AN INVESTIGATION ON THE IMPACT OF THE LAND REDISTRIBUTION AND DEVELOPMENT (LRAD) PROGRAMME WITH SPECIAL REFERENCE TO THE TSOMO VALLEY AGRICULTURAL CO-OPERATIVE FARMS

BY

WONGA PRECIOUS TUTA

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Supervisor: Dr. Janet Cherry
**DECLARATION**

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<tr>
<th>FULL NAME:</th>
<th>WONGA PRECIOUS TUTA</th>
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<tr>
<td>STUDENT NUMBER:</td>
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<td>QUALIFICATIONS:</td>
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Date........................................
## TABLE OF CONTENT

### CHAPTER I

1. Introduction and Orientation of the Study 01  
2. Background to the Study 02  
3. Motivation 03  
4. Research Questions 05  
5. Research Aims & Objectives 05  
6. Hypothesis 06  
7. Scope of the Research 06  

### CHAPTER II

2.1 Literature Review  
2.1.1 Land Reform Policy in South Africa 08  
2.1.2 International Case Study (Land Reform & Farm Restructuring in Ukraine) 09  
2.1.3 Land Redistribution Challenges in South Africa 12  
2.1.4 Monitoring and Evaluation 15  
2.1.5 Background to Tsomo Valley Farms 16  

### CHAPTER III

3.1 Research Design and Methodology  
3.1.1 Introduction 18  
3.1.2 Orientation and Scope of the Study 19  
3.2.1 Instrument and Data Collection 20  
3.2.2 Planning and Consultation 20  
3.2.3 Group Discussion 21
3.2.4 Questionnaires 22
3.2.5 Interviews 23
3.2.6 Observations 24
3.3 Completeness of the Research 24
3.4 Sampling Procedure 25
3.5 Data Analysis 25

CHAPTER IV

4.1 Introduction 26
4.2 Personal Details of Farmers 26
4.3 Farming Activities
4.3.1 Farm as Business Entity 28
4.3.2 Stakeholder Relations and Support 30
4.3.3 Financial Support 31
4.3.4 Non-financial Support 31
4.3.5 Infrastructure 32
4.3.6 Interviews with Government and Support Institutions 33
4.3.7 Other Findings and Observations 36
CHAPTER V

1. Introduction 38

2. Conclusion & Recommendations

2.1 Integration of Planning and Implementation 39

2.2 Farms as Family Units and Business Entities 40

2.3 Speedy Facilitation of Land Acquisition Transaction 40

2.4 Lack of Rural Financial Support Schemes 41

2.5 Infrastructure Support 42

2.6 Capacity Building and Training 42

6. Bibliography 44

7. Appendix
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Chapter 1

1. Introduction and Orientation of the Study

The purpose of the research was to assess the policy impact of the Land Redistribution and Development (LRAD) Programme, which substituted the Settlement and Land Acquisition Grant (SLAG) programme. Both these policies were meant to make land accessible to previously disadvantaged groups including Africans, Coloureds and Indians, as part of land reform policies of the post 1994 democratic government. Due to some failures of SLAG after its first five years of implementation, which were from 1995 to 1999, the land redistribution policy was revised and the LRAD programme came as an improved policy of SLAG. There has not been much research on the impact of this programme, which has been implemented since August 2001.

The South African Land reform programmes encompasses three components: (i) Land Restitution (ii) Land Tenure Reform and (iii) Land Redistribution. The study will be looking at the Redistribution programme, which has three sub-programmes:

1) Agricultural development – to make land available to people for agricultural purposes
2) Settlement - to provide people with land for settlement purposes, and
3) Non-agricultural enterprises – to provide people with land for non-agricultural enterprises like eco-tourism projects.

The study looked at the Redistribution programme which has two distinct parts (1) deals with transfer of agricultural land to specific individuals or groups (2) deals with the commonage projects which aim to improve people’s access to municipality or tribal land primarily for grazing purposes. (DLA: 2001).
The research focused on the sub programme that deals with the transfer of agricultural land to individuals or groups. LRAD has social and economic objectives. Some of the economic objectives are to:

- Facilitate structural change over the long term by assisting black people who want to establish small and medium sized enterprises.
- Create stronger linkages between farm income and off-farm income generating activities.
- Empower beneficiaries to improve their economic and social well-being. (DLA: 2001)

The aim of the research was to assess whether the policy objectives are being achieved particularly the above economic objectives, what are the challenges faced by black emerging farmers and what lessons can be drawn from their experiences. That would help in reviewing and revising land reform policies and Black Economic Empowerment (BEE) policies.

2. **Background to the Study**

The current ANC government’s land reform policies are an attempt to redress the historical racial imbalances that were deliberately created by the previous governments. Inequalities between whites and blacks were deliberately created through various policies that promoted racial divide. The land as a resource was used to promote that divide. Relocation and segregation of blacks from whites started as early as 1658, when the Khoi people were informed that they could no longer dwell to the west of the Salt and Liesbeek rivers, and in the 1800s, when the first reserves were proclaimed by British and Boer governments. (Thwala W.D. 2006:58). Dispossession of land from Blacks was further enhanced by a number of proclamations and Acts starting from the Native Land Act of 1913 which drastically changed the land ownership structure, with whites owning 87% of the land and the blacks being congested in only 13% of the land. Other land Acts followed, like the Native Urban Areas Act of 1927, later amended in 1937, the Group areas Act of 1950
and other acts. The purpose of these acts was to disempower blacks and ensure perpetration of white superiority. Some author argues that the minority immigrants have practiced racial discrimination since the introduction of white rule to southern Africa, and residential separation has a long history. The whites did not only occupy the highest strata of the class system but have also denied access to those strata for the other groups.

The racial divide was practiced such that Africans would depend on Europeans for their survival. The apartheid policies have resulted in gross inequalities in ownership of land between whites (Europeans) and blacks (Indians, Coloureds and Africans) in South Africa. According to Warner and Levin in Cloete J.L et al: (2005), “Two agricultures were born out of this, one White and the other Black”. The new ANC democratic led government deliberately introduced land reform policies to try to redress these inequalities.

The response to racial imbalances started from Kliptown in 1955, when the “Freedom Charter” was published, and says, “The land shall belong to all those who live in it” (www.anc.co.za). It was followed by the ANC’s policy document, “The Reconstruction and Development Programme”(RDP) in clause 2.4, where it explicitly explains ANC’s land reform policies, including land redistribution and land restitution programmes. These commitments were enhanced in the country’s constitution, and later on the White Paper and ultimately, in the Restitution of Land Rights Act of 1994 which led to the definition of the South African land reform programmes, which encompasses three components: (i) Restitution (ii) Tenure reform and (iii) Redistribution.

3. Motivation
The first land redistribution programme was started in 1995 until 1999, as a pilot programme in various parts of the country. It was targeting households earning below R1 500.00. a month, who were provided with what was called “Settlement and Land
Acquisition Grant” (SLAG) amounting to R16 000.00 per household. The Department of Land Affairs realized from the pilot some weaknesses of the programme. One of the serious weaknesses was that the programme promoted transfer of land but not for productive purposes. Whereas, the land redistribution programme was to address the divide between the 87 per cent of the land dominated by white commercial farming and the 13 per cent in the former homelands. Redistribution was to ease congestion in the communal areas and diversify the ownership structure of commercial farmland (Hall R. 2007:89). By redistribution one implies not only shifting pockets of land from white commercial agriculture to a few African farmers, but fundamentally changed power relations and landholding patterns in the rural areas (Ntsebeza & Hall 2007: 205). It was in this context that after SLAG, the Land Redistribution for Agricultural Development (LRAD) was launched in August 2001 and implemented since year 2002.

Most of the land transfers in RSA were through redistribution programme with restitution contributing less than a third by September 2004. Interesting enough, most writings have been on land tenure reform and restitution rather than on redistribution. Possibly, it is the politics behind restitution that have attracted many authors in that field. It is for this reason that the interest of this paper is to look at the impact of LRAD, that is, into successes and failures of the redistribution process. The paper will look at the post settlement issues on LRAD programme.

The post settlement period is being questioned by different authors for all the three land reform programmes e.g. Walker C. argues that “speeding up the pace and scale at which land is transferred from white to African will not, however, resolve the underlying constraints on the implementation of sustainable projects – it may even exacerbate these” (Hall & Ntsebeza 2007 p144). Another argument is raised by Hall R in the same book where she says, “DLA has acknowledged the need to provide support beyond the land transfer stage, but is often beyond the capacity of project officers to perform this function. Provincial departments of agriculture, the Land
Bank, the National Development Agency and local governments are not resourced to provide adequate agricultural support to land reform beneficiaries. This has resulted in ad-hoc post transfer interventions by different agencies and large scale under utilization of land” (Hall & Ntsebeza 2007 p100). The post-transfer support is questioned in another book, where it says; “There appear to be hundreds of farm collapses after restitution… There were no examples found where the conditions existing on the farm at the time of transfer had either been maintained or improved, without the help of outsiders … In many cases the beneficiaries were left to their own devices (Du Toit P, 2004).

