm effectively, as the most prominent factor in their success. These farmers perceive that a passion for farming is what keeps them motivated to overcome challenges and that their accomplishments are testament to their success. This information is valuable to institutions that support black farmers in South Africa in order to succeed. If the support structures can be developed to ensure that resource needs are met, the probability of success will be increased. When screening potential land reform beneficiaries, an interest in farming or a love for the land should be present as this is not something that can be trained or developed.

4.3.2 Conclusion on region and type of farming operation

From the literature study in section 2.7 above, it became apparent that the North West Province is more suited for livestock type farming enterprises. This is confirmed by the results of the empirical study as 11 of the 14 respondents practice some form of livestock farming.

As mentioned in 3.8.1, livestock farming is seen as a technique to ensure a healthy cash flow during off-season periods for other types of farming enterprises. This is then defined as mixed farming enterprises. The respondents also produced some vegetables to sell at the local markets, to provide additional cash flow.

Most of the respondents' farms are situated in the dryer central region of the North West Province, which increases the risk of low production seasons due to low rainfall periods. The risk is especially high this season with the whole of South Africa experiencing a severe drought.

Having an irrigation system in these dry areas are of great advantage to farmers and the farmer who were able to install a centre pivot rate this as the proudest farming moment of her career as mentioned in 4.3.1 above.

4.3.3 Conclusions on human factors

The conclusions on the Human factors of this study will include the following information:

- Biographical data.
- Employment and experience background
- Personal characteristics

Conclusions of the biographical data

In total, 14 black commercial farmers, situated in the North West Province, participated in the study research study. The biographical data analysed included the following information about the respondents:

- Gender.
- Age.
- Education level.

The following conclusions were reached from each of the above:

Gender- Despite various empowerment projects in all sectors of South Africa, men are still dominant role players in most of the sectors. The same can be said for agriculture (Moagi & Oladele, 2012:197).

The results of this study indicated that 93% of respondents were male yet no conclusions can be made from this as the qualitative study only allowed for a small number of respondents. Due to a lack of reliable databases on active farmers in South Africa, as mentioned in 2.3.3 above it is also difficult to reach any conclusions on what the results of this study on gender represents.

In the literature study in section 2.6.1.1 it was reported that females have more resilience which is an internal strength and helps to overcome adverse situations. Supporting more women to become involved in agriculture might then increase the success rate in the dry North West Province.

The perception of the respondents were further tested in section 3.12.2 above on whether gender plays a role in farming success and the majority do not deem this an influencing factor for a black commercial farmer's success. This at least means that males will not prove to be a barrier for women to enter this sector.

Age- Although the respondents in this study are, rather old with the mode age being between 61 and 70 years, no conclusive evidence exist that this is necessarily a bad thing. As reported in 2.6.1.1 the average age of South African farmers are 62 and the trend to start farming only after retirement is especially evident amongst black people (Moagi & Oladele, 2008:97). Four of the respondents are in fact retired from previous careers and three of them have used their pension money to acquire a farm.

The research however shows that younger generations are more prone to adapt to new technology, which is necessary for commercial farming as, mentioned in 2.6.1.1 and 3.10.5 and should be motivated to enter this sector.

Education level - As reported in 3.8.2.3 half of the respondents had below matric qualification and half had a matric or higher qualification. Some studies have indicated that higher education levels lead to increased agricultural production but not necessarily long-term success. Interestingly in this study, the education levels of the respondents were compared with their income levels and although the

respondent with the lowest income did not have matric, five of the respondents who earned more than R1 million annually did not complete matric. Thus, in this case the education level does not have an impact on the black commercial farmer's success.

Conclusions on Employment and experience background

The employment and experience background data analysed included the following information about the respondents:

- Growing up in agricultural household
- Years' experience as commercial farmer
- Agriculture qualification and training
- Business management and product marketing training
- Management experience

The following conclusions were reached from each of the above:

Growing up in agricultural household - Research reported in 2.6.1.3 found that growing up in an agricultural household increases the chance of being a successful farmer. The results from this study indicate that all the respondents were raised in an agricultural orientated household. It is however important to mention that due to Apartheid policy their parents were not allowed to own large pieces of farmland and their experiences are based on small-scale farming.

One respondent indicated that his father received small pieces of land as annual bonuses from his white employer and this respondent's farming experience growing up was on a commercial sized scale based on his father's employer's farm.

Whether it is of benefit to grow up in an agricultural household was reported in 3.12.3 and will be concluded on later in this chapter.

Years' experience as commercial farmer - As reported in 3.8.3.2 more than half (8 out of 14) of the respondents had more than 10 years' experience as commercial farmers and when these results were combined with the annual turnovers, the

results revealed that four of these experienced farmers earned more than R1 million annually while the other four earned between R300 000 to R1 million. No conclusion can therefore be drawn from this, as the higher experience did not necessarily lead to higher turnover in this study.

Agriculture qualification and training - Only one of the respondents had a formal agriculture qualification but most of the other respondents have received extensive training through organised agriculture, government training programs and private sector initiative. In section 3.12.4 the respondents' perceived value of continuous training was reported and concluded later in this chapter.

Business management and product marketing training - All of the respondents attended management and product-marketing courses presented by government, private sector and organised agriculture initiatives.

As reported in 3.12.1 above, management skills are listed as one of the most important factors as perceived by the respondents. This is a skill that can be trained as commercial farming enterprises need to be run like a business to be competitive.

Business management experience - As reported in section 3.8.3.5 above, 50% of the respondents gained management experience from previous employment or by being business owners. The fact that these respondents had previous management experience did not influence them to have the highest turnovers of all the respondents. A conclusion on the value of previous management experience and on annual turnover cannot be made from this study as those more of the respondents without previous management experience had more than R1 million turnover per year.

Conclusions on personal characteristics

The personal characteristics data analysed included the following information about the respondents:

- Openness to advice
- Locus of control and resilience
- Entrepreneurial orientation

The following conclusions were reached from each of the above:

Openness to advice - The results of 3.8.4.1 indicate that all of the farmers are open to advice and that in most instances they will ask their neighbours for advice when needed.

Locus of control and resilience - Based on the four basic questions asked by the researcher, 79% of the respondents' were categorised as having an internal locus of control. An internal locus of control lead to higher resilience as reported in 2.6.1.5 and thus these farmers are expected to overcome obstacles and keep farming through bad seasons. When taking their years as commercial farmers into account, it can be concluded that these farmers have a high resilience as most have been farming for more than 10 years and thus must have overcome a view unfavourable circumstances.

Entrepreneurial orientation - As reported in 3.8.4.3 most of the respondents have some entrepreneurial tendencies and are often taking risks in their farming enterprise. According to research reported in 2.6.1.4, entrepreneurship and creativity are necessary for success in agriculture (Cloete, 2010:119). One respondent indicated that creativity is an important factor for success in commercial farming as reported in 3.12.1.

4.3.4 Conclusions on institutional and economic factors

The conclusions on the institutional factors of this study will include the following information:

- Participation in organised agriculture
- Mentorship
- Land reform beneficiary

- Support structures
- Training availability

Conclusions of the institutional factors

The following conclusions were reached from each of the above:

Participation in organised agriculture - As reported in 3.9.1.1 most of the respondents are actively participating in organised agriculture. Black farmers, who own their land, were found to be more willing to participate in organised agriculture (Brown & Larson, 1977:27), yet in this study the five respondents who do not participate in organised agriculture are the owners of their farms.

The perceived impact of organised agriculture on the success of black farmers are reported in 3.12.7 above and concluded on later in this chapter

Mentorship - As a prerequisite for land reform beneficiaries, mentors are appointed to these potential farmers to assist with the planning and implementation phases of the projects. In the previous LRAD projects, mentors from private institutions like Grain SA were contracted to support these farmers while the current PLAS system uses extension officers as mentors. Only one respondent indicated that he had no mentorship involvement due to having an agriculture qualification and no suitable mentor could be appointed for him.

The perceived importance of having a mentor for the success of commercial farming are reported in 3.12.5 above and concluded later in this chapter.

Land reform beneficiary - Ten of the 14 respondents are land reform beneficiaries. Half of them purchased their farms through the LRAD grant and the other half is leasing their farms from government.

In section 3.12.9, the respondents are asked how they suggest the land reform process should be amended to be more effective.

Support structures - The respondents have indicated that they receive support through government programs as part of the land reform system as well as through being part of organised agriculture. As reported in 3.8.4.1 all of the respondents indicated that they have an openness to advice and regularly request support from their neighbours.

Training availability - The respondents indicated that they receive adequate training from various institutions to enable them to operate effectively. The perceived impact of continuous training on the success of commercial farmers are reported in 3.12.4 and concluded later in this chapter.

Conclusions of the economic factors

The conclusions on the economic factors of this study will include the following information:

- Availability of finance
- Feeling towards debts
- Annual turnover
- Cash flow health
- Personal asset value

The following conclusions were reached from each of the above:

Availability of finance - According to Mahura (2008:12), access to long-term, medium term and short term finance is important factors in farmers' success. As reported in 3.9.2.1 and 3.9.2.2 all of the respondents but one indicated to having adequate access to finance.

Feeling towards debt - Although the respondents have access to funding, most of them have indicated that they do not feel comfortable to have a loan and that they often try to pay it off before the due date. This creates a problem with funding institutions as one respondent had first-hand experience off when he tried to get another loan after paying the first one off 8 years before the due date. The deeper reason for the respondents' aversion towards having debt, did not form part of this study and should be further investigated.

Annual turnover - Based on the literature the annual turnover of a successful black commercial farmers is more than R300 000 (AgriSeta, 2010:8). All but one of the respondents fall into this category and this particular respondent has only been farming for a few months, and do not really know what to expect. It is important to mention that this information was only gathered based on the answers if the interview and no analysis of the respondents' financial statements were performed to confirm their answers.

