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# Commercialisation, deagrarianisation and the accumulation/ reproduction dynamic

Massive maize production schemes in the  
Eastern Cape, South Africa

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Farai Mtero

## PLAAS Working Paper 23: Commercialisation, de-agrarianisation & the accumulation/ reproduction dynamic: Massive maize production schemes in the Eastern Cape, South Africa

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**Author:** Farai Mtero, mtero2001@yahoo.com

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## ABSTRACT

The post-apartheid era has seen the South African government trying to reverse 'de-rurarianisation' in the former homelands by introducing 'modern' farming techniques and agribusiness principles. This paper situates the massive maize schemes currently being implemented in the context of increased national and international capitalisation of agriculture. The paper focuses on the 'communal area' villages of Ongeluksnek Valley in the Eastern Cape, one of the localities where the Accelerated and Shared Growth Initiative of South Africa (AsgiSA) maize scheme was initiated. The scheme requires villagers to consolidate their arable fields into larger blocks of land which can be 'efficiently' cultivated by private contractors using machinery and agro-chemicals. Villagers are not involved in decision making, but receive 10% of gross income in return, while 'learning about' commercial production. In practice, however, costs are high, and very little surplus is available for redistribution to the beneficiaries. In this paper, we argue that the process of capital accumulation, and associated trajectories of increased centralisation and concentration, is critical to understanding the social reproduction and accumulation dynamics of small scale farming in the countryside. The current corporate food regime constrains accumulation from below.

**Keywords:** de-agrarianisation, livelihoods, accumulation, reproduction, agriculture, maize production



# ACRONYMS

Agro-TNC	Agro Transnational Companies
AsgiSA	Accelerated and Shared Growth Initiative of South Africa
COMBUD	Commercial Budgets
ECDA	Eastern Cape Department of Agriculture
HH	household
MFPP	Massive Food Production Programme
PGDP	Provisional Growth and Development Plan
SAFEX	South African Futures Exchange





## 1. INTRODUCTION

The post-apartheid era has seen the South African government trying to reverse 'de-agrarianisation' in the former homelands by introducing 'modern' farming techniques and agribusiness principles. The focus of this paper is on the 'communal area' villages of Ongeluksnek Valley, in the Eastern Cape Province, one of the localities where the Accelerated and Shared Growth Initiative of South Africa (AsgiSA) maize scheme was initiated. The scheme requires villagers to consolidate their arable fields into larger blocks of land which can be 'efficiently' cultivated by private contractors using machinery and agro-chemicals. Villagers are not involved in decision making, but receive 10% of gross income in return, while 'learning about' commercial production. In practice, however, costs are high, and very little surplus is available for redistribution to the beneficiaries. The wider literature on contemporary forms of 'agro-industrial' farming systems, suggests that high levels of mechanisation and capitalisation of commercial maize production result in high costs and low net returns per hectare, hence the pressures on farmers to expand the scale of production. These pressures may underlie both the dramatic reduction of maize production by small-scale farmers in the Eastern Cape in recent decades, as well as the decision to commercialise in AsgiSA-type schemes. These schemes do not remove the fundamental tension between the reproduction or accumulation of agrarian capital, on the one hand, and the social reproduction of the rural poor involved in small-scale farming, on the other; they merely re-introduce this tension within a highly mechanised production system. Commercialisation, for this reason, will not reverse de-agrarianisation, in the sense of rural households reducing their agricultural activity. This experience has wider lessons for foreign investment in large-scale agriculture in contemporary Africa.

## 2. HISTORICAL BACKGROUND

### Contemporary globalisation and agro-industrial agriculture

In the Eastern Cape, agricultural decline is seen as a matter of inadequate investment of, and links with, private capital; therefore the need to ensure more 'integration' of the small scale farmers through agribusiness partnerships like the AsgiSA maize scheme. This paper situates the massive maize schemes currently being implemented in rural South Africa within the context of increased capitalisation of agriculture both nationally and internationally. Friedman and McMichael's (1989) food regime analysis provides a historical overview of the expansion of capital and its role in restructuring agriculture on a world-scale culminating in the current, albeit still unfolding, 'corporate food regime' (McMichael 2009). The food regime concept is critical in understanding, 'not only structured moments and transitions in the history of capitalist food relations, but also the history of capitalism itself. It is not about food per se, but about the relations within which food is produced, and through which capitalism is produced and reproduced' (McMichael 2009:1). Accordingly, 'the recent "corporate food regime" is a conjunctural form of the long-standing food regime through which historical capitalism has re-organised agriculture' (McMichael 2009:2). Weis (2007: 161–162) argues that 'since the 1970s, agro-transnational companies (agro-TNCs) have been dominant forces transforming the nature of agriculture and integrating markets, horizontally across space and vertically throughout input and commodity chains'.

*... control and profits are (instead) centred in the complex and ever more despatialised corporate webs of agro-inputs, processing, distribution and retailing. This has trapped farmers in a rising (input) cost falling (output) price squeeze, hurting the viability of small farms in both rich and poor countries with the latter representing the vast majority of the world's farming populations.*

*Weis 2007:162.*

Capital accumulation accompanied by the dual processes of concentration and centralisation, has seen the further deepening of commodity relations in agriculture. One dimension of this entails agribusiness locking small-scale farmers into unequal and exploitative relationships with large corporate enterprises both upstream (inputs, seeds, etc.) and downstream (marketing, processing and distribution) of agriculture. The expanded reproduction of capital essentially involves the re-investment of profit to make more profit in an endless cycle of accumulation of further production and profit (Bernstein 2010). Agricultural development schemes that give primacy to the 'private sector', as a panacea for the upliftment of small-scale farmers, thus tend to result in the capture of benefits by agricultural capital engaged in such accumulation.

In post-Apartheid South Africa, there has been increased involvement of the private sector in farming and this trend is, to a greater extent, evident in the proliferation of various types of business models in rural development, land reform and agricultural development projects. A central argument for the high priority status accorded to 'private capital' in these arrangements is that market-orientated strategies and private sector involvement are the required basis for sustainable economic development (Lahiff & Davis 2011:4). Private sector involvement in development projects is thus increasingly seen as a way of meeting social justice requirements while maintaining productivity and profit. In many instances, private sector involvement is pursued in the form of 'partnerships' (Lahiff & Davis 2011:4). Vermeulen and Cotula (2010:29) identify six types of business models often used to link large-scale corporations and small-scale farmers. These are:

1. contract farming
2. management contracts
3. tenant farming or sharecropping
4. joint ventures
5. farmer-owned business
6. upstream and downstream business links.

The design and modus operandi of the Eastern Cape's AsgiSA maize scheme fits into the management contract type of the business model. A management contract refers to 'a variety of arrangements under which a farmer or farm management company work agricultural land belonging to someone else' (Vermeulen & Cotula 2010:29). Thus, 'a management contract may take the form of a lease or tenancy, but carry the connotation of stewardship, of managing the land on behalf of the owner' (*ibid*). In order to provide, 'incentives for the farm management, the contract often entails some form of profit sharing rather than a fixed fee' (*ibid*).

## **The decline of field cultivation**

The decline of agriculture in the former homelands of the Eastern Cape is widely documented and some have portrayed agriculture, especially cropping, as hopelessly unproductive failing to



meet even the 'subsistence needs' of rural households (Bembridge 1984; Moll 1988; Ellis-Jones 1991). Often cited in the analysis of the decline in agricultural production is the 'historic process of proletarianisation' which saw rural producers being divorced from their land to provide cheap labour for white owned farms, mines and industries (Hendricks 1995).

This history of land dispossession dates back to the annexation of the region into the Cape Colony during the frontier wars and was further consolidated through the Land Act of 1913 and 1936 as well as the forced removals of the 1950s — also known as the 'Betterment Programme'.

