

How to narrow the big divide between black and white farmers in South Africa

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At the dawn of democracy, few probably thought that nearly three decades on, South Africa would still be battling with the phenomenon of "two agricultures".



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Recent [studies](#) show that black South African farmers produce less than 10% of the country's total agricultural output.

Some progress has been made as black farmers have joined commercial production and supply chains. But a combination of factors has entrenched the divide between commercial agriculture (mainly white) and subsistence farming (mainly black). Often blame is laid at the door of the private sector. But, in our view, this is an insufficient explanation.

Black farmers' total share of farm output has been held up by a combination of factors. These include the poor and slow implementation of land reform, poor policy implementation, inefficient programmes and bureaucratic delays and poor coordination within government.

We argue that the current dualistic farming structure of South Africa's agriculture is not sustainable. But that many of the contributing factors to the continuation of dualism in South African agriculture requires, more than anything else, effective policymaking and the right incentives.

There is minimal need for massive expenditure programmes.

Reasons behind the lack of progress

First, there has been a lack of direction and fast decision-making in the national and provincial government. This has been compounded by poorly designed programmes to support black farmers to become part of the commercial sectors.

Second, poor adoption of the latest technology to increase productivity. Output from the commercial farming sector has [more than doubled in real terms since 1994](#). This has been largely due to the use of technological innovation as export markets opened up following South Africa's integration into the world economy.

Third, the fractious nature of organised agriculture. Many farmer associations in South Africa still appear to be formed along racial lines resulting in unnecessary duplication. This entrenches the dualistic divide.

Fourth, collaboration between government and the private sector (commodity organisations, agribusinesses, farmer organisations, etc) is not optimal. This results in slow implementation of farmer development plans. Farmer organisations are frustrated with the lack of delivery and bureaucratic inefficiency. Efforts to try and implement transformation initiatives are sometimes not supported by government officials, primarily at provincial level and in the municipalities. As a result, the farmers who need and deserve support the most are underserved.

Fifth, the inefficiency of many of the provincial departments of agriculture. This results in poor and non-delivery of critical programmes to support farmers. This is particularly true in KwaZulu-Natal, Eastern Cape, Mpumalanga, North-West and Limpopo. This includes animal biosecurity, water infrastructure, farm security, extension and [CASP funding](#). This state of affairs is also worsened by a lack of coordination with Water Affairs, Environmental Affairs, Provincial Roads, and local municipalities.

Sixth, slow delivery of critical large infrastructure projects. A [case in point is the Brandvlei dam](#) which has been neglected. But raising the canal walls by 30cm for 4km at the cost of about R20 million would result in an additional 33-million cubic metres of water. This would lead to an additional 4,000ha of irrigated horticulture in the area. This would have, in turn, facilitated the inclusion of black farmers.

Seventh, the failure of municipalities to deliver basic services such as water, electricity, and road maintenance. These failures have been among some of the major constraints to higher growth of agribusiness as they have increased transaction costs of moving agricultural products.

It has also led to the inability to [reorient projects to high-value horticulture](#).

Eighth, black farmers own a substantive share of the cattle herd in South Africa. Unfortunately, the poor implementation of animal biosecurity systems and the enforcement of regulations on disease controls and the movement of animals have had a negative impact on the commercial aspirations of many of them.

The answers

A quick reform of the agricultural support system with a focus mainly on non-monetary interventions could go a long way in boosting growth. At the national level, such interventions could include:

- The release of land already on the government's book to beneficiaries with tradable land rights.

- Improvements in efficiency in various regulations in the livestock industry and animal hygiene. This would help boost exports and improve the market access for farmers on communal land.
- Improvements in the efficiency in registering new agrochemicals and vaccines that can help in making agriculture more efficient.
- New beneficiary selection criteria. This should be properly applied to select the correct jockeys for the land on the land question.
- The government should recognise only one farmers' organisation and provide financial support to one unified organisation – the "United Farmers' Association of South Africa".

There is also scope to boost land donations, but the state will have to do more to improve the incentives list in the current land donations policy. This process also needs to appreciate that there aren't many farmers who would be able to donate land as there are many farms in South Africa that can be characterised as micro. In 2017 [47% of commercial farming units had a turnover of less than R1 million](#).

Why it's important

There are convincing arguments for pulling out all stops to improve the enabling environment for agriculture in South Africa.

Getting commercial agriculture going in the poorest region of South Africa is critical for a variety of reasons. These include:

- Growth in agriculture is in general two to three times more effective at reducing poverty than an equivalent amount of [growth generated outside agriculture](#).
- The advantage of agriculture over non-agriculture in reducing poverty is largest for the poorest in society and ultimately [disappears as countries become richer](#).
- The advantages of growth in agriculture in reducing poverty can also extend to other welfare outcomes such as food insecurity and malnutrition.
- An important source of the poverty-reducing benefits of agricultural growth is through agricultural productivity growth changes driven by widespread adoption of innovations. This increases producer returns (and wage labour opportunities) and [reduces consumer prices](#).

The authors have a chapter in the recently published [Oxford Handbook of the South African Economy](#).

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