INSTITUTE FOR POVERTY, LAND AND AGRARIAN STUDIES (PLAAS)

WORKING Paper 25

Social reproduction, accumulation and class differentiation

Small-scale sugarcane growers in Mtubatuba, KwaZulu-Natal, South Africa

14 December 2012

Alex Dubb

A place of quality,
a place to grow, from hope
to action through knowledge

PLAAS Working Paper 25: Social reproduction, accumulation and class differentiation: Small-scale sugarcane growers in Mtubatuba, KwaZulu-Natal, South Africa

The PLAAS *Working Paper Series* is designed to share work in progress. Please send any suggestions or comments to the author.

©Institute for Poverty, Land and Agrarian Studies, University of the Western Cape, August 2012

Author: Alex Dubb, alexander.dubb@gmail.com
Series Editor & Design: Rebecca Pointer
Copy Editor & Layout: Andrew Ennis

Cite as: Dubb A (2012) 'Social reproduction, accumulation and class differentiation: Small-scale sugarcane growers in Mtubatuba, KwaZulu-Natal, South Africa', *Working Paper 25*. PLAAS, UWC: Bellville.

Institute for Poverty, Land And Agrarian Studies
School of Government, Faculty of Economic and Management Sciences
University of the Western Cape
Private Bag X17
Bellville 7535

Tel: +27-(0)21-9593733
Website: www.plaas.org.za
Twitter: @plaasuwc
Fax: +27(0)21-9593732
Email: info@plaas.org.za
Facebook: www.facebook.com/PLAASuwc

Table of contents

1. Introduction 1

2. Much ado about FAF 2

3. Between state and industry: Relocating FAF and SSG production 3

4. Changing the rules: De-regulation and the shifting basis of SSG production 7

5. Report on fieldwork: SSGs in two rural wards of the Umfolozi supply area 11

6. Conclusion 22

References 24

Appendix: SSG trajectories 26

Institute for Poverty, Land And Agrarian Studies
School of Government, Faculty of Economic and Management Sciences
University of the Western Cape
Private Bag X17
Bellville 7535

Tel: +27-(0)21-9593733
Fax: +27(0)21-9593732
Website: www.plaas.org.za
Email: info@plaas.org.za
Twitter: @plaasuwc
Facebook: www.facebook.com/PLAASuwc

ABSTRACT

This paper argues that the rise and decline of small-scale sugarcane grower (SSG) production in KwaZulu-Natal must be historically located within a changing structural relationship with miller-processors, in turn conditioned by shifts in regulatory frameworks. Critically, the emergence of SSG production in the late-1970s–1980s can be traced to industry-subsidised initiatives disguised as micro-credit which brought commercially inalienable Bantustan land into cane production with strong miller oversight. From the late 1980–1990s, however, the elimination of these subsidies encouraged millers to withdraw from direct oversight and to subcontract support to farmers, while simultaneously instigating an increase in SSG numbers by removing restrictions on grower registration. Enduring drought must certainly be understood as a central proximal factor in the rapid decline of SSGs, but their rapid increase in the first place was structurally fragile. This paper further strives to provide insight into the shifting class dynamics of SSGs under constrained conditions of production, utilising survey data from seventy SSG homesteads and life-history interviews in two rural wards of the Umfolozi region. Although proceeds from sugarcane have represented an important source of cash-income for homesteads, deteriorating terms of exchange and barriers to expansion in land and capital have placed a greater emphasis on sparse off-farm income opportunities for stabilising consumption and enabling limited re-investment in production. The centrality of income-diversification for simple reproduction and limited accumulation has rendered the dynamics of social differentiation both unstable and reversible. The paper concludes by exploring the implications for agrarian reform policy.

Keywords: contract farming; small-scale; sugarcane; livelihoods; development; KwaZulu-Natal

Institute for Poverty, Land And Agrarian Studies
School of Government, Faculty of Economic and Management Sciences
University of the Western Cape
Private Bag X17
Bellville 7535

Tel: +27-(0)21-9593733 Fax: +27(0)21-9593732
Website: www.plaas.org.za Email: info@plaas.org.za
Twitter: @plaasuwc Facebook: www.facebook.com/PLAASuwc

ACRONYMS

BIC	Bantu Investment Corporation
BTI	Board of Trade and Industry
CED	Corporation for Economic Development
CF	Contract/Outgrower Farming
CSG	Child Support Grant
CTS	Cane Transport System
DAEA	Department of Agriculture and Environment Affairs
DAFF	Department of Agriculture, Forestry and Fisheries
DoP	Division of Proceeds
DSG	Disability Grant
DTI	Department of Trade and Industry
FAF/UAF	Financial Aid Fund/Umthombo Agricultural Finance
GATT	General Agreement on Tariffs and Trade
GSO	Grower Support Officer
ISA	International Sugar Agreement
KFC	KwaZulu Finance Corporation
LSG	Large-Scale Sugarcane Grower
LZ	Loading Zone
MAFISA	Micro Agriculture Finance Institute of South Africa
MCC	Mill Cane Committee
NAD	Department of Native Affairs
PSF	Price Stabilization Fund
SACGA	South African Cane Growers' Association
SAMA	South African Millers' Association
SASA	South African Sugar Association
SASRI	South African Sugar Research Institute
SGDT	Small Grower Development Trust
SGE	Small Grower Entitlement
SIA	Sugar Industry Agreement
SPF	Supplementary Payment Fund
SSG	Small-Scale Sugarcane Growers
UCOSP	Umfolozi Sugar Planters Ltd
USM	Umfolozi Sugar Mill
WTO	World Trade Organization

Institute for Poverty, Land And Agrarian Studies
School of Government, Faculty of Economic and Management Sciences
University of the Western Cape
Private Bag X17
Bellville 7535

Tel: +27-(0)21-9593733
Fax: +27(0)21-9593732
Website: www.plaas.org.za
Email: info@plaas.org.za
Twitter: @plaasuwc
Facebook: www.facebook.com/PLAASuwc

1. Introduction

In the last decade sugar interests have pursued an aggressive expansion into Southern Africa, largely by multinational capital pushing northwards from a South African base. Spurred by the dismantlement of the European Union's Sugar Protocol and the promise of preferential trade opportunities to Least Developed Countries (LDCs) under the Everything but Arms' (EBA) treaty, 'big sugar' has gained control over large swathes of cane-land for sugar and biofuel production, both by purchasing troubled state-owned enterprises and establishing new areas of production. In return for preferential access to choice land and effective national monopoly or oligopoly, sugar interests present national governments with an enticing package of foreign direct investment, promising increased foreign exchange earnings and stimuli to economic development (Richardson 2010; Hall 2011). Moreover, whether to secure the interest of local households with land-rights and/or assuage government developmental imperatives to increase incomes of the poor, out-grower or Contract-Farming (CF) schemes have been proffered as an important means by which small-holder farmers can share in the economic benefits of sugar production.

The validity of CF models as a 'pro-poor' method of incorporating small-scale farmers into agro-food supply chains, oft characterised by capital intensity and consequent high barriers of entry, has been legitimated to some degree by global development agencies. For such proponents, CF represents a considerable 'win-win'; with small-scale farmers accessing markets, technology, and financial services, and companies reducing their direct involvement in production and labour supervision (World Bank 2007; Eaton & Shepard 2001). However, critics have observed that CF schemes often operate under highly unequal relations of power between farmers and processors/retailers, generate substantial social inequality, and have negative impacts on household food security. In these analyses, CF essentially enables 'proletarianisation without dispossession'; a 'flexible' and indirect mechanism for companies to discipline labour and legitimate effective land grabs (Little & Watts 1994; Wilson 1986; Glover & Kusterer 1990).

In South Africa, where large-scale 'land grabs' took the form of widespread racialised land-dispossession under colonial and then Apartheid auspices, important questions of post land-grab trajectories arise. In KwaZulu-Natal, the expansion of sugar production was intimately tied to African dispossession, and has been historically defined by large capital-intensive mills supplied principally by cane from large-scale (white) growers (LSGs) and millers' own estates. Nonetheless initiatives to bring commercially inalienable Bantustan land under cane production in the 1970s saw the ranks of (black) small-scale sugarcane out-growers (SSGs) swell from less than 4 000 to around 50 000 in the 1990s; a feat largely attributed to the introduction of small-scale credit. However, amidst drought conditions SSGs have since faced a precipitous decline in the past decade, with less than 13 000 SSGs delivering cane in 2011. The question of what has underpinned this decline would certainly seem to be relevant not only to South Africa's SSGs, but also to their regional counterparts supplying the same crop largely to processors owned by the same companies.

This paper argues that far from representing a class of independent small commercial farmers empowered by small-scale credit facilities, initial SSG production was premised on major interventions in production and logistics by milling capital, enabled both by a regulatory structure which afforded them greater claims to the industry's wider surplus, and effective subsidisation by the KwaZulu Bantustan. The retraction of these interventions following the reform of the industry's regulatory system in tandem with the de-regulation of grower

registration ultimately resulted in a rapid increase in SSG numbers, but denuded of prior logistical and productive supports. Through these historical lenses it can be seen that while the current enduring drought must certainly be understood as a central proximal factor in the rapid decline of SSGs, their rapid increase was in the first place structurally fragile.

Secondly, this paper seeks to examine the crises of social reproduction faced by SSGs in two rural wards of the Umfolozi region, in the wake of the sale of the central mill by the multinational corporation Illovo to a consortium of LSGs. Utilising survey data from seventy SSG homesteads and life-history interviews it is argued that, while proceeds from sugarcane have represented an additional source of coveted cash-income, deteriorating terms of exchange and barriers to expansion in land and capital have led SSGs to place a greater emphasis on the importance of off-farm income as a basis for stabilising consumption and limited re-investment. The centrality of income-diversification for simple reproduction and limited 'pockets' of accumulation has thus rendered dynamics of social differentiation to be volatile and potentially reversible. Meanwhile, millers face the challenge of how to retain their implicit 'grab' on customary land with less direct oversight in production, throwing into relief the contradictions inherent in attempts 'from above' to foster a nominal 'peasant' class 'from below'.

2. Much ado about FAF

The sugar industry's Financial Aid Fund (FAF) has always been at the centre of the story about the rapid growth of SSGs in South. The story of this early success as put forth by the industry is fairly straightforward: owing to a lack of infrastructure, agricultural equipment and education, KwaZulu-Natal farmers were largely subsistence orientated. Moreover, owing to the prevailing system of tribal tenure, potential farmers were unable to place their land as collateral for loans to procure inputs or capital. FAF would intervene by taking a potential grower's crop as collateral for extending revolving small-scale credit at low interest rates over a ten year period. Moreover, in addition to benefitting from the experienced stewardship of white growers and millers, the industry constructed three training centres (at a cost of R600 000) to help bequeath the benefits of the latest scientific cane-farming practices (SASYB 1984/5; SASYB 1981/ 2).