The South African case, it is argued, is illustrative of the destructive nature of primitive accumulation with a huge proportion of the peasantry being well and truly demolished (Hendricks 1995:46). Thus, 'the sweeping nature of the land expropriations, the level of proletarianisation, measured in terms of material dependence upon wage labour' was particularly high such that the homelands were 'reduced to labour reservoirs or homes for the proletariat with little prospect for commercial agriculture' amongst Africans (Hendricks 1995:46). Some empirical studies have supported the linear decline thesis in the former homelands. Ellis-Jones (1991:2-3), notes that in the 1980s average allotments in Transkei measured less than two hectares, and maize yields were less than 0.5 tons per hectare, this was accompanied by the inability of most households to feed themselves let alone provide any surplus for selling. Bembridge's (1984:11) study shows that average annual household income was R1 173 of which cash income was as high as 90% which suggests that the average Transkei farmer in the 1980s was a consumer of agricultural produce and not a producer.

Primitive accumulation, through land expropriation and the concomitant restrictive measures meant to dispossess Africans, has had implications for the nature of the accumulation path or regime in South Africa. Specifically, the main path of accumulation has been characterised as 'accumulation from above' involving 'extra-economic measures' on the part of the state and monopoly capital in the form of land expropriations, substantial institutional support, subsidies and cheap labour to sustain white commercial agriculture (Bernstein 1996). This accumulation trajectory, often characterised as the 'Prussian Path', has invariably resulted in an agrarian structure which privileges large-scale commercial farming while small-scale farming by the indigenous populations has continued to exist under very difficult material conditions (Bernstein 1996). However, some scholars have questioned the predominant narrative that portrays an incessant decline in agricultural production among the South African rural population.

Ainsle 2005, McAllister 2000, and Hebinck & van Averbek 2007 present empirical findings that reveal the resilience of land-based livelihoods in the rural areas of the Eastern Cape. The linear decline thesis is not plausible when one considers that agricultural livelihoods continue to play a significant role in the reproduction and accumulation strategies of rural households with evidence of class differentiation, not homogenous rural populations (Levin & Neocosmos 1989; Neocosmos 1993). In a study of maize yields in Shixhini village, in the Eastern Cape, McAllister (2000) argues that 'maize yields in the former Transkei are often underestimated since most studies do not consider the fact that a sizeable amount of green maize cobs is used for household consumption before the harvest of dry maize (McAllister 2000). McAllister (2000:9) also notes that maize is seldom grown alone since small-scale farmers usually practice intercropping with a variety of crops planted in the spaces between maize plants. Therefore, trying to measure yields in terms of amount of maize per hectare becomes difficult and meaningless. In addition, looking at the field or garden when the maize plants have started to grow creates the impression that the land is badly farmed, especially when the broadcast planting method has been used rather than a mechanical planter which produces neat rows

(McAllister 2000:9). In his findings from Shixhini village, McAllister (2000:10) observed that 'the term harvest is culturally specific' which makes it difficult to respond to questions like 'How much maize did you harvest...?' According to McAllister (2000:10) by 'harvest' people in Shixhini usually mean the amount of maize taken in from the fields at harvest time (around May and June), threshed and stored for later use. While field cultivation has been abandoned, there is evidence of continued cultivation of homestead gardens (Andrew & Fox 2004; Fay 2011). Studies which emphasise the decline of land-based livelihoods are often biased in favour of income poverty which overlooks the non-monetary benefits derived from working the land and the use of natural resources (Andrew, Andrew & Shackleton 2003). Ainslie (2005) notes that livestock numbers in the rural areas of the Eastern Cape are today similar to those of the 1930s, and thus are much more constant than portrayed in the literature. Hebinck and van Averbek (2007) present empirical evidence, from Koloni and Guquka, in the Eastern Cape that point to the transformation of livelihoods with an increasing shift from production to consumption. However, they also argue that there are less visible patterns of using land that remain critical for reproducing rural households, namely grazing livestock in the fallow fields and gathering herbs, grass and woody plants for various purposes (Hebinck & van Averbek 2007:339). In addition, their study shows that crop production has not been abandoned completely since about 10%–20% of the available arable land in Guquka and Koloni is planted with maize and other crops. They conclude that the three main contemporary uses of land in Guquka and Koloni are growing, grazing and gathering (*ibid*).

The view that non-agricultural employment automatically replaces (or displaces) employment in farming in the course of modern economic development (and the role of it in industrialisation and urbanisation) (Bernstein 2001:7) does not hold true. In an analysis of the 'Africa of labour reserves', Neocosmos (1993) also notes that proponents of the linear decline thesis (radical political economists and social historians) assume a homogenous rural population uniformly subordinated to the interests of capital mainly through the process of proletarianisation. However, the linear decline thesis fails to account for social differentiation amongst rural households and by implication 'accumulation from below'. Thus, while 'accumulation from above' is predominant, it is nevertheless not the only existing form of accumulation. Thus:

*... it is not correct to restrict a conception of capital accumulation to accumulation from above, despite the fact that this process may dominate, and to ignore accumulation from below; or for that matter to ignore even the objective conditions for a future process of accumulation from below.*

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*Neocosmos 1993:39.*

Notwithstanding political oppression, extra economic coercion, and unequal exchange, capitalist relations have produced, however meekly, however mildly, however partially, class differences among the oppressed (Neocosmos 1993:6).

## Re-agrarianisation?

As a response to the decline in agricultural production in the province, from 2003 the provincial government of the Eastern Cape initiated rural development programmes to re-agrarianise the former homelands. These interventions presumed the decline in agricultural production to be the result of a lack of modernisation amongst communal area farmers, but most importantly, they also reflected the increased role of capital in agriculture. To be sure, agricultural modernisation is essentially commoditisation or the expansion and penetration of capital in the agriculture. Bernstein (1982:167) notes that 'as far as rural development programmes are

concerned, these objectively operate to incorporate the peasantry further into commodity relations and attempt to standardise and rationalise peasant production of commodities for the domestic and international markets'. In the Eastern Cape, the commercialisation of agriculture is seen as a universal panacea for the reversal of de-agrarianisation.

With respect to expert knowledge and its influence on public policy Hebinck *et al* (2011) argue that agricultural development policies in post-Apartheid South Africa reveal continuities from the past interventions to the extent that it is unfruitful to think in terms of pre-Apartheid, Apartheid and post-Apartheid as discrete periods. What are readily evident are the continuities particularly in the quest to modernise agriculture in the former homelands.

*... many experts continue to view agricultural development as best realised in commercial farming, highly commoditized forms of agriculture that are seen as superior to and more advanced than forms of production hinging on substantially lower degrees of commoditisation. Non-commercial agriculture is often ... equated with subsistence farming and is seen as marginally linked to the markets, and thus holding no future.*

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*Hebinck et al 2011:229.*

The massive maize schemes implemented in the post-apartheid era are deeply imbedded in the view that commercialisation and commoditisation of agriculture, as well as small-scale farmer's integration into markets, is the most feasible path towards agrarian transformation in the countryside. Besides, the expert knowledge system that promotes commoditisation, attempts to revive agricultural production through the introduction of commercial scale cropping among rural producers reflects the broader structural, economic factors which increasingly favour highly mechanised, capital intensive agriculture practiced on vast tracts of land to achieve economies of scale. In the case of AsgiSA and the MFPP, the initial costs of bringing previously fallow land under production on a commercial basis were also exorbitant.

Since farming entails more direct relations with nature, compared to manufacturing for instance, one of the pressures for agrarian capital is to avert the risks and uncertainties such as, drought, climatic changes, etc., by standardising the conditions of farming. In agriculture, the quest to appropriate nature in ways that allow for predictability and consistency explains the propensity for capital to engage in a highly mechanised industrial-type of farming. Accordingly, one of the strategies adopted by capital in restructuring agriculture is the tendency to replicate the conditions of production usually applied in industrial production.