These criticisms on post settlement support require an investigation, to establish the causes of these failures, challenges faced by black emerging farmers, lessons learned by farmers and ways in which these challenges can be overcome. The outcomes of such investigation may possibly assist in review and redesign of the policy framework of the LRAD programme, and also assist in review, re-design of policies and programmes by state institutions that would be appropriate to support black emerging farmers.

4. Research Questions

When undertaking this research, the following questions would be answered and fulfilled:

a) Will black emerging farmers that own farmland through the support of LRAD be able to be “productive”? (use their land to produce enough food for household and have surplus to sell and get sustainable income?)

b) What other necessary support either than capital grants is required to assist black emerging farmers towards being productive?

5. Research Aims and Objectives

a) Aim
To establish whether LRAD programme is a sufficient tool to support productive commercial agriculture and promotion of Agri-Business Black Economic Empowerment policy.

**b) Objectives**

1) To determine policy and institutional challenges of the redistribution programme

2) To determine the necessary support needs for LRAD beneficiaries in the post transfer period.

3) To determine infrastructural challenges facing black emerging farmers.

**6. Hypothesis**

The study assumes that the policy objectives of the LRAD programme can only be achieved through a comprehensive coordinated and holistic support, both at policy and at programmes level. The assumption is that LRAD programme on its own, would not change the economic independence of Black farmers, but there are other factors that influence their success or failure. It is therefore important to identify, know and understand those factors that contribute to the failure or success of LRAD beneficiaries. Therefore the hypothesis of the research is whether LRAD programme does assist black emerging farmers to make better productive use of their land?

**7. Scope of the Research**

The study looked on LRAD beneficiaries with only two SLAG beneficiaries that received direct or indirect financial and institutional support from the NDA. The beneficiaries had acquired land and NDA support between the years 2002 and 2006, as they have had sufficient period to learn and improve from their experiences. The beneficiary/ies had owned the farm for at least two to five year period. A white commercial farmer must have owned the farm before being transferred to the LRAD beneficiaries. Land transferred for commonage projects, even if they were for farming purposes, were not considered by the study. The study looked at both individually and group owned farmlands. The study looked only into fourteen farms owned by black farmers who are members of Tsomo Valley Agricultural Co-
operative. The Tsomo Valley is an area close to the town of Elliot, which is in Sakhisizwe Local Municipality in the Eastern Cape.

The Eastern Cape Province is characterised by high levels of underdevelopment. With the exception of the previously advantaged Nelson Mandela Metropole and the Cacadu District Municipality, all other district municipalities show extremely high levels of underdevelopment. This is indicated by high proportion of persons living in poverty, especially in OR Tambo (78.2%) and Alfred Nzo (76.0%) district municipalities; low human development index (HDI) with 0.42 and 0.45 in OR Tambo and Alfred Nzo respectively, and 0.49 for the Province. The annual household income levels for the province are also low; most people (70%) earn less than R18000 per year. Although Agriculture contributes only 5% towards total GGP of the province, it is an important sector in the Cacadu District and accounts for 22% to the economy of the district. Agriculture is also significant to the economy of Ukhahlamba (17%), Chris Hani (10%) and Alfred Nzo (4%). These district municipalities also have relatively high levels of formal employment in agriculture. (Stats S.A. 2001).

Sakhisizwe Local Municipality is within the Chris Hani District Municipality, which has agriculture as a backbone of its economy.

Thirty-five farms were awarded to black emerging farmers on 29 November 2002 in the Elliot area, which is in Chris Hani district. Unlike with SLAG where grants were limited to R16 000 per household, grants under LRAD programme varied according to the member’s contribution to the purchase price of the farm e.g. the lowest grant set at R20 000.00 per individual, is made available against an own contribution of R5000.00. This form of granting against ‘own contribution’ encouraged only those committed to farming to take the risk of buying a farm for production purposes. It is those entrepreneurial farmers that will be investigated.
CHAPTER 2

2.1. Literature Review

2.1.1 Land Reform Policy in South Africa
The current land ownership and land development patterns in South Africa strongly reflect the political and economic conditions of apartheid legacy. The inauguration of the ANC led government in 1994 resulted to the proclamation of the South African Constitution in 1996. The constitution places the state under a constitutional duty to take reasonable steps to enable citizens to gain equitable access to land, to promote security of tenure, and to provide redress to those who were dispossessed of property after 19 June 1913 as a result of the past discriminatory laws or practices. (DLA 1998: pvii)

Due to this constitutional duty, the government had to devise policies and laws to ensure that the land distribution imbalances are corrected. The Restitution of Land Rights Act 22 of 1994 as amended and the South African constitution provide legal framework for the land reform programme. The government’s policy on land reform policy is four-fold:

- To redress injustices of apartheid
- To foster national reconciliation and stability
- To underpin economic growth; and
- To improve household welfare and alleviate poverty. (DLA 1998:pv)

The land reform program has three distinct components namely the restitution, tenure reform and the redistribution programs. The redistribution program in turn has different components or ‘sub-programs’:

- Agricultural development; which makes land available to people for agricultural purposes
- Settlement; which provides people land for settlement purposes
Non Agricultural enterprises; which provide people with land for non-agricultural enterprises, for example, eco-tourism projects (Department of Agriculture and Land Affairs. 2002: p6)

The land reform program was adopted as part of the Reconstruction and Development Program (RDP) in 1994 and its purpose was to transfer 30 percent of agricultural land from Whites to Blacks within the first five years of democracy. As of the end 2001, less than 2 percent had changed hands from white to black through the land reform program. Land redistribution transferred less than half a million (480 400) hectares to 45,454 households by March 31, 1999, falling far short of the estimated 25.5 million hectares of agricultural land that quantified the reconstruction and development program’s 30 percent goal. Following the 1999 elections the entire redistribution program was put on hold, pending lengthy period of internal policy development marked by a complete absence of public consultation.(Thwala W.D. 2006. p 67).

2.1.2 International Case Study. Land Reform and Farm Restructuring in Ukraine.

Ukraine is a former member state to the United Soviet Socialist Republic (USSR) and is the second populous and third largest in the former USSR. Communist rule in the Soviet came into collapse in 1990. The restructuring and privatization of farms was a program intended to transfer landownership from large state farms and parastatal monopolies to become small units owned by former employees. To create viable and competitive production units, the programs of land reform and farm restructuring included additional mechanisms through which owners could create new farming units, either within the former farm, or through exit. (Zvi et.al. 1994). Two factors are of interest in this case study: (i) the collapse of Soviet communist rule took place the same period that the apartheid government in South Africa started crumbling. (ii) the farm restructuring is a government program intended to transfer land to former farm employees, which is similar to the LRAD program which is intended for emerging black farmers. Therefore the period of land reform and the targeted lower social class groups became of interest to look at the Ukraine land reform.
The Agrarian Institute in Kiev conducted the study in Ukraine between November 1993 and March 1994, with the support of the World Bank. The objective of the survey was to obtain empirical data about the restructuring of Ukrainian agriculture in the process of transition to a market oriented economy. The survey addressed three major groups of agricultural producers, which are, managers and employees of large-scale farm enterprises as representatives of the traditional agricultural structure, and individual farmers as representatives of the new privates sector. Transfer of agricultural land and assets to private ownership and creation of more productive farms were essential components of agricultural reform in Ukraine. The government designed and implemented a program through which producers would receive ownership of land and assets and create new kinds of farms. The intention was to create market oriented private commercial farms looking at exporting than subsistence farming that produces for local markets. The legal framework and implementation of reforms are still ambiguous as to whether agriculture in the future would be based predominantly on private ownership of land and assets or on collective ownership under new different management. During the period of the study, over 70% of all farm enterprises were formally re-organized. The share of state owned land in farm in the survey, dropped from 100% before 1990 to 35% in 1992.

Though, the program showed some success in areas like increased production, balancing the labour supply and demand and changing the organizational form of a farm, the study identified some weaknesses in the land reform and farm-restructuring program in Ukraine. At least ten challenges are listed in the study, which are:

- Political and legal uncertainty. The frequent changes in legislation created a sense of uncertainty about the future course of reform.
- Lack of supportive environment. There were no stable markets for farm inputs and outputs, few banks were ready to give mortgages, and few landowners were willing to give land as collateral.
- Inadequate mechanism for restructuring and exit. There was lack of information on farmers on procedures for restructuring. This was coupled with
lack of procedures for adjudication of disputes that arise when the shareholders do not approve separation proposals.