Cash flow health - In any business, a healthy cash flow is necessary to make a success and pay for day-to-day operational expenses (Jacobs & Chase, 2014:621). This is even more important in farming enterprises with seasonal income streams. The farmers have diversified into mixed farming operations to overcome the cash flow challenges of crop farming by selling livestock or vegetables during crop planting season.

Personal asset value – As an observation by the researcher the respondents do not have a high regard for personal assets, as most of their homes are modest with only basic furniture and fittings. They prefer to invest excess money in new farming equipment or upgrading their operations.

4.3.5 Conclusions on infrastructure factors

The conclusions on the infrastructural factors of this study will include the following subsections:

- Farming infrastructure
- Administrative infrastructure

The conclusions on the **farming infrastructure** factors of this study will include the following information:

- Size of the farm
- Availability of implements and equipment
- Farm ownership
- Security perception on the farm
- Pest control practices

The following conclusions were reached from each of the above

Size of the farm – The results in section 3.10.1.1, indicate that the sizes of the respondents' farms are relatively small compared to the average size of commercial farm reported by Liebenberg & Pardey (2010:392). In their review of the 2008 commercial farm sizes, it was found that the average farm is about 2000 hectares in size. However, this information is outdated and current information is not available as reported in chapter two. Only two respondents in this study had farms bigger than 1000 hectares. It can therefore be concluded that the respondents' farm sizes might be smaller than average farm sizes in South Africa.

Availability of implements – Antwi & Oladele (2013:277) found that lacking infrastructure and implements was a major challenge for black farmers to be successful. Most of the respondents in this study indicated that they own all the necessary implements and equipment to farm successfully. The only inadequacy was the lack irrigation equipment to farm in a dry region like the North West Province with rainfall of less than 500mm per year.

Farm ownership – Eight of the 14 respondents are farm owners while the remaining six farmers are renting their farmland. The perception of whether ownership of

farmland is beneficial for success was reported in 3.12.8 and concluded later in the chapter.

Security perception on the farm - 79% of the respondents feels safe living on a farm even though media reports indicate that farmers in South Africa has a low perception of safety.

Pest control and professional veterinary services - As reported in 3.10.1.5 only one respondent is not making use of professional pest control and veterinary services. The use of professional services for pest control is seen as a best practise and important for farming success (Harman, 2010:33).

4.3.6 Conclusions on administrative infrastructure

The conclusions on the **administrative infrastructure** factors of this study will include the following information:

- Record keeping
- Use of information technology
- Insurance
- Strategic plan

The following conclusions were reached from each of the above:

Record keeping – According to Mmbengwa *et al.* (2012:7166), good recording keeping is an important success factors for farming enterprises. Reported in sections 3.10.3 and 3.10.4 above, all the respondents have above average record keeping standards.

Use of information technology – The respondents perceive keeping up with latest information technology as important for success yet they rate their own accomplishments in this regard as lacking due to their age and generation not being familiar with technology.

Insurance – Although most of the respondents insure their implements and property, the minority have agricultural insurance due to the high cost involved with this type of insurance. In recent year the crop insurance packages have changed and only insurance against hail are currently affordable. One of the livestock farmers have utilised agriculture insurance to his benefit.

Strategic plan- Having a strategic plan is regarded as a very important factor for a farmer's success (Harman, 2010: 26). As reported in 3.10.7 69% of the respondents in this study do have a long-term plan for their farming operations.

4.3.7 Conclusions on natural resource factors

Conclusions on natural resource factors include reporting on rainfall data:

Rainfall - As mentioned in sections 2.2 and 3.11.1 South Africa is experiencing the worst drought in more than 20 years. Most if the respondents do not have access to irrigation systems, are dependent on rain for production, and will be negatively influenced by the drought.

4.3.8 Conclusions on perceived success factors

4.3.8.1 Factor 1: The most important influencing factor for successful farming

Based on the factor that was cited the most times by the respondents, a love and passion for farming are perceived to be the one of the most important factors for successful farming. When considering that this is something that cannot be trained in a person it is of utmost importance that there should be some screening of an individual before being a beneficiary of land reform. To continue farming during challenging times, one needs to have this great love for the land.

The other most mentioned factor is having farming experience and management skills. Farming is a business and will only be sustainable if profitable in the long run. These farmers need to manage all aspects of the business and to quote again from an interview with Brienne van der Walt from ABSA's agriculture division: "farming is such a diversified career because you need to be on top of chemistry, biology, human resources, accounting, banking, marketing and mechanisation....to be a

farmer is a very tough task” (Business Network Radio, 2014). Fortunately, the skill and knowledge to manage a farming business is something that can be taught. As discussed in 3.8.3.3 the Government, private agriculture organisations and organised agriculture are hosting countless training opportunities, many with no cost to the farmers, to upgrade the farm management skills of black commercial farmers in South Africa.

4.3.8.2 Factor 2: Gender as influencing factor of successful commercial farming

The views of the 29% of the respondents, who agreed that gender plays a role in successful commercial farming, were summarised into two reason categories below:

1. **Safety:** The views of respondents living in remote areas were that being a female would be more challenging due to safety issues. This low occurrence of a perception of farming being an unsafe occupation is confirmed by the results in 3.9.1.4 above, where only three respondents felt unsafe on their farms.
2. **Operational hardship of farming:** The respondents’ belief that the physical nature of farming as well as dealing with unskilled labourers who resist female leadership, can cause females to be less successful farmers.

The above results agrees with results by Menong *et al.* (2013:140) who concluded that the reason why the majority of farmers in the North West Province are male might be attributed to the tediousness of farming not suited for females.

The majority (71%) of the respondents disagreed that commercial farming success is easier achieved by males. The reasons for their belief that gender does not play a role in commercial farming success were summarised into three main categories as described below:

1. **Interest:** The respondents’ belief that an individual’s interest and passion for farming is a determining factor of success and not your gender.
2. **Experience:** Some of the respondents are of the opinion that a person’s level of farming experience and not their gender will influence success as a farmer.

3. Having resources and guidance: The respondents indicated that if having the necessary resource and guidance, females would be just as successful as male farmers.

In conclusion, it is evident that the majority of the respondents do not perceive gender to be an influencing factor in the success of black commercial farmers in the North West Province even though only 7% of the respondents were female. With Government's focus on developing female farmers in South Africa the weight might shift in future, as farmers themselves do not believe that females will be less successful (RSA, 2015:23). It can be expected then that most of the male farmers will not be a barrier for female farmers to achieve success in South Africa. This will benefit the wider society in South Africa as it is more beneficial to the welfare of children in this country when females get access to land than when males receive to land to farm on (Antwi & Oladele, 2013:275).

4.3.8.3 Factor 3: Growing up on a farm or an agricultural orientated household

Most (79%) of the respondents concur that being raised in an agricultural household has a positive effect on their success as commercial farmers yet from their responses the following conclusion can be made:

Although growing up on a farm teaches farming skills and inspires a love for the land, the example should be a positive one. Farming should be sustainable and profitable for a child to choose the same path in life. This agrees with the respondents who did not deem growing up on a farm as an important factor for success, due to the struggle their parents experienced to make a profit from farming. Another interesting observation is that one respondent remarked that with technological improvements the farming lessons learnt from his parents are no longer valid in modern agriculture.

4.3.8.4 Factor 4: The importance of continuous training in agricultural developments

From the replies by the respondents in 3.12.4 it is evident that most agree to the importance of continuous training in agricultural development due to the constantly changing environment. These trainings courses keep them up to date and improve their chances of success. Those respondents who did not agree with this was due to them regarding themselves already trained enough and having the experience needed to farm successfully.

These results are corroborated by Antwi & Oladele (2013:277) who found that 100% of the participants in their study indicated to having a need for future agricultural training in order to improve their performance.

4.3.8.5 Factor 5: Mentorship

According to research by Terblanche (2012:11) mentorship was described by respondents as “the magic ingredient to an emerging farmers’ success” for the difficult transition from subsistence to commercial farming. The technical hands-on advice by mentors was rated as the most important by those respondents.

When analysing the results from this study regarding the importance of mentorship, the responses of the respondents depend on the mentor and the farmer himself. If the mentor had, more experience and knowledge than the respondent had and included the respondent in decision-making, then the responses were pro-mentorship. In the situations where the respondents perceived the mentors as not adding new knowledge or experience the responses were in disagreement that mentorship is important for success in commercial farming.

The other variable was the respondent’s level of experience. Although most of them had some form of mentorship during the past or currently, most of them are already very experienced. These respondents do not need mentorship any longer but still deem it important for inexperienced farmers.

4.3.8.6 Factor 6: Other occupation or form of income

As reported in 3.12.6 the participants do not agree to have another form of employment as a success factor for commercial farmers. Although earning an additional income helps with the cash flow of seasonal farming operations, the conclusion was that this income should be derived from diversified farming operations or investing their pension funds in the business. These farmers perceive that the losses they will incur by not fully focussing on the farming operation will exceed the benefit of having additional income.

4.3.8.7 Factor 7: Participation in organised agriculture

Harman (2010:27) and Coetzee (1977:3) have reported that participation in organised agriculture increases a farmer's success rate. Organisations like Grain SA hosts study groups where the farmers can share ideas and get information from agricultural experts. These organisations also provide monthly newsletters to keep the farmers informed regarding new developments in the agriculture sector.

Based on the results reported in 3.12.7 above, most of the respondents are participating in organised agriculture and are experiencing the benefits of being part of knowledge sharing study groups. In conclusion, they perceive this benefit as being important for their success as commercial farmers.

4.3.8.8 Factor 8: Owning or renting a farm

Raleting & Obi (2015:191) found that when farmers do not own the land they resort to making short-term production decisions since they could feel that their situation is not stable. This is confirmed by the results of 3.12.8 where the respondents indicated that farmers who own the land take better long-term care of it and make improvements. In order for a farming operation to be successful, it needs to be sustainable in the long-term. By being farm owners, these respondents perceive to be more successful at being commercial farmers.

