

Bringing Emerging Farmers into the Mainstream of the Agricultural Economy:



**What are the Important
Interventions?**



**Mr. Aggrey Mahanjana
NERPO Group Managing Director**

**Karoo Development Conference and Trade Fair, Graaf-Reinet
26 March 2009**

Profile of the livestock producer



- Gender: Male (>75%)
 - Very few women & youth involved
 - Age: 54 – 60 years
 - Education: 4 – 6 years
 - Employment: Pensioner
 - Household size 5 – 7 dependents
 - As many as 30!
-
- No. of cattle:
 - 7 – 15 on communal lands;
 - 30 – 40 on private land

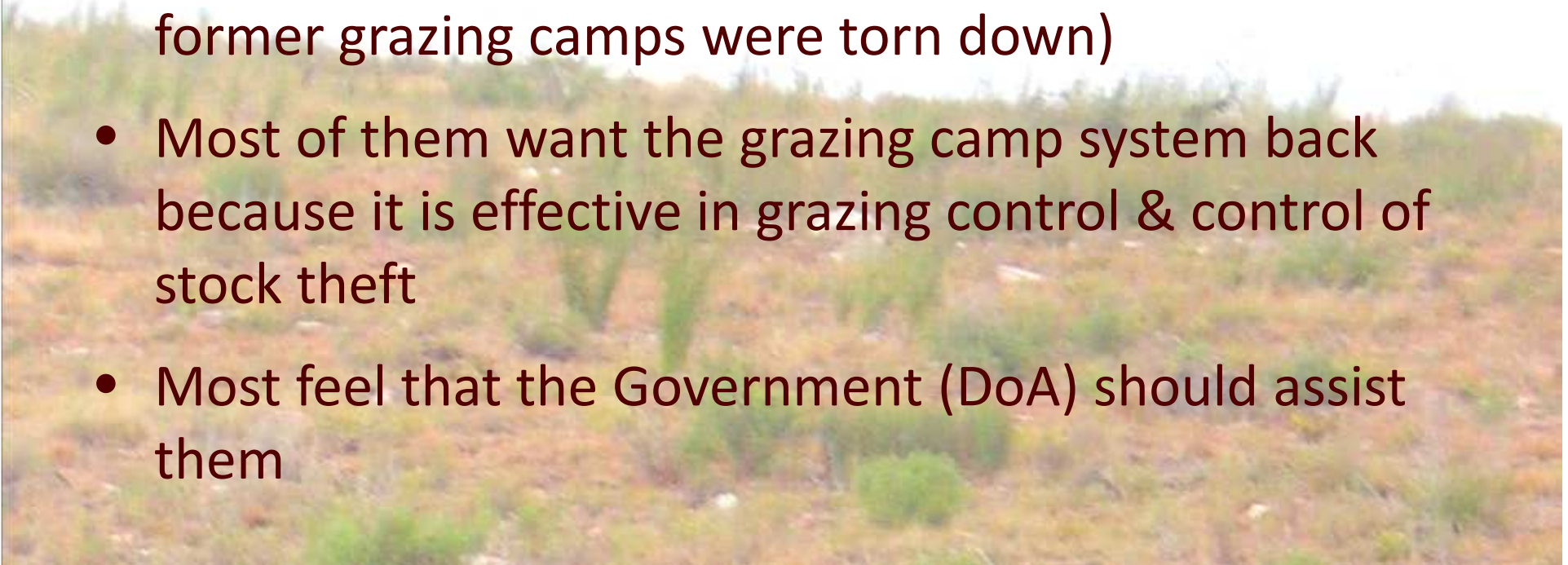
Profile of the livestock producer



- Household income: >70% earn \leq R2,000 per month
- Major sources of income:
 - Pensions/government old age grants
 - Off-farm employment
 - Livestock is a major source of income for farmers with large herds and on private land (e.g. NW, Vhembe, Waterberg)
 - On communal land, cattle are kept mainly as 'savings' and home slaughter for various functions