- High risk and lack of instruments for risk management. The political uncertainty mentioned earlier on, macro-economic instability, lack of secure savings and insurances, and high inflation increased the risk of producers. Therefore, participants would be attracted to remain in the larger groups than to go privately

- Restrictions on use of land only for agricultural purpose should be relaxed to allow owners to decide on the optimal use of land.

- Land tenure should be documented and made secure.

- Procedures for exiting collectives with land and asset shares should be clarified and made operational. These procedure existed in theory, and the respondents reported that they do not exist

- Pensioners who are recipients of nearly half the land and asset shares should receive guidance on how to manage them. That will ensure that land is at the hands of active producers either in lease form or ownership.

- Restructuring of rural services currently provided by the collective sector should be treated as an independent process, rather than an adjunct farm restructuring.

- Technical assistance and information programs should be implemented in order to guide the rural population through transformation. Information on programs does not reach the rural poor.

In conclusion there are similar challenges that maybe facing South African government in its land reform, like lack of supportive environment, lack of information and high risk with lack of willingness to provide credit, of which lessons can be drawn. Therefore, the suspension and later termination of SLAG was as a result of similar challenges that also faced the programme. Reviewing and revising policies is not only unique to South African situation, it also took place in countries like Ukraine, Zimbabwe, Namibia and Mozambique.
Looking at the research paper by Lahiff. E. 2003, entitled “The politics of Land reform in Southern Africa”, one realizes that land reform policies remain a challenge in various countries in the southern African region that would be reviewed continuously by each country, being influenced by regional politics and the global economy. Therefore R.S.A. also has to review its land reform policies with the purpose to achieve equitable redistribution of land.

2.1.3 Land Redistribution Challenges in South Africa

Land redistribution as an element of land reform program is intended to complement the restitution program, which is designed to restore land ownership or provide compensation to those who were dispossessed without adequate compensation by racially discriminatory practices after 1913. The redistribution program is aimed at providing the disadvantaged and the poor, who are blacks with access to land. It is also meant to redress the past imbalances on land ownership where Whites owned 87 percent of agricultural land and Blacks resided on 13 percent of arable land. The redistribution program is to ensure equitable distribution of landownership, and reduce poverty and contribute to economic growth. (Department of Land Affairs. 1998)

The land reform program has been criticized for being very slow in delivery of land to the historically disadvantaged. Though it has been slow, in the first ten years of land reform, most land transfers were through redistribution program, with restitution, contributing just less than a third of the total. The total land redistributed through redistribution and tenure reform, as of September 2004, was nearly 1.9 million hectares (Hall 2004). Apart from its slow progress, land redistribution policy has also changed what the program is supposed to achieve and whom it is meant to benefit (Ntsebeza & Hall 2007:89).

The redistribution program started in 1995 with government providing grant subsidies called Settlement and Land Acquisition Grant (SLAG). The grant amounted to R16 000.00 per household, and targeting households earning less than R1500 a month.
The small size of grant led to situations where groups of people, with some having no interest in commercial farming whatsoever, but looking for land to reside, coming together to buy farms being offered by the market. This resulted in poor use of productive land, and to what is known as “rent-a-crowd’, which is overcrowding of a small unsustainable land by a group of people. The overcrowding objected to the very purpose of land redistribution program, which is to reduce poverty and contribute to economic growth. The SLAG was terminated in 1999 to allow a policy review after the Department of Land Affairs realized some policy failures in the redistribution program. (Thwala W.D. 2006: 67)

The internal review had concluded that (i) the limited involvement of the Department of Agriculture before, during and after project approval severely compromised the success of those redistribution projects which aimed to support agricultural production; (ii) projects undertaken by large groups (e.g. over 25 households) had high failure rate in terms of income generation; (iii) lack of own contribution made it difficult to screen the applicants; and (iv) the means test restricted the target group too much - emerging commercial farmers could not qualify. (Ntsebeza & Hall. 2007: 175). This review resulted in the launch in August 2001 of what is now known as Land Redistribution for Agricultural Development (LRAD). This program also seems to be facing some challenges of which some are:

The ‘willing buyer willing seller’ approach has shown to be serious challenge in the land redistribution program. The approach makes the buying and selling of land dependent on the current owners to sell at the prices that grant applicants can or cannot afford. That means, though the ANC led government understands that Whites ‘forcefully’ took the land from Blacks under apartheid system, currently, the market forces that are ‘demand’ and ‘supply’ determines the price of land. This becomes a challenge, as the largest single buyer is government, with large number of sellers being white commercial farmers. Current government policies treat all parties – the landowners and the landless - as equals whereas they are not. The landowners have the resources to resist government in courts of law, and resist land development
initiatives. The market driven approach has been seen as the contributing factor to the slow progress of land redistribution.

“International experience of land and agrarian reform programs demonstrates that the market on its own is unable to effectively alter the pattern of ownership in favour of equity for the targeted beneficiaries of land reform, … South Africa’s experience over the last eleven years confirm this experience: the pace of redistribution to the targeted groups has not been sufficient to realize our 2014 objective.” (Report of the National Land Summit: 2005: 09).

The lack of post-settlement support has often been identified as problem area in both the land restitution and land redistribution programs. Lack of sufficient support by both the private sector and state institutions has resulted in black emerging farmers failing in their newly acquired farms even before they emerge as farmers. Post transfer support to beneficiaries has been a critical gap in land reform identified by two official reviews and three official Quality of Life surveys (Turner 1997, May & Roberts 2000). On the one hand the traditional commercial banks are reluctant to finance this sector as they claim that it is ‘high risk’ business. On the other, the DLA has acknowledged the need to provide support beyond the land transfer stage, but it is often beyond the capacity of the project officers to perform this function. Provincial departments of agriculture, the Land Bank, the National Development Agency and local government are not resourced to provide adequate agricultural support to land reform beneficiaries. This has resulted in ad-hoc post transfer interventions by different agencies and large-scale underutilization of land. (Hall & Ntsebeza 2007:100).

Also according to Machethe and Molllel in Xhotyeni (2001:22), White commercial farmers have traditionally been served by a relatively few, but well qualified staff, while Black small holder farmers are served by a large number of less qualified staff. They further state that the multiple functions that extension agents perform tend to detract them from the main function of extension this retarding progress. This
reflects the insufficient support provided to Black emerging farmers in the post settlement period.

2.1.4 Monitoring and Evaluation

Monitoring and evaluation are important elements of any programme or project being implemented; this is also particularly relevant on land reform programme. It is meant to determine whether any progress is made to achieve the goals. Monitoring is the periodic oversight of the implementation of an activity, to establish whether input deliveries, work schedules, activities and outputs are proceeding according to plan, so that timely action can be taken to correct deficiencies. Evaluation is a process of determining the relevance, effectiveness efficiency, equity, and impact of activities, in the light of specified objectives. (Coetzee et. al 2004:561).

It is important therefore for government to continuously monitor and evaluate the land reform programs and take the necessary corrective measures to ensure that policy objectives are achieved and are reviewed regularly. The South African government has been proactive to conduct such reviews in the land reform program, and that resulted in the termination of SLAG in 1999 and introduction of LRAD in 2001. In July 2005, the national land summit was convened after a decade of liberation to assess how far the Government has gone in meeting the land and agrarian reform ideals of the country as reflected in the freedom Charter and the Constitution. The Minister for Agriculture and Land Affairs announced that she would convene such forums in order to create a platform for South Africans to find practical solutions to accelerate land delivery for sustainable development. (Report of National Land Summit: 2005). The forum managed to advise government to review its land reform policy and set new targets for the next decade.

Monitoring of land reform is not only a unique practice in South Africa, but practiced internationally especially in countries that were colonized due to slowness in showing the results. When one looks at why land reform and farm restructuring was conducted in Ukraine. The argument is that, creation of new farms and enterprises is
a complex process that is proceeding rather slowly, not only in Ukraine, but also throughout the Soviet Union. Many problems may arise. Problems may result from unforeseen difficulties or delays in the implementation. Other problems may derive from laws or decrees that constrain the process in ways that lead to economically undesirable outcomes. The Ukrainian government was responsible for designing and implementing programs. In order to carry out its responsibility, government needed current and accurate information about development at the farm level. (World Bank: 1994). It is at this farm level that this research was conducted, looking at black emerging farmers in the Tsomo Valley.

2.1.5 Background to Tsomo Valley Farms
Tsomo valley farms are in the area of Elliot in the Sakhisizwe Local Municipality, which is part of Chris Hani District Municipality in the Eastern Cape province of South Africa. The town of Elliot was founded in 1885 and named after Sir Henry Elliot and became a municipality in 1911 (www.aatravel.co.za). The Demarcation Board rezoned two magisterial districts to form one local municipality, which is Sakhisizwe Local Municipality in the 2000. The two magisterial districts are Cala and Elliot, of which Cala was previously designed for occupation by Blacks and was in the homeland of Transkei while Elliot was previously occupied by Whites and was administered by the RSA government. Elliot is a farming area. The total population of Sakhisizwe Municipality is estimated at 54 029 which constitutes 6.67% of the total population of Chris Hani District Municipality. (Stats S.A. 2001).