4.3.8.9 Factor 9: How to increase land reform effectiveness

According to Vink et al (2012:1) South Africa's land reform programme has failed thus far and the main cause was a lack of support to beneficiaries after transferral of land even though this support was part of the land reform plan but did not practically materialise.

Most of the respondents are land reform beneficiaries so their observations are based on actual experience. Land reform is important to equalise the distribution of land between all the races in South Africa. Successfully producing farms should not be marginalised by distributing it to unskilled beneficiaries who will not produce optimally on this land as it will impair food security in our country.

The respondents made recommendations listed of how they consider land reform will be more effective:

1. Administrators of the process should be qualified to ensure proper implementation and assistance.
2. A screening process should identify who will be able to succeed.
3. After-implementation support should serve all the resources, training and guidance needs of beneficiaries.

4.4 CONTRIBUTIONS OF THIS STUDY

Based on the above-mentioned results, these black commercial farmers want to be successful and strive to perform at their best. The success of these types of farmers is very important to create support from other role players in the industry. "Everyone wants to support the winners and everyone else wants to be the winners." The new emerging farmers can learn from these successful black commercial farmers and strive to follow their example.

4.5 RECOMMENDATIONS

The primary objective of this study is firstly to investigate the factors that influence the success of black commercial farmers in the North West Province and secondly to provide recommendations to industry role players and policy makers to ensure that their support structures will be suitable to increase the success of these farmers.

4.5.1 Practical recommendations to farming community

- Mentorship is seen as an important factor for success in commercial farmers. Black commercial farmers should actively try to get an expert mentor involved in his/her farming business to extract value from the mentor's experience and knowledge
- Farmers should diversify their farming production to have cash flow through the whole year. The land should be used 100% productively. Adding chicken houses to sell free-range eggs and chicken in niche markets have proven very lucrative for some farmers. Piggeries are also a diversifying tactic that some farmers use to get additional income.
- Most of the respondents were debt averse. These farmers should go for piratical training on how to manage their debt in the most profitable way and not invest all their cash into infrastructure.
- Better use of technology is very important in a globally competitive sector. Farmers should attend training seminars or ask their children to help them setup the necessary communication networks like email and internet.
- Marketing of products should be more creative and pro-active. Off-take agreements with grain buyers are more lucrative than just delivering the whole crop at harvesting at the co-operative.
- Planting feed for livestock instead of buying from other suppliers increases the profitability.
- Farmers should active participate in networking an invite retired experts to visit their farming operation and give advice.

- In a dry country like South Africa, irrigation is very important. These farmers should actively to acquire irrigation equipment.

4.5.2 Recommendations to farming institutions and policy makers

- The land reform process should be managed holistically and funding should be consolidated.
- Support programs should be suited to farmers needs with continuous monitoring by well-trained experts.
- The Government should include the private sector and organised agriculture in planning and implementing land reform schemes.
- An accurate database of farmers on all scales should be a priority in order to know where the focus of support should be as currently no such database exists.
- Youth should be involved by co-partnering with experienced black commercial farmers before becoming land reform beneficiaries.
- A screening process is necessary to ensure beneficiaries of land reform will use the land as was planned and not just for living on it.
- The implementation process of land reform is slow and creates problems with a seasonal business like agriculture. Proper implementation systems and plans are necessary to increase the speed of implementation.
- Short, medium and long-term funding for land reform beneficiaries should be part of the funding schemes.
- Females should be encouraged and incentivised to participate in land reform projects as they have higher resilience levels and will be able to overcome more challenges.

4.6 EVALUATION OF STUDY OBJECTIVES ACHIEVED

4.6.1 Primary objectives

The primary objective of this study is firstly to investigate the factors that influence the success of black commercial farmers in the North West Province and secondly to

provide recommendations to industry role players and policy makers to ensure that their support structures will be suitable to increase the success of these farmers.

4.6.2 Secondary objective

The secondary objectives as reported in chapter 1 are listed below:

By means of a literature study on previous research, the following secondary objectives will be achieved:

- To define the concept of successful commercial farming in South Africa and the factors that influences the success of farming enterprises.
- To understand the peculiar context in which the black commercial farming group developed in South Africa due to past regulations and events.
- To examine the current situation in agriculture in South Africa in which these black commercial farmers need operate and be successful in.
- To investigate how the land reform process in South Africa influences the success of black commercial farmers.

The above objectives were met by performing a literature study in Chapter 2. And concluding on the study in Chapter 3

By means of an empirical study, the following secondary objectives will be achieved:

- To identify the human, institutional, infrastructural and natural resource factors that influence success of black commercial farmers in the North West Province.
- To obtain insight into the perceived success factors as experienced by these black commercial farmers in the North West Province.

The above objectives were met by performing an empirical study in Chapter 3 in investigate the success factors of black commercial farmers in the North West Province.

- To use the results from empirical research to draw conclusions on the factors that affects the success of black commercial farmers in the North West Province.

- To make recommendations to the agriculture industry and the South African government on support structures that would increase success of black commercial farmers in the North West Province according to the factors that influences them.

The above objectives were met by concluding on the results of the study in Chapter 4.

4.7 SUGGESTION FOR FURTHER RESEARCH

As mentioned in the conclusions above, other research found that the welfare of South African children benefit more if female farmers are given access to land. The question whether this will be the case for commercial farmers in the North West Province should be further investigated.

4.8 SUMMARY

In this chapter, conclusions and recommendations were drawn based on the selected factors influencing the success of black commercial farmers in the North West Province. The construct were identified in the problem statement, studied through a literature study in Chapter 2, and then examined through an empirical study in Chapter 3. The empirical study was conducted by means of a qualitative interview questionnaire. The purpose of the literature study was to gain insight into agriculture sector of South Africa in which black farmers operate and to identify the success factors that influence these farmers.

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APPENDIX 1: QUESTIONNAIRE

Name	
Farm name	
Farm Area	
Age	
Gender	Male/Female Do you believe other genders have more chances of success at farming?
Successful farmer	What do you think is the factor that influences successful farming the most? What is the most important thing (personality trait) a farmer should have to make a success?
Type of farming	Crop/Veg/Livestock/Mixed
Farming in the family	Did you grow up in a farming orientated family? Were they small scale farmers or larger scale farmers? Do you think that farmers who grew up on a farm will make more of a success?
Farming years as a commercial farmer	0-3yrs; 3-5yrs; 5-10yrs; more than 10 years, more than 20 years
Level of Education	Highest qualification:
Farming training	Do you have formal agriculture qualification? Have you attended other training in agriculture: Who presented this training: Do you still attend agriculture training courses: Do you think it is beneficial to keep on training?
Mentorship:	Did you have a mentor or still have a mentor? Do you believe having a mentor adds to the success of a farmer?
Business management experience/ training	Do you have experience managing a business from another career: Did you receive training to manage a business and by whom:
Marketing of products training	Did you go for training on how to market agri-products? Who presented this training:
Other income sources	Do you have another occupation or other forms of income? Do you think you would have made a success of farming if it were not for this extra income (or do you believe it is easier to

	make a success if you have another form of income or will it distract your focus)?
Openness to advice: Farming activity	How do you handle it when people give you advice on better farming practices? Would you ask for advice? From whom would you ask?
Openness to advice: Business activity	How do you handle it when people give you advice on better business management practices? Would you ask for advice on managing your business? From whom would you ask?
Organised agriculture	Do you participate in organised agriculture? Do you think it is important for success or a waste of time?
Locus of Control	Do you feel that your hard work determines the success as a farmer or rather the environment and where your farm is situated? Do you believe in luck and chance or do your decisions determine success? Do you think that making money primarily has to do with good fortune? Do you think you earned the respect you get from others? Is there anything you can do to counter act the effects of low rainfall?
Annual turnover	0-R300k; R300k-R1m; More than R1m per year What are your prospects for next year's turnover?
Cash flow health	Do you have a healthy cash flow most of the time or do you battle to pay for the operations of your farm?
Level of Mechanism	Do you use machinery to farm where possible? Do you own all the machinery and equipment you need to farm efficiently? Do you regularly maintain your machinery? Are you able to do it yourself or do you need to get outside people?
Debt ratio (as % of Assets)	How do you feel about debt? Do you think it is important to pay off your debt earlier than the agreed payback period? Why do you feel like this? How much debt do you have compared to the Assets you own?
Asset value	What is the value of your assets? Do you have high values of personal assets or just farming assets? Do you value personal assets as important to be a successful

	farmer?
Farm size	What is the size of your farm?
Finance received to buy farm (if applicable)	Where did you get finance to buy your farm? Was this an easy process? Will you do it again if you want to buy another farm? Did you feel like the financiers had your best interest at heart?
Finance for farming activities	Do you have other operations finance to keep the business running like an overdraft or production finance? Do you think it makes successful farming easier if you have access to this type of finance?
Farm owner/ leasing land	Are you owning or leasing your farm? Do you think farmers that own their farms are more successful than farmers that rent farm land? Why would you say that?
Land reform beneficiary /not	Are you a beneficiary of land reform? Do you think a farmer can make a success when he receives a farm from the Government? How do you see Land reform functioning more effectively (if you were the minister of agriculture)? What needs to happen/ Change?
Technology level	Are you keeping up with information technological advancements? Do you think it is important to keep up with technology for a farmer to be successful? Please provide your email address
Record keeping and financial records: self/ professional	Are you good at keeping records of farming activity and financial records? Do you do your own accounting and admin? If not who is doing it? Do you believe it will add to your farming success if you had a professional accountant handling your affairs or are it better to know every month whether you are making a profit?
Pest control/ Veterinary services	Are you making use of professional pest control products and techniques? Do you think a farmer can still be successful without doing pest control? If a livestock farmer, are you making use of veterinary services?
Insurance	How do you feel about insurance? What types of insurance do you have?

