Remove constraints and generate agricultural income

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The interview with Gloria Serobe presents, in various ways, the true reality of agricultural production in the communal areas of South Africa. Agricultural production in these areas is constrained by land tenure insecurity, coupled with poor on-farm and off-farm infrastructure, limited working capital, and either a long distance to markets or the limited scope of local markets due to the inherent poverty of the local community.

Increasing the quantity of production beyond the subsistence level requires some form of investment by the household and the state. The household needs to invest in better animal breeds and in animal health, but these things do not make sense if you have to share your grazing area with others – so fencing is needed. When you want to increase crop production or diversify your crop range, you need to plough better, add fertiliser, buy new seeds and also make sure you have transport to take your produce to the nearest markets.

Thus, in order to increase production through these simple measures, you need working capital. As this is not available in most households in these areas, it can happen through external intervention, such as that illustrated in this interview. Not only is intervention needed to break the backlog of working capital, it has to co-ordinate all the dimensions of support services: markets, extension, finance, research advice, labour and infrastructure. The government's role in extension – building roads, bridges and depots where produce can be delivered and where inputs can be procured – is important. However, with the failure of government programmes to deliver on these matters, due to bureaucracy and general inefficiency and incompetence, programmes like this one from WIPHOLD do make a difference.

Many other examples of successful external investments illustrate how the removal of basic constraints in production can generate large agricultural income for households in these communities.

One such example is the NWGA, the commercial woolgrowers in South Africa, who invested in

shearing sheds for the many sheep farmers in the former Transkei and Ciskei. These farmers were also trained in shearing and classing wool and basic animal husbandry practices. They were also supplied with better genetic stock in the form of new rams. This simple investment, which started in 2000–01, resulted in an increase in wool production revenue in these communities from a meagre R1 million in 2001 to R113 million in 2012. This massive increase made a huge difference to the rural economy and the lives of these households.

Another project built feedlots and auction pens and co-ordinated with livestock marketing companies, which resulted in a dramatic increase in cattle sales by communities in the Eastern Cape: all as a result of better information, better co-ordination and better infrastructure.

These interventions have huge transaction costs, since negotiating co-operation with the traditional leaders is critical for the success of these projects. The question that goes begging is why the provincial government in the Eastern Cape is not up to the task of making these differences. With more than R2 billion, the highest provincial budget in agriculture, it is sad to see that the fate of the farmers in the Eastern Cape has not yet improved, and that it takes investment from Gloria Serobe and others to help farmers!