Initiatives to 'develop' small black farmers by drawing them into commercial sugarcane production were not an entirely new phenomenon. As observed by Vaughan (1992a), the idea of bringing black farmers into commercial production pervaded state planning documents such as the 1955 Tomlinson Commission; earlier asides can also be found by the Board of Trade and Industries (BTI) from the 1930s. By the 1950s, the Native Affairs Department (NAD) had established a small assistance program for SSGs, providing finance for fertiliser, seed, sugarcane and ploughing. As a result of such assistance, 1 060 new SSGs on 4 409ha began sugarcane cultivation, increasing the total area under SSG production to 7 616ha (Bates & Sokhela 2003). Underlying such initiatives was an ideal image of nurturing commercially independent black 'yeoman' farmers, as articulated by one NAD official:

> *Our whole aim is to make the Bantu self-sufficient, but experience has shown that this is not achieved by giving everything for nothing. At the same time we appreciate that the Bantu lacks capital. For that reason we will help in the initial stages of the scheme. We hope eventually that the tribal authorities for the area will take over complete management.*
>
> *Vaughn 1992a.*

In principle, the impetus behind FAF did not differ radically from such a vision. From its inception the fund considered itself as 'not simply a provider of monetary aid (but) a development agency' and favoured a policy to pursue the 'establishment of fulltime farmers on viable land units' (SASYB 1974/5). Much to the frustration of the fund, however, both of these conditions would prove difficult to achieve. One obstacle was the prevailing patterns of land distribution in KwaZulu, which were found to be 'fragmented' in 'uneconomic' sizes. Furthermore, with Bantustan economies largely characterised by patterns of migrant labour, the fund's policy of seeking 'full-time' farmers and not extending support to those seeking to augment off-farm income was similarly problematic; exacerbated by a general shortage of labour and interest in agriculture, particularly by young men (SASYB 1975/6).

Despite these apparent constraints, however, the available figures paint a compelling picture of the FAFs apparent success. In 1973, the year before its inception, there were 3 455 growers who delivered 376 986T of cane; seven years later those figures had more than doubled, with 8 070 growers submitting 873 023T from an estimated area of 38 000ha (Rorich 1982). Furthermore, by 1982 representatives of KwaZulu, KaNgwane and the South African Millers' Association (SAMA) were making representations to government's 'Rorich commission of inquiry' to motivate for a considerable expansion in sugarcane production, about half of which was to come from SSGs. Approximate projections had targeted an additional 33 200ha and 6 330ha in KwaZulu and KaNgwane respectively, each capable of providing an estimated 116 000T and 32 000T of sugar (Rorich 1982). The ultimate expansion was certainly immense: by the early 1990s, SSGs had increased their total share of the national area under cane from 1.3% to 20%; by 2001–2002 the number of SSGs had increased to 50 000 and their share of production had doubled to 14% (Bates & Sokhela 2003).

However, by the mid-2000s, FAF (which had been re-dubbed Umthombo Agricultural Finance) had revoked its credit offering facilities, citing widespread grower fraud and writing-off millions in loans. Moreover, by the late 2000s, a terrible drought had seemingly instigated the widespread drop-out of SSGs and a massive decrease in production. By 2011/12 only 13 871 registered SSGs delivered cane, producing 8.59% of the total crop (SASA 2011/12). This tremendous decline is even more curious given that significant droughts in the 1980s, while resulting in a brief and dramatic drop in production, did little to stem the tide of overall SSG growth. Understanding why FAF/UAF was compelled to terminate its credit services when it did and why SSG production was so drastically impacted by drought requires a critical examination of the conventional narrative of SSG growth as a product of the extension of small-scale credit and characterisations of SSGs as independent commercial farmers. Of central importance is the material and institutional articulation of FAF with milling capital and the KwaZulu government, and thus as one component of a wider regime governing SSG production; a relationship founded within the industry's particular regulatory structure and ultimately undermined by its restructuring.

3. Between state and industry: Relocating FAF and SSG production

Notwithstanding rhetorical commitments to 'development', it is important to note that the emergence of FAF and intensified efforts to expand SSG production from 1974 was not coincidental. From the mid-late 1960s, the industry had taken a calculated risk to increase its international quota under the International Sugar Agreement (ISA), witnessing a massive expansion in capital capacity and area under cane. However, the high world prices which had spurred these investments faltered, and by 1968 the industry was compelled to seek

government-backed loans of R16 million to stabilise cane prices and interest payments (Van Biljon 1970). Nonetheless, the industry's fortunes improved following the US embargo of Cuba and its consequent turn to the world market to meet consumption needs, which resulted in a spike in export prices in the early 1970s and generated record export earnings for the industry (Nedbank 1974). Emboldened by windfall earnings, millers in particular began re-awakening hopes of increasing cane supply to meet the increased throughput requirements of their capital investments. Simultaneously, however, the formation of 'independent homelands' by the Apartheid state threatened to impinge on cane lands earmarked for consolidation into the Bantustans, particularly KwaZulu. Established with R5 million from the industry's export earnings, the origin of FAF and efforts to increase SSG production in 1974 were rooted largely in millers' ambitions to augment the high throughput requirements of a capital intensive and concentrated milling sector at a time when cane-supply itself was threatened by the establishment of the 'independent homelands'.

Nonetheless, despite the precipitous decline of export prices throughout the mid-late 1970s, coupled with rising oil prices and mounting inflation, FAF and SSG production continued to expand. However, although the industry was content to 'take credit for a large amount of the stimulus which has given rise to increased (SSG) production', they admitted that 'the fund cannot claim that the total increase in production … is solely due to its efforts' (SASYB 1978/9). At least some of the credit would have to be reserved for other players. One of the most notable in this regard was the 'developmental partnership' forged with the recently formed KwaZulu state. The most basic dimension of this relationship concerned legitimating the extension of sugar production in KwaZulu. Previously, SSG sugarcane quotas had been held in 'trust' by South Africa Sugar Association's (SASA) central board. However, with the establishment of KwaZulu as the ultimate authority over 'tribal' tenure, SSG sugar quotas were similarly effectively placed within the jurisdiction of the new 'state'. Cooperation and liaison with the KwaZulu government in both locating physical grounds and negotiating the political terrain of tenure was thus essential, and indeed Chief Sithole, acting Executive Councillor of the KwaZulu Department of Agriculture and Forestry, along with five officials from his department, were approached early to 'assist' in the design of FAF (SASYB 1972/3). More directly, initiating cane production in any particular area in the first instance required approaching and establishing a rapport with the local 'tribal Inkosi', with particular care being taken to assure him that neither cane production nor farmers' associations would impinge on his authority.

> *Because land is allocated through the tribal authorities, and it is access to the parts of this land which are suitable for cane production which is the major consideration for the milling companies wishing to expand production, they are obliged to use these traditional structures reconstituted by the apartheid state.*
>
> *Vaughan 1992a.*

In regards to material assistance, the KwaZulu state was similarly involved directly from an early stage, with early references noting the government's involvement in the construction of infrastructure and the provision of fifty extension officers for sugarcane development. However, less pronounced in such asides was the degree of articulation between FAF, miller-owned 'development' companies, and the financial arms of the KwaZulu 'state'. As early as 1974, FAF was already seeking 'cooperative action' with the Bantu Investment Corporation (BIC) in regard to developing infrastructure (SASYB 1974/75). BIC itself having been involved in sugar funding for several years was replaced by the Corporation for Economic Development (CED) in 1977, but following the recommendations of the 1978 McCrystal Report, its duties were delegated to

the new KwaZulu development corporation, and six years later, the KwaZulu Finance Corporation (KFC). The CED had always supported the establishment of miller owned 'development companies' to facilitate a 'tripartite alliance' between the KwaZulu Department of Agriculture, millers and small-scale black farmers; to this end the CED and later KFC provided soft loans for the purposes of on-lending to SSGs, contractors and capital works such as the building of cane depots and bases (Rahman 1997). Although precise figures are not available as to the extent of such financial support, in 1982 the SASA chairman made a public aside on the basic extent of contributions by the KwaZulu government and 'developing' companies:

> *With regard to the backing that the Fund receives, I must pay tribute to the tremendous role played by the KwaZulu Department of Agriculture and Forestry, which together with millers and growers have provided all the infrastructure and extension services necessary for the development of sugarcane lands in KwaZulu.* ***It is estimated that the infrastructure provided by KwaZulu has to date matched in value the loans advanced by the Fund***.
>
> *SASYB 1981/2* (emphasis added).

A notable political corollary of this intersection between the KwaZulu 'state' and millers was the political leverage it offered in negotiations with the Apartheid government, and within the industry itself. For instance, despite reservations by SASA and SACGA, representatives of both SAMA and KwaZulu successfully lobbied government's Rorich Commission of Inquiry to endorse a strategy of expanding cane supply largely from SSGs, largely premised on appeals made to the 'developmental' effects of SSG production with occasional allusions to their wider legitimating impacts (Rorich 1982). KwaZulu for instance argued that a failure to expand would 'cause scepticism among the KwaZulu people regarding statements by leaders of the sugar industry that it is in the interests of the country to ensure positive economic development for black people' (*ibid*), while KaNgwane's motivation to erect an irrigation project alongside an expansion of white cane production emphasised the 'gravity of the potential danger to South Africa if border regions should become depopulated' (*ibid*).

The nexus between the KwaZulu government and millers, however, is only part of the picture. Critically, the active pursuit of SSG production by millers, often via subsidiary 'development companies' was differentially rewarded by the industry's particular regulatory structure. In the first instance, millers were able to increase their relative share of the industry's surplus by manipulating the treatment of SSG production by the industry's central allocative mechanism, the Division of Proceeds (DoP). The DoP essentially operated by first deducting refining costs and contributions to an 'industrial price stabilisation fund' from total proceeds. From the resulting balance, miller and grower sections would claim their total calculated 'average costs'. Costing procedures themselves would take place only every four years so as to maximise the difference between a concentrated milling sector's average costs and its actual costs, and thus mitigate the possibility of millers undertaking riskless investments. The final balance would then be divided according to each section's estimated return on capital (Board of Trade and Industries 1976). However, as the costs of pursuing SSG production by millers' or their development companies were recorded as millers' costs within the DoP, encouraging SSG production effectively increased millers' claims on total industry proceeds. By the mid-1980s, this claim would further be accentuated by the introduction of a 'two-pool' payment system whereby quota production would receive high domestic 'A-pool' prices and surplus 'B-pool' production would fetch lower world market prices. As SSG production categorically received 'A-pool' prices, millers receiving SSG production would also hence receive 'A-pool' sugar returns.