	Do you have agriculture insurance?
Annual rainfall	What is your farms annual rainfall?
Entrepreneurship and risk taking orientation	<p>Do you see yourself as being an entrepreneur and making other plans to keep you farm business running?</p> <p>Do you sometimes have to take risks in your farming business?</p> <p>Do you think it was a mistake or has it paid off?</p> <p>Will you take risks in the future again?</p>
Labourers	<p>How many people do you have working for you?</p> <p>How do you get along?</p> <p>Is it difficult to get the workers doing what you want them to do?</p>
Security	<p>Do you feel save on you farm?</p> <p>Do you get along well with your neighbours?</p>
Proudest moment	What is your proudest farming moment?
Strategic planning- 3yr-5yr-10yr plans	<p>Do you have a plan for your farm in the longer term?</p> <p>Do you think you should grow your business or just maintain the business?</p>

APPENDIX 2: ANALYSIS OF SECTION 3.7 (RESULTS)

“My proudest moment. That day when I was ... Farmer of the year. Yes. I was proud that ... Look, this farming thing is not easy. But you know, those farmers there, they can see for themselves there are farmers who have the right heart and they stand there.” – Respondent #1, age 75, who has been farming all his life. His father received small pieces of land from his employer as an annual bonus. On this land he started farming and organically grew his farm size with own funds and commercial loans to almost a thousand hectares today. His other proud moment was the day he bought his own “bakkie” at a young age after harvesting his first sunflower crop with R45 debt: *“When I passed there, I saw hey, is that me, is that *** that’s now driving that bakkie?”*

“Paying off my loan. Yes, I felt good because I then knew that I was going to sleep well. I wasn’t going to think too much at night”. – Respondent #2, age 63, who has been farming since the age of 16 on a small scale with his father and bought his current farm through the LRAD grant and Land bank loan in 2007.

“The centre pivot makes me proud. It has lessened my stress and I feel every time, everything that I’ve planted on the irrigation, I’m sure that I’m going to get.” – Respondent #3, age 85. This respondent has won the Land Reform Farmer of the year award in 2004/2005, yet the irrigation pivot is mentioned as the proudest moment. The dry climate of the region and the current drought of 2015 are weighing heavily on farmers and this might be the reason why getting a way to relieve this stress creates a prouder moment than winning an award.

“Yes, the thing that made me proud is an award that I received. It was SA Grain’s farmer of the year in 2008 ... Those beautiful maize.” – Respondent #4, age 67, who started farming on a small scale in 1973 but retired from a senior position at the Department of Public works in 1996 and farmed on a large scale since then.

“When I see calves, the first calve coming out. And I can see the quality of that calves that yes, I’ve selected the right bull.” – Respondent #5, age 57, who farmed

with his part time father while working as a Human resources manager for Lonmin and is now a full time farmer after retirement. When talking about his cattle, this farmer's face lights up and you can see the love he has for his cattle.

"Well, firstly it was to acquire a farm because it was my dream to have a farm of my own where I do my farming. And then the next thing is the products. The products of what one, the kind of the product that one get, that if you have a bull and then you see what we have produced. Yes." – Respondent #6, age 67, who only started farming in 2006 after retiring from a very successful career.

"In 2005 I was a farmer of the year. For Grain SA. The day we walked in there, we were in Sandton. That evening, there was an old man there, he was busy with the photos. I didn't know. Oh, you didn't even know. I'm going to win there. Yes, so. Yes, it was fun." – Respondent #7, age 46, who won the award while still farming on rented land of his father in law. He now farms on a 1017 hectare farm through the PLAS land reform initiative. He showed the researcher the photo taken at the award ceremony before the announcement of him winning with great proud.

"That I've paid it off. I don't owe anything on it anymore and I know I have the farm. That makes me very proud." – Respondent #8, age 75, referring to the day he paid off his Land bank loan. He was a beneficiary of the LRAD grant whereby a Land bank loan was granted for the remaining purchase price.

"I think the time when we were together with mr. Harman, I think it was 2005. 2005, that was the last. These others, they just go. This year, you know, there's one year that's good, the next one is bad then it's better, the next one is worse. Just like that." – Respondent #9, age 61, who is referring to a good crop year where he was nominated by Mr Harman as Grain SA's farmer of the year. This respondent has been farming since 1987. First on a small scale with the Botswana maize and sunflower projects and now on a large scale on the PLAS land reform initiative.

"It was in 2004 when I won an award at the Toyota Young Farmer of the Year. I won the most promising farmer of the year award. Yes." – Respondent #10, age 41, who is currently farming on a PLAS farm that he leases from Government but won the award on a farm that he privately rented.

"I would say my proudest moment is when I buy this farm. That was my first farm and I was proud. When I finish paying it, I knew now it's my property." – Respondent # 11, age 67, who owns and rents a few farms and is very successful. His farm and house is in an immaculate condition and he is a confident businessman.

"Yes, you know, when I start growing, I get my happiness with this work. Each year I see it picks up. Then I see, you know, to tell the truth this work is mine." – Respondent #12, age 55, who is very humble and attributes his success to the Lord.

"At the moment it was just to get the farm." (Translated from Afrikaans) – Respondent #13, age 62, who has been farming for seven months after purchasing his farm through a Land bank loan.

"I'm not there yet." – Respondent #14, age 62, who has been farming for four years and still wants to reach more milestones. When asked if there was one thing that at least showed he was making progress towards his goals he responded as follows:
"The one that came recently was when I moved from one abattoir to the one that I'm currently in, then I scored I'd say 200% of what I'd been getting, you know, on the previous ones. And I never in my life would say I'm doing good, but at that moment, that first cycle in this new, with this new abattoir, for the first time in my life I said I did good."

From the above responses the first set of codes to interpret the data was identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code	Code description	Frequency
1	Received awards	5
2	Acknowledgement from other farmers	1
3	Ability to acquire appropriate machinery	2
4	Paying off the loan to purchase the farm	3
5	Ability to produce high quality products	5
6	Acquire land to farm on	4
7	Happiness due to being able to farm	1
8	Pride in his work	1
9	Network with more effective partners	1

From the above table it is evident that codes 1,5 and 6 are the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code	Code description	Frequency
A	Receiving acknowledgement	6
B	Pride of the land	7
C	Having resources to farm	10

Codes 1 and 2 were combined in the construct of receiving acknowledgement as code A.

Codes 5, 7 and 8 were combined as the construct of “love for farm and the land” as code B.

Codes 3, 4, 6 and 9 were combined to form the idea of having necessary resources to farm as code C.

APPENDIX 3: MOST IMPORTANT SUCCESS FACTORS-SECTION 3.12.1

Detailed below are the responses from the participants regarding what they perceive as the most important factors for successful commercial farming:

*“Yes. The biggest thing is to know how to do these things and the models and how you **manage the whole business**. How you handle the whole farming from start to.. Yes, to the end.” – Respondent #7*

*“A lot of things. A lot of things. He needs **money**. He needs **people** to help and **equipment, tractors and everything for the farm**.” - Respondent #13*

*“You know, the thing that can make me a good farmer, if I have **good equipment** for the work. One. Two is the **rain**. Yes, you don’t know always if you can get rain in the good season. Like a **tractor, the thing that ploughs** the land. It’s that that can make you a good farmer, but without those things. And you have to **have cattle**. Sometimes you want to do something, maybe you want to take two, three cattle to the abattoir, you can pay people so that the work can continue.” - Respondent #12*

*“Yes, he should have **knowledge**. He needs to know exactly what he’s doing. That’s what a successful farmer should be like, he **should know exactly**.” - Respondent #9*

*“Well a successful commercial farmer, the most important aspects is good **management**. Management. I think that is very essential into everything. Because once you’ve got good management skills, you are likely to see where you are going. Planning, **good planning** because time is essential. Time is essential in farming. Once times beats you, no.” - Respondent #10*

*“A good farmer **is to think**. To always have your **things on record**, I’ll say to be up to date.” - Respondent #4*

*“First of all you must be a **hard worker** and then you must employ the right people for the right job. Yes. There are people, you know, they hold very important post. If you don’t have the **right people**, you won’t make it. And then the other thing is your management. It’s your **management**. You must manage your things very well.” - Respondent #11*

“Passion. I mean love for what you’re doing. Something you do without expecting anything in return, just for the love of it. It makes you go an extra mile. Because one need to understand that, you know, having in your mind every time and again, hoping when am I going to sell this calf, when am I going to sell this calf, that’s not the love for what you’re doing. Look, it’s the business part but before the business part there should be this passion thing that drives you, a will to want to do something better, to make your livestock look better and all that.”- Respondent #5

“Yes. You have to love the work, farming. Yes, it’s the only thing that can keep you farming. It’s not just to make money, but if you love farming, then nothing will be difficult for you.” – Respondent #8 who first listed the ability to manage a farming business as the most important factors and then the love for farming.