*... if the logic of actual farming is one of an inventive, practiced response to a highly variable environment, the logic of scientific agriculture is, by contrast, one of adapting the environment as much as possible to its centralising and standardising formulas.*

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*Scott 1998:301.*

This explains the increased standardisation and specialisation in agricultural production which is reminiscent of the organisation of production in manufacturing and industry. In the South African context 'capitalist agriculture was generalised through an uneven 'Prussian' transition from the 1920s to the 1950s' (Bernstein 1998:2). The Prussian path 'resulted in the current concentration and highly productive capacity of the large scale commercial sector' (Cousins 2011). While market liberalisation in the 1990 modified or eroded the Prussian features of

South Africa large scale commercial farming, it did not alter the underlying distribution of power and resources (Cousins 2011).

### **The Eastern Cape's Massive Food Production Programme**

The Massive Food Production Programme (MFPP) was implemented in 2003 by the Department of Agriculture (Eastern Cape). It provided a conditional grant to participating small-scale farmers, which would decrease in steps over five years as expected returns increased due to raised yields. The MFPP was seen as a cornerstone of the agrarian reform initiative of the Provincial Growth and Development Plan (PGDP), aimed at creating food security among the many poor communities in the Eastern Cape Province (ECDA 2005). One of the key assumptions informing the project is that there is fertile and under-utilised land in the former homelands. The Eastern Cape Department of Agriculture (ECDA) estimated that the province produces some 50 000 tons of maize annually, while the annual consumption within the province is on the order of 650 000 tons (ECDA 2005). To reverse this, the MFPP was implemented, targeting previously disadvantaged black people to participate in commercial production of maize.

As one of the conditions for participating in the scheme, individually owned land holdings were combined into larger field units in order to achieve economies of scale. The MFPP required cropland to be consolidated into a contiguous block of land of at least 50ha. Smaller fields in communal areas were included in the programme only when they formed part of a contiguous aggregate of at least 50ha to be managed by a single manager/operator as a contiguous area (ECDA 2005). The aim of the MFPP was to increase yields among the participating farmers in the long term to at least 7T/ha. Financing for mechanisation services was also identified as a critical component of the scheme. The contractors or mechanisation service providers thus benefited fourfold from the MFPP. According to GRAIN (2008:29), 'the contractors were paid to plough and disk the fields of the participating farmers, they still had the option of benefiting from the scheme as participants therefore qualifying for the subsidy given to fellow farmers, the scheme also paid them if they worked on their own land as contractors, in addition, they qualified for a soft loan from UVIMBA bank to acquire implements such as tractors' (GRAIN, 2008). In 2005, there were about 400 tractors in use owned and operated by 76 service providers and covering 15 000ha (ECDA 2005).

For the MFPP yields per hectare were initially very low and the project had a high failure rate. The project failed to meet its initial target of 7T/ha; in the fifth year the average yields were well below the target at 3.8T/ha, as shown in *Table 1*. Among the many challenges were the high costs of inputs and the fluctuations in maize prices. With respect to price fluctuations, the ECDA (2005) for instance, notes that in 2005, the South African Futures Exchange's (SAFEX) price for maize was in the order of R600/T. The price of R600/T was at least R300 below the cost of production of maize (ECDA 2005). This was in stark contrast to the SAFEX price for maize at the time of inception of the project when SAFEX was in the order of R1 700/T, almost double the production cost of maize. The poor maize price meant that even if a project had maize to sell it would certainly not generate enough money for the farmers to be able to deposit the required 25% or 50% of production costs (ECDA 2005). This raises questions about the profitability of maize using agro-industrial farming systems.

Each beneficiary of the MFPP was required, by 15 July, to repay money equivalent to 25%, 50% and 75% of the production inputs at the end of the first, second and third growing season respectively. Yet the poor yields relative to the high input costs resulted in farmers defaulting in the first year of the project and not proceeding to the second year. A huge proportion of the beneficiaries who were part of the conditional grant scheme failed to graduate into the next

phase of the programme. Many participated only in the first year when the scheme offered a 100% grant, and in the next farming season failed to deposit the initial payment of 25%. Thus, the ECDA (2005) noted that most farmers might have harvested some crop for homestead food security and most projects did not realise a big enough yield to even consider selling maize to be able to place a cash deposit as required by the conditional grant contract (ECDA 2005).

**Table 1: MFPP Projects and Maize Yields 2003/04 to 2008/09**

Financial year	Number of projects	Area planted	Average yield (tons/ha)- maize
2003/04	192	9 000	1
2004/05	247	12 000	1
2005/06	413	15 000	3.2
2006/07	424	15 000	3.6
2007/08	350	13 133	3.89
2008/09	Not reported	2 326	3.8

*Eastern Cape Department of Agriculture 2009.*

A study by GRAIN (2008:28) noted that ‘most farmers interviewed had debts that varied between US\$640 and US\$7 272, with only farmers who were also contractors having higher income than debt’. GRAIN (2008:28) argues that the main beneficiaries of the MFPP were ‘the private sector, particularly the seed and agro-chemical companies, as the government was practically subsidising the introduction of their expensive products to a new market of small farmer who would otherwise not afford them’.

By 2007, it had become widely accepted that the MFPP had failed. The intended beneficiaries — the small-scale farmers — who had participated in the programme, were mostly left in debt and the UVIMBA bank had to write off their debts. The only remaining signs of the programme were emerging black commercial farmers who had managed to meet the stringent conditions of the scheme. And the contractors, who provided the scheme with mechanisation services also managed to extract significant benefits from the scheme. The wide acceptance of the failures of the MFPP, led to its replacement in the Eastern Cape Province with the AsgiSA maize schemes becoming the province’s flagship initiative to bring about a green revolution. However, as will become apparent in the sections below, there are some similarities between the Eastern Cape’s MFPP and the AsgiSA maize schemes, for example, the consolidation of land, the prominent role of the private sector, etc.

### **The ASGISA Eastern Cape maize scheme**

In May 2007 the Eastern Cape provincial government launched the AsgiSA-EC Pty. Ltd. company to revive agriculture and positioned it as an alternative to its predecessor the MFPP. Originally, AsgiSA was an overarching policy framework for national government implemented between 2006 and 2009 whose primary purpose was to halve poverty by 2014 through rapid economic growth. The Eastern Cape provincial government resolved to capitalise on the momentum that had been generated by the highly popularised AsgiSA national policy framework by creating the AsgiSA-EC Pty. Ltd. as a rural development agency that would, amongst other things, drive agrarian transformation in the province.

AsgiSA-EC (2010) identifies agriculture and agro-processing as one of its high impact priority programmes and distinguishes itself from previous interventions like the MFPP by characterising itself as a more systematic approach to agrarian transformation which allows for more solid links with agribusiness. At the centre of AsgiSA-ECs agrarian transformation strategy is the ‘agribusiness model’ which posits that greater links with corporate players both upstream

and downstream of the agricultural sector will enhance the productivity and profitability of small-scale farmers in the rural areas of the Eastern Cape. The agribusiness model thus aims to 'empower' smallholders by strengthening their position in the value chain through long term participation in value adding activities. Thus:

*The primary focus will be on developing a food processing industry and market concentrating on milling, canning, juicing, oil seed refining and meat processing whilst a secondary focus will be on developing a bio-fuel industry should piloted bio-fuel feed-stock crops prove successful and appropriate regional/national production levels are achieved.*

*AsgiSA 2010:61.*

The key assumption here is that small-scale farmers are marginalised by their lack of links with the agribusiness sector and the subsequent failure to capitalise on opportunities in the formal sector, and this is the main reason for the decline in maize production in the former homelands. The production model aims to promote economies of scale in crop production by consolidating individual holdings into primary production blocks (of about 500ha), which are consolidated into even larger 5 000ha clusters (AsgiSA 2010:57). However, in practice, AsgiSA managers preferred production blocks of about 300ha because they are seen as being more manageable.

The next section presents empirical evidence on the livelihood patterns in the Ongeluksnek communal area villages of Mutsini, Litichareng and Thaba Chicha.