Thus by increasing the SSG proportion of their supply base, millers would simultaneously increase their share of returns from the domestic market. Consequently, in addition to expanding a base of throughput to highly capitalised mills, as noted by Rahman (1997), development companies enjoyed three bonuses:

> *The first involved political and financial backing by state agencies, the second concerned the operation of the FAF credit system which came tied with their services; the third is the attribution of their overheads and variable costs as milling costs by their miller parents. As milling costs, though they are in reality sugar growing costs, they went towards the cost based division of proceeds!* ***These development companies not only did profitable business with smallholders, they recouped their overheads and variable costs in the division of proceeds*** *(emphasis added).*
>
> *Rahman 1997.*

The intersection of interest between milling capital, KwaZulu and the Apartheid state in small-scale sugarcane farming, however, had always been subsumed within a discourse of 'development'. Indeed, despite the difficulties of small plot sizes and patterns of migrant labour, FAFs rhetorical commitment to development had largely been based on counter posing the income-benefit of sugarcane farming among supposedly independent producers against stereotypes of 'traditional' largely subsistence farming. However its indicators of success rarely qualitatively exposed what 'development' meant substantively to flesh and blood farmers, preferring to represent progress in terms of general quantitative measures such as total area under cane, number of registered quota holders, and tons of sugar produced.

Independent studies into the qualitative nature of sugarcane farming in the 1980s, however, complicated the notion of an emergent independent class of sugarcane farmers implied by industry claims to 'development'. One of the earliest, and much cited, studies of the qualitative nature of small-scale sugarcane farming came from Cobbett (1984), who investigated sugarcane farming in two 'communities' 100km from Pietermaritzburg: Nqunquma supplying the Noodsberg mill, where sugarcane had been farmed since the 1960s, and Newspaper, supplying the Glendale Mill, which had only started in the 1970s. The picture which emerged from Cobbett's study however, differed significantly from the image of SSGs as independent commercial farmers. Amidst small and unequal land-holdings (particularly at Newspaper), only about 14% of homesteads at Newspaper with more than 4 ha under sugarcane were able to meet basic subsistence requirements from sugarcane earnings, and none did at Nqunquma (Cobbett 1984). With the widespread displacement of both food cropping and cattle grazing, both communities thus came to become particularly dependant on a mixture of cash-income from sugarcane and migrant labour earnings, a finding replicated by Vaughan (1991).

A significant aspect of the production process itself found by Cobbet was that at Newspaper, a condition of the loan finance was control over its use and application, effectively leaving only the task of weeding to the applicant homestead. Moreover, concerns over trajectory could be inferred by the fact that many sugarcane homesteads in Nqunquma had found themselves in a viscous spiral of decreasing returns, input purchases and yields following the repayment of their loan. Vaughan (1992b) similarly observed at the Sezela and Maidstone area that a substantial proportion of cane establishment was undertaken by the mill, whereby 'teams of labourers employed by the mill, weed and fertilise for growers on request', a process replicated at the level of ratoon management. The attitude of the Sezela mill staff reflected this attitude,

asserting 'We must stop trying to make farmers out of growers who own "postage stamps" (insignificant parcels of land)' (Vaughan 1992a). Rather than inspiring a class of independent farmers, as observed by Vaughan, 'the relationship between grower and company may, in these cases, resemble that between lessor and lessee' (Vauaghan 1992b). While Vaughan found a difference of attitude at the Felixton and Amatikulu mills, where authorities stressed their 'objective is to develop people not land', it was admitted that such attitudes were contingent on an 'expanded and refined' extension system, intensified 'to maximise cane supply through very close monitoring of the production process' (*ibid*). For Rahman (1997), the differences in such developmental philosophies were by and large conditioned by the relative levels of urbanisation, particularly the availability of non-agricultural employment opportunities and population pressures resulting in residential land-leasing, or 'shack-farming', which would compel milling development companies to adopt as much of the development process as possible. In rural areas with less population pressure and fewer employment opportunities, Rahman observed that 'chasing cane' was less of a 'military operation' with millers performing little of the physical operations themselves, and much fewer uptakes of FAF loans (1997).

Moreover, in many sugarcane growing-areas millers had purposefully sought to introduce a new intermediary class with the encouraged emergence of small black 'contractors'. Within a discourse of benefitting 'entrepreneurs' miller development companies and/or KwaZulu development institutions adopted a policy of extending loans for the purchase of tractors by selected individuals within sugarcane growing areas to provide short-hauling and land preparation/ploughing services. Though such initiatives pre-date the 'rationalisation' of the Cane Transport System (CTS), i.e. the removal of miller transport subsidies and 'transport costs' from miller cost claims on the DoP, that they gained new emphasis afterwards is surely not coincidental. In Cobbet's study, local business elites took up the opportunity at Newspaper, creating cartels to control pricing and to some extent reinforce existing stratification of wealth, while in Nqunquma a plethora of initial contractors quickly went out of business (Cobbett 1984). Vaughan (1992a) cited similar instances of contractors facing severe difficulties in sourcing and managing labour, equipment failure, and general disorganisation. While the decision to foster this class of black intermediate contractors would often be located within a notion of fostering 'employment' opportunities, evidence suggests that small-scale contracting was, at best profitable for a small elite capable of organising to prevent competition at the expense of small-holders; and at worst a economically volatile and unprofitable operation (*ibid*).

4. CHANGING THE RULES: DE-REGULATION AND THE SHIFTING BASIS OF SSG PRODUCTION

From the early 1990s, however, the prevailing regulatory system would undergo a series of critical shifts, culminating in a new Sugar Industry Agreement (SIA) in 2000. For SSGs, two changes were of particular significance. In the first place, the hidden regulatory mechanisms which had materially underpinned millers' differential interest and interventions in SSG production were effectively removed. Perhaps most importantly — a few weeks before South Africa enjoyed its first free elections — SACGA successfully lobbied to fundamentally alter the DoP. The system of splitting total proceeds according to average costs and return on capital was replaced with a fixed proportional division between millers/refiners and growers (about 36:64 respectively), effectively removing millers' ability to claim administration (or effective execution) of SSG production as claimable 'costs' (Rahman 1997). Along with the removal of price regulation, alteration to the DoP was made largely in response to the disgruntled SACGA. At the core of mainly LSG discontentment was what seemed to be the manipulated escalation of miller average costs: millers, they contended, were failing to close down uneconomic mills;

attributing development company costs as milling rather than growing costs; enjoying full refinery costs and return on capital as a first charge; and generally enjoyed an unfair advantage in their fixed-variable cost ratio, effectively meaning that even in poor crop years millers would retain a large claim on industry proceeds.

Moreover, by 1998 the two-pool pricing mechanism was consolidated, effectively eliminating SSG production's categorical claim on the higher-priced domestic market. In addition to spurring the 1997 closure of the Glendale Mill which had relied on SSGs for over 40% of its supply, other millers and their 'development companies' were prompted to take a

> *'hard look' at their small growers, their circumstances (especially grower debt levels and bad debts) and their importance to the mill concerned … the costs of development (establishment), re-planting and ratoon management … a procedure to manage withdrawal … (and) whether there is local capacity to provide the services formerly provided by the development companies … mills may need to subsidise contractors, transport costs etc.*
>
> *Rahman 1997.*

In the second place however, from 1989 SASA removed restrictions on SSG registration, a move cemented by the permanent removal of SASAs powers of quantitative control in the 2000 SIA (Department of Trade and Industry 2003). Consequently, and seemingly paradoxically, the numbers of SSGs began to rapidly rise. No longer requiring formal Small Grower Entitlement (SGE) to supply a nearby mill, 7 500 previously 'illegal' growers immediately registered, bringing the total number of SSGs to over 30 000, inflating to three years later to 42 313 in 1992 and reaching about 50 000 in 2003 (Vaughan & McIntosh 1993).

The general dismantlement of the basis of subsidy implicitly placed a new imperative to develop new less costly mechanisms of support to a rapidly rising number of SSGs. Much of this responsibility now however fell to SACGA, within which SSGs were now formally representationally subsumed. While the old industry rhetoric of SSG 'development' had been rendered somewhat hollow by millers direct interventions in the production, SACGA now sought to develop 'smart' institutions to foster new levels of SSG self-management and independence within a more inclusive representational structure.

One early such institution was the Small Grower Development Trust (SGDT), established in 1992 to 'promote economic empowerment of SSGs and … develop viable and independent cane growing communities'. With an initial R21.66 million provided by the industry, the SGDT focused largely on training SSGs and their elected representatives, and funding the operational costs of their highest representational tier, the Mill Cane Committee (MCC). Similarly, SACGA posted Grower Support Officers (GSOs), in each mill supply area to provide support on a wide range of tasks, including facilitating the functioning of their representative organisations, coordinating cane supply logistics in communal areas and conducting cane husbandry training. Extension support and credit facilities were are also re-configured to fit the new institutional circumstances. In 1996 a new 'partnership' or 'joint-venture' was launched between the South African Sugar Research Institute (SASRI) and the Department of Agriculture and Environment Affairs (DAEA), and in 2001 FAF was re-launched as Umthombo Agricultural Finance (UAF)(Eweg 2009; Armitage, *et al* 2009; Bates & Sokhela 2003).

These new institutional configurations nonetheless represented a substantial scaling-down from prior miller support systems. While lauded for its work in relaying varietal and agronomic lessons, as well as dispatching over R60 million worth of fertiliser over eight weeks, SASRIs joint venture with the DAEA remains under-capacitated, and does not extend to organisational oversight previously made by teams of miller section managers and extension officers. Nor can this gap be expected to be filled by even the most committed GSO, tasked with unenviable position of adopting responsibility for a wide range of tasks previously accomplished by entire teams of section managers, field officers, and mill and government extension officers for a larger number of growers. Similarly, though by 2007 the SGDT had trained over 20 000 SSGs, it has not been able to attain financial self-sufficiency, with SSGs contributing only R2 million of the R27.2 million in costs incurred in 2002 (Bates & Sokhela 2003:116).