“I think to be a successful farmer you must have the passion, the interest and you must be prepared to work hard and to do farm work independently. Yes. Don’t depend so much on the farm labourers that will do this and this. They can assist you but you must take the initiative of doing everything, of learning everything. Know the farm as a whole.” –Respondent #6

“Just true love. Yes. You must have a heart for farming. And when it doesn’t go so well, he won’t last. But if you have a good heart and you have a love for farming, then you can continue.” – Respondent #8

“Yes, the one thing, your heart must first be right. Your heart must be right to do the work. But if you just saw the thing before you wanted to do the thing, no, you won’t do it. You have to know how to farm already.”- Respondent #1

“I must have interest, I must be hard working, I must be creative. You know. Yes, all those things.” - Respondent #3

“Well, you need to have passion. You need to have the drive. You need to have the patience. And then you can bring in the training, you can bring in the experience.” - Respondent #14

From the above responses the first set of 11 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code	Code description	Frequency
1	Ability to manage the whole farming business	3
2	Availability of farming resources	3
3	Livestock diversity to create healthy cash flow	1
4	Having farming knowledge and experience	5
5	Good planning skills	1
6	Good record keeping	1
7	Being able to work hard	3
8	To have a love for farming and interest in farming	7
9	Achievement motivation	2
10	Being creative	1
11	Having patience	1

From the above table it is evident that codes 8 and 4 are the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code	Code description	Frequency
a	Love for farming and being motivated to work hard to achieve farming success	12
b	Having farming experience and management skills	12
c	Having resources and farming type diversity	4

Codes 7 and 8 and 9 were combined in the construct of having a love for farming and the motivation to work hard in order to achieve success as code a

Codes 1,4,5,6,10 and 11 were combined as the construct of having farming experience and management skills as code b

Codes 2 and 3 were combined to form the construct of having resources and farming diversity to create a healthy cash flow as code c

APPENDIX 4: GENDER AS INFLUENCING FACTOR FOR FARMING SUCCESS-

SECTION 3.12.2

The respondents were asked whether they believe it is easier for males to be a successful commercial farmer than for females. More than a third (71%) of the respondents did not believe that gender to be an influencing factor of successful commercial farming. The reason given by the respondents why they perceive gender as having no influence in farming success are quoted below:

"If you have an interest in what you are doing and you have guidance it is not more difficult for a woman." – Respondent # 3

"It depends how she is, how that woman can perform. It depends. Yes. It's not easy but other women, they can. They work and they think." – Respondent #4

"I think it's the same. If someone just does good work, they can do it." – Respondent #8

"If you are a female, you have the passion for farming, you get financial assistance, you have the land to farm on, you can do more than what the man can do." – Respondent #6

"No. It depends on how your heart is. You must have love for those animals.... then you will be able to." – Respondent #1

"I don't think so. It's only a matter of commitment, passion. I mean I believe whatever kind of business anyone has got passion for, they'll make a success of it regardless of you are a male or a female. I don't think there is any boundary there." - Respondent #10

"It is the same as long as the female farmer is clever. Sometimes you get that they farmed with their husbands. Yes. They started farming with their husband and then she holds on." – Respondent #2

From the above responses the first set of 5 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code	Code description	Frequency
1	It is all about the interest in farming not the gender	4
2	Having farming experience and knowledge is important not the gender of the farmer	3
3	If a female is committed to work hard she will make a success	2
4	Having guidance is important not the gender of the farmer	1
5	Having the necessary resource is important not the gender of the farmer	1

From the above table it is evident that codes 1 and 2 are the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code	Code description	Frequency
a	Love for farming and being motivated to work hard to achieve farming success	6
b	Having farming experience and knowledge	3
c	Having resources and guidance	4

Codes 1 and 3 were combined in the construct of having a love for farming and the motivation to work hard in order to achieve success as code a

Code 2 was kept separate as the construct of having farming experience and knowledge as code b

Codes 4 and 5 were combined to form the construct of having resources and guidance as code c

Less than a third (29%) of the respondent's belief that is gender is an influencing factor in the success of black commercial farmers in the North West. The reason of the respondents who feel this way are quoted below:

*"Yes. I think taking into account the situation in South Africa now, not only about the difficulty in terms of farming per se, but the **issue of safety**, yes. It becomes more difficult for a female to be a farmer than male. I mean, you see where I am now. I don't think any woman would be here on their own this time of the night. On that basis yes, I think it's a bit difficult. Our situation is not very conducive for a female to be a farmer."* – Respondent #5

*"It's got more challenges. From **personnel**, also from the **work itself**. Especially I would say if one does not have the background. So you can imagine if it was a black lady. I have my daughter here who is struggling to break through and well, we had to have our own strategy anyway."* – Respondent #14

*"But farming is difficult. It's **hard work** because you work in the sun and you work outside, not inside the house. Yes."* – Respondent #13

From the above responses, 3 codes to were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code	Code description	Frequency
1	Security – not being safe on a farm	1
2	Physicality of farming work not suited for women	2
3	Resistance from labourers to accept female leadership	1

From the above table it is evident that code 2 is the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code	Code description	Frequency
a	Security- unsafe on farms for females	1
b	Operational hardship	3

Code 1 was kept separate as the construct of security as code a

Codes 2 and 3 were combined to form the construct of operational hardship of farming enterprises as code b

APPENDIX 5:IMPORTANCE OF GROWING UP IN AGRICULTURAL HOUSEHOLD -SECTION 3.12.3

As mentioned in 3.8.3.1 above, all of the respondents indicated that they grew up in a farming orientated household. Then the question was asked whether they deem this as an important factor for a farmer to be successful. Most (11 out of 14) of the respondents suggested that they believe this to be important. The eight respondents who gave reasons why they perceive that growing up in an agriculture-orientated family is important for success are quoted below:

"It helps, it helps a lot. You see, you also have to ... Look, if I don't make a living out of farming or what can I say? If I don't, if my farm isn't doing well, I'm not making a profit, I'm not making money and at home I struggle a bit, you know, things aren't going right, the children won't like it. You always have to make plans. These things have to run smoothly so that the children will love things like that. They see the hard work but they don't see the money."- Respondent #7

"Well, I think if you grew in a farm you have more advantage than one who grew outside a farm." – Respondent #6

"It's better because he has some skill. Yes. It's just to get a bit more because in the city we farm, but it's just to eat, not to sell." – Respondent #13

"Because as I sit here I drew from that experience. I was fortunate so to speak to get an agricultural teacher that motivated me to train in agriculture. Yes, I drew up from you know, that background of you know, having lived on the farm. My mother who, I would say so to speak, encouraged me. Because the first year when I went on the agriculture course, that's when you know, we started talking agriculture, the teaching about the vaccines, vaccination and stuff like that. And six months, after that when I went home, I bought vaccines for my chickens. And my mother took after or looked after the chickens and they survived when other chickens died. And with that money, she bought me a car." – Respondent #14 who is now a successful poultry farmer.

"A lot. It helps a lot if you grew up on a farm because then you start learning it from childhood." – Respondent #9

*“I do believe so because **it’s in the blood.** It’s in the blood. They are growing up with it. Yes.” – Respondent #10*

*“**He saw everything.** He was there in the back of the tractor with the dad. He helped them to repair the tractor when it’s broken. He saw what happened to the cow when it find difficult to give birth. You know, he’s seen all those things.” – Respondent #5*

*“No, it’s not easy. Somebody that didn’t learn from the old people or from somewhere, it’s very difficult. It’s very difficult. He will struggle because he just keeps on learning but it doesn’t get that far. But someone who was born there, he **knows.** Even if he sees something, he knows no, it’s not right, he should do it differently.” – Respondent #4*

From the above responses the first set of 5 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code	Code description	Frequency
1	Making money and getting a better life through farming	1
2	Children learn to love the land	2
3	Get an example of how to work hard	1
4	Learn farming skills and gain experience	6
5	Learn how to make plans to succeed in faming	1

From the above table it is evident that code 4 is the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code	Code description	Frequency
a	Gaining farming knowledge and learn how to work hard	9
b	Having farming experience and management skills	2

Codes 1,3 ,4 and 5 were combined in the construct of gaining farming knowledge and learning how to work hard as code a

Code 1 was kept as the construct of learning to love farming as code b

The reasons why the participants do not believe that growing up on a farm is important for success are quoted below:

*It doesn't make a difference but it makes a difference. You know, to start learning the other things takes time and the farm doesn't want to ... You must learn something but you must know something. But if you have to learn everything, no. And you know each year the experts they say **farming changes** Yes. They say the **technology**, it just changes and changes, yes. When I started farming, I just knew the planter and the ploughs but today, not anymore. And I use the wrapper. It all becomes **big, big, big.**"*
– Respondent #12

*"I think it can be the same if he can do good work. Because on a farm you need to do good work. [then referring to his father] No, he did not farm on such a big scale. He started with cattle, those old days. Then in the end he bought tractors. But he struggled. **He was never successful.** Yes, he kept on going. When he passed away he was still poor."* – Respondent #8

*"It is not so important but it is an advantage. You see, why I say it's not so important, if you didn't grow from the farm, if you don't know anything about farming, it's better you **employ people who have got the** knowledge."* – Respondent #11, who considers management skills as the most important factor for successful farming.

From the above responses the first set of 4 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code	Code description	Frequency
1	Farming technology changes constantly and knowledge would not stay valid	1
2	Struggling example would not motivate to farm	1
3	Commercial farming is bigger than parents example	1
4	You can just employ people with knowledge	1

From the above table it is evident that none of the codes is more prominent than the other. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code	Code description	Frequency
a	The scale of commercial farming and technology developments are growing constantly	2
b	Struggling example would not motivate to farm	1
c	You can just employ people with knowledge	1

Codes 1 and 3 were combined in the construct the scale and technology of farming changes constantly as code a

Code 2 was kept as the construct of not wanting the struggling example of parent farming as code b

Code 4 was kept as the construct of getting the knowledge through employment as code c

APPENDIX 6: IMPORTANCE OF CONTINUOUS TRAINING IN AGRICULTURAL DEVELOPMENTS -SECTION 3.12.4

From the results in 3.8.2.3 and 3.9.1.5, it is evident that the respondents attend quite a number of agricultural training courses although two farmers had learnt from experience and networking. The respondents were further questioned whether they consider continuous agricultural training as important for success as a commercial farmer. The reasons why most of the respondents do feel that continuous training is important for farming success are quoted below:

“Yes. Each time it’s good. We can’t say at this stage I’m all good. It changes constantly, you need to keep up”. – Respondent #12

“Yes, it is. It is. One will never say I’ve learned everything, I’m enough. No, no. You can’t.” - Respondent #10

“Training, it’s a way of life. I mean if anybody works ... You know, every day when you meet a person, it doesn’t matter how young that person is or how old that person is, you learn from that person and especially when it comes to farming. I always say to people if there’s anybody who says it’s enough, he knows everything about farming, he’s mistaken. Because every day of your life ...It changes Every day you see a new thing and what you think you knew then, somewhere along the line things changes. So yes, forever as a farmer you learn until you stop farming.” – Respondent #5