### 3. DESCRIPTION OF THE FIELD SITE

The AsgiSA-EC maize scheme in the Ongeluksnek area of the Eastern Cape was implemented in 26 Ongeluksnek commercial formal farms and five communal area villages: Mpharane, Masupha, Moeketsi Reserve (which consists of Thaba Chicha and Litichareng), and Likhethlane, Mahloloaneng B & C.

Ongeluksnek is located near the town of Matatiele which falls under the Alfred Nzo district municipality — one of the Eastern Cape's seven district municipalities. The commercial farms were previously owned by white farmers who had to move and make way for the consolidation and expansion of the Transkei homeland in the 1970s. Since the 2007/08 production season, 26 of these farms have become part of the AsgiSA maize production scheme. The scheme was extended to the villages in the 2008/09 farming season. Three villages were selected for this study: Litichareng, Thaba Chicha and Mutsini, whose residents were not part of the AsgiSA maize scheme, and most of whom were formerly employed or still work for a Roman Catholic Mission, Mariazell. Moeketsi Reserve was particularly interesting as it is in close proximity to the formal farms and Mutsini village where the AsgiSA maize scheme was not implemented.

**Table 2: Field sites**

Village name	Households	Households surveyed	%
Mutsini	60	34	27.42
Thaba Chicha	130	51	41.13
Litichareng	125	39	31.45
<b>Total</b>	<b>315</b>	<b>124</b>	<b>100.00</b>

## De-agrarianisation and livelihood diversification in Ongeluksnek

Introducing high yield, market oriented and capital intensive agriculture in the form of massive production schemes is premised on the notion of pervasive de-agrarianisation. However, it is important to investigate the role of agriculture in rural livelihoods and to understand the socially and environmentally differentiated character of land use practices. Ongeluksnek households are involved in multiple and complex livelihood strategies, combining agricultural and non-agricultural activities for social reproduction and (limited) capital accumulation.

Table 3: Livelihoods in Ongeluksnek Communal Area Villages

Income type	No. of households	% of households sample	No. of people with livelihood source	% of adult population
Permanent jobs	34	27.42	48	10.04
Temporary/ contract work	33	26.61	44	9.21
Casual work	27	21.77	38	7.95
Farming	102	82.26	103	21.55
Self-employment (0)	34	27.42	43	9.00
Self-employment (1)	2	1.61	3	0.63
Unemployed	71	57.26	194	40.59
Project income	1	0.81	1	0.21
Old age pension	68	54.84	79	16.53
Private pension	0	0	0	0
Disability grant	4	3.23	4	0.84
Child support grant	69	55.65	154	32.22
Remittances (cash)	33	26.61	38	7.95
Remittances (kind)	5	4.03	5	1.05
Other sources	6	4.84	8	1.67

In the survey, 34 households (27.42%) include members who earn an income from formal jobs. This means that the households have at least one member in formal employment while 33 households (26.61%) have at least one person hired as a temporary or contract worker. The low levels of involvement in the formal labour market are reflective of the structural unemployment and the low labour absorptive capacity of the formal economy, a problem particularly evident in small towns (Murray 1995) like Matatiele which is the town closest to Ongeluksnek. The scarcity of employment and the highly precarious nature of jobs especially at the lower end of the labour market have undermined the significance of remittances as a prime source of income for building the homestead, as was the case in the previous decades (McAllister 1992). In this survey, relatively few households indicated that they were receiving remittances from family members and relatives in the urban areas. Remittances form 26.61% of the livelihoods portfolio while remittances in kind constitute a paltry 4.03%.

State transfers in the form of social grants are also vital to the livelihood strategies of the households in Ongeluksnek. In the survey, 55.65% receive child support grants, 54.84% have access to pension grants, and 3.3% received disability grants. The mobile or 'transient social grant markets' are a significant part of the rural trade economy in Matatiele's Ongeluksnek valley. Enterprising individuals from Matatiele and some local villages transport their merchandise to social grants payment points on different dates — usually from the first to the fifteenth of every month within the various villages of Ongeluksnek valley. Social grants are also invested in rotational group saving schemes or stokvels, in grocery groups. Some households

invest their social grant earnings in petty trade or use social grant access as surety to obtain informal credit or purchase food on credit. Thus, social grant earnings are not always immediately used to purchase food, clothing or other household expenses.

The following section will discuss agricultural livelihoods in the Ongeluksnek communal area villages. Agricultural livelihoods are a significant part of the Ongeluksnek livelihoods portfolio.

## Agricultural livelihoods in Ongeluksnek villages

There is evidence of a decline in cropping of arable land and a shift to homestead gardens in recent decades. Respondents often remarked that 'we don't have the power, resources to use for our fields' and this was used as shorthand for the lack of cash to acquire seeds, fertilisers and herbicides, and to hire a tractor or a span of oxen to till the land. It would appear that local residents view the resources at the disposal of a household being better expended to meet their immediate reproduction needs like buying maize meal (as opposed to buying maize seed for planting) or other relatively more lucrative and less risky activities, such as petty trade.

Table 4: Ownership and cultivation of arable land in Ongeluksnek villages

Ownership and use of arable land	Type of land			
	Field	%	Homestead garden	%
No. of HH* which used land in the previous year	19	39.58	78	63.41
No. of HH which did not use land in previous year	29	60.42	45	36.59
<b>Total HH who own this type of land</b>	<b>48</b>	<b>100</b>	<b>123</b>	<b>100</b>

\*HH=households

In the study villages, a significant proportion of households with arable land (fields) had abandoned field cultivation. Few households with arable land still used their fields before the arrival of the AsgiSA maize scheme. From the responses obtained in the survey (Table 5), the abandoning field cultivation in the Ongeluksnek area is mainly due to the economics of maize production particularly the increasingly expensive inputs required to grow maize. The often risky conditions under which farming has to be carried out complicates the situation making farming in faraway fields unattractive for many households.

Table 5: Reason for not using arable land in Ongeluksnek villages

	Type of arable land			
	Homestead garden (n=45)		Field (n=29)	
No equipment (fence, tools and machinery)	7	15.56	4	13.79
No labour	5	11.11	0	0
No capital (seeds, fertilizers, herbicides, hiring tractor)	23	51.11	20	68.97
Moved too recently	3	6.67	2	6.90
Poor drainage & fertility	7	15.56	3	10.34
<b>Total</b>	<b>45</b>	<b>100.00</b>	<b>29</b>	<b>100.00</b>

Cultivating homestead gardens is an important part of rural livelihoods in Ongeluksnek. In the survey, 62.90% of the households cultivate their homestead gardens with a wide range of crop types (Table 6). The average number of crops cultivated in a homestead garden being five. Most of the households are also involved in intensive intercropping of maize and vegetables.



Table 6: Types of vegetables grown in homestead gardens

Type of crop	No. of HH growing crop (n=78)	% of HH growing crop
Turnip	51	65.38
Spinach	49	62.82
Maize	38	48.72
Cabbages	36	46.15
Carrots	29	37.18
Potatoes	27	34.62
Beetroot	24	30.77
Pumpkins	20	25.64
Onions	17	21.79
Beans	13	16.67
Tomatoes	14	17.75
Mustard	9	11.54
Chinese greens	7	8.97
Green pepper	6	7.69
Lettuce	3	3.85
Butternut	2	2.56
Eggplant	1	1.28

The survey also reveals that livestock production is still fairly resilient in the Ongeluksnek communal area villages. Conventional thinking suggests that for livestock production by small-scale farmers to be 'viable' it has to involve production for formal markets (abattoirs and butcheries). However, it is now widely accepted that rural people in communal tenure areas have widely ranging reasons for keeping livestock, including keeping livestock as stores of wealth and for utility, such as milk provision, draught power, manure and less frequently, meat (Cousins 1997:32). Livestock production thus plays a critical role in the reproduction strategies of many households. The survey reveals that in terms of livestock sales, most households sell sheep and goats (45.5% for both types of livestock). Of the 50 households owning cattle, only 20% reported that they sold animals in the previous year (Table 7). Cattle production is a precarious agricultural activity in the Ongeluksnek area mainly because of stock theft owing to the porous border with Lesotho. The establishment of the Ongeluksnek nature reserve in 1976 left the locals with access to limited and often poor quality grazing pastures.