Perhaps most revealing of the inadequacy of the new institutional interventions was the ultimate closure of FAF/UAFs credit services. As the administration of loans and oversight over their productive application could no-longer be entrusted to teams of mill field staff, UAFs limited staff complement of 35 were compelled to take a pre-emptive attitude through a more stringent screening process (Bates & Sokhela 2003:113). The unfolding new 'flexible' regiment of open registration and reduced productive oversight however, raised new critical challenges. One disquieting trend was the uneven spread of production, Sokhela and Bates (2003) estimated that more than 50% of total production originated from only 20% of growers. This was clearly closely related to a tendency of under-resourced, under-capacitated and un-willing growers to enter into a number of — often ultimately conflicting — lease-hold arrangements with other better resourced growers seeking to exceed their customary allocations (Munro 1996). Such arrangements would often take the form of multi-year arrangements whereby the lessee would agree to cover the expense of establishing and maintaining the crop for a pre-agreed number of years, during which the lessee would enjoy the proceeds, after which the lessor would enjoy the returns from the remaining ratoons.

Of particular concern to Umthombo, was the growing tendency for fraud, whereby, after receiving a loan a grower would submit their cane under a neighbour's production code and effectively enjoy the returns without amortising their debt. Despite a low default rate in the early 2000s, amidst drought and a rising cost-price squeeze the growing prevalence of such activities eventually compelled UAF to close its credit facilities and write off millions in unrecovered loans. Although UAF still offers savings/retention services, the ultimate closure of its credit facilities in the wake of deregulation stands in opposition to the conventional narrative of the growth of SSG production as the product of the extension of small-scale credit facilities. Without the extensive intervention and oversight of millers in production, and the nexus of industry and state subsidy which supported it, FAF/UAF was suddenly exposed to both the economic vulnerability and commercial opportunism of its targeted beneficiaries.

Attempts to institute more open and 'democratic' representational institutions, while in many ways important and laudable moments in their own right, however, were not a sufficient replacement for the material structural underpinnings of the previous regulatory dispensation, patrimonial as it was. The massive growth of SSG production in the 1990s–2000s following the de-regulation of registration, itself characterised in part by prevalence of leasing agreements and fraudulent credit practices, was thus something of a 'bubble' not altogether different from those in financial markets, ultimately 'popped' by the harsh circumstances of drought which afflicted KwaZulu-Natal in the mid-2000s. In this sense, the critical question is less one of what were the proximal causes of the decline in SSG production, as what underpinned their rapid growth in the first place. Since de-regulation, however, little official mention has been made of the rapid changes in the underlying structure of SSG production. Rather, the failure of SSGs

themselves to attain the ideal of commercial sugarcane production has largely been interpreted by industry officials as a product of the characteristics of SSGs themselves, particularly low-levels of literacy and numeracy, failures to adopt appropriate agronomic methods, failure to harvest at appropriate times, etc. Similar frustrations abound with local contractors further suffering from tight margins, frequent breakdowns, sometimes inflated pricing and dilapidated equipment (Northard *et al* 2005). In short, after more than 40 years of so-called SSG 'development' the bulk of frustration by industry officials has been with the seeming failure of SSGs to actually 'develop' into ideal commercial farmers.

SACGA has nonetheless continued to seek new institutional methods to encourage SSG independence under the new regulatory dispensation. One attempt has been to re-introduce credit services with funding from government's Micro Agriculture Finance Institute of South Africa (MAFISA), for which about R50 million has been earmarked for sugarcane and of which about R7 million has been disbursed. In order to evade prior fraudulent borrowing practices, potential beneficiaries are now required to register as a cooperative, in line with government's 'Cooperatives Bill' and present thorough business plans in order to gain access to allocated funds. As production and payment may be individuated, in effect the thrust of the cooperative prescription has been to ensure mutual debt monitoring. Funds are to be dispersed at 8% interest, 7% of which is notably to be retained by 'intermediaries', in this instance SASA, and thus may represent a net transfer from government to the industry (DAFF 2012). To some extent SACGA has nonetheless recognised the necessity of ensuring a measure of redistribution of proceeds within the industry to sustain SSG production. SSG incomes have recently been subsidised by both a flat VAT and diesel rebate and disbursements from the Supplementary Payment Fund (SPF), 64% of which is effectively contributed by large-scale growers (delivering more than 5 000T of cane) and 36% by the milling companies. SACGA estimates that this has more than quadrupled growers' net operating income, though with few hectares at their disposal, the effective returns remain small, ranging from R367/ha to R1 654/ha (Armitage *et al* 2009). While SACGAs interventions have not been unsubstantial, they have been insufficient to arrest the rate of decline in SSG production. By 2011 the number of registered growers had dropped to 29 130 of which only 13 871 delivered cane, accounting for 8.59% of the national crop (SASA 2011/12).

To some extent, the failure of these new institutional mechanisms has been premised on a faulty characterisation of the growth of SSG production in KwaZulu as a product of a beneficent private-sector micro-credit system designed to overcome the limits of a system of tribal tenure, or that SSGs could be characterised as independent, albeit 'developing' farmers. Indeed, at one level the productive interventions undertaken by millers reflects the fiction of CF schemes as little more than a structured market relationship between discrete buyers and sellers of a particular commodity. As observed by Wilson (1986) 'much like the wage contract between "free" labourer and employer described and analysed by Marx: the legal form (of the contract) conceals (and yet, on analysis, reveals) the system of social relations beneath it, its' very abstractness providing a powerful strategy for capital accumulation and exploitation' (Wilson 1986). Such a description has strong resonances with early mill strategies to expand SSG production, where supply relationships appear as little more than a form of 'proletarianisation without dispossession'; hence conversion of their land rights into 'sham property'.

Little & Watts' (1994) characterisation of CF schemes as a form of 'flexible' accumulation takes an analytic one step from the abstract to the concrete in understanding the qualitatively different forms this effective 'wage-relationship' took. As a 'flexible' mechanism to socially and technically integrate disparate producers, the contract indeed afforded millers the capacity to adapt productive relations to qualitatively different social circumstances of production. While

the mill could count on the 'capture' of rural producers to undertake a greater share of production, in peri-urban areas it was the mill itself which undertook most of the production process, which in some sense reflected little more than a more fragmented form of own-estate production. Glover & Kusterer's (1990) description of CF as fundamentally concerned with allocating risk between processor/retailers and producers is similarly instructive. While millers' prime motivation to engage in CF schemes was to facilitate access to SSGs otherwise commercially inalienable land, it was only with considerable subsidy from both the industry and KwaZulu that millers were content to directly engage in production. Once these subsidies were effectively pulled, interventions and supports to mitigate the risks of SSG production were similarly rescinded while the numbers of SSGs expanded exponentially. Without subsidies to underpin SSG production, it would appear that the increase in SSG numbers and the devolvement of logistical responsibilities to independent contractors formed part of a miller strategy to insulate themselves from the costs and the risks of SSG production while hedging total SSG production over a wider base.

Despite the usefulness of analyses of CF as a concealed form of exploitation, a 'flexible' mechanism of accumulation or risk management, there is little consensus on what the social impacts of CF are, or what they represent. For Wilson (1986), CF spurs differentiation, squeezing producers and forcing some towards proletariats and others closer to agrarian equivalents of 'branch managers', but because mercantile control remains in the hands of the processer, 'the transformation of the farm into a capitalist firm is blocked'. For Glover and Kusterer (1990) CF 'is at least as likely to prevent social differentiation as to enhance it' by inhibiting differential capacity access to services, labour, markets and inputs under competitive circumstances. The variability of different CF schemes and different outcomes has led Oya (2008) to note that 'it is reasonable to hypothesise that CF can hardly qualify as a distinct "road" (to agrarian capitalism)' and that

> *there is no evidence that CF schemes substantially changed social relations in a clear direction rather than working on already on-going processes of social change … though there is little doubt that in many places CF schemes have been catalytic for processes of social change and differentiation.*

Indeed, Oya to some extent agrees with Little & Watts' (1994) observation that CF

1. favours the participation of the middle- and upper-income strata of farmers while
2. developing a small 'top' segment among smallholder out-growers, who manage to prosper thanks to their much higher returns from CF.

The question of how social relations among South Africa's SSG production have changed under new productive relations and harsh agricultural conditions thus cannot be deduced *apriori* and requires examination. The question is similarly pertinent for SSGs in other Southern African countries, where landed populations being subsumed into CF schemes to supply the same crop to branches of the very same companies that dominate the sector in South Africa.

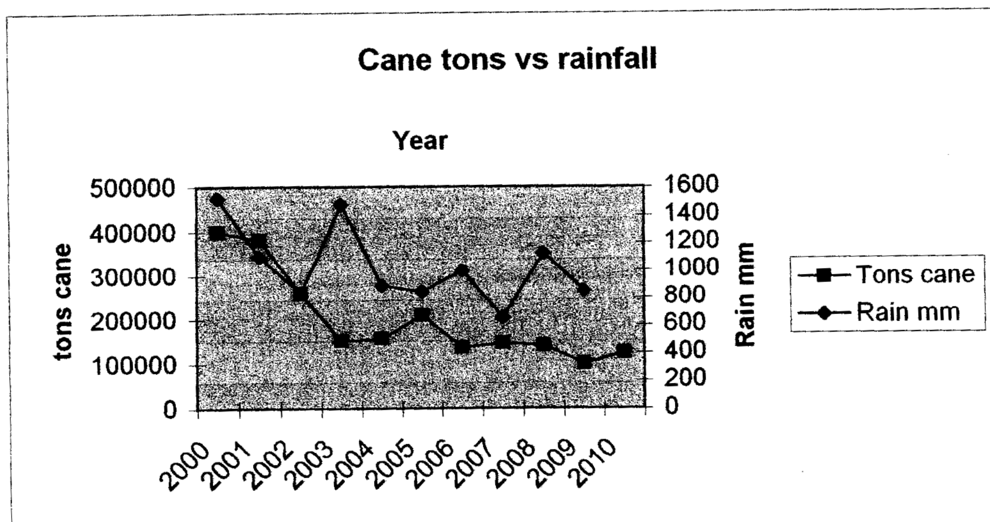
5. Report on fieldwork: SSGs in two rural wards of the Umfolozi supply area

My fieldwork, the bulk of which was conducted between the latter half of 2010 up to early 2012, has been concentrated in the two adjacent wards of Madwaleni and Shikishela within the

Mpukunyoni tribal authority; two sugarcane growing 'communities' about 30km from Mtubatuba and the Umfolozi Sugar Mill (USM) which they supply. While being hosted by a former SSG in Madwaleni, the fieldwork itself consisted firstly of an 'extensive' phase of administering a survey of seventy registered sugarcane-growers in distinct homesteads, including four contractors, as well as a more 'intensive' phase of conducting supplementary 'life history' interviews with a selected twenty sugarcane grower homesteads; attending three Development Committee Meetings, two Local Association meetings, one MCC meeting, one Pest and Disease meeting, and associated interviews with mill and grower support staff.