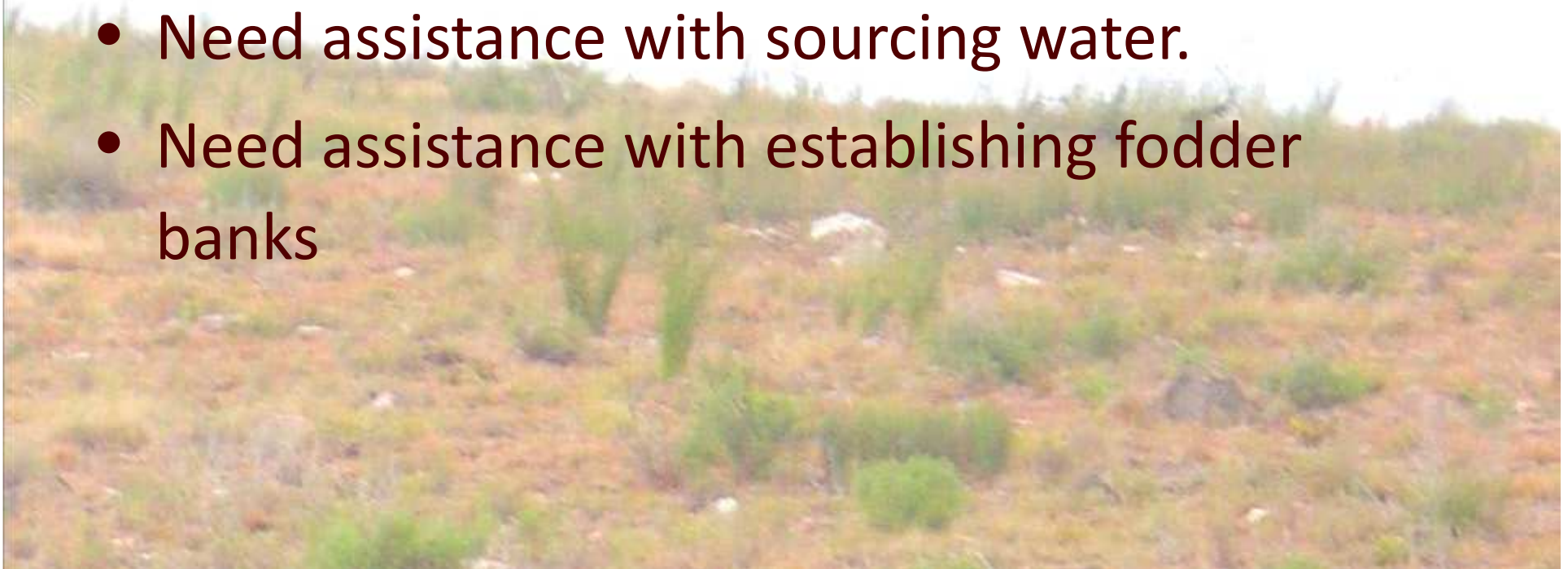
Communal land tenure & use

- Cannot estimate how much land area is available for their cattle, the number of neighbors or animals sharing their grazing
- Mostly have no grazing control methods (fences for former grazing camps were torn down)
- Most of them want the grazing camp system back because it is effective in grazing control & control of stock theft
- Most feel that the Government (DoA) should assist them



Land tenure & use on private land

- Some have camps for rotational grazing
- Need assistance with fences and handling infrastructure on the farms.
- Need assistance with sourcing water.
- Need assistance with establishing fodder banks



Infrastructural endowment

- Dipping: - Infrequent dipping due
 - Non-functional dips
 - No acaricides from veterinary services
 - Long distance to dips
- Water points
 - Limited access, especially in Limpopo & NW
- Sale pens & loading ramps: - Mostly inaccessible/ not available



Required infrastructure



- **Fences for grazing camps**
- **Sale pens**
 - However most sell to informal market & prefer informal market prices
- **Feedlots & abattoirs(???)**

Limitations to livestock business

- Ranking varies from province to province
- Most common were:
 - Diseases/ high mortality
 - Stock theft
 - Lack of feed
 - Lack of water
 - Lack of financial support
 - Market related aspects

Marketing of livestock

- Small volumes of livestock traded
 - Average 2 -3 per farmer on communal lands
 - Average 4 -7 per farmer on private land
- Informal markets mostly used
- Informal market prices most preferred
- Would like auctions but with good price offers (tend to compare prices to those of informal markets)

Marketing of livestock

- Views of the formal market
 - Low volumes
 - Irregular supply to the market
 - Inappropriate quality (age factor)
 - Unreasonable price expectations



versus



Support services

- **From Departments of agriculture**
 - Extension services not always accessible
 - Need help with fencing & dips
- **Collective action**
 - Generally not well organised
 - Few groups that seem promising

Recommendations

- Segmented targeting of smallholder producers:- subsistence vs commercial-oriented producers
- **Subsistence:** - efficient utilisation of the veld & livestock to meet subsistence needs
 - Will mostly use the informal markets
 - Should be provided with information on existing alternative markets

Recommendations

- Commercial-oriented producers:
 - Land with appropriate infrastructure
 - Fencing, water points, dips, improved pastures
 - Quantity & quality of livestock
 - Health care & nutrition, improved breeds, improved business management
 - Entrepreneurship
 - Approaching farming as a business
 - Market access
 - Market information & access to markets; based on available livestock
 - Collective action
 - Especially in managing communal resources
 - Youth involvement
 - In all aspects of the production chain

NERPO's approach

- Target livestock producing communities on communal land and farmers on private land.
- Support as follows:
 - Land with adequate infrastructure:
 - Lobbying and advocacy (e.g. for fencing of communal grazing and state farms)
 - Quantity & quality of livestock
 - Presidential Bull & Heifer Project
 - Farmer training & mentorship

NERPO's approach

- **Entrepreneurship**
 - Farmer training & mentorship
 - Role model farms
 - Benchmark farms
- **Market access**
 - Lobbying and advocacy
 - Farmer training & mentorship
 - Farmer co-operatives
- **Collective action**
 - Farmer training & mentorship
 - Farmer co-operatives



NERPO's approach

- Access to finance
 - NERPO Livestock Credit Scheme
- Youth involvement
 - YAEDP
 - Learnerships