Table 7: Livestock production in communal area villages of Ongeluksnek

Type of livestock	No. of HH owning livestock	Livestock sales in previous year	Number of livestock (mean)	min	max	s.d
Cattle	50	10 (20%)	8.0	1	50	7.9
Horses	36	0	2.4	1	9	1.8
Sheep	22	10 (45.5%)	12.8	1	49	13.8
Goats	22	10 (45.5%)	11.1	2	80	16.0
Pigs	28	5 (17.9%)	1.7	1	8	1.7
Poultry	85	23 (17.9%)	11.5	1	46	9.1

Nevertheless, the survey shows that cattle production remains an important agricultural activity for many of these rural households. The mean for cattle ownership is 8.8 cattle while the minimum is one and the maximum fifty with a standard deviation of two.

## Accumulation in Ongeluksnek area

The process of accumulation is best understood in terms of 'social relations in a particular historical context' (Murray 2001) and is not reducible to statistical indicators.

*... it is not always the case that differentiation always manifests itself in terms of wage-labour forms and some variant of two-class polarisation as the inevitable consequence of commodity production and capital penetration ...*

*White 1992:23.*

Since 'a difference in the heaviness of the purse does not necessarily signify class differences' (Mafeje 2001:18), it is apposite to think in terms of 'cumulation of advantages and disadvantages' (White 1992). In Southern African, the analysis of social differentiation and accumulation has been particularly problematic, with a tendency to 'lump together two analytically different, but interrelated, processes of class formation in agrarian capitalist development', i.e. 'the diversification of livelihoods' and 'class stratification' (O' Laughlin 1996).

The latter refers to the emergence of sharp and continuing differences between households in control of means of production, including land, cattle and agricultural implements while the former 'reflects changes in the division of labour, in processes through which people come to organise their work and reproduction in very different ways as commoditisation proceeds (O' Laughlin 1996:6). However, 'these two processes may proceed together with the expansion of the market and wage labour relations under capitalist production' (O' Laughlin 1996:6). With respect to livelihoods diversification, it is important not to romanticise or uncritically celebrate the ingenuity of rural households diversifying their livelihood sources as a coping or survival mechanism (survivalists). The distinction of livelihood diversification between 'diversification for accumulation' and 'diversification for survival' is critical (Hart in Ellis 1998).

The case of Mr Pheko from Litichareng, is relevant in illustrating instances of 'diversification for accumulation' in the Ongeluksnek area. Mr Pheko had worked at the Sapekoe Tea Estate for 26 years (from 1978–2004) and by the time he retired had risen to a supervisory position. In 2004 he started off in the taxi industry operating a Toyota venture to ferry passengers. He left the taxi industry because of violence and lack of profitability and invested in a tractor. He has since bought another tractor and an open truck. He now owns two tractors and an open truck. Mr Pheko also operates a home based trading store (spaza shop). In addition, Mr Pheko has now ventured into brick making and employs four people from the neighborhood.

When I got retrenched I bought ten sheep but they all died. I got into the taxi business in 2005 and had a Toyota Venture which I used as a taxi. But it didn't take me time to realise that this business was not profitable at all. The taxis queue up to load and when business is low you can go for days, a week before your turn to load comes. There was also lots of violence in the taxi business. So after 2 years [in 2007] I sold my vehicle and bought a tractor. People laughed this off thinking that I had made a bad decision. But today most of them no longer have those taxis. They are broke and out of business. My tractor is still here as you can see. Every time it leaves the yard I earn money. Owning a tractor is good business. I can never run out of money as long as I have this tractor.

Recently I came across a good offer. I heard that in Masupha there was a bakkie being sold and not far from the house where they were selling the bakkie someone was also selling their tractor. The bakkie was being sold for R15 000 and the tractor was being sold for R14 000. So I realised that this was a good deal since I was to part with R29 000 for both the tractor and the bakkie. And so I paid for both and now I have two tractors and a bakkie. The only thing I need now is another trailer for the new tractor. Once I get the trailer I will be flying.

I also need another driver for the new tractor. Currently I have two employees from Thaba Chicha for my tractor business, a driver and a loader. They use the tractor to transport firewood and sand. Each load of sand costs R450 and for a load of firewood I charge R500. There is good business since people are always in need of sand for building and firewood since we have no electricity here. It's also profitable. I have observed that when I use 30 litres of diesel I don't expect to get anything below R1500. Even if I'm not around my workers cannot rip me off because then I would know they have either stolen the diesel or pocketed some money.

I am also making concrete blocks. This is something I have just started doing and already the demand is high. I'm overwhelmed and working hard to meet the demand. That's why I need another driver and a trailer for the additional tractor. Concrete blocks are profitable and I sell a size 6 brick for R8 while a size 8 brick for R7. I just mix one bag of cement with 3 wheelbarrows of sand and I get 33 concrete blocks if I'm using the size 6 brick mould and 26 concrete blocks when I'm using a size 8 brick mould. I also own a spaza shop and sell groceries. I always spend much of my time in the spaza and occasionally get help from one woman in the neighborhood. The spaza brings in some money and depending on whether it's a good month and also that most of my customers settle their debts the profits can be as high as R3 000 per month. But most of my profits come from the tractors.

In the research setting there is evidence of accumulation tendencies especially in the category of self-employment — these include people operating trading stores, taverns, tractors owners, etc. While some of the accumulators do not use hired labour, social reciprocity is crucial with people using family, friends, relatives and other people from the neighbourhood as labour (help). The survey data also reveals the continued importance of land based livelihoods in the livelihoods of the rural households of Ongeluksnek. In sum, de-agrarianisation is not a uni-linear process which entails a complete shift from agricultural to non-agricultural forms of livelihood.

*... peasants (petty commodity producers) ... combine agricultural petty commodity production with a range of other economic activities. They rotate between different locations in social divisions of labour constituted variously by agricultural and non-agricultural branches of production, by rural and urban existence, and by the exchange of labour power as well as its combination with property in petty commodity production.*

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*Bernstein 2001:31.*

Instead, both agricultural and non-agricultural activities remain central to the social reproduction and accumulation strategies of households in the Ongeluksnek villages. It is

therefore critical to understand the various land use patterns in a particular locality over a period of time instead of making sweeping statements about the decline of agricultural production. The AsgiSA maize scheme was introduced in a context characterised by a general decline in field use. Yet, a closer look at the nature of livelihoods in the Ongeluksnek area reveals that it is more plausible to think in terms of a shift in land use patterns as opposed to thinking of de-agrarianisation as an absolute process which inevitably culminates in the disappearance of cropping and other land based livelihood activities and their subsequent replacement with other kinds of economic activities within the formal economy.

### AsgiSA maize scheme in Ongeluksnek villages

The AsgiSA maize scheme was initiated in Ongeluksnek in the 2007/8 farming season. Initially, the project was only confined to the Ongeluksnek commercial farms, but it was extended to the villages in the 2009/10 farming season. The AsgiSA maize scheme operated in the Ongeluksnek commercial farms for four years (from the 2007/8–2010/11 farming seasons) and for two years (2009/10–2010/11 farming seasons) in the Ongeluksnek communal area villages.

The AsgiSA maize scheme last operated in Ongeluksnek in the 2010/11 farming season and it has since been discontinued. There are clear continuities and similarities between the AsgiSA maize scheme and its predecessor the MFPP; the scheme ran into the familiar problem that beneficiaries were unable to extract benefits with production costs squeezing the profit margins. Also, the scheme had to sell the maize produce under very unfavourable market conditions when SAFEX prices could not allow for profit to be realised. This is mainly attributed to the lack of storage capacity which saw the maize being sold soon after harvest to avoid any damage to the grain.

