

**Agricultural development in the North-West Province of South Africa
through the application of comprehensive project planning and
appraisal methodologies.**

by

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Degree **PhD**
Department **Department of Agricultural Economics, Extension and Rural Development**
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ABSTRACT

South Africa's main economic and social problems relate to poverty, racial inequality and poor growth. An equitable society, founded on a growing economy, is a policy aim, in which agriculture has a catalyst-role. The entrance of small farmers into mainstream agriculture is a specific priority, as historic inequitable support limited access to services and resources. Agriculture consequently plays only a supplemental role in most black rural communities. A favourable policy environment for agricultural development has now been established, but practical empowerment and success remain rare. This limiting environment, dealt with through two hypotheses, constitutes the issue examined: The first hypothesis states that economic rural diversity must be addressed in agricultural planning and support of the project area. The second states that transactions costs are reduced through production chain integration. Focused support, based on these principles constitutes a redesigned project approach, for empowering emerging farmers.

The analytical framework consists of a literature review, analysing agricultural planning to identify criteria for a redesigned project cycle, accommodating holistic planning. This established specific project design criteria to deal with diversity description; linkage facilitation; support co-ordination; participation and empowerment. It is argued the integration of small farmers with role-players through co-operation in a project intervention addresses most access limitations. Recognition and description of economic diversity and application of participative processes are proposed in a redesigned project approach, enhancing commitment and intervention sustainability.

The application of this comprehensive project planning approach, based on these criteria, is subsequently applied in an *ex post* evaluation and *ex ante* analysis of a case study. An analytical methodology dealing with direct and indirect project impacts, determined through a combination of qualitative and quantitative procedures was used. Procedural tools included trend and logical framework analysis, a typological questionnaire, basic financial and economic analyses and a conclusive decision rules framework.

The Sheila project in the North West Province of South Africa, aiming to establish commercially viable producers, was established in 1976 and terminated in 1994. Participatory analysis to understand agricultural and social dynamics commenced during 1997. This enlightened the quantitative phase, with a typological survey collecting data on 128 variables through interviews with 123 farmers. Findings indicated significant economic variation between farmers. Farmer involvement was limited with project management being responsible for production. Benefits included access to mechanisation, credit and management. Land holdings were enlarged from five to 15 ha while average yields improved from ± 0.5 t/ha to ± 2.0 t/ha. The project resulted in more food, income and infrastructure, enhancing quality of life.

However, independent farmers were not established. In terms of the project design criteria, economic diversity was not integrated in planning whilst linkages between role-players were insufficient. Co-ordination and cost saving measures were not sufficiently developed, nor were participation and empowerment. Technical innovations used (mechanisation and management) failed to account for social realities (literacy and skills level, communal practices). The major objective: to develop arable potential and increase self-sufficiency was achieved temporarily, for a limited number of farmers, at significant public cost (subsidisation and debt write offs), leading to chronic debt problems and lack of preparation for the discipline of the subsequent free market. Farmers were often technically ill-equipped to farm. Neglect of diversity and farmers' never accepting ownership played a significant role in ultimate project failure.

Participative enquiry established that crop yields dropped by 20% while farmer numbers decreased from roughly 400 to fewer than 50 since project termination. Sharecropping still constitutes access to cropland. Current constraints relate to capital, mechanisation and communal relations. A typology describing economic diversity was developed: 'Inactive landowners' have limited access to resources; for 'opportunists' mechanisation services are scarce; 'entrepreneurs' complain of communication and mechanisation failure; while 'commercialising farmers' are constrained by a lack of cropland.

This study established that project design criteria, dealing with description of economic diversity and cost saving, through integration of role-players, will enhance resource poor farmer participation and thus empowerment, and should shape project development. Integrating these criteria in a comprehensive project design and implementation cycle, will address economic diversity, cost and access constraints, and will constitute a focus shift towards participative human capacity development. Such a redesigned project approach represents a sound development strategy facilitating equitable agricultural growth and access to services and resources.

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ABBREVIATIONS:

ABC:	Agricultural Business Chamber
AIDS:	Acquired Immunity Deficiency Syndrome
ANFP:	average net farm profit (gross income-depreciation)
ANOVA:	Analysis of variance
ARC:	Agricultural Research Council
ARDRI:	Agricultural and Rural Development Research Institute
CBA:	Cost-Benefit Approach
CBO:	Community Based Organisation
CED:	Corporation for Economic Development
CV:	Coefficient of Variance
DBSA:	Development Bank of Southern Africa
DSI:	Directorate Statistical Information
EIA:	Environmental impact assessment
EU:	European Union
FAO:	Food and Agriculture Organisation
FSP:	Farmer Support Programme
FSR:	Farming Systems Research
GATT:	General Agreement on Tariffs and Trade
GDP:	Gross domestic product
GEAR:	Growth, Employment and Redistribution Program
HCD:	Human Capital Development
HDI:	Human Development Index
HIV:	Human Immunodeficiency Virus
ICRA:	International Centre for Research in development orientated Agriculture
IDP:	Integrated Development Programme
IFAD:	International Fund for Agricultural Development
IRD:	Integrated Rural Development
IRR:	Internal Rate of return
ISRDP:	Integrated Sustainable Rural Development Programme
LAPC:	Land and Agricultural Policy Centre
LFA:	Logical Framework Analysis
LRAD:	Land reform for agricultural development
NAFU:	National African Farmers' Union
NDA:	National Department of Agriculture
NGO's:	Non Government Organisations
NPV:	net present value
NWAU :	North West Agricultural Union
NWC:	North West Cooperative
NWDACE:	North West Department of Agriculture, Conservation and Environment
OVI:	Objectively Verifiable Indicators
PCA:	Principal Component Analysis
PLA:	Participatory Learning and Action
RDP:	Reconstruction and Development Program
RSA:	Republic of South Africa
SA:	South Africa
SADC:	Southern African Development Community
SPSS:	Statistical Package for Social Sciences
SWC:	South West Cooperative
UN:	United Nations
USA:	United States of America
USAID:	United States Agency for International Development