During the 2003/04 financial year, the DLA delivered 200 land redistribution projects in the northern part of the Eastern Cape alone. Most of these projects were finalized in the last 2, 5 years since the launch of Land Redistribution for Agricultural Development subprogram in August 2001. These projects represent 25% of the total land redistribution projects in the Eastern Cape. Ninety-four of these projects involve the acquisition of the private land on the basis of willing-buyer-willing seller approach and are partially financed by grant funding under the LRAD sub-programme. These projects are in the districts of Dodrecht, Indwe, Elliot and
Maclear, formerly outside of but adjacent to the Transkei. The Minister, Deputy Minister and Director General were invited to celebrate these 200 transferred projects at a public event in the Elliot Town Hall on 11 March 2004. (DLA Annual Report: 2004)

The area of Elliot has received the most beneficiaries from the LRAD program nationally. According to Aliber et.al, of particular importance to researchers and policy-makers concerned with land reform and its impact in Elliot magisterial district in the Eastern Cape, which is the only part of the country to-date where land reform is on track to transfer the national target of 30% of farmland, through all aspects of land reform. As of 2005, more than 15% of the farmland in this area had been transferred from white to black ownership through land reform. (www.land.pwv.gov.za).

In October 2002, thirty-five farms were handed over to emerging black farmers in the Northern region of the Eastern Cape, which covers some areas of Chris Hani and Ukhahlamba district municipalities. Most of the recipients were from the magisterial district of Elliot. In 2004, the NDA board decided to provide a grant amounting to R845 820 to a group thirteen farms of these LRAD beneficiaries that are concentrated in an area called Tsomo Valley in Elliot. Twelve of the thirteen farms were LRAD beneficiaries who were assisted by NDA and National Co-operative Association of South Africa (NCASA), came together to form an agricultural co-operative called Tsomo Valley Agricultural Co-operative. The programme’s intention was to complement the government’s redistribution programme and Chris Hani District Municipality’s LED strategy. The activities of the programme included capacitation of farmers, facilitation of access to farming inputs, mentoring of farmers and strengthening of partners with other stakeholders in the agricultural sector. The farms cover an area of 10 130 hectares and 80% of that is grazing land and the rest is arable land. The programme started working with thirteen (13) farms in the Tsomo Valley, although at the time of the research they were fourteen (www.nda.org.za). Ten of these farms were awarded to the new black owners between 2002 and 2006.
therefore, the other four, though members of the co-operative are not within the scope of this research.

CHAPTER 3

3.1 Research Design and Methodology

3.1.1 Introduction

The chapter will discuss the methods used to conduct this research. Various research methods have been used to collect data, since the research is exploratory and mainly on data collection.

The study focused only on Land Redistribution and Development (LRAD) beneficiaries who reside in the Tsomo Valley in the district of Elliot. These farmers were selected because Elliot district has the largest number of LRAD beneficiaries in the country. Secondly, their collective concentration in the same area in the district, which is Tsomo Valley, was of interest to the researcher. It was therefore easy for the researcher to use them as a sample representing other LRAD beneficiaries throughout the Chris Hani District. Thirdly, these farmers have received some form of post settlement support from the Department of Agriculture and the National Development Agency as a collective. It was not going to be easy for the researcher to reach the scattered LRAD beneficiaries throughout the province due to financial and time constraints. Therefore the results of the study can be applied to the number of LRAD beneficiaries throughout the district, as they all fall within the same district municipality, get support from the same DLA and DOA offices in the district, though they may differ from the Tsomo Valley Co-operative by working as individuals and not as a collective.

The instruments or tools of data collection are discussed to explain why they have been chosen. The sampling procedure is then discussed. In this case the type of sample is explained in detail as well as the reasons for choosing the sample. It will be
important to explain the measures to be taken to show that the results are reliable. Finally, there will be a brief explanation on how the data will be analyzed.

3.1.2 Orientation and Scope of the Study

The black farmers in the Tsomo Valley were chosen as a case study to be investigated simply because the researcher was familiar with the Tsomo Valley Agricultural Co-operative as an employee of the NDA, which provided post settlement support to the Co-operative. The researcher inter-acted with the farmers and built a rapport prior to the research, therefore they were more willing to provide information than would have been to a stranger. If they were unfamiliar with the researcher, more time would be needed to familiarize, get to understand each other and have some confidence that the information they supplied would not be used against their interests.

The study area is composed of black farm owners who got their farms through the LRAD programme support. These farmers have converged to form a co-operative, with a chairperson as a leader and a committee constituted of seven members. The co-operative is composed of thirteen farms with about one hundred and twenty (120) members. Individuals, families and some groups acquired some of these farms. It was therefore important to consult with the chairperson and the committee before research could be conducted in the respective farms. That helped to avoid or minimize conflicts, suspicions and misunderstandings about the researcher and the purpose of the research.

The researcher made it clear to the farmers that he was not there to provide additional funding, but for study purposes only. The research results could be used for their benefit if the authorities in government approve the results. The respondents were advised that the information they provided would be treated with utmost confidentiality.
3.2.1 Instrument and Data Collection

Various scientific data collection tools were used in gathering as much information from the sample as possible. The instruments were chosen considering the level of education of the respondents, the time to be spent, their access to technology like telephones, computers etc.

The data collected was both primary and secondary data. The primary data was the data collected by the researcher from the respondents, that is, first hand information through focus groups, interviews, questionnaires and observations. Secondary data was sourced from existing documents like books, newspapers, records and Internet sources were used.

3.2.2 Planning and Consultation

A meeting was arranged with the Chairperson of the farmers co-operative intended to introduce the purpose of the research. The chairperson was requested to arrange a one-day meeting with the respondents in a usual meeting point in the Tsomo Valley area. The respondents were expected to be no less than twenty-six members with each farm having at least two representatives. But due to other farm commitments, only fourteen members could attend, with each farm represented by one person.

The purpose of the research was explained, that it was for academic purposes and may influence those in authority to consider the review of some policies on LRAD programme. They were advised that the research would in no way be used to lobby for an extra financial support for the Tsomo Valley Co-operative either from NDA or any other potential financier.
3.2.3 Group discussion

The LRAD beneficiaries were taken through the different post settlement support services supposed to be provided by state and non-state institution in order to encourage them to participate. The focus was on the rural finance support as adopted by Ministry for Agriculture and Land Affairs. The Ministry accepted to create an enabling environment with regard to financial services for land reform beneficiaries guided by the recommendations of the Presidential Commission of Enquiry into Rural Financial Services (the Strauss Commission). The nine key recommendations from the Commission were: (Department of Land Affairs 1998)

1. The need for provision of small, timeous and efficient loans
2. Information provision through post offices and information agents.
3. Outreach programmes of rural finance like NGOs, village banks, and community banks
4. Private sector entering into agency agreements with institutions that have outreach in rural areas like NGOs.
5. Use of parastatals like the Land and Agricultural Bank, the National Development Agency and Independent Development Trust.
6. A cautious approach to subsidized credit.
7. A state-supported financial package for land reform beneficiaries.
8. Risk sharing agreements, where a state would undertake to underwrite the percentage of loan in the case of non-repayment.
9. ‘Sunrise’ subsidies, which are classified into three categories, which are, graded repayment, flexible repayment, discount subsidy.

The respondents in the discussion group were advised that their responses would be confidential and would only be used by the researcher, and their names would not be
divulged. The members participated actively and showed much interest in the discussion. The group discussion was conducted in both Xhosa and English and was followed by individual interviews.

The first unit of analysis was the entire group of farmers from the Tsomo Valley Co-operative. The interaction was meant to get the general overview of the Co-operative and how it works and relates to its members. Such interaction provided the researcher with an overview of what was the nature of farming in the area, whether it was crop farming or stock farming, and whether there was any unity within the co-operative group as an institution, and what were the relations with neighboring white commercial farmers.

3.2.4 Questionnaires

Questionnaire is one of the survey methods that are most popular used by researchers. Questionnaires are a method of eliciting, recording and collecting information from the primary respondents. The questions maybe “open ended, in which case the respondent is asked to provide his or her own answer to the question. In the other case, close ended questions the respondent is asked to select an answer from among the list provided by the researcher” (Babie et al. 2004: 233). Written questionnaires would be used to make surveying more efficient and standardized (Saslow 1982: 14). This would assist the researcher to save time and reach all the respondents.

The questionnaires were mainly open-ended questions written in English. This was intended to allow the respondents to elaborate and support their answers, as this was exploratory research. Though they were in English, they were not going to be posted or sent to the respondents, but were be administered by the researcher and a colleague, interpreting them in Xhosa where there was a need.