In Thaba Chicha and Litichareng, interviews reveal that beneficiaries feel that they have not been able to extract any significant benefits from the scheme and the performance of the project was far below their expectations. In the 2008/9 farming season they obtained R36 226 which represented their 10% share of gross income from the scheme. The community has not shared the first payment of R36 226 since they feel it is a very small amount and it does not make sense to share it among the 250 co-operative members since it translates to a mere R144 per household. The amount obtained in the 2010/11 farming season, has not yet been revealed by the committee.

The formula for sharing the earnings from the farming proceeds in the AsgiSA scheme — wherein 90% of the gross income is re-invested to cover operational costs and 10% gross income is paid to the beneficiaries — is meant to ensure the continued profitability of the scheme considering the high cost nature of the agribusiness model. In Ongeluksnek, respondents expressed that they felt disempowered and were not getting any financial benefits from the AsgiSA maize scheme. Lack of participation in the decision making processes and the actual farming activities was also a problem for the beneficiaries. The following vignettes are particularly illustrative:

*I don't have a field. You can't say I have a field when I practically gave it away for free to this company [AsgiSA]. I have nothing. I can't farm now because I don't have a field. They just come and plough, fertilise and harvest and we don't know what happens after that. We never got a cent from our fields.*

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*Interview with Pheello, 21/06/2011, Thaba Chicha.*

*When AsgiSA came, it came from above, from the chief. We were summoned to an imbizo and told there is a company that will chase away hunger. Those with fields were asked to register and so we did register. Since the AsgiSA scheme started, we are still starving nothing has changed. If anything we, at this homestead, rely on the two old-age grants my wife and I get from the government.*

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*Interview with Pheello, 21/06/2011, Thaba Chicha.*

*We don't know how many hectares of our land are under the AsgiSA scheme. We don't even know how much seed, fertiliser or herbicides they use in the fields.*

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*Interview with Dumisani, 20/06/2011, Litichareng.*

*It's hard, it's quite hard. The people who are really benefiting are the project managers. With us there is no benefit. We don't learn how to farm. I just fold my arms and I see these big tractors, big things coming and coming. I don't think we are gaining any knowledge at all. When they came they said they were going to show us how to do the business. But now we are just folding our arms.*

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*Interview with Thaba, 20/10/2010, Ongeluksnek.*

Considering the high costs of farming inputs (seeds, fertilisers, etc.) and the high amount of initial capital outlay required to acquire agricultural machinery (tractors, combine harvesters, etc.), it has become difficult for small-scale farmers to continue farming. The provincial government's response to the decline in cultivation has been to initiate partnerships with powerful agri-business players who are already established in the market. Yet, the imperative for agri-business players to generate profits from these ventures means that small farmers extract very few benefits from these commercial arrangements.

The priority for many households is maize for household consumption initially as green maize. Some feel priority should be given to homestead gardens. In the villages of Thaba Chicha and Litichareng, some respondents felt that the idea of leaving all the maize to dry in the fields only to be harvested by mid-year for sale in the market was against their own long held practices. In the case of the AsgiSA maize scheme, one respondent remarked:

*They harvest in July which is very late. But by that time most people are already starving. When we were still farming we would start eating green mealies from the field in February. Now with these you can't touch the maize at all. You have other people harvesting your own field and taking the maize away. I don't think it's right to have another man harvesting your field.*

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*Interview with Mutaung, 25/07/2012, Thaba Chicha.*

In the months of February and March (this is the 'hungry time' when grain from the previous years would have been depleted) many households will be harvesting green maize for household consumption or to assuage hunger and the idea of leaving the maize in their fields untouched while they literally starve is something they claimed was alien to them.

When the AsgiSA maize scheme was initiated in Ongeluksnek, there was no adequate explanation with respect to pertinent land tenure issues. Thus participants were not informed on whether or not project members with no land would derive the same benefits from the project as those with land. In addition to the lack of clarity, the very idea of combining different plots of land, different in terms of shape, size and soil quality has been seen as unfair. Furthermore, when the contractors ploughed the fields, from the outset they collapsed most of the boundaries separating the fields and at times encroached on areas where there were no fields before virtually extending some fields. In Ongeluksnek the issue of consolidating individual plots has proved to be problematic. It has emerged that field owners were reluctant to have their plots of land combined. As one of the respondents noted:

*In Moeketsi, the AsgiSA contractors have ploughed everywhere such that it is now difficult to identify exactly where the previous boundaries separating one field from the next were. Where they were small patches of uncultivated land before they also ploughed with their tractor, extending some fields, and practically creating fields where none existed before. This is a source of conflict.*

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*Interview with Mr. Radebe, 15/07/2012, Litichareng.*

*People will fight over these boundaries. Even if I wanted to start using my field again now that AsgiSA left, how will I know where my field starts or ends? I don't even know.*

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*Interview with Mrs. Zondi, 20/07/2012, Thaba Chicha.*

This has been characterised as 'enforced consolidation' typical of the supply-driven nature of these massive maize schemes. Historically, large scale irrigation schemes initiated in the former Transkei also neglected the issues of tenure and land rights. Van Schalkwyk *et al* (2000:34) note that most of the irrigation schemes in the former Transkei required, in the initial stages, the consolidation of land. The land was later subdivided into smaller units, irrespective of land rights previously owned by the beneficiaries (Van Schalkwyk *et al* 2000:34). In addition, people who had not contributed land when the projects were initiated were also included in the projects. This approach contributed to land tenure conflicts on the irrigation schemes. In the case of the AsgiSA maize scheme in the Litichareng and Thaba Chicha villages, fields of different sizes and shapes were merged and the previous boundaries demarcating the fields were also collapsed. Ploughing in future where field boundaries have been collapsed may result in conflict.

The differentiated nature of farming activities within the former homelands is disregarded and priority is given to mono-cultural, massive agricultural schemes. In sum, the 10% payment to the beneficiaries of the AsgiSA maize scheme in Ongeluksnek is too small. The AsgiSA scheme has since been discontinued with the villagers not being informed in time so that those who would have wanted to farm on their own without AsgiSA could have had time for preparations. It is being said that a new scheme through the ECDA is in the pipeline. In this new arrangement, the participating farmers will be required to pay R1 800/ha. The Department of Agriculture estimates that a hectare of maize will cost R7 000 to produce and they will pay for the difference in costs; when they harvest the maize, all the produce will be given to the beneficiary.

## 4. CASE HISTORIES: AGRICULTURALISTS IN ONGELUKSNEK, MATATIELE

A small number of households in Ongeluksnek continued to practice dry-land cropping in the fields before the introduction of the AsgiSA maize scheme, but many households had abandoned field cultivation. Nevertheless, important insights into small-scale farming emerged from a number of case studies of resilient agriculturalists who continued to practice cropping in the face of diminishing prospects. These vignettes provide a 'retrospective' (Murray 2001) perspective on the precarious and shifting place of agriculture in constructing livelihoods in the communal areas of Ongeluksnek. This section focuses on life history interview material to give a sense of the trajectories of change and the place of agriculture in the overall livelihood strategies of the households over time.

### Case 1: Mr Mutaung, Thaba Chicha Village

Mr Mutaung was born in 1935 in the Moeketsi reserve and his family had to move from their homestead to make way for a commercial farm. In 1952, he left his rural homestead in Thaba Chicha to work in Cape Town on the farms for many years; in 1974 he 'abandoned the idea of working' for a white man since it was not rewarding at all. He says 'I never got all these things, the tractor, open truck and cattle, working for the whites. What propped me up was farming'.