In many ways the locus of my fieldwork must be placed within a particular context beyond the wider USM supply area and SSGs more broadly. In addition to being counted among the more 'rural' rain-fed SSG supply areas, USM has a particular history peculiar to the wider industry. Unlike the bulk of sugar mills owned by South Africa's 'big three' sugar companies (Tongaat-Huletts, C.G Smith/Illovo, and TSB) for the bulk of its history USM has been cooperatively owned by its large-scale white commercial cane suppliers, most of whom are affiliated within Umfolozi Sugar Planters Ltd (UCOSP). This picture is complicated by the mills' purchase by Illovo in 1992; the subsequent sale of the mill (minus refinery facilities) to Patrick Sokhela in 2005; its unwilling re-purchase by Illovo; and ultimate sale in 2009 to a consortium including UCOSP, UVS, Charles Senekal and NCP Alcohols. Currently a scheme is underway to facilitate SSG purchase of a 7% interest in USM as well. The contingent of SSGs currently supplying Umfolozi is not completely clear, though in 2010 SACGA recorded 7 494 registered SSGs, of which 2 779 delivered that year. Nonetheless, what has been clear has been the sharp decline in SSG production, which has since decreased from a peak of about 400 000T in 2000 to about 100 000T in 2010. The startling decline has largely been interpreted in terms of a lower average and more volatile patterns of rainfall, as depicted in *Figure 1* below.

Figure 1: Cane tons vs rainfall



Quantitative results of my survey of 66 grower homesteads suggest that the effects of drought conditions have indeed been severe. It also must be noted that these results include 66 grower homesteads, and have not yet been adjusted to reflect another round of limited survey results with four contractors/transporters/growers, two cane-labouring homesteads with land under sugarcane and two without. *Figure 2* below groups distributions of homestead land, land use,

cattle and tractor ownership into wealth quartiles according to ownership of a number of pre-defined assets; with one being the poorest and four being the richest. Despite the rising medians of land ownership in the bottom richest quartiles indicating a certain degree of correlation between wealth and total land ownership, median area under cane in all groups remains low. In terms of absolute areas of land, however it is notable that both the top and bottom quartiles have placed a larger proportion of land to use (about ⅔) against the middle quartiles (about ½). Nonetheless, sugarcane accounts for nearly all land under production for the middle quartiles against the slightly more diversified upper and lower-most quartiles, indicating that sugarcane remains the chief field crop for SSGs. Absolute numbers of cattle owned in each quartile rise fairly directly with asset wealth, except in the bottom quartile, perhaps indicating that the use of asset wealth has disguised possible cattle-accumulators. Tractor ownership unsurprisingly features a direct ascension.

Figure 2: Comparison of asset groups, homestead land, area under cane, cattle and tractor ownership

Asset Group	Total Homestead land (ha)	Land in use	Area under cane used	Homestead cattle	Tractor ownership
Count Median Sum Column sum%	19 3.33 72.13 21.00%	19 2.00 53.13 23.5%	19 1.00 32.80 19.7%	19 0 70 24.8%	0
Count Median Sum Column sum%	19 2.50 62.00 18.1%	19 1.50 30.75 13.6%	19 1.00 29.25 17.6%	19 0 34 12.1%	3
Count Median Sum Column sum%	16 5.50 95.25 27.7%	16 3.00 53.50 23.6%	16 2.75 48.50 29.1%	16 1 52 18.4%	4
Count Median Sum Column sum%	12 8.00 114.00 33.2%	12 3.75 89.00 39.3%	12 2.50 56.00 33.6%	12 8 126 44.7%	7

This table must also be viewed with a certain degree of caution: homesteads typically were only able to provide rough estimates of their land sizes, and generally land rights can be a hotly contested and thus politically infused domain. However, the prevalence of contractual services pricing in meters, the use of hectare measurements by mill authorities, and general knowledge of the relative size of one's own plot against neighbours, I think warrants use of these estimates as useful relational/proportional guides. A further point of possible distortion however is the unknown quantity of land under cane by at least one particularly large landholder (estimated 20 ha) in quartile four, which has certainly distorted the results.

The degree of concentration of land ownership cuts across asset quartiles, and is disguised by this ranking, as the pie-chart (*Figure 3*) below reveals. Land distribution is first divided according to the four colour-coded asset groups, ascending clockwise, to reveal a seemingly equal distribution. However, when the shares of land ownership of the top three land holders of each quartile are exposed, as identified by the cross-hatched section in each quartile, it is revealed that nearly 45% of land is held by twelve homesteads (about 18% total homesteads).

Ranking by asset quartiles similarly reveals certain disparities in the distribution of women, both within homesteads and as SSGs. As revealed in Figure 4 below, while the absolute number of male SSGs and male homestead heads is relatively evenly or randomly distributed, there is a clear concentration of female SSGs and homestead heads in the poorer quartiles. A similar trend is the slight tendency for median homestead size to increase with wealth, though whether this can be attributed primarily as a factor of wealthier homesteads supporting more people, or more people attracting more income sources and contributing to overall wealth is not clear. In Figure 5 we see that the median composition is also affected by grouping into wealth quartiles, with wealthier homesteads boasting more adults, and a higher male: female ratio, with median numbers of children staying fairly stable until increasing in the last quartile.

Figure 3: Total land distribution by asset groups

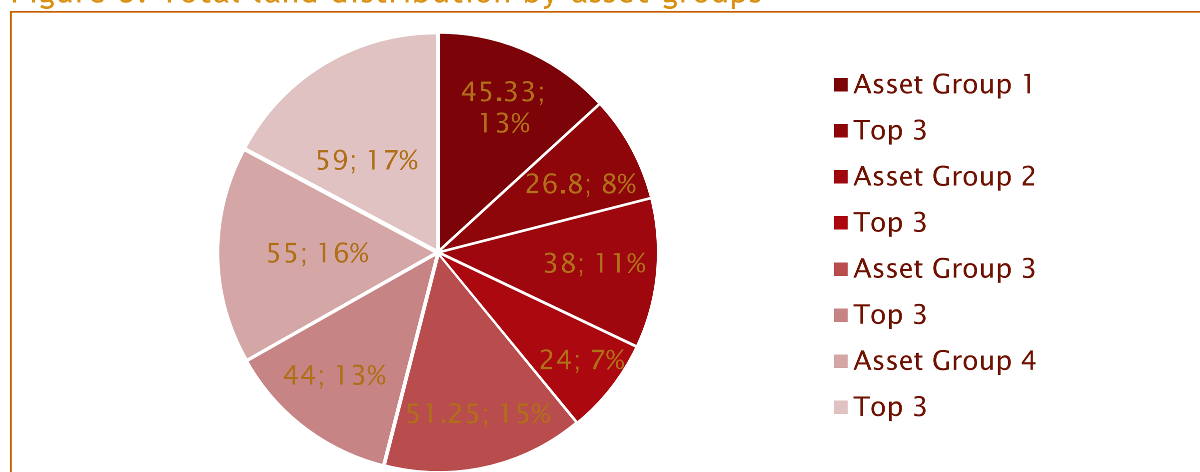


Figure 4: Comparing gender of SSG and homestead head by asset group

Asset Group	Sugarcane grower's gender		Homestead head's gender		Homestead size
	Male Count	Female Count	Male Count	Female Count	Median
1	7	12	9	10	9
2	5	14	15	4	8
3	8	8	9	7	10
4	9	3	11	1	13

Figure 5: Comparing homestead size and composition by asset group

Asset group	Homestead size	No. of adults in homestead	No. of adult men in homestead	No. of adult women in homestead	No.of children under 18 in homestead
	Median	Median	Median	Median	Median
1	9	5	2	4	3
2	8	6	2	3	3
3	10	6	3	3	3
4	3	9	5	4	5

Perhaps the most notable feature revealed in the survey data is the relatively subordinate role sugarcane production plays in the day-to-day survival of most homesteads, and as a differentiator of wealth. Of the 51 SSGs who provided production data, in only six cases did income from sugarcane *revenue* (rather than profit) exceed that of annual income from an old

age grant. Unsurprisingly, social grants and non-agricultural employment (when applicable) would almost universally be cited as the most important of homestead income sources. Furthermore, when asset groups are plotted against absolute concentrations of various grades of employment — as *Figure 6* below reveals — a tendency for the bulk of absolute numbers of different qualitative types of employment to conglomerate in corresponding asset ranks, suggests access to quality employment to be a chief arbitrator of differentiation by wealth.

Figure 6: Comparing asset groups and income services

Asset Group	No. of income source types in household excluding social grants	No. of social grants received in homestead	No. of homestead members earning income from:		
			Permanent employment	Temporary contract job	Non-agri activities w/out employees
Median Sum Column sum%	1	2 62 28.70%	0 1 3.30%	0 4 20.00%	0 1 6.20%
Median Sum Column sum%	2	3 61 28.20%	0 5 16.70%	0 5 25.00%	0 8 50.00%
Median Sum Column sum%	2	3 49 22.70%	0 9 30.00%	0 8 40.00%	0 3 18.80%
Median Sum Column sum%	3	3 44 20.40%	1 15 50.00%	0 3 15.00%	0 4 25.00%

While low levels of cane production and primacy of non-cane income sources is in itself consonant with a narrative of decline focused on drought, interviews with growers and former extension staff suggest that as in other mill areas, basic productive relations between SSGs and USM have undergone considerable shifts. The earliest instance of sugarcane cultivation in Madwaleni/Shikishela area has been widely attributed to entrepreneurial activity of the self-titled 'Group of Seven', at the centre of which was MPB and Mr S (full names have been omitted to protect respondents' identity). According to MPB, he began sugarcane cultivation in 1978 after consulting with Mr S, then working as a labour supervisor on a white commercial sugarcane farm. With Mr S' experience and MPB's access to his family's substantial land holdings, their initial planting of 2 ha quickly escalated to 20 ha. Initially, USM refused to accept their cane directly, which instead was submitted via a white commercial farmer. Following an investigation, the mill authorities ultimately decided to accept their cane if they were to form a registered cooperative through which to funnel payment, and thus with five other growers MPB and Mr S formed the 'Group of Seven'. Although he claims the group never received any credit via FAF, he did admit that the mill did provide 'assistance' in procuring fertiliser and transport. Within five years of this pioneering venture, the mill began offering FAF credit services, and loading zones were constructed to accommodate cane from other growers.