The questionnaires were administered at a venue selected by the respondents in one of the farms. Appointments were made before coming for the actual survey. The
questions were structured in such a way that there was a section for personal details, whereby information on gender, education, age, employment, were asked. The second section was on farming activities, like the size of the farm, amount contributed by the farmer and by government, year of acquisition, nature of farming involved, extension services received, financial support, type of farming involved, nature of support received from government and non-government institutions, yield and market opportunities available, income generated over a month and over a year period, whether there were any debts outstanding for the farm. The last section focused on farm infrastructure like fencing, dams, roads, telephones that is a necessity for farmers.

3.2.5 Interviews

Interviewing is typically done in a face-to-face encounter, but telephone interviewing is also conducted but follows most of the same guidelines. The role of the interviewer is indispensable as data collection is one of the most crucial phases in the research process. Errors during this phase can render the whole research undertaking futile. (Babie et al. 2004: 249). Therefore it is very important to ensure that the interviewer bias is managed. The interview instrument would be used because it is flexible i.e. it gives allowance for the interviewer to better probe more questions, the response rate is better and non-verbal behaviour can be observed (Bailey 1982: 182).

In this research, some few government officials were interviewed due to limited time available for the research. One official from DLA, one from DOA and one from NDA were interviewed. Open-ended questions were prepared but also catered room for unprepared questions. This helped to probe more information from interviewees. The prepared questions helped the interviewer to keep focused on the research purpose. The questions required information on government plans and programmes, administrative challenges, post settlement support, capacity building of staff and land policy matters.
Appointments were made with the interviewees, but due to time constraints, the questionnaire was faxed to them and followed by telephone discussion to clarify the questions. On receiving their written responses, a discussion was held between the researcher and each respondent to confirm the accuracy of the responses. The interviews were conducted in English or Xhosa whichever the interviewee was comfortable with.

### 3.2.6 Observations

There are two types of observations used in a scientific research. They are namely, simple observation – where the researcher remains an outside observer; and participant observation, where the researcher is simultaneously a member of the group she or he is studying and a researcher doing the study (Babie et al 2004: 293).

The observation method where the researcher remains an outsider was applied. As an element of a survey, the researcher had to make his/her own observations to reinforce the data from the respondents. That was done by observing and understanding their actions, manner in which decisions were taken, behaviour, body language, practices and their land use in the farms.

### 3.3 Completeness of the Research

The success of the research is on gathering the correct basic data. Comparing the responses from different respondents can be used to test the accuracy of the data. Interviewing more than one person helped the researcher to compare various viewpoints and came out with comprehensive conclusions. Similar or same responses given by different individuals in the same community are more likely to reflect the opinion of that community.

The farmers were interviewed as a group and later as individuals to verify information given in a group. With no group intimidation, it was assumed that the information they gave was correct and compared to the group information.
Observation technique also assisted to compare what the individual says, to his/her body language or to the reality in the farm.

### 3.4 Sampling Procedure

The researcher selected the LRAD beneficiaries who are members of the Tsomo Valley Agriculture Co-operative as a sample representing the population of LRAD beneficiaries in the Chris Hani District. The Sakhisizwe area has made the most transfers and is seen to be on track with the national targets. Therefore it was relevant to select a sample from within a bigger group in this area, which is of interest to researchers. These are owners of fourteen farms in the Tsomo Valley area in Elliot. They are actively involved in farming one way or another and vary according to sex, age, education and wealth.

Due to their total number being reasonable, the researcher ensured that at least one member in each farm was interviewed. By doing that, all these farmers in the sample were given a chance to give reasonable reflection of their feelings and attitudes about the LRAD programme.

### 3.5 Data Analysis

Most of the questions were open-ended as the nature of the research was exploratory, and a qualitative research. Therefore it will not be easy to use computer software in analyzing data, but percentages and tables would be used where necessary.
Chapter 4

4.1 Introduction
The data was collected through questionnaires, interviews and observations conducted by the researcher. The data collected was analyzed so that it could be interpreted and discussed and the researcher could reach findings based on the data.

The researcher first analyzes the data, which was collected through the use of questionnaires from farmers. The intention is to provide a generic picture of the nature of respondents and their responses without necessarily taking answer by answer. The researcher then analyzes the information collected from the government officials.

4.2 Personal Details of Farmers
Fourteen respondents representing fourteen farms were interviewed. The respondents were either head of the farm or both head of the farm and head of the family. Most of these respondents were initiators of the LRAD settlement and by that virtue they became heads of the farms. Out of that fourteen, twelve were males and two were females. That gives us 85,5% males and about 14,5% females. This reflects the dominant traditional role still played by men in our patriarchal society. Men are seen as decision makers in these types of settings. The interviewees were all Africans none were Coloureds or Indians.

The youthfulness, gender and racial group of respondents were important factors in this research as the LRAD programme targets the vulnerable groups who were
previously disadvantaged. The age distribution ranged from the age 30 to 72 years. Only two (2) respondents are less than forty years of age with the other eight (8) between 41 and 60 years, and four (4) above age of sixty. That means 71.5% are economically active population, though only two interviewees who represent 14.5% can be categorized as youth. This shows that youth is not highly involved in farming yet.

The majority of the farm owners are families or family groups. Therefore sustainability of the farm is also influenced by the stability of the family and vice versa is also possible. Twelve of the fourteen interviewees are married and the majority of them reside with their spouses on the farm. Even the two males who do not stay in the farm with their spouses pay regular visits to their families in town. There was one male farmer who is widowed, and one female farmer who is single and was never married.

A farm is a dynamic business entity, which requires quick and open minds as they are subject to a number of risks and natural disasters. Therefore, for successful business management, one is required at least to be functionally literate, that is, be able to read, write and do basic calculations. The higher the levels of education are the higher the chances of a well-managed and successful farm. The standard or level of education of the interviewees varied a lot. The following table depicts the education levels of respondents who are also the heads or managers of the farms:

<table>
<thead>
<tr>
<th>Education Levels</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never attended school</td>
<td>1</td>
<td>7.2 %</td>
</tr>
<tr>
<td>Primary – Std 1 -4</td>
<td>4</td>
<td>28.5 %</td>
</tr>
<tr>
<td>Higher Primary Std 5 -7</td>
<td>1</td>
<td>7.2 %</td>
</tr>
<tr>
<td>Secondary Std 8-10</td>
<td>3</td>
<td>21.4 %</td>
</tr>
<tr>
<td>Tertiary – above matric</td>
<td>5</td>
<td>35.7 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>
The last biographical information gathered was on the number of dependents residing in the farm. One of the failures of the SLAG programme, which was a land redistribution programme in RSA, was as a result of “crowd buying” of farms, where people would combine their grants to buy a farm. That meant the higher the number of beneficiaries the bigger the farm, but that did not result in productive and profitable farms. The number of residents varied from one farm to another between one and fourteen, though the average size was seven members in a farm. Considering that the average family size is five people in the Eastern Cape, the average size of members in farms under studied reflects more or less that of family. The family groups that bought the farms either migrated from the former Transkei due to shortage of farm land in the former homeland or were the former farm-workers who decided to buy the farm from the previous owner because they were not ready to relocate to the township, as they were used to the farming life and saw potential for survival in farms.

### 4.3 Farming Activities

#### 4.3.1 Farm as Business Entity

The following Tsomo LRAD beneficiary farms were used as the sample of the study. These farms were acquired between the years 1995 and 2007. Table 4.2 depicts these farms:

**Table 4.2**

<table>
<thead>
<tr>
<th>No.</th>
<th>Farm Name</th>
<th>Land Size (Hectares)</th>
<th>Year Acquired</th>
<th>Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kilkomkil Farm</td>
<td>420</td>
<td>2004</td>
<td>LRAD</td>
</tr>
<tr>
<td>2.</td>
<td>G2 Foundation Trust</td>
<td>255</td>
<td>1996</td>
<td>SLAG</td>
</tr>
<tr>
<td>3.</td>
<td>Lanlom Farm</td>
<td>391</td>
<td>2005</td>
<td>LRAD</td>
</tr>
<tr>
<td>4.</td>
<td>Ulapool</td>
<td>836</td>
<td>2004</td>
<td>LRAD</td>
</tr>
<tr>
<td>5.</td>
<td>Clifton Farm</td>
<td>507</td>
<td>2004</td>
<td>LRAD</td>
</tr>
<tr>
<td>6.</td>
<td>Ballater Farm</td>
<td>570</td>
<td>2003</td>
<td>LRAD</td>
</tr>
<tr>
<td>7.</td>
<td>Garva Farm</td>
<td>715</td>
<td>2004</td>
<td>LRAD</td>
</tr>
<tr>
<td>8.</td>
<td>MJ-NK Madasa Foundation Trust</td>
<td>534</td>
<td>1995</td>
<td>SLAG</td>
</tr>
<tr>
<td></td>
<td>Farm Name</td>
<td>Land Size</td>
<td>Year</td>
<td>Funding</td>
</tr>
<tr>
<td>---</td>
<td>----------------</td>
<td>-----------</td>
<td>------</td>
<td>---------</td>
</tr>
<tr>
<td>9</td>
<td>Gemak Farm</td>
<td>323</td>
<td>2003</td>
<td>LRAD</td>
</tr>
<tr>
<td>10</td>
<td>Nerest Farm</td>
<td>1602</td>
<td>2007</td>
<td>LRAD</td>
</tr>
<tr>
<td>11</td>
<td>Swara Farm</td>
<td>250</td>
<td>2003</td>
<td>LRAD</td>
</tr>
<tr>
<td>12</td>
<td>Imizamo Farm</td>
<td>236</td>
<td>2004</td>
<td>LRAD</td>
</tr>
<tr>
<td>13</td>
<td>Masikhule</td>
<td>1300</td>
<td>1998</td>
<td>SLAG</td>
</tr>
<tr>
<td>14</td>
<td>Eyethu Farm</td>
<td>662</td>
<td>2003</td>
<td>LRAD</td>
</tr>
</tbody>
</table>