“They won’t be able to do without it”- Respondent #2 who was referring to new emerging farmers

“Well, training doesn’t end. Training doesn’t end. As I sit here yes, I may have the background, agricultural training, my experience but there are certain shortcomings. Especially in a situation like mine where I’m man alone. I manage and operate everything, HR, you know.” – Respondent #14

“It is very important. It is very important because you know, things are changing every day and you must be up to date.” – Respondent #11

“Yes. It upgrades you. It upgrades you well and it’s motivating.” – Respondent #3

From the above responses the first set of 5 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code nr	Code description	Frequency
1	Farming practices changes constantly and training keeps you updated with latest developments	3
2	You will never be able to have learnt everything	2
3	Farmers need to know the whole farming business	1
4	It is motivating	1
5	Cannot farm without training	1

From the above table it is evident that code 1 is the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code nr	Code description	Frequency
a	Updates on new developments in whole farming business	7
b	Having farming experience and management skills	1

Codes 1,2,3 and 4 were combined in the construct of “updates on new developments in whole farming business” as code a

Code 5 was kept as the construct of finding motivation through training as code b

The reasons why the participants do not believe that growing up on a farm is important for success are quoted below:

The responses from the three respondents who did not regard continuous agriculture training as important for commercial farmers’ success had the following remarks:

“Yes, it can but not that much because the work of the farm, you just want hands and thoughts.” - Respondent #13 who have not attended any agricultural training

“Yes. I would say look, you can go through all of those training because look for example he’s going to start farming now but he never farmed. He never farmed.” – Respondent #1, referring to new farmers who never had any farming experience. This respondent attended training courses through Grains SA but has more than 30 years farming experience and does not deem continuous training important for experienced farmers

“Another thing about courses, I see they waste my time”- Respondent # 4 who did not attend any agriculture training courses but learnt from his neighbours how to farm successfully

From the above responses the first set of 3 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code	Code description	Frequency
1	Farming just require hard work and knowledge	1
2	Training important for new farmers	1
3	Training is a waste of time	1

From the above table it is evident that none of the codes is more prominent than the other. Now further analysis was done on these codes as each have a separate meaning.

APPENDIX 7:IMPORTANCE OF HAVING A MENTOR -SECTION 3.12.5

As reported in section 3.9.1.2, only one respondent did not have any mentorship involvement but this respondent has an agricultural qualification and served as an extension officer for the Department of land reform and rural development for many years.

The respondents were asked whether they consider mentorship involvement as an influencing factor in the success of commercial farmers. The distinct difference between their responses has to do with whom they refer to as mentors. The respondents who did not agree with this statement referred to mentorship through extension services provided by the government while those who agreed, referred to private mentorship provided by neighbouring commercial farmers and agricultural organisations. The three **negative responses** are quoted below:

“... Because if I look at this mentor thing, like I saw this thing in Mafikeng, most of them got a mentor but the mentor did not do the work. *Nothing about farming. Then it doesn't help*” – Respondent #1 referring to extension officers from Government acting as mentors while having no agriculture experience. This respondent has been farming on commercial scale for more than 20 years.

“For other farmers. *Not for me.* There are farmers that I see they must have a mentor” – Respondent #7 who has won the Toyota young farmer of the year award 10 years ago

“The mentor is difficult. One mentor is good, *another mentor is ...* Yes. Now he makes my things his things. *He decides on his own.*” – Respondent #12 referring to how the extension officer made decisions on his behalf without consultation with him.

From the above responses the first set of 3 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code nr	Code description	Frequency
1	Mentors had no farming knowledge	2

2	Mentors are for new farmers only	1
3	Mentors make decisions on behalf of farmers	1

From the above table it is evident that code 1 is the most prominent. No further analysis of the responses was done as these are clear constructs and cannot be combined.

The responses of the respondents who **agreed** that mentorship is important for the success as a commercial are quoted below:

"I think so. It is important." – Respondent #6 who have been farming on a commercial scale for almost 10 years after retiring from a professional career.

"Too much, it helps too much because he comes with his knowledge then helps -" Respondent #8 who had a mentor for a period of one year.

"Yes. Look, it's someone who ... Understands a bit and has a higher qualification as you. Yes, it can help a lot." – Respondent #9 who has more than 20 years farming experience and had a Grains SA mentor for a short period

"Yes, it does. It does. Because farmers are difficult. It's always important to have two heads to make a decision. Because I might think this way, then someone else might see a loophole somewhere there, then they can advise on that." – Respondent #10 who are farming on a PLAS farm and has a Grain SA mentor appointed as part of the land reform initiative

"So for the rest of his life, he's been ... As long as I can remember, since I started buying the first cow, he's been there." - Respondent #5 referring to a very successful older farmer who has been his mentor on a private basis and they have a "father and son" relationship

"Yes. Sometimes if you don't know the stuff, he teaches you. It's nice." - Respondent #2 referring to his appointed mentor who is also his neighbour

“But my observation is for people who do not have the background and experience ...” - Respondent #14 referring to emerging farmers not for himself as he has an agriculture qualification and extensive experience

“Yes, if it is the right mentor. The right mentor. It works. They at least give you something.” - Respondent #4 referring to the fact that his own mentor (extension officer) said he should rather continue on his own

“Yes, it is important. It is important. Especially when you have not grown up in the farming family.” – Respondent #11 who has been farming on a commercial level for more than 20 years

“Yes, now I’m on my own but the results of his being here has helped me to put up a centre pivot.” – Respondent #3 referring to a farmer from the district appointed by Grain SA as mentor

From the above responses the first set of 8 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code nr	Code description	Frequency
1	No reason just that it is important	1
2	Mentor has farming knowledge	2
3	Mentor is higher qualified than the farmer	1
4	Helps with decision making	1
5	Mentor provides continuous support	1
6	Mentor provides training to farmers	1
7	Only for farmers who do not have a farming background or experience	2
8	Mentor helps the farmer	2

From the above table it is evident that codes 2,7 and 8 are the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code nr	Code description	Frequency
a	Mentors provide training and support	5
b	Mentors have knowledge and are more qualified	3
c	Mentorship is for new farmers without experience	2

Codes 4,5,6 and 8 were combined in the construct of “Mentors provide training and support” as code a

Code 2,3 were combined as the construct of “mentors have knowledge and qualification” as code b

Code 1 was left out as no reason were given and thus cannot be grouped with other codes

Code 7 was kept as a construct of “mentorship is for new farmers without previous experience”

APPENDIX 8: IMPORTANCE OF HAVING ANOTHER FORM OF INCOME -

SECTION 3.12.6

Four of the respondents (29%) indicated that they are retired from previous occupations and are receiving a pension to help support their farming operations. 43% of the respondents have worked elsewhere whilst farming on a part-time basis but are now full time farmers. The remaining four respondents have always been full time farmers although two of them indicated that they earn rental income from properties.

The respondents then had to indicate whether they regard that having another form of income or employment, influences a farmer's success or whether this is believed to be a distraction.

The six respondents who farmed on a part-time basis first, consider focussing on the farm as more important for success than having another form of income or employment. These respondents had first-hand experience of earning another income through employment elsewhere and farming at the same time. Yet they all agree that it is more beneficial for farming success to focus on the farming operation alone. These respondents' responses are quoted below and analysed thereafter:

"It's better if you are just a farmer and you are always at your farm so that you can see exactly what is going on. You know. It's better that way but perhaps you should also have something to ... Yes, to keep the money coming in." – Respondent #9

"I think it would be better to just farm. Not to do a lot of things at the same time." – Respondent #8

"Yes, it's better if you just focus on the farming. Because if you don't do it, the people ... You lose too much, you get damage. Sometimes, people who work there, if they can see that the boss, I'm not here then they steal the stuff. Yes. Then they don't work ..." – Respondent #2

"It's in me, it's my passion, it's my life. But yes, you'll have to diversify if you're hoping to be a successful farmer. Otherwise you'll go down the drain. You know, you've

seen how many farmers, commercial farmers have ...” – Respondent #5 indicating that the focus should still be on the farm only but to diversify the income from the farming operation

“Yes, it **distracts him**. But the farm must make money. You need **cattle, everything on the farm**. Maybe if you need money you can take something somewhere else, just with the farm. Not outside.” - Respondent #12

“No, I think it is **a big job** to farm. You have to do it alone and not do other work.” – Respondent #13 who has only been farming full time for a few months

From the above responses the first set of 6 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code nr	Code description	Frequency
1	Knows exactly what is happening on the farm	2
2	Not doing a lot of things simultaneously	1
3	Just focus on the farm	2
4	Employees don't work	1
5	Just diversify the farming production	2
6	Farming is a big job- cannot do other things	1

From the above table it is evident that codes 1,3 and 5 are the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code nr	Code description	Frequency
a	Farming operations need sole focus by farmer	7
b	Diversified farming production types	2

Codes 1,2,3,4,and 6 were combined in the construct of “Farming operations need sole focus by farmer” as code a

Code 5 was kept as the construct of “farming production should be diversified to create other sources of income” as code b

Three of the four participants who have **retired** and have invested some of their pension money in the farming operations belief that is **beneficial** for faming success to have another form of income. Their responses are quoted below and analysed thereafter:

*“I’ve seen in agriculture where the need for some kind of repairs, it may cost say R5 000, R10 000 but the **poor people do not have and they struggle**. So there’s got to be ... Either that income or what do they call it? Some kind of cash flow. Some kind of income until you are, you know, **up and running**.”* – Respondent #14

*“No, farming is **expensive**. It always need an additional source of income. Yes. You cannot just only depend on your product, which generates income for you. You can do, you can proceed, you can be successful within that farming source of income but I think if you have another source of income, it is quite **helpful for the farming business**.”* – Respondent #6

*“Yes, it helps me a lot because here in farming, it’s okay but at times like now or last year, we didn’t harvest so much. And so my pension is **helping me to pay the** workers and to buy that emergencies”* – Respondent #3

From the above responses the first set of 4 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code nr	Code description	Frequency
1	Poor and new farmers need this extra income	1
2	New farmers need this extra income to start farming	1
3	Faming is expensive	1
4	Extra income helps with operational cash flow	2

From the above table it is evident that code is the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code nr	Code description	Frequency
a	New/start-up farmers need additional income	2
b	Additional income provide cash flow for costly farming	3

Codes 1 and 2 were combined in the construct of “New/start-up farmers need additional income” as code a

Code 3 and 4 were combined as the construct of “Additional income provide cash flow for costly farming operations” as code b

The last respondent who is a pensioner but do **not agree** that earning another income is beneficial for success has the following reason from his own experience:

“Yes, it is better. *This business of going to work over there and there, later on you miss things.*” Respondent #4 referring to rather focussing on farming in order to know what is happening in your business and not missing things.