Mr Mutaung left the farm work in Cape Town with a second hand tractor which he used to transport wood and to cultivate people's fields; but his break was in 1980 when he got credit for a new tractor in Matatiele. He continued cultivating people's fields and transporting firewood for sale in surrounding villages. People would pay with a sheep or a goat when they didn't have money. After paying off his tractor loan, Mr Mutaung said he became a 'real man' with money flowing in. Besides using his tractor, Mr Mutaung farmed his field growing maize. He used to get 30x100kg bags of maize from his piece of land but the yields declined over the years so when the AsgiSA maize scheme was introduced he was only harvesting six bags from the same portion of land. Asked about the reasons for the drastic decline in yields, Mr Mutaung said:

*Things changed when we started using the hybrid seed varieties. We never had problems with our seeds. But these seeds cannot be reused and you have to buy new seeds every year. They also need lots of fertilisers. The prices of fertiliser and maize seeds kept going up every time. But the yields kept going down. When AsgiSA came I was now only getting 6 bags of maize from the 30 I used to get.*

Since the collapse of the AsgiSA scheme, Mr Mutaung has not resumed cultivating his field. He has since parked his tractor and car. He won't be using them because it is too expensive to operate and maintain them. He also indicated that people were not using their fields so business was very low. On his future plans, Mr Mutaung said:

*Everything needs money. We now rely on the old age grant to eat. At least we can afford a plate each. The grant is just enough for food. You can't buy clothes with grant money. My bakkie and tractor are all in good condition but I won't even think of refueling them. There is no work people are not farming. They will stay there until one of my sons gets a proper job and are*

*able to run and maintain them. As for now it's better if God just takes me from this world. It would be better if I leave this world ...*

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While Mr Mutaung still owns cattle, sheep and horses. He is reluctant to sell his cattle as cattle are expensive and once he loses them, restocking will be difficult. The household has a number of income sources: the family has three child grants; one old age grant; the wife is a traditional healer and she brews traditional beer; and Mutaung earns money from thatching rondavels.

## **Case 2: Thabo, Thaba Chicha Village**

Thabo was born in Thaba Chicha in 1957. 'I started working in 1974 in Cape Town — a farm worker, weeding and pruning grapes.' He worked in Cape Town for twelve full months and thereafter returned to Matatiele where he only stayed for six months before leaving for the mines in 1975. Thabo was a machine operator at Impala Mine in Rustenburg until 1984. Thereafter he started working for the Ongeluksnek Nature Reserve in 1984, retiring in 2011.

We used to farm a lot and there is a huge difference now. We never used to rely on fertilisers. We used to plant and the crops would just grow. We only made sure there were no weeds. Nowadays even if you weed, without fertiliser crops don't grow. They become short and yellowish. We grew maize, pumpkins, sugar beans, and vegetables. We used to grow the vegetables (turnip) in between the rows of maize. We planted maize first and when it was at knee length with the weeding done, we then planted turnip in between the rows of maize.

We usually planted maize between October and November and when the maize was now grown, in January, we then planted the turnip. We used a span of eight oxen to plough, and only two oxen for both planting and weeding with an ox-drawn plough. We were three brothers with cattle and the other two didn't have cattle at the time. Amongst the three of us we had 38 cattle but my own cattle were only six.

We used to get sixty 80kg bags of maize. We used to fill the whole house with maize and beans. With beans we used to get about 20 bags for most of the years. We were still farming even when AsgiSA came but at the time were having much lower yields than before. We were now only getting 15 bags of maize from 60 bags and with beans we were getting only 3 bags from 20 bags. We were still using the same three fields.

I think one of the problems is that the rainfall became unreliable. I began to notice that the rains were now falling in late November to December instead of mid-to late October. We also increasingly became reliant on fertilisers for our crops to grow and this became more and more expensive and our yields decreased a lot.



We never bought seeds though. We selected good maize and kept it as seed for the next season. I would say for the last ten years we relied on farming in order for us to eat. Now we have lots of expenses because we eat from the shop. At the time when we were getting sixty bags of maize we used to sell 30 of them and leave the other 30 for consumption at home. We would use the remaining maize until the next season.

Thabo resigned from his job in 2011. He chose to take an exit package from the Ongeluksnek Nature Reserve. Having lost most of his cattle, he will now be focusing on homestead gardening especially now that he bought a water pump for irrigating his garden crops.

### Case 3: Nomusa, Mutsini Village

Nomusa was born on a commercial farm in Ongeluksnek in the 1950s and her parents moved to Mutsini when their employer's farm became part of the enlarged Transkei homeland. Nomusa had six children with her husband before formally getting married and establishing their homestead in 2000. The husband moved from his homestead in Masupha and stayed with her family in 1996. They also started farming in 1996, using five fields. Two of the fields belonged to Nomusa's sister and brother respectively, and another two were owned by two people from the neighbourhood who had no means to farm. The fifth one was their own, allocated to them when they decided to get married.

From 1998 to 2003 we were farming a lot. That's when we had lots of maize and we didn't know what to do with it. We grew maize, beans, pumpkins and kaffir corn. I would fill two huts with maize and some would be left in the field to rot there.

We used both a tractor and cattle to do the ploughing. We used to pay R500 for each of the five fields to be ploughed by a tractor and if we didn't have the money we would pay with a goat or sheep. For every field cultivated we would pay with a sheep or goat.

Nomusa has since abandoned field cultivation and is now concentrating on her homestead garden and livestock production. At the time of the survey (2010), Nomusa's homestead garden was very productive and she supplied the local communities by hiring an open truck to deliver the vegetables at the 'transient social grant markets'. Her total income from vegetable sales for the year amounted to R12 000. Nomusa also earned significant income from livestock sales and reported to have remitted some of her earnings from livestock sales to relatives in the city. The household sold five cattle for R5 000 each, plus one cow for R8 000 bringing the total earnings to R33 000. They also sold 60 goats for R500 each earning a total of R30 000. Four sheep were sold for R700 each, earning R2 800. In addition, Nomusa sold 10 chicken for R50 each and earned R500. For the year, her total earnings from livestock sales totalled R66 300. Besides earnings from the agricultural activities, Nomusa is also employed at the Ongeluksnek Nature Reserve as a general worker. One of her mentally handicapped children also gets a foster grant from the government. Recently (2010) Nomusa was planning to sell more livestock and had already made contact with buyers from kwaZulu Natal.

## Case 4: Mokoena, Litichareng Village

Mrs Mokoena was born in 1952 in Letlapeng, Mt Fletcher. She left Mt Fletcher in 1970 and moved to the Mariazell Mission in 1970 where she got a job as a social worker. In 1971 she met her husband (who was from Litichareng) at the Mariazell mission. The husband also worked at the mission as a tractor driver and they got married in the same year, 1971. They built their homestead in Litichareng which they maintained while they continued to stay at the mission.

During their stay at the mission they were actively involved in farming. Mrs Mokoena's husband passed on in 1987 and she left the mission to settle permanently at their homestead. At the time of the interviews, the Mokoena homestead had fallen on difficult times and had withdrawn from field cultivation since the year 2000. The only sources of income are an old age grant, child grant and infrequent remittances. Yet their fairly precarious circumstances did not preclude them from utilising their garden. This is what the household head had to say:

Nowadays without cattle the situation is tough, we have no choice. We can't use the fields it's expensive. We can't afford to hire the tractors and for most of us to eat we have to rely on supermarkets. I can't go back to cultivating my field. I don't have the money to buy the seeds and fertilisers, or the cattle to plough. I can only grow some food here in the garden. That's the only thing I can manage to do.

My homestead garden helps because food from the supermarkets is expensive. I get fresh food from my garden, and I don't always have to buy food. I save money a lot. My garden is very lucrative at times. I keep the money. I make more money from the pumpkins, they are very big and at times I can sell just one for R100. I usually sell to the community. I also grow some tomatoes. I have just harvested three 20 litre buckets of tomatoes and sold them for R120 each.

I took the money and bought cosmetics for re-sale here in the neighbourhood. I use the garden mostly to raise some money so I can have capital to buy things and resell. I always put some money aside though, every time I sell my produce so that I may be able to replant every time after harvest. I usually need about R400 on average to plant the whole of my garden. I don't have problems with pesticides and usually buy a pesticide to control pests and it only costs R18.

