



CONSTRAINTS ON BLACK FARMERS

How did white farmers obtain their dominant position in agriculture?

The present agricultural milieu has to a large degree been influenced by political lobby groups in terms of direct and indirect intervention in the agricultural sector.

Historically, white commercial farmers have had a disproportionate amount of political influence. In 1910, more than 50 per cent of members of parliament were farmers. [Lipton 1986:258] The electoral system was also biased towards agricultural interests, with the vote being loaded in favour of rural areas. In 1943, for example, 70 per cent of

whites were urbanised, while 53 per cent of the seats were still rural. By 1948, almost 70 per cent of MPs were connected with agriculture in one way or another. [Lipton 1986:273]

The effect of this political influence is clearly shown if one analyses the agricultural budgets in South Africa. In 1989/90, for example, 65 per cent of the agricultural budget was directly spent on white farmers.

South African farmers are served by 14 departments of agriculture. They are not served equally, and they do not perform equally. White farmers contribute 89,82 per cent to

Constraints on black farmers

the value added in agriculture on 86,95 per cent of the land, with 64,59 per cent of the total budgetary assistance and 96,67 per cent of all transfer payments (subsidies). On the other hand, black farmers receive 35,41 per cent of total budgetary assistance, although they produce only 10,19 per cent of value added to GDP on 13,05 per cent of the land.

The proportion of personnel costs as a percentage of the budget differ markedly between the various departments of agriculture. In the case of the homelands, this proportion constitutes a third of the budget, while in South Africa it is only a quarter. Direct transfer payments make up 3,15 per cent of the budget of the homelands, and 50 per cent of the budget of the South African departments of agriculture. This again emphasises the inequality in agricultural support in South Africa. [Christodoulou & Vink 1990]

The physical infrastructure which serves farmers is not evenly distributed as regards quantity or quality. Roads, dams, railways, electricity and communication links, for example, do not reflect regional comparative advantages in physical potential for farm production, but have been significantly influenced by the skewed nature of political influence on the allocation of resources for these purposes.

In addition to these regional distortions, it is also true that the infrastructure for agriculture is largely geared to the specific type of marketing schemes and to specific production systems in farming. Reference can be made to the needs of large-scale farmers. Examples included the bias toward bulk handling of inputs (animal feeds, fertiliser) and of products (grains); electronic payment at delivery of, for example, maize, wheat and grapes; capital-intensive irrigation schemes; rail tariff structures which favour large consignments; such product pricing structures as levies on maize sales, reliance on road transport, and location of agro-industry such as sugar mills; and many others.

Farmers require credit for the purchase of intermediate and production inputs as well as for land purchase. Given the current institutional structure, the sources of such credit will include co-operatives and the commercial banking sector. These institutions, however, are not always properly geared to providing credit to emerging farmers and part-time farmers.

Research to address technology problems in South African agriculture has largely been geared to the needs of large-scale full-time owner-operator farmers, given existing commodity policies. While these farmers were insured against the risk of crop failure through cost-plus product pricing and subsidised interest rates, there was little incentive to adopt drought-resistance maize cultivars on the scale, for example, of the achievements of the green revolution, even if such cultivars were available, as is the case in South Africa.

Many other examples of a bias in technology development and extension services exist. The fact that under the present South African constitution agricultural research and extension are the only economic services in the whole public sector to have been provided by an 'own affairs' department is indicative of this bias. Here again South Africa has

much to learn in terms of technology development for new farming systems in order to make affirmative action programmes relevant.

Some 70 per cent of South Africa's agricultural production by value is marketed through Marketing Boards constituted in terms of the Marketing Act. In addition to these products, other monopolistic mechanisms provide effective control over a whole range of products, with the control firmly vested in the hands of white commercial farmers.

Many of the marketing boards and other control bodies restrict access to markets through the use of quotas or permit systems (eg sugar, wine, red meat). These are usually motivated in terms of the need for orderly marketing. Much can be said for or against the use of such instruments for this purpose. They can however also be used to discriminate against certain types of farmers.

Here again it is evident that access to land is by itself not a sufficient condition for restructuring South African agriculture. Recent changes in the allocation of sugar quotas, where the position of small farmers in KwaZulu and KwaNdwane has been specifically accounted for, are instructive examples of what can be achieved with affirmative action programmes. As has been shown, marketing boards have in most cases contributed to land prices being substantially higher than production values, thereby further limiting access to the poor. ■