Lastly is the four respondents who have always just been full **time farmers**, two feel that the focus should just be on farming while the other two deem it is important for success to have some additional form of income

The positive responses towards having another form of income are quoted below:

“No, for example look, that thing that they say *cash flow*, it’s always ...” Respondent #1 who is implying that your focus will not be distracted by another way to earn some income.

Yes. It’s necessary to have an extra income but one shouldn’t compromise their farming business. You shouldn’t compromise your farming business. Yes. Because with farming the thing is that if you plant now, you can only harvest next year June, July. You see, it’s quite a long time before you can get some income there. – Respondent #10

The last two respondents who are of the perception that is not a success-influencing factor to have another form of income have the following reasons:

*“You **should just focus on the farm**. Yes. You will be able to do your best because you’re always making plans and the things are here and you are here. So what you want to do, it happens. You do what you can. You plan, you plan how to do it. Yes. And if you always monitor the things that you want to do, it’s always success. ... Let’s say your cattle have fallen ill and you don’t see it and that man tells you, if the cow wants to die, then he says it started all of a sudden. But if you’re always there you see him, you see him every day. You see everything there.” Respondent #7*

*“I don’t think so. No. Because another source of income **takes time from you**. Yes. So you lose somewhere. Yes, you lose some.” – Respondent #11*

Two code were identified by these four respondents as tabled below:

Code nr	Code description	Frequency
1	Additional income provides cash flow	1
2	Source of additional income should not remove the focus from the farming operations	3

When combining all the responses into one coding system, the results show the following set of 4 codes:

Code nr	Code description	Frequency
I	Farming operation needs sole focus	10
II	Additional income should come from diversified farming production	2
III	Additional income provides cash flow for expensive farming operations	4
IV	New farmers needs start-up funding	2

From the above table it is evident that the overall opinion of the respondents are that additional income helps cash flow but should not take the focus away from farming. If the other source of income is therefor in the form of pension money or sales of other assets, it will be beneficial for success. If the additional income entails that the farmer

is employed at another organisation, this will take his focus away from the farming operation and will not be beneficial as a success factor for the farming operation

APPENDIX 9: IMPORTANCE OF PARTICIPATING IN ORGANISED AGRICULTURE -SECTION 3.12.7

In 3.9.1.1 the results indicate that 9 out of 14 respondents participated in organised agriculture. The respondents were then asked whether they feel that participating in organised agriculture add to a commercial farmers success or not.

The reasons why nine **respondents agree** that participation in organised agriculture improves success are quoted below and analysed thereafter:

"I'll always believe that, you know, no one manage an island and no one will ever succeed on his own. If you sit there on your own, you might have all the money in the world but on your own, that money won't mean anything. So the more you get into other people, you get to hear what other people are saying, how other people see things, it builds you, it helps you, it makes you a better person. So yes. Not necessarily that groupings works all the time." – Respondent #5

"Well I think it is important, I think it is important because now and again there are organised conferences where you share ideas, where you are advised how to run the farming business. Yes. You're also told how to engage or to improve, to add value to your farming activities with regards to the new technology. Yes. It is very important."
"- Respondent #6

"No, it isn't because those newspapers that they send here, they give you something for your head, they give you this then, you know, there are many things that one can think he understands but then he doesn't really"- Respondent #4 referring to the monthly newsletters from Gains SA that provide useful information for the farmers

"Yes. They advise us, they assist us in getting, what you call, monies for ploughing, for what. They help us, recommend us and what not." – Respondent #3 referring to being a member of Grain SA

"Yes, because they come with the information to say this way, prices of diesel and you know, as it always .." – Respondent #9 referring to being a member of Grain SA

“Yes and those people, these people from Grain SA, that study group is always here. Yes, **here at my place**. And we go to the lands, we stay here afterwards, we go out to the land. All those things you want know, you get **... Practical things, yes**. Spraying ... Yes ,everything. You know, they’re far from these people from the government. Grain SA is very good, very good.” – Respondent #12

“It’s necessary that they **have study groups**.” – Respondent #7 referring to being a member of a Grain SA study group

“Yes, it is **very important**.” No, it is not. But there are some other organisation, agricultural organisation which I think you are just wasting your time with them. Yes. They are and then their president here in North West is a friend of mine and they know very well my standing. I think going to AFASA will be going down. You know. You must go to the better level.” – Respondent #11 referring to study groups as being important

“It’s a good thing. Yes, that **helps and works**.” – Respondent #8 (does not belong to a organisation anymore)

“Yes, I think it is important. It is important because the neighbours that are here ... Let me say if the field burns, I will not do that work alone. But if I was at the fire, I know I call this man, I call that one, they all come **to work together**.” – Respondent #13 referring to his study group members who are also him neighbouring farmers (does not belong to an organisation).

“It’s not a waste of time. It is important.” – Respondent # 14

From the above responses the first set of 7 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code nr	Code description	Frequency
1	Cannot succeed in farming alone	2
2	Getting opinion from others and sharing ideas	2
3	Self-improvement	5
4	Getting advice and information	3

5	Visiting the farm and give practical advice	1
6	Study groups are good	2
7	Not a waste of time	1

From the above table it is evident that code 3 is the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below the new codes are reported:

Code	Code description	Frequency
a	Groups share ideas and give opinions	6
b	Receiving advice to improve farming operations	9
c	Not wasting resources	1

Codes 1,2 and 6 were combined in the construct of “Group members share ideas and give opinions to each other” as code a

Codes 3,4 and 5 were combined to form the construct of “Receiving advice and information to improve farming operations” as code b

Code 7 was kept separate as the construct of “not wasting resources” as code c

The respondents who disagreed that being part of organised agriculture is important for success had the following reasons as quoted below and analysed thereafter:

“No”- Respondent #2 did not give a reason for his answer.

“Waste of time. Groups, groups don’t work”. – Respondent #1 who has been farming with his father for many years.

“So it’s just a matter of giving money. No, it can’t work like that. I don’t do that. I don’t do that.” – Respondent #10 referring to other organisations not Grain SA

From the above responses the first set of 8 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code nr	Code description	Frequency
1	No reason	2
2	Waste of time	2
3	Waste of money	5

When combining codes 2 and 3 the construct of “wasting resources” can be considered as the most prominent reason why some respondents do not feel participation in organised agriculture adds to the success of their farming enterprises.

APPENDIX 10: THE DIFFERENCE OF OWNING AND RENTING A FARM CONCERNING THE SUCCESS OF THE FARMER -SECTION 3.12.8

The results of 3.10.1.3 indicated that 8 of the 14 respondents are the owners of their farms while 6 respondents are renting their land. Only one respondent are renting from a private individual and the other 5 respondents are land reform beneficiaries through PLAS and are leasing the farms from the government.

The respondents were asked to indicate whether they consider the ownership of a farm to play a role in the success of the farming operation. Most of the respondents feel that owning your property makes a difference in the manner in which you work on that farm. Their reasons are quoted below and analysed thereafter:

"I would say they will be more successful because if a property is yours, you take care of it. But if you rent it, you know, you won't make improvements on it." – Respondent #11- Owner of his farm.

"Yes. If it's your own, it's better. Far better than the loaning. And the loaning, like others, the government's doing. No. It's not going to make the farmers successful because they give them the land, they are there with the land, they keep on making business plans every year and they never know where they stand. They never know where they stand with the balance, what balance. They're never told what the balance is." – Respondent #3- Owner of his farm.

"It makes a difference. But let me talk about communal. Communal farms are not good, it's not the same thing. Yes. Look, if I want to build a store here, I first need to write a letter to the department. No. If you want to do something, you first have to ask. Then they have to look at your file and then they must go and sit and say you can do it. Then they write a letter. Then they come. Now you've seen something else and it's not that thing anymore. Yes. If you bought it you farm as you please. : You can't have plans." Respondent #7 who is a PLAS beneficiary and leases his farm from the government.

"It is. If I am the owner of the farm, that's what you're saying. If I am the owner of the farm it will be much better. If you rent something from someone, then it's not yours."

You're just there for a short while, maybe the next week or the next year he tells you you're out. It doesn't help. And now it's the government, they say yes you can do what you want to there but you have to let us know and you have to keep the papers. How much you paid for that and this and this. You always have to ..." - Respondent #9 who is a PLAS beneficiary and leases the farm from the government.

"Because in the end it's your property. If you rent, maybe you're just renting and if the year isn't right, the year doesn't go well, then you lose everything." – Respondent #8 who owns his farm

"It's better because you know that's our farm. Yes. If the other man, sometimes if you are still busy, you are still busy and you want to go farm over there, then he comes and says no, we have increased the rent, it's this much. If he can tell you from the start, it's better. Sometimes, otherwise they just wait, when you just start working they say you know what, we think we're going to increase the amount a bit." - Respondent #2 who is a farm owner

"Then I know all of that money is mine. Just if I can clean, I can sit and look at what I will now do with this other money. You know, I will not be paying that money for the Land Bank or the lease contract. I must put that money away and putting it away is by buying these things. Shares. Life can then move forwards" – Respondent #12 who leases his farm from the government through the PLAS land reform system.