The only challenge experienced, which was mentioned by these farmers in the process of land acquisition through LRAD, was the breach of promise by sellers (white farmers), which caused major delays. They stated that sellers would give an offer to sell land, but while the transaction was being processed by the DLA, the farm would be sold to another “white” farmer who offered a higher price for the same land. In some instances, the neighboring farms would come to know that the farm is being sold, then they would buy the farm in order not to be adjacent to a “Black” owned farm. Then they had to go and look for a farm on sale. These delays took between three to twenty four months before the beneficiaries ultimately acquired land. All the farms do not have outstanding debt on the land as LRAD funds covered the cost of buying and a favorable balance remained for the beneficiaries. There were only two farmers who have debt with the land bank, which financed them for agricultural implements and equipment.

As farms are business entities, it is important for them to be registered as legal entities. Most of them are run as family businesses. They were all registered as legal entities in different forms, which are a Trust, a Communal Property Association (CPA), a Close Co-operation, or a Primary Co-operative. They all had title deeds or certificates of land ownership for their farms. Though most of the farmers knew the purchase price of the farms and the year the farms were acquired, they could not confirm the current values of their farms. Therefore, the investment values of these farms as businesses could not be determined. This is a critical factor to know in running a business, since the asset value can be used as a collateral or to determine the business wealth.
Land can be acquired for different reasons, but there are two primary reasons of acquiring land, it is either for residential purposes or for business purpose. These farm-owners all acquired their land for a business purpose, “to make a means of living out of the farm” according to their own words. All the farms were farming livestock, with minimal crop farming in some farms practiced as cash crops meant to supplement income from the livestock or to feed the livestock. Most of their land is not suitable for crops and their farms are not properly fenced and as a result stray animals destroy crops when they are planted.

4.3.2 Stakeholder Relations and Support
It is the Department of Land Affairs (DLA) whose mandate and function is to ensure equitable and fair redistribution of land in South Africa. It is for this reason that DLA initiates and manages the LRAD programme. Though, it is not the duty of this department alone to ensure that these farmers succeed, but a role to be played by different stakeholders. As indicated earlier on, the limited involvement of the Department of Agriculture (DOA) before, during and after project approval severely compromised the success of those redistribution projects, which aimed to support agricultural production. Therefore DOA has to be involved in all levels of land reform programme. Also other, parties like the NGO’s, academic institutions, para-statal institutions, development institutions and private sector have a role to play.

The DLA played an important role on the acquisition process of these farms, by providing legal and financial support. The DOA was not involved in anyway during pre-handover stage. They only emerged after handover, and at this stage, the DLA disappeared forever from the farms. During the interviews, a lady from DLA visited only one farmer, about a year after hand-over. In fact, the farmer could not even remember the purpose of the visit. This does not mean the DLA becomes irrelevant after hand-over, as some farmers experience disputes and conflicts amongst themselves over land purchased. They then require legal advice to resolve those
disputes, and the DLA would not be ready to intervene though that hinders production in a farm.

The DOA has played some role with regard to these farms, though too late after hand-over. It provided extension services, vaccinations, dipping tanks and fencing for most of the farmers at Tsomo Valley. Most farmers started in their farms in 2003, but they only received support from DOA in 2007.

4.3.3 Financial Support
One of the commitments stated earlier on was that the LRAD beneficiaries would be taken through the different post settlement support services provided by state and non state institutions in order to encourage them to participate in mainstream agriculture. The focus would be on the rural finance support as adopted by the Ministry for Agriculture and Land Affairs. The Ministry accepted to create an enabling environment with regard to financial services for land reform beneficiaries guided by the recommendations of the Presidential Commission of Enquiry into Rural Financial Services (the Strauss Commission)(Department of Land Affairs 1998). Out of those nine recommendations, only one third of them filter through to Tsomo Valley farmers. The parastatals, like National Development Agency (NDA) and Land Bank were mentioned to be providing some form of financial support. There are no NGOs, no village or community banks, and no form of soft loans, subsidized loans, “sunrise loans” or risk sharing agreements are provided by the state as promised. There is no agricultural-related finance information provided by the post office, except the normal loan granted in similar standards like any traditional commercial bank. Apart from the two state institutions mentioned, the other forms of credit they had were loans from friends and family.

4.3.4 Non-financial Support
The farmers in their responses mentioned that they get non-financial support services, like vaccination, extension services, trainings and skills development programmes on farm management, veld management, financial management, animal husbandry and
crop production trainings. The DLA has also provided almost all the farmers with fencing, though not one hundred percent complete in some farms. The fencing contributed a great deal to these farmers. White farmers were mentoring some Black farmers and the DOA bearing the mentoring costs. The NDA and the DOA also provided some heifers and a bull to mix and improve the quality of breed of farmers. The area of need, mentioned by the farmers was the shortage of the farming equipment like ploughs, planters, harvesters, handling facilities, and milking machines which they claimed that they could not afford. A shortage of skilled and dedicated manpower was also mentioned as an area, which requires support from the government.

4.3.5 **Infrastructure**

The farm infrastructure is generally poor. The farmers were fortunate in that in year 2007 the DOA fenced their farms, but the fencing covered the boundary areas of the farms. Within the farm, the fencing is non-existent or very poor and old, and there is no proper sub-division in the farms. Since most farmers are livestock farmers, who have to sub-divide their farms according to various breeds and age of animals, the poor fencing conditions affect their production negatively. In fact, I was advised that these black farmers used to quarrel and had poor relations with their white neighboring farms due to their animals trespassing over to their farms when their boundaries were not fenced.

The water sources are a challenge for the farmers. Eleven of the farms, which constitute 78.5% of the farms, rely solely on river water for both animals and human feed. Out of that eleven, at least two of the farmers are using spring water for human feed. Fortunately, since the area is mountainous, the rivers rarely dry up. Most of the farms had boreholes from their previous owners, but due to their age and poor maintenance, only two farmers from the interviewees have their boreholes still running well. One farmer has no water source at all in the farm and depends on water collection from the township. From the interviewees, only one farmer has a dam as water catchment in his farm. In case of droughts, there is absolutely no alternative
water supply system in any of the farms. This is a recipe for disaster as both humans and animals depend on water for their survival.

Roads are a crucial factor for any farm success, as the farmers have to transport inputs into the farms and outputs to their markets. The main road to Tsomo Valley is gravel road, which was recently maintained, and was reasonable in good condition at the time of the visit. The interviewees reflected that at least government regularly maintains the main road. Only two farmers have their farm entrances through the main road. The rest of the farmers use access roads to get to their farms, which are very poorly maintained or non-existent. They claimed that, during rainy seasons, they struggle to get in and out of their farms. One farmer, who has to cross the bridge, said that at times the bridge over-flows and it becomes impossible for him to get out of the farm under such circumstances.

Only two farmers get their power supply from Eskom. The other twelve farmers have no electrical supply at all. That means 85.4% of the farms have no electricity. The previous white farmers used to get their power either from Eskom or had diesel/petrol generators. One could still see the old engine rooms in some farms as a sign that there was some form of power generated in the past. Wood and paraffin are used as a source of energy in these farms. The Telkom telephone landlines are non-existent in all the farms. The farmers are using cellular phones for communication with their suppliers and markets. Except for one farmer, they were not familiar at all with Internet services. As farmers are businesses, I believe they loose a lot of opportunities due to their poor communication systems. Four of the farmers, which constitute 36.4% of the farms, have no cellular network in their houses; they have to travel some distance out of the house to catch the network.