Despite the early pioneering initiatives of the 'Group of Seven', the uptake of SSG production in Umfolozi appears to have been relatively gradual. Statistics provided by Minaar (1992) for instance indicate that whereas by 1978 the Felixton, Amatikulu and Ntumeni mills boasted 491, 1 622 and 13 777 registered SSGs respectively, Umfolozi only had four; by 1989 this had only

increased to 186 (Minaar 1992). To some extent this corresponds to the conservative nature of USMs early approaches to SSG production. As recalled by extension officials:

> *Around 1985–1986 they started with extension out there … I'll be honest with you, at one stage the mill actually did the work with a team of tractors and trailers, at Umfolozi too, though I think some other mills still operate like this. They charged the grower, but they did the ploughing, sent out teams of labourers to plant. And the grower just sat and watched, came into the office and said 'where is my money'? … So the mill then thought 'Hey, we are force-feeding you guys, you don't even care about the cane there'. This was from around 1980, and so they then stopped around 1986. They turned around and said 'Right, who wants to buy these tractors?' Guys put their hands up, sold them the tractors, and said there. And a lot of the guys I'm talking about took those tractors and worked out there, and they made some money, but they are all gone now.*

The *ex nihilio* creation of a new intermediary class of black contractors, while superficially pursued to promote entrepreneurial activity, occurred soon after the rationalisation of transport and the removal of 'transport costs' from calculations of millers costs in the DoP; a correlation which is unlikely coincidental. Nonetheless, the eventual devolvement of haulage and ploughing responsibilities to black contractors, followed by the de-regulation of registration certainly corresponds with the initial boom in numbers of SSGs. However, while Minaar's (1992) statistics indicate that in 1989, 186 registered SSGs accounted for 53 682T of cane, mill officials estimate that 1 300 growers in 1992 accounted for 80 000T. In accounting for this vast disproportional discrepancy, several points are worth observing.

Firstly, it is almost certain that Minaar's figures underestimated total SSG production; despite the sensitivity of the question, some growers admitted to submitting cane on a neighbour's code before receiving their own prior to the removal of restrictions on registration. Secondly, black contractors were instrumental in encouraging the uptake of sugarcane cultivation (and thereby expanding their client base), particularly by way of land-lease arrangements with small plot-holders with few resources. In such cases, an increase in grower numbers may simply reflect registration for production already underway, or reflect the entrepreneurial activities of a smaller group of tractor owners. Finally, for all other growers interviewed, it is notable that initial funding of cane production (though in some cases preceded by cotton) was premised on savings amassed from wages, salaries, and private pensions from migrant labour, typically by male homestead heads. Cane in this sense represented a potential means by which to invert the logic of agricultural production to the 'worker-peasant' homestead, i.e. from a subsistence supplement to wage multiplier.

Unsurprisingly growers reported initially pursuing conservative strategies in investing dear savings; planting a small amount of land to cane and slowly expanding by reserving portions of each cutting for new plantings. Very few growers claimed to have sought assistance from FAF/UAF, preferring to use returns from cane to fund expansion rather than risk indebtedness; mill officials themselves estimate that credit was never extended to more than 25% of growers. Notably, those interviewed who did ultimately undertake credit assistance only did so after already establishing substantial plantings of less than 4 ha. Such conservative strategies thus may have also contributed to a 'lag' in production behind numbers of growers actually registered. Despite the retraction of direct mill intervention in production following the

devolvement of responsibilities to black contractors, mill section managers and field officers continued to exert strong influence over logistics in transport and harvesting, as well as oversight over applicants for FAF/UAF credit assistance. Paradoxically, however, the de-regulation of registration was accompanied by mill directives to rescind such oversight responsibilities. According to one mill extension officer:

> *Though we were employed as extension officers, 80% of our time was spent chasing contractors, hauliers and labourers, to make sure the cane is in the mill within three or four days. The tickets, that's a full time job. And then the mill comes along and says that's not what you are employed to do.*
>
> *They took that teaching away from me and told me to just go back and run my section. I had three guys underneath me. As the crop has gone down, they were pulled out from me, one by one. Eventually I was running the area on my own. As the estimate went down, they said it doesn't pay us to keep these guys on.*

For mill extension staff, the eventual restriction of such services, despite increases in the number of SSGs, was bewildering. Notwithstanding acknowledgement that this was influenced by the mill's own commercial pressures, the origin of the retraction has largely been read as emanating from disgruntled growers seeking the relaxation of restrictive oversight. A mill extension officer explained how widespread default and fraud ultimately led to the closure of FAF/UAFs services and has reinforced this viewpoint:

> *FAF/UAF lent them money up front. The mill had the responsibility to manage that ... We, the mill, were the agents of FAF. We used to go out and inspect land as extension officers, make sure agriculturally you can grow sugarcane, that the infrastructure is there for the drop off … and Umfolozi was one of the best in ensuring the money was paid back, because of the discipline of the office. But they complained we were too authoritarian in deciding who could have a loan, asking 'What right do you have to tell me if I can have a loan; you don't live out here or know me?' They then told FAF they wanted it changed. And they did … So I backed off and told management, 'How can I be part and parcel of the fun and games out there?' Eventually, UAF got to the point where they had lent out R100 million … The chairperson and secretary were even ducking and diving. So what happened? The hand that was feeding them, they cut it off. The finance institution helping them; they screwed it up.*

For SSGs, narratives of change are significantly different; for those who have lived through such different institutional relations of production, the reduction in support has been interpreted as a corollary of democracy and the decline of the KwaZulu state. A local grower, chairperson and farmer from the original 'Group of Seven' elaborated at a Local Association meeting:

> *When myself, (MPB) and (Mr S) first got involved in the business of farming sugar it was under the apartheid government. I want to request, once again, that we go back to where we started under the apartheid regime ... It was in 1979 that the first sugarcane farming business was established in Mpukunyoni. Just after we started, in 1980, there was a major drought which destroyed almost everything, including many cattle …. Some compensation funds were made available. We benefitted. I was given R15 000 cash from the two hectares destroyed by the drought. This was not a loan. All one had to do was to go to the office, sign some documents and the money would be put into your bank account.*
>
> *I took the cash and used it for cultivation, buying grain. This was 1981, then it was '82, '83 and in '84 drought came and, once again, destroyed all our crops. For this, there was, once again a compensation fund that was made available by the KwaZulu government. This time I was given R7 800. I took the amount, fixed my sugarcane and used the rest for my family. Now that was a government which, I say, was sympathetic to the aspirations and plight of farmers ... Then came 1994. The election came and we were made to believe the country was back to its rightful owners. We were told that the days of hunger and suffering for the black people were over. The years went by, and it seems as if they have forgotten about us as sugarcane farmers … this contrasts sharply with 1981 and 1984. Ministers of Agriculture have come and gone and not a single one of them has been prepared to listen to the views and concerns of sugarcane farmers in this area.*

When read together, these narratives complicate the conventional description of decline focused solely on the immutable factor of drought. Of particular importance have been the shifts in the basis of SSGs' relationship to the mill; from a system defined by direct miller control and oversight over production and logistics with moments of direct state assistance, to the gradual devolvement of productive and logistical responsibility to a much wider number of SSGs and contractors. As argued earlier, this was ultimately precipitated by shifts in the wider political economy of the sugar industry, particularly in its regulatory structure and the removal of the effective subsidies enjoyed by millers to pursue SSG production. A pernicious aspect of these changes, however, has been their relative obscurity, and growers and extension staff who have persisted through them have largely been left to extrapolate explanations derived from interface at the level of direct production.

However, for most farmers interviewed, and for whom production only began in the 1990s, the experience of decline has certainly been defined by such immediate pressures on production. Commonly cited factors include the considerable drought; high input, labour, and transport costs; and transport delays — the confluence of which has certainly been severe. Indeed of the 45 growers who gave me access to their individual production data held by SACGA, the mean sucrose content of cane was found to be 7.39% against an industry average of around 14% and with only four growers receiving greater than 8%. It must be observed, however that this conflicts with USMs own quality records, which show the top ten highest SSG sucrose percentages to be above 16%, and the lowest ten to be around 11%. A typical account from NS — a widow from a polygamous marriage — exemplifies the experience of decline:

Now, however, [NS] *only has 23 lines on about ⅛ha (down from 3ha of cane), and in 2011 only cut ½ha. She says that the main reason for her drop in production was drought: as she received less money, she was unable to purchase enough fertiliser or hire enough labour for weeding. She doesn't know if things got more expensive because she would just buy things as they were needed, but she suspects that the tractors got more expensive, perhaps due to increased diesel costs. However, because she doesn't know how to use the cow for ploughing, she is dependent on the tractors, and because of decreased returns she couldn't afford to replant. Previously, she would use money from her Child Support Grant and Disability Grant to pay the tractor, while using the money from cane to cover other farming and consumption costs, but now she needs to use the grant for consumption. She said she would not take a loan for fear of debt, but still needs money to purchase fertiliser and to pay for labour, which she cannot get for free, even from her children. It is the same situation with her husband's other wives. Nonetheless, she hopes to slowly expand by using her current crop as seed cane.*

While such pressures might be pervasive, their impacts are uneven. In depth life-history interviews conducted with 22 growers and grouped with an adaptation of the typology by Scoones *et al* (2011)[1] reveal a variety of productive trajectories among differentially resourced growers, both in terms of relative levels of production and the impact of cane on dynamics of homestead social reproduction. They go some way to help illuminate the dynamics of social differentiation following the retraction of miller interventions and hence further embedding productive tensions within the prevailing local social structure.

As was observed earlier, the widespread uptake of cane in the 1990s was premised either on the investment of savings garnered in wage labour or via lease-hold arrangements with neighbours, and as such its contribution to homestead reproduction dynamics has largely been defined by its value as a strategy of diversification, either for survival or accumulation. The relative value of cane has thus been intimately bound with non-cane sources of income, and perhaps unsurprisingly has played a defining role in grower trajectories under harsh productive circumstances. Notably, all seven cases where growers are dropping or have dropped out of production are represented by female growers, five of which cite the initiation of cane as premised on the contribution of wages or savings by a male partner, with production faltering after their death or incapacitation. In the other two instances, production began via a land-lease arrangement in the absence of a male partner, and one other homestead was reliant on the mill services to establish the crop. In these cases, subsequent ratoons were utilised as a slight annual subsidy to consumption, with little effective capacity for reinvestment. For JM by contrast, 'stepping' rather than dropping down has been premised on sustained input purchases from her employed son, following her husband's decision to rescind financial contributions.