"Yes, there's a difference. Yes. If I rent, I do but not that much because I know that man, maybe tomorrow he tells me to go. But if it is mine, I do and I try hard. Yes. I try my best." – Respondent #13 who owns his farm.

"Because if you own, you take care of. A typical example, I have a lease on this farm. I had a lease and the government changed, they want to bring in a new type of leases. So they stopped the old lease. So we're still waiting. I have signed the lease, the government hasn't signed the lease. So it's holding me back. I need to paint and repair this house and stuff." – Respondent #14 who is a PLAS beneficiary and leases his farm from the government.

“Cause the whole **interest will be focussed** to the farm. Knowing that actually what I’m doing, I’m doing it for myself, not for any other person.” – Respondent #6 who owns his farm.

“Yes. If you rent, you know it’s another man’s land and it depends what that man looks like because the people who lease these things, they want you to struggle. Not everyone, but some of them they see no this man got a really big bakkie and when the year and the price is good **They increase the things.**” – Respondent #4 who owns his farm.

From the above responses the first set of 9 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code nr	Code description	Frequency
1	Take better care of the farm	4
2	Make improvements of the farm	1
3	Never know where you stand with renting from the government	2
4	First get permission from government to make improvements	3
5	Can operate the farm as you please	1
6	Renting is just short term	1
7	Might lose everything after a bad season	1
8	Unsure if the rent will escalate once improvements are made	2
9	Not paying rent will result in more money to invest	1

From the above table it is evident that code 4 is the most prominent. With further analysis of the responses, some of the codes can be grouped together having the same broad meaning. In the table below, the new codes are reported:

Code	Code description	Frequency
a	Take better long-term care of the farm by improving it without asking for permission	9
b	Security of knowing where you stand regarding the farm	5

c	Not paying rent – more investment money available	1
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Codes 1,2,4,5 and 6 were combined in the construct of “Take better long-term care of the farm by improving it without asking for permission” as code a

Codes 3,7 and 8 were combined to form the construct of “Having the security of knowing where you stand regarding your farm” as code b

Code 9 was kept separate as the construct of “having more funds to invest by not paying rent or a loan payment” as code c

The respondent who **does not agree** with the other respondents regarding the influences of ownership of the farm in making a success on it had the following response:

“I don’t think there’ll be any huge difference there because always it’s about hard work, commitment and passion doing the job you are doing. Yes, the only difference which might there, it might be that the other one who’s leasing have to pay the lease. So that will be the difference. The one who’s owning the farm, everything is his form there. – Respondent #10- who is a PLAS beneficiary and leases his farm from the government.

This respondent speaks from experience as he leases his farm, yet he feels that with passion, hard work and commitment a farmer can make a success even though he is not the owner of the farmland.

APPENDIX 11: HOW TO INCREASE LAND REFORM EFFECTIVENESS

The respondents were asked to give their opinions on how the land reform process can be changed to be more effective. Most of the respondents are land reform beneficiaries and their perceptions are based on actual experience with the process. Their responses are quoted below and analysed thereafter:

“And that is the thing that I ask myself, the people who are there in the office of our MEC or the ministers, don’t they look at what is happening? Do they not look at the things that are happening now and what is becoming of the world? The world is becoming very dirty. If you look at my fence now, these are my fields, just look at the weeds and things, the thorn apple branches that are there on the fence from the grant people They’re going to help that man again, they’re going to help him again to so that he can let the fence fall for this business again. It’s not right at all. Why don’t they give it to the working people, the people who can work? Then they give it to the people who want to drink beer there at the bar. Go and look for the right people at the work here, here on the farms and in the work environment here so that they can go on.” – Respondent #4.

“That’s why I said just a five year period. Just going all the way with the farmers, meeting all their needs which arises along the way. I think that will be the best model. But now the other thing with the department again, it’s a matter of identifying real farmers. Because in most cases you find new entrants being allocated farms and then at the end of the day, you don’t have anything to show. That is the problem. There are quite lots and lots of farmers but if you are running communal land, those are real farmers. So I see recently it’s like the government’s creating new farmers. I don’t think it’s an ideal thing to do. Okay, new farmers has to come in, we understand. But let them show and prove themselves first where they are living in communal lands. Those farmers who have already been having a good report in communal land, those are the people you can give farms to. So it’s working the other way round.” – Respondent #10

“Yes, because it doesn’t help. They take R10 million and pay for this farm but they give it to someone that will just damage it. It has to be a farmer.” – Respondent #9

“More money and yes, to learn. Because other people know nothing about farming and they got their farms back. Yes. And monitor”. – Respondent #8

“Yes, it’s good if you buy the farm and you don’t rent. You will rent until whenever.” – Respondent #2

“Free is never free my dear and frankly speaking we shouldn’t just paint this thing with the same colour. There are people who have a vision and a mission to achieve something in life. For those people who always have plans and struggle to buy a farm not because they don’t want to buy a farm but because they cannot afford it and they will relish an opportunity like that. We need to be objective. We should not use this land reform as a political weapon and we cannot use land reform to satisfy our political friends. If that is aimed for a good cause and what I mean by that is that if you have a white farmer who’s using the farm profitably ... Let’s say for argument you get a farm that is having a profit of 100 million annually and then one morning you wake up, you take that farm away from that commercial farmer, you give it to a 100 beneficiaries and then the third morning, that farm has been vandalised. And the biggest problem with our land reform is that there’s no plan. They come, they hand over the farm to the people there and they hope that things will happen on its own” – Respondent #5

“You know, this government started well. Now, today we don’t know where I stand now. I see the other people got a recap, but us new people, we know nothing and we hear nothing about that recap. I work with my tractor here on the farm, other than that I hear nothing. That government, maybe if it didn’t rain, the government helps people with these. With that money for the drought. But these people, I hear nothing about that money. We have filled in this form and until today we know nothing.” – Respondent #12

“Actually, the people that are in the offices, they don’t know the people who struggle on the farm. They don’t know farm work. But the best is to take the black people who struggle a bit ... Look, some of the people in the town have 100 cattle on a small piece, but some of them have ten cows. Now they give the farm to those people with

ten cows. Those that have more cattle, they don't give them farms.” – Respondent #13

“And the success is not only on the successful farming, it's also on the person that we draw that from. So those two criterias in terms of the commercially viable lease and also a viable manager or beneficiaries to make the success.” – Respondent #14

“I would change it. It has to be ... Farmers should get contracts quickly. Whether this man can farm. They themselves aren't farmers, they don't know about it. Those few questions that they ask, they think he will be able to know. This man will be able to farm.” – Respondent #7

“If they could give the people land to own land, to own their land, it would be better than leasing to them. They never know the balance what they have to or how long they should pay the land” – Respondent #3

“I think there's something that must change. I think this land reform must go together with the training of farmers, financial assistance to farmers, guidance, the necessary guidance on farmers. And if possible there should be a stage where the farmers are well trained because my finding is that some farmers do have farms, but they don't have the necessary well financed, training, the knowledge. That is why some farmers do not succeed.” – Respondent #6

“You know, the policy's good. People are saying good words and so on. But implementation is not there. They are very weak in implementation” – Respondent #11

From the above responses the first set of 19 codes to interpret the data, were identified and the frequency of appearance noted in the table below. The responses are colour coded according to the codes identified here:

Code	Code description	Frequency
1	Administrators do not know what is happening on farm level	3
2	Unsuccessful farmers are supported over and again	1
3	People that work hard should get assistance	1
4	Longer term support	1

5	All the needs should be met	1
6	Screening process to identify the right type of people	2
7	New farmers should first prove to worthy of getting a farm	2
8	Unskilled farmers damage the farms	1
9	More funds are necessary	2
10	Proper training of the farmers should take place	2
11	Farmers should be able to buy the farms not rent	2
12	People who are motivated to achieve success should be assisted	1
13	Land reform used to satisfy political friends	1
14	Government has no plan to ensure production	1
15	Lack of communication from administrator	1
16	Viable leases	1
17	Speed up the process of paying the grant	1
18	Beneficiaries should get more guidance	1
19	Poor implementation of the process	1

From the above table it is evident that code 1 is the most prominent but there are not really any code that can be seen as standing out as many different observations are made. The frequencies were again colour coded where they were combined to form the constructs table below:

Code	Code description	Frequency
a	Administrators do not have the farming knowledge to ensure proper screening of applicants, implementation and communication	7
b	New farmers should prove themselves worthy and be screened to ensure adequate knowledge to farm	6
c	All the resources over a longer term should be provided	4

d	Proper training and guidance should be provided	3
e	Hard working farmers should be assisted not political friends	3
f	Buying the farms or having viable leases	3

Codes 1,14,15,17 and 19 were combined in the construct of “having skilled administrators that know the farming business in order to ensure proper implementation, communication” as code a

Codes 2,6,7 and 8 were combined as the construct of “new farmers should be screened to ensure they have adequate knowledge to farm successfully” as code b

Codes 4,5 and 9 were combined to form the construct of “beneficiaries should receive all the necessary resources over a longer period to ensure they are sustainable” as code c

Codes 10 and 18 were combined to form the construct of “proper training and guidance should be provided to beneficiaries” as code d

Code 3, 12 and 13 were combined to form the construct of “hard working farmers should become beneficiaries and not the administrator’s political friends” as code e

Code 11 and 16 were combine to form the construct of “beneficiaries should be able to buy the farms or have viable leases” as code f

The above list of construct were further analysed and summarized into the following list of recommendations:

4. Administrators of the process should be qualified to ensure proper implementation and assistance.
5. A screening process should identify who will be able to succeed.
6. After implementation support, that serves all the resources, training and guidance needs of beneficiaries.