4.3.6 Interviews with Government and Support Institutions
The interviewer managed to interview three officials, one from DLA, another from DOA and one from NDA. They individually reflected on form of support they had provided to the farmers as different institutions.
The interviewee from the DLA has been a Principal Planner for the department for the past three years, of which prior to that, he was a Project Officer for two years in the same department. He stated that their target group as DLA are the (i) Landless people (ii) Emerging farmers, (iii) Rural/communal farmers, and very rare are (iv) Farm workers and dwellers. The programme covers the entire Eastern Cape and is pro-poor and targeting previously disadvantaged groups particularly youth, women and people with disabilities.

The LRAD claims according to the officer took anything between one to four months after all required documentation has been submitted by the buyer. This process is influenced by both internal and external factors, like internal procurement process to be followed by DOA to get a service provider to valuate the land, or externally, getting hold of the seller or his representative to sign the necessary documents. The challenges are not limited to the above; they also face the following challenges:

a) Escalating land prices despite the increase in grants
b) Beneficiaries not able to come up with their own contribution.
c) Scarcity and in-availability of land valuators.

The DLA’s relationship with the beneficiaries ends upon transfer of the land, with the hope that the DOA will start with the post-settlement support, but there are no measures to ensure that the DOA provides the support before DLA exits. In all, there is no obligation from either DLA, DOA or any other state institution to provide the support. There is a partnership strategy policy currently under discussion, which it is hoped that it will close the handover gap and come up with a structured post settlement support system. In addition to the strategy, according to the interviewee’s opinion is the need to improve on monitoring and evaluation of projects handed over.

The second official interviewed was a female officer from the DOA, who has been a Senior Agriculture Extension Officer for five years providing extension services to farmers in the Tsomo Valley area. Their target clients are farmers, with preference
granted to previously disadvantaged farmers, i.e. Blacks, Females, Youth and People with Disabilities.

The DOA only comes into contact with the LRAD beneficiaries after the land transaction has been completed, either through an officer from DLA or from the farmer since he/she would be looking for service/s from DOA. Otherwise there is no formal or structured hand over process that is followed. The DOA provides the normal agricultural extension services that would have been provided to any farmer, depending on the availability of human and financial resources. Services that are provided are infrastructural services like fencing, dipping tanks, soil erosion prevention methods and extension services like advice on vaccination, provision of training in various specialties in agriculture, agricultural shows and exhibitions and advice on land use and planning.

The challenges experienced that were reflected by the interviewee when they provide their services amongst others, are insufficient financial resources which results in insufficient support services like vehicles. There is also a huge shortage of manpower and lack of specialist services like veterinary and engineering services at local level.

The last interviewee was the officer from the National Development Agency (NDA) who has been a Development Manager over the past seven years. The organization provided grants as working capital to non-governmental organizations, and also assisted them with skills development and institutional capacity building. This is what is also provided by NDA to Tsomo Valley Agricultural Co-operative. The organization only came into contact with the farmers “by chance”, after the handover of the land by DLA. Some members of the co-operative applied for grants as individuals and either DLA or DOA referred some to NDA. Then the NDA grouped them into a co-operative for it to be able to provide the necessary support. Therefore, there is no structured or formal way of handing over the beneficiaries to support institutions after post-settlement of the land.
The farmers received support from the NDA as a group and not as individuals. For example, part of the grant has been used to hire a mentor to empower all the farmers, and to buy some few bulls that rotate amongst members. Therefore, the success of their interventions depended on the success of the co-operative as an institution. It is the co-operative, which decided how the members use the grant. The support that was provided to the farmers by the NDA was two pronged; firstly it was directed to the co-operative as an institution by setting up its governance, management systems and control systems. The second phase of support was buying of production inputs, equipment, skills development and development of bankable business plans. They are then linked to other support institutions, which might be interested or not interested. The other institutions are not compelled to provide the required support even if they are state institutions. Even the NDA is not compelled to provide the support to LRAD beneficiaries; as a result, the Tsomo Valley farmers are a small percentage of the LRAD beneficiaries in the Sakhisizwe Municipality.

4.3.7 Other Findings and Observations

The researcher posed some questions to the interviewees, which were initially not in the research questionnaire. He also made some observations as he was conducting the interviews.

When the farmers were asked if what form of support they need in order for them operate successfully, most of them reflected a need for more financial support in order for them to buy agricultural equipment. Though they are aware that there were financial institutions like Land Bank, Uvimba Bank and other commercial banks that provided loans, they were not ready to apply. To me, that made me feel they are not ready to take risks and therefore are not dedicated entrepreneurs in their businesses. They also complained about the shortage of workers, of which I observed that they were also not ready to spend on labour costs, as a result they worked mostly with family members who only benefit when there is an income from outputs.
Most of the farmhouses were dilapidating and require major renovations. Some farms used to have windmills that are no longer functioning and water taps that no longer have water. There was old farming equipment and old farm sheds in some farms. In probing why the farms were in that state, the responses were that, the former owners did not maintain the equipment once the sale transaction is started, and in some instances, they would deliberately destroy some facilities with the intention to fail the new entrants into the farm. Despite of that, I noticed that even the new owners in some farms were not doing anything to renovate or rehabilitate the assets though they needed them. They argued that they have no funds to do the renovations. That was also the reason why they could not fence and subdivide the farms. They are still using the traditional farming methods.
Chapter 5

1. Introduction

The research has looked at the impact of the LRAD programme as a policy, and how it has assisted black emerging farmers to be involved in the mainstream agricultural economy of the country. It had to establish whether the constitutional mandate given to government to take reasonable steps to enable citizens to gain equitable access to land, to promote security of tenure, and to provide redress to those who were dispossessed of property after 19 June 1913 as a result of the past discriminatory laws or practices is being achieved. (White Paper on Land Policy.1998: pvii)

The research had to specifically answer whether the government is providing sufficient support other than capital grants to ensure that the black emerging farmers, particularly the LRAD beneficiaries, run viable farms that are self-sustaining. It assessed whether there are any institutional or capacity challenges in the implementation of the LRAD policy programme, and what other forms of support the government should be providing, especially in the post settlement period, in order to ensure these emerging farmers succeed in farming.

In doing that, the researcher had to study the laws and policies on land reform in RSA and conduct literature reviews of previous research works and writings on land reform programmes in South Africa, and other countries like Zimbabwe and Ukraine. In addition to that, field visits were conducted and interviews were held with LRAD
farmers and government officials to source first-hand information on successes and challenges of the LRAD programme, especially its implementation. In that process, some observations were made which were also considered and included in the findings and recommendations.

2. Conclusions and Recommendations

2.1 Integration of Planning and Implementation

The land reform programmes in RSA entirely, continue to be planned and implemented in a very fragmented fashion. The Department of Land Affairs (DLA) possibly does its individual planning outside the government’s economic cluster, which is group of various cabinet ministries that deal with economic matters like Department of Trade and Industry, Department of Minerals and Energy and other related departments, and later takes that into the cluster to be adopted as programme of the cluster. This is then evidenced by lack of support to LRAD beneficiaries by the Department of Agriculture (DOA) and other parties like NDA, Land Bank and even the local municipalities. Looking at the case study of Tsomo Valley, the DOA provided ad-hoc extension services since the farms were handed over by DLA mostly in 2002, and only provided capital infrastructural support in 2007, meaning that they had not planned and budgeted for the LRAD farmers. The local municipality had not provided any form of support over the same period to these farmers. The DLA was only involved in the land transfer process without involving DOA and assumed that the DOA and other parties would take over in the post settlement period without making proper handover to the relevant parties. The DLA vanished thereafter without even monitoring whether there were any post settlement interventions provided.

There should be an act or policy that obliges the DLA to ensure that proper handover of beneficiaries is managed. The government should not rely on the proposed
‘partnership strategy’ being discussed by various relevant departments, but enforce the working relationship to complement the resources already spent on land transfer. “Land and agrarian reform should be an integral part of the mandate of local government and should form a central component of Local Economic Development (LED) strategies, including through its inclusion in Integrated Development Plans (IDPs)”. (National Land Summit: 2005:13)

2.2 Farms as Family Units and Business Entities

In comparison to the farms acquired during the SLAG period, the LRAD farms are more productive, though still not fully utilized. They are no longer places of “renting a crowd”. This is highly commended and can be attributed to “own contribution” where family members jointly make own contribution effort to get a farm as a “home” and a “means to survive”. The farms then become productive units, used to the best of the family’s ability, as a business and a means for the family’s survival. It is then for government to create and promote conducive environment to establish agricultural education facilities and trainings in order to encourage and promote youth to be involved in agriculture within reach of their family farms. This would then lead to continuity of farming beyond the lifetime of the parents. It was clear from the findings that youth is not playing a leading role in the farms currently, with only two farmers less than age forty who were farm managers. That represented 14.5% of all farmers interviewed.