Where the homestead includes employed members, however, investment in cane is not inevitable. In the three 'stepping out' cases growers indicated that the decline of cane has rendered other forms of landed investment more appealing. All of these cases have considerable cattle endowments, and the Induna explicitly noted that growing his herd will supplant cane as his chief focus. In the other two cases permanently employed homestead members with

[1] See Appendix for a tabled schematic.

substantial incomes provide the bulk of homestead earnings, and both remain sceptical about re-investing in cane, with one considering growing gum trees after a failed attempt at broiler production. Two of the women have 'dropped out' of cane altogether; the presence of employed homestead members presents the possibility of re-starting production if they could be convinced to commit their earnings to input purchases. Both indicate that this would only occur if conditions improve, i.e. should cane become an attractive investment opportunity once again.

In addition to employment, social grants have played a definitive role both on individual grower trajectories and on the social character of SSG production. Most basically, social grants have been instrumental in forming a consumptive baseline for homesteads qualifying for old-age grants (R1 200), though importantly supplemented by Child Support Grants (CSG) (R280) as well as the less pervasive disability (R1 200) and foster care grants (R770). Indeed, with a median of 61.5% and 72.7% (n=48) of SSGs being self-declared heads of relatively large homesteads with low levels of absenteeism, the old age grant in particular appears to similarly have reinforced Zulu customs of vesting authority over land in senior members[2]. Particularly for those who had previously depended chiefly on income from cane, social grants have enabled some growers to re-invest cane proceeds enabling consistent food and other basic consumptive purchases from major retailers in Mtubatuba. For VM, this has entailed 'stepping down' production to 4 ha from a full 15 ha maintained with FAF. AZ has been enabled her to maintain full production on 6 ha by staying exclusively within the consumptive bounds of grants and reed-mat sales and allegedly relying exclusively on unpaid family labour.

Similarly, social grants have also helped alleviate the impact of 'dropping out' and maintained aspirations for continued cane production. For growers such as NS and ZM social grants have inspired a strategy of 'creeping back' into production, with marginal reinvestment from cane submissions. The essential strategy entails utilising a portion of annual cuttings as seed-cane and using proceeds from a submitted balance of the harvest to finance input purchases, while relying exclusively on social grants to maintain consumption. For homesteads with neither access to either permanent jobs or pensions, however, the situation is more dire, and it is notable that the three homesteads encountered — which rely principally on wages from local casual agricultural labour — include young unmarried mothers without access to either old-age or disability grants. While all are trying to restart production, one has been compelled to plant without fertiliser, with the two others entering into cane-establishment/ land-lease arrangements to do so. Without sustained investment and amidst low rainfall however, such ratoons are unlikely to yield more than marginal proceeds. Ironically, however, SSGs often blame social grants for their difficulties in the sourcing, management and expense of labour. Though often forming the consumptive base of their own homesteads, SSGs frequently complain of labour both within the homestead and of those hired in from 'neighbours' as being 'lazy', demanding seemingly unreasonable wages or simply unwilling to work. Despite the harsh nature of such reports in stabilising consumption it is likely that access to social grants has both mitigated the desperation of poor homesteads and contributed to the monetisation of social relations of reciprocity more broadly. Besides the three women referred to above, in all other cases wages from local casual agricultural labour represented a supplement to personal consumption, particularly for young men and school-going children members to homesteads with access to significant employment and/or old-age and disability grants.

Furthermore, despite the improved relative bargaining position of casual labour, the absolute value of wages remains too small to form a significant contribution to ceremonial funds, such as *lobola*, or to sustain independent conjugal households, sourcing labour for cane production

[2] The median homestead size is 10, and median members present all or most nights is 8.

remains difficult for SSGs. This is particularly true of the intensive task of harvesting, which must be done timeously to ensure prompt transportation. The relative dearth of 'desperate' labour is further exacerbated by difficulties in managing homestead labour, with youth typically in school or seeking other opportunities. Frequently, mobilising homestead labour requires a mix of familial discipline and enticement with equal or lower-than-average wages, and indeed hiring labour in many cases is a signal more of homestead fracture than of accumulation. The high cost of labour thus compels many SSGs to either intensify self-exploitation either directly or via reciprocal, usually paid, labour arrangements with neighbouring homesteads, or to attempt investment in labour-saving inputs such as herbicides and top-dressing.

Other than labour, the services provided by a limited number of local black contractors and outside hauliers are similarly cited as a chief concern. More than 40% of growers cited field to loading zone (LZ) transport delays from black contractors, and 60% of growers cited LZ to mill delays of more than five days. That such delays contribute to the deterioration of sucrose content and were reportedly almost universal, certainly has contributed to the uniformly low sucrose values of differentially resourced growers of varying skill and capacity. Moreover, of the 28 growers who both allowed me to access their production codes for analysis and made available their transport receipts, transport costs alone accounted for an average of 33% of revenue. As seen from the testimony of NS above, SSGs tend to be publically sympathetic to the constraints of few available contractors and of their own capacities to coordinate timeous harvest, preferring to apportion blame to socially distant private haulier services. Nonetheless, the high costs of ploughing and transport, coupled with the negative quality impacts of poor services, exposes the ultimately antagonistic interests of contractors and exacerbates disgruntlement over their claim to proceeds. As observed by one grower:

> *Contractors and hauliers are also expensive, and often provide substandard services. For instance, when they crack the soil they plough very shallow rows, which reduces the number of ratoons you can get from one planting, say eight instead of 15. Also, they do not pack the rows tightly enough, say doing sixty lines instead of 100 lines per ha, which means you plant less cane and get more weeds. A further problem is that growers must pay for transport in tonnage of cane, but only get paid for sucrose content. So if the grower's sucrose value drops from drought or transport delays, the grower gets paid less, but the contractor gets paid the same amount, even if they are late.*

Undoubtedly, surviving grower-contractors represent the big 'winners' who have emerged from the space afforded by the retraction of mill services and oversight in transport, and their prominence is probably the most striking feature of shifting SSG relations. Each of the five grower-contractors interviewed are substantial land owners at (6 ha, 12 ha, 12 ha, 11 ha and 25 ha) with no other employed homestead members. Not only have they maintained full production and rely chiefly on casual labour, but are continuing to expand both in terms of capital and land purchases, despite the supposed limitation on commercial transfer posed by customary tenure. Although contracting reportedly generates far more income than sugarcane (R30 000–R80 000 *vs* R10 000–R40 000), SSG/contractors have noted that cross-subsidisation of the contracting and sugarcane enterprises has been the key determinant of their success with recurrent sugarcane costs provided largely by contracting returns, annual tractor maintenance and bulk sugarcane payments, though it must be noted that tractor breakdowns occur frequently. One longstanding contractor suggested that though only about five contractors

remain of a peak of twelve, many of those who dropped out did not have sugarcane fields of their own, or bulk sugarcane proceeds to fund full tractor servicing at the beginning of each year. Such services, however, categorically represent a claim on SSG proceeds and place contractors in opposition to their clients, a reality accentuated by muted competition among a small number of contractors servicing a wide area. One mill official observed for instance, that there is a lower price threshold which none go below, despite denial of such practices by contractors themselves. The full extent of such collusion is unknown, but with high costs of maintenance and little competition, there is certainly incentive and opportunity for contractors to do so. Two of these homesteads are directly related, with one contractor (11 ha) being the grandson of another (12 ha).

6. Conclusion

As has been argued, the growth of SSG production in KwaZulu has been mischaracterised as a product of the extension of a beneficent micro-credit system to independent albeit 'developing' farmers inhibited by a system of tribal tenure. While FAF operated as an important institutional mechanism, it was embedded within a material and political relationship with the KwaZulu state, and within a particular regulatory structure — a structure which not only differentially awarded millers for SSG production but also allowed them to claim an increased proportion of total industry proceeds. This was exacerbated by a trend towards corporate consolidation of milling capital and an imperative to boost throughput by 'chasing cane' wherever possible.

The net effect was that the appearance of SSGs as 'independent farmers' facilitated by innovative credit facilities masked the actual nature of their relationship with millers. In more rural areas, this relationship more closely resembled that between employer and employee, with extension staff acting largely as managers, lending close oversight over production and transport operations of SSGs responsible for procuring labour. In peri-urban areas, the facade of independence was undermined by the reality that little of the production process was actually carried out by SSGs themselves; a relationship that ultimately manifested more as one between lessor-lessee than supplier-purchaser. In both instances, Wilson's (1986) characterisation of CF as a form of 'proletarianisation without dispossession' seems appropriate. This relationship was further obscured, however, by the introduction of small-scale contractors, themselves ultimately reliant on competing for, or colluding to augment claims upon the product of disparate producers.

The lifting of restrictions on registration in the 1990s in tandem with the removal of the intensive supports upon which SSG production had been predicated thus positioned the second wave of SSG growth as structurally unsound. In many ways this rapid growth in SSG production resembled a 'bubble' not altogether different from those in financial markets, summarily 'popped' by the harsh circumstances of drought. Glover & Kusterer's (1990) characterisation of CF as a mechanism of risk management helps position millers' adaption to these changes; from one where SSG production and gradual expansion was assured via intensive management and intervention, to one where risks to throughput would effectively be hedged among a much larger population of growers without direct support.

However, as black South Africans had already been 'proletarianised' under colonial and then Apartheid rule, this begs the question of what further social impacts SSG production has had. Evidence from my fieldwork suggests a certain consonance with Oya (2008) that social difference has been defined more by on-going processes of social differentiation than by the introduction of sugarcane; particularly historical dispossession and structural unemployment.

This is somewhat manifest in the close correlations between distributions of asset wealth and grades of employment, as well as heavily unequal land distributions (influenced but not determined by sugarcane cultivation). Nonetheless, interviews with SSGs farming from the 1990s show that where non-cane income sources are available, sugarcane has represented an important form of income diversification whether for survival or accumulation, but represents an ever-more risky investment under drought conditions. Moreover, the prominence of social grants in supporting the consumptive base of most homesteads centred on senior old-age grant recipients appears to have on the one hand raised the 'desperation threshold' of casual agricultural labour, but also provided a reliable basis for some homesteads to 'hang-in'; 'step-down'; or 'creep back' into production. Indeed, of all female SSGs who have/are dropped/dropping out of production, only those without substantive access to pensions or disability grants have been compelled to sell their labour locally as a matter of survival. For the rest, drops in production have been premised not only on drought, but either the loss of a non-cane income source, often through the death or incapacitation of a male partner, or scepticism about investing such income where it is available.