The case of the Mokoena matriarch is illustrative of how households may put money into homestead gardening and still be able to contribute to their daily reproduction needs under less risky conditions. The household also makes a small profit which is invested into petty trade. Money obtained from petty trade is then used to purchase inputs for the homestead garden. Field cultivation involves high input costs (for seeds and fertilisers) as well as the possibility of losses associated with adverse climatic conditions, for instance, drought, and the destruction of crops by livestock especially in Ongeluksnek where lack of adequate grazing pastures has seen animals destroying crops in unfenced fields.

## Comparative analysis of case histories

Thabo (Case 2) has since resigned from his job at Ongeluksnek Nature Reserve. With his lump sum payment he has repaired the perimeter fence at his homestead and acquired a second hand water pump from his previous employer. He will be using the pump in his homestead garden and has no hope of ploughing his field since it is expensive for him and he feels that it might not be productive. Mr Mutaung on the other hand is not cultivating his garden and not selling any livestock or using his field anymore. With field cultivation in Ongeluksnek much reduced, there is less ploughing business for his tractor. Neither does he foresee himself affording to cultivate his field. Hence it remains unused. Also, cattle are some form of 'store of wealth' wherein he won't be selling any in the foreseeable future as re-stocking costs are high. He has chosen to hold on to his cattle. Since the death of her husband and her failure to command family labour to work the land, and her decision to build a house instead of re-investing into field cultivation Nomusa has shifted focus into homestead gardening and rearing livestock. At the time of the survey, Nomusa's garden was very productive and she had been able to sell to a formal market. Nomusa's household also earned a substantial amount of cash from livestock production. The Mokoena household also abandoned field cultivation as a result of financial problems. They could no longer afford inputs and with the loss of their cattle had no draught power. They are now using the infrequent remittances and social grant earnings to grow vegetables in their homestead garden.

The case studies, highlighted above, show that some of the small-scale farmers in Ongeluksnek have shifted their focus by investing their resources in homestead gardening. Field cultivation is risky, so that expanded reproduction or social reproduction from staple crop production is uncertain especially where economies of scale and the spread of costs over large tracts of land, as is the case with large-scale commercial cropping, is not feasible. As a result, homestead gardens for daily food requirements — and to some extent for sale in the neighbourhood, and quite rarely for supply in the formal market — is becoming a central feature of livelihood strategies in the Ongeluksnek. It is noteworthy, that homestead gardens are by no means readily accessible, affordable and productive for all homesteads. For instance, a homestead which has two or three streams of income and has tanks for harvesting rain water as well as money to install a tap in their yard (instead of relying on community taps located at a distance) is at an advantage relative to a poorly resourced household. Yet the advantages of homestead gardening also allows relatively less well-off households to direct their meagre resources into farming without the risk of heavy losses and to at least contribute to daily reproduction. Homestead gardens are not without entry barriers, yet they are also not the exclusive preserve of 'agriculturalists' or relatively well-off households.

Findings from other studies also confirm the shift from field cultivation with more households channelling their resources into the cultivation of homestead gardens (Andrew & Fox 2004; Fay 2011). Andrew and Fox (2004) studied land use practices in the village of Nompá, Shixhini using aerial photographs, archival materials and in-depth interviews and concluded that instead of a decline in agriculture there has been a shift in cultivation patterns: while farmers have generally abandoned the cultivation of the distant maize fields there is evidence of increased intensive inter-cropping of maize and other food crops in homestead gardens. Fay (2011) makes similar findings in a study of cultivation trends in Mbashe local municipality's Xhora district in the Eastern Cape. This ethnographic study reveals that there have been long-term continuities in the expansion and intensification of cultivation in homestead gardens manifested in the diversity of crops cultivated in the gardens, in the cultivation of fruit trees, and the intensity of input application. These and other studies seem to suggest that there is no decisive shift from non-agricultural activities to full proletarianisation in an urbanised and industrialised economy.

## 5. COMMERCIAL MAIZE BUDGETS IN SOUTH AFRICA

This section looks at Combud and GrainSA maize budgets to highlight the uncertain profitability of maize as a commercial crop in the context of the deregulation of marketing boards in South Africa and the increasing role of private capital in the commodity value chains since the 1990s. Groenewald, *et al* (2003) argue that the variability of input and product prices have increased since the deregulation of markets in the early 1990s. Jordan *et al* (2007) analysed the volatility of field crops traded on the SAFEX: yellow maize, white maize, wheat, sunflower seed and soy beans. They concluded that the volatility associated with the price of white and yellow maize was substantially higher than that of other crops traded on the SAFEX. Consequently, conditions for commercialising smallholder maize production and including them in formal markets are somewhat unstable. As noted in *Table 8*, GrainSA and COMBUD budgets for the same growing season reveal the sensitivity of gross margins to the market price for maize.

Table 8: Maize budgets for Grain South Africa and Combud, 2010-2011 season

	GRAIN SA			COMBUD (average)
	Poor	Average	Good	
Yield (tons/ha)	3.2	4.0	4.8	6.0
Price/ton (R)	1 440.00	1 800.00	2 160.00	1 350.00
Income (R)	4 608.00	7 200.00	10 308.00	8 100.00
Costs (R)	5 028.00			7 488.30
Gross Margin (R)	420.00	2 173.00	3 168.00	611. 70

According to the 2010–2011 COMBUD maize budget, the estimated price for budgeting purposes is R1 350/ton while the average commercial yields are expected to be 6 tons/ha. The costs of production — total allocatable variable costs — are expected to be R7 488. The calculation for income per hectare is:

$$R1\ 350/ha \times 6tons = R8\ 100$$

The profit per hectare is:

$$R8\ 100 - R7\ 488 = R612$$

To put things into perspective, if these same input costs and price estimates are applied to the GRAINSA 'poor farmer' there is a definite loss. Profit is thus:

$$R4\ 608 \text{ (expected income)} - R7\ 488 \text{ (costs incurred under commercial conditions)} = R2\ 688 \text{ loss}$$

This implies that the profitability of maize is highly sensitive to yield and price assumptions. If producers cannot afford inputs or the yields are low for a various reasons, the profitability of maize is very doubtful. Large scale commercial farmers in South Africa depend on commercial seeds, chemicals and fertilisers to achieve higher yields. This requires credit and large scale production to be profitable. The high yielding techniques of industrialised agriculture are appropriate only in a context where the high monetary costs of external inputs (seeds, fertilisers, pesticides, machinery) can be shared over a large scale production unit. This is not possible for small-scale famers with limited monetary resources to pay for inputs and small amounts of land available to them.

## 6. CONCLUSION

The process of capital accumulation, and associated trajectories of increasing centralisation and concentration, is critical to understanding the social reproduction and accumulation dynamics

of small scale farmers in the countryside. These structural determinations are at the heart of the increasingly precarious existence of small-scale farmers. It is critical to locate the decline of maize production in South Africa's countryside within these broader processes. The predominant model of accumulation privileges types of agricultural activities that are highly commercialised in terms of scale and capital intensity.

The material conditions of the small-scale farmers — that is, their attempts to construct livelihoods reproduce and accumulate — is subject to the dictates of capital, 'it's dull compulsion'. In the current conjuncture, the corporate food regime constrains accumulation from below. Without re-configuring the current accumulation model which has reinforced an agrarian structure, largely driven by large capital and its logic to valorise, there a slim chances for 'expanded reproduction' to take root amongst a critical mass of rural households through dry-land cropping. Neither are the massive maize schemes like AsgiSA a panacea to the problem of de-agrarianisation considering their embeddedness in agro-capital circuits, both downstream and upstream.

To recapitulate, the imperative for corporations involved in the so called 'win-win' inclusive business partnerships in the agricultural sector is the expanded reproduction of capital. The expanded reproduction of capital tends to be primary in these highly popularised business models meant to link small farmers to advanced markets such that there is limited scope for the reproduction and accumulation needs of the beneficiaries to be met. Accordingly, 'win-win' solutions in contemporary Africa are difficult to realise within the confines of corporate driven commodity chains. These conventional markets need to be re-structured with the realisation that power and politics are key to the manner in which they operate.

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