2.3 Speedy Facilitation of Land Acquisition Transaction

The farmers have reflected that one of their challenges was delay in the purchase transaction due to re-sale of the potential farm to a “white” farmer who is able to conclude the deal either quicker or at a higher negotiated price than the DLA. That resulted in “black” farmers having to look for another seller. The DLA official also mentioned that there is a challenge around procuring the property valuators which results in delays in LRAD transactions. The combination of the two factors
contributes in delays, which then hampers the objectives of LRAD which are to transfer land for agricultural and settlement purposes. The other consequence of the delay is that the property’s infrastructure like farmhouse, fencing, windmills etc. gets vandalized while the transaction is being processed. The longer the delays the worse the vandalism occurs, and the buyer becomes a loser because by the time the farm is transferred, the value of the farm has depreciated. The “willing buyer, willing seller” principle and market approach to land reform is the dominant factor in this scenario as the seller has a freedom to change his mind and sell to any other willing buyer. It is for this reason that the principle is rejected as “international experience on land and agrarian reform programmes demonstrates that the market on its own is unable to effectively alter the pattern of land ownership in favor of equity. Market based land acquisition entail reliance on the existing land market system which is characterized by a number of distortions and imperfections.” (National Land Summit: 2005:09). Therefore, there is a need to change the principle and the seller and government must commit and hold to the transaction while it is being negotiated for the potential buyers.

2.4 Lack of Rural Financial Support Schemes

The lack of rural financial support schemes particularly for farmers was identified as problem as far back as 1998, prior to LRAD programme. The Ministry accepted to create an enabling environment with regard to financial services for land reform beneficiaries guided by the recommendations of the Presidential Commission of Enquiry into Rural Financial Services on what was called the Strauss Commission. There were nine key recommendations from the Commission, of which only one third of them are practiced, though also by chance and not by plan. In the Eastern Cape Province, there are some agricultural targeting institutions like village banks, NGOs, stokvels, state institutions like Uvimba Bank, Macro Finance of South Africa (Mafisa), the National Development Agency and the Land Bank. These institutions do not exist within the easy reach of farmers, that is, within their magisterial districts or local municipalities. Even the Post Office, with the Post bank does not provide information or finances as promised by the Strauss commission. As a result of the
lack of the rural agricultural finance, the farmers are skeptical to engage in any form of loan because of fear to undergo the traditional assessment process of commercial banks and end up not getting the loan. The challenge now is that the farmers as entrepreneurs cannot increase production without getting some financial injection in form of a loan to inculcate the business culture. Therefore the government must implement the recommendations by Strauss Commission and ensure that there is a concerted effort to take such services to these farming communities. As reflected from the Tsomo Valley case study, these services reach these communities by chance, and not by plan.

2.5 Infrastructure Support
It is the government’s role to provide basic services to its citizens. The LRAD farmers as citizens of the country should have access to clean water, education, electricity, telecommunication infrastructure and access to their homes. The Tsomo Valley farmers do not have public utility infrastructure. There are no access roads, no electricity, some farms do not have communication network, most depend on river water, and there is one farm school starting from Grade 1 to Grade 6 with only two teachers. Further than that the students either abandon schooling or have to attend township schools, which are very far from their homes. There is no transport subsidized by government to transport students in these communities. It is recommended that the government must ensure that basic public infrastructure is provided where development initiatives like LRAD programmes are implemented. The local government must ensure that developmental nodal points are also supported by infrastructure and include such areas in the Integrated Development Plans.

2.6 Capacity Building and Training
The levels of education are relatively low, though this is not a criterion for getting and owning a farm but a crucial element of running a successful farm. About 42,9% of the interviewed farmers have not gone beyond standard seven (7) in their formal education. This poses a challenge for training interventions as some who are not literate at all, might not be trainable. Therefore, support programmes like Adult Basic Education and Training (ABET), and life skills must be introduced in these
communities before any farming related training or capacity building programme is introduced.

Though the NDA and DOA have provided these farmers with some capacity building training in farming related skills, some farmers could not even remember the trainings they had attended, while some have never applied the learned information. This therefore requires the training providers to conduct skills needs audit and analysis before conducting training, so that they can provide relevant needed training to respective farmers.

The LRAD programme has managed to improve the quality of productivity in farms compared to SLAG, and has managed to assist government in the speedy delivery of land reform programmes, as it has managed to provide more land to Blacks than Land Restitution and Land Claims programmes. However, the above shortfalls still need to be addressed as recommended in this research.
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QUESTIONNAIRE FOR TSOMO VALLEY FARMERS

Section A: Personal Particulars

1. Gender

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
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2. Age

<table>
<thead>
<tr>
<th>Under 21</th>
<th>21 to 30</th>
<th>31 to 40</th>
<th>41 to 50</th>
<th>51 to 60</th>
<th>60 and above</th>
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3. Marital status

<table>
<thead>
<tr>
<th>Married</th>
<th>Single</th>
<th>Divorced</th>
<th>Widowed</th>
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4. What is the total number of beneficiaries/applicants for the farm?

5. What is your role in the farm? .................................................................

6. Are you full-time farming? .................................................................

7. What is your source of income............................................................

8. What is your total household income per month?

| 0 to R1000 | |
| R1000 – R2000 | |
| R2000 – R3000 | |
| R3000 – R4000 | |
| R4000 – R5000 | |
| R5000 – R10 000 | |
| R10 000 – R15 000 | |
| R15 000 – R20 000 | |
| R20 000 – R50 000 | |
| R50 000 and above | |
9. How many people reside in the farm?

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>Infants 0 -5 years</td>
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<tr>
<td>Young Children 5 -10</td>
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<tr>
<td>Teenagers 10 - 21</td>
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<tr>
<td>Adults 21 -55</td>
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<tr>
<td>Pensioners 55 and above</td>
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</table>

10. Level of education

<table>
<thead>
<tr>
<th>Education</th>
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<th>Female</th>
</tr>
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<tbody>
<tr>
<td>Never attended school</td>
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<td></td>
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<tr>
<td>Primary Std 1 - 4</td>
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<td></td>
</tr>
<tr>
<td>Higher Primary Std 5 - 7</td>
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<td></td>
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<tr>
<td>Secondary Std 8 -10</td>
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<td></td>
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<tr>
<td>Tertiary</td>
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</table>
Section B: Farming

1. What is the size of the farm? ……………………………………………………………

2. Which year was the farm acquired? …………………………………………………

3. Were you involved in the acquisition process? If yes, can you explain the process you followed?

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4. What type of legal entity is your farm registered and why did you choose this type of entity?
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5. Which type of farming are you involved in?
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6. Why did you decide in this type of farming?
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7. Were you promised to get any support after acquisition of farm by the DLA official? Explain?

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8. How much income do you make out of your farming activities each year? Is this your targeted income?

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9. When was the last visit by an official from the Department of Land Affairs since you acquired the farm? And what was the purpose of the visit?

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10. Are you getting any technical support from the government? Explain the type of support?

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11. Are you getting any technical support from a private company or NGO? Explain the type of support?

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12. Are you getting any financial support or credit facility from government or state institution?

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13. Are you getting any financial support or credit facility from private sector or NGO?

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14. Do you have sufficient manpower and machinery to work in the farm? Explain?
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15. What do you believe needs to be done to improve productivity in your farm?
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16. Will that result in increased income that would make the farm profitable?
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17. How much income did you make during the last season?

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<th>Income Range</th>
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<td>R10 000 – R20 000</td>
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18. How much income did you make over a year’s period?

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<td>R500 000 and above</td>
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19. How much was your land acquisition debt? ...........................................

20. Have you paid up your debt? How much is the balance of your debt?

.............................................................................................................

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SECTION C: INFRASTRUCTURE

1. Is your farm fenced and who financed the costs?

2. Do you have a source of water supply, and what is it?

3. What is the condition of your roads?

4. What form of transport do you use to transport your products to the market?

5. Do you have electricity? What type of electricity?

6. Which method of communication do you use to link with those outside your farm?
SECTION D: Questions for Government Officials

1. Gender M F

2. Occupation

3. How many years have you been involved in LRAD programme?

4. Who are you targeting to support on LRAD programme and why?

5. Which geographical areas are you targeting?

6. How far have you achieved your goals?

7. How long does it take to process a farm purchase transaction, with all required documents at your possession?

8. What challenges do you experience when handling the LRAD transaction?
9. What form of post settlement support do you provide to LRAD beneficiaries?

10. Can you explain the financial assistance and credit facilities, which are available to the LRAD beneficiaries?

11. How do you ensure that they access these sources of support?

12. Do you consider the support sufficient and effective?

13. At what stage do you officially end your relationship with the beneficiaries and why?

14. What would you recommend to be improved in the LRAD programme policy?
15. What do you believe requires attention in the post settlement period for LRAD beneficiaries?