The most obvious exceptions to these trends have been contractors, all of whom have either maintained full cane production or are expanding, and perhaps the only representatives of a clear instance of social differentiation attributable primarily to the introduction of sugarcane. In all cases, the maintenance of production has been premised on the interdependence of sugarcane and contracting operations, but with the bulk of income coming from the contracting side. In one sense, contractors represent a certain conformation of Little and Watts' (1994) broad observation that CF tends to favour the development of a 'top' strata of farmers, with most having access to large swathes of land, and some of whom had been engaged in the production of other cash-crops such as cotton before switching to sugarcane. However, in at least one case (UM), expansion has proceeded from a relatively low base (4 ha), indicating that it is the income afforded by contracting which has provided the resources for accumulation. Nonetheless, the situating of contractors' interests as inimical to but dependant on SSGs production positions contracting as a limited space for 'pockets' of accumulation; a space which was ultimately devolved by millers' authority.

Although Oya is correct to remain sceptical about categorically designating CF as a particular 'path' of accumulation, in the case of sugar in South Africa, its historical basis in subsidised miller initiatives and current trends towards consolidating a class of intermediary contractors, indicate it can be characterised as accumulation from 'above'. From such an analysis, one potential response is to recognise sugarcane-CF relations as essentially industrial in character, i.e. as an employee/employer relationship. The question of SSG 'development' or welfare thus cannot be reduced solely to questions of productive efficiency or institutional innovation/ improvement, and must retain a close focus on distributions of relative surplus and externalisations of cost between millers, growers (both LSGs and SSGs in South Africa) as well as the position of intermediaries such as contractors. For example, with millers benefiting from both externalising the cost/ logistical responsibility over transport and sublimating productive tensions within SSG communities, and with surviving contractors benefiting from non-competitive claims on SSG surplus, there appears little evidence to suggest that SSGs generally have benefited from the devolvement of contractual services. Nonetheless, while the devolvement of non-core functions to contractors appears to offer little more than 'pockets' of accumulation for relatively few (typically but not exclusively local elites) it remains an important 'space' for those who inhabit it. The other response, therefore, is to devolve *more* such opportunities to SSGs and open more spaces for accumulation outside of primary production, for example in initial processing or in small-scale milling.

References

1. Armitage RM, Hurley KM and Gillitt GG (2009) 'Enhancing support measures to small scale growers and new freehold growers in the South African sugar industry', paper presented at the *South African Sugar Technologists Association Annual Conference*, 2009.
2. Bates R and Sokhela P (2003) 'The development of small-scale sugar cane growers: A success story?', in L Nieuwoudt and J Groenewald (*eds*) *The Challenge of Change: Agriculture, Land and the South African Economy*. University of Natal Press: Pietermaritzburg.
3. Board of Trade and Industries (1976) *Investigation into the Division of Proceeds of the Sugar Industry in South Africa*. Board of Trade and Industries: Republic of South Africa.
4. Cobbett M (1984). 'Sugarcane farming in KwaZulu: Two communities investigated', *Carnegie Conference paper* 58. SALDRU, School of Economics, University of Cape Town: Cape Town.
5. DAFF (2012) 'Micro agricultural financial institutions of South Africa', presentation to *Parliament's Portfolio Committee on Agriculture, Forestry and Fisheries.* Parliamentary Monitoring Group (PMG): Cape Town, accessed on 12 December 2012 at: http://www.pmg.org.za/report/20120807-department-agriculture-forestry-and-fisheries-briefing
6. DTI (2003) *A Discussion Document on the Review of the Sugar Act*. Government of South Africa: Pretoria.
7. Eweg M (2009) *Defining Partnerships in South African Agriculture*. South African Sugarcane Research Institute: Durban.
8. Eaton C and Shepard A (2001) 'Contract farming: Partnerships for growth, A Guide', *FAO Agricultural Services Bulletin* 145. FAO: Geneva.
9. Glover D and Kusterer K (1990) *Small Farmers, Big Business: Contract Farming and Rural Development*. Macmillan: London.
10. Hall R (2011) 'The next Great Trek? South African commercial farmers move north', paper presented for the *International Conference on Global Land Grabbing*, 6 April 2011. Institute of Development Studies (IDS), University of Sussex: Sussex, UK.
11. Little P and M Watts (1994) *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa*. University of Wisconsin Press: Madison, USA.
12. Minaar A de V (1992) *UShukela, a History of the Growth and Development of the Sugar Industry in Zululand: 1905 to the present*. HSRC Press: Pretoria.
13. Munro WA (1996) 'Contract farming, community development and the politics of production among small-growers in KwaZulu-Natal', *Seminar Paper 392.* Presented at University of the Witwatersrand, Institute for Advanced Social Research: Guateng, South Africa.
14. Nedbank (1974) *Sugar and the South African Sugar Industry: A Critical Assessment*. Nedsual Economic Unit: Johannesburg.
15. Nothard BW, Ortmann GF and Meyer E (2005) 'Attributes of small-scale contractors that influence their service quality in KwaZulu-Natal. *Agrekon* 44(3):402–422.
16. Oya C (2008) 'A contract-farming path to rural capitalism? Reflections and hypotheses on available evidence about contract farming in sub-Saharan Africa', paper presented at the *Journal of Agrarian Change Workshop 'Agrarian Questions: Lineages and Prospects'*, May 2008.
17. Rahman S (1997) 'Aspects of deregulation in the South African sugar industry: Implications for small holders', *Unpublished paper*.
18. Richardson B (2010) 'Big sugar in southern Africa: Rural development and the perverted potential of sugar/ethanol exports', *Journal of Peasant Studies*, 37(4):917–938.

19. Rorich AJV (1982) *Report of the Committee of Inquiry into the Sugar Industry.* Republic of South Africa: Pretoria.
20. SASA (2011/2012) *South African Sugar Industry Directory 2011/12*. SASA: Durban.
21. SASYB (1971/2) 'The South African sugar yearbook, 1971/19722', *The South African Sugar Journal*. SASYB: Durban.
22. SASYB (1972/3) 'The South African sugar yearbook, 1972/1973', *The South African Sugar Journal*. SASYB: Durban.
23. SASYB (1974/5) 'The South African sugar yearbook, 1974/19075', *The South African Sugar Journal*. SASYB: Durban.
24. SASYB (1975/6) 'The South African sugar yearbook, 1975/1976', *The South African Sugar Journal*. SASYB: Durban.
25. SASYB (1978/9) 'The South African sugar yearbook, 1978/1979', *The South African Sugar Journal*. SASYB: Durban.
26. SASYB (1981/2) 'The South African sugar yearbook, 1981/1982', *The South African Sugar Journal*. SASYB: Durban.
27. SASYB (1984/5) 'The South African sugar yearbook, 1984/1985', *The South African Sugar Journal*. SASYB: Durban.
28. Scoones I, Marongwe N, Mavedzenge B, Mahenehene J, Murimbarimba F and Sukume C (2011) *Zimbabwe's Land Reform: Myths and Realities*. Jacana Media: Auckland Park, Johannesburg.
29. Van Biljon FJ (1970) *Commission of Inquiry into the Sugar Industry*. Republic of South Africa: Pretoria.
30. Vaughan A (1991) *Cane, Class and Credit: Report on Fieldwork: Glendale Mill Area*. Institute for Social and Economic Research, University of Durban: Durban.
31. Vaughn A (1992a) 'Commercial cane production in KwaZulu: A modernising initiative?', paper presented at the *Seventh Biennial Conference of the Economic History Society of Southern Africa*, 14–17 July 1992. University of Natal: Durban.
32. Vaughan A (1992b) 'Options for rural restructuring', in R Schire (*ed*) *Wealth or Poverty? Critical Choices for South Africa*. Oxford University Press Southern Africa: Cape Town.
33. Vaughan A and McIntosh A (1993) 'State and capital in the regeneration of a South African peasantry', *Canadian Journal of African Studies*, 27(3).
34. Wilson J (1986) 'The political economy of contract farming', *Review of Radical Political Economics*, 18.
35. World Bank (2007) 'Overview', in *World Development Report 2008: Agriculture for Development*. World Bank: Washington D.C.

Appendix: SSG trajectories

SSG	Ward	Asst Rank	Tot. Land	Land Use	AUC	Non-Grant Income	Trac	Cows	Labour	Relation to Hhead	SSG Age	SSG Sex	SSG Marry	HH Size	Cane Year	Natal home/Arriving in Madwaleni & Shikishela	Basic Economy/Starting Cane	Sugarcane Trajectory
Ms SM	Mad.	1	1 ha (2.5 ha)	0	0	None	No	0	N/A	Self	58	F	Yes; dead	9	1991	CA Homestead elsewhere. "7 ha" land; 12 cattle; father=employed; brother=miner. Marries NPB secretary. Move to Swaziland briefly, then Mad.	Rely on husband wages, crop on 1.5 ha, borrows 6 ha, sells some food crops. 1991 starts cane Useing husband's savings. On 1 ha, not enough profit; expands to 4 ha. Covers inputs, clothes, school fees.	**Dropping Out** 1998 husband dies, wages replaced with R680 pension. No money on hand for fert or labour, brief stint with FAF before ends, cane down to 1 ha by 2003. 5 ha revert back to owners
Ms SN	Mad.	2	2 ha	0	0	1 temp	No	0	N/A	My Child	46	F	No	14	1992	CA Homestead; 4 ha, not enough; mother=unmarried casual labour. Parents die, forced to leave, arrive in Mad, relatives give 1 ha, work as local casual labour.	SN receives 1 ha from boyfriend before he absconds. Still relys on casual cane work. In 1992, lends land to contractor to plant cane & take first cut. Cane proceeds buy about 1 month's worth of food	**Dropped Out** As ratoons decline, exacerbated by drought; unable to re-plant, or afford inputs. Completely dependant on casual labour wages
Ms T	Mad.	3	20.5 ha	0.5 ha	0	1 Temp 3 Cas Agri 1 Selling mats	No	0	N/A	Husband	55	F	Yes; alive	19	1997	CA Homestead elsewhere. 3 ha for food, no cattle. All siblings seek wage work. T works on LSCF, marries Spoornet labourer moves to Mad. in 1998	Husband at Spoornet for 25 years; T would grow food on 0.5 ha & cane on 2ha from 2000-2008, with other 20 ha for grazing. Still does cane work on neighbors farm, but survives on private pension & social grants	**Dropped Out** Stopped in 2008 because of intense heat, but is considering restarting, by saving pension money for inputs. First wants soil analysed.
Ms K	Shiki.	1	2.5 ha	0	0	2 Temp 1 Perm 1 Cas-Agri	No	0	N/A	Self	63	F	No	10	1999	CA Homestead Elsewhere. 5 ha, 16 cows father =farm worker. Children all seek work as age. Ascending wage labour, domestic->factory worker. Marries hotel worker, moves to Mad.	Husband dies 9 years after marriage, as do his brothers. Ma works on cane farm, homestead sells cotton. By 1999 only Ma & children; starts cane via land rental, but relies on DSG & casual labour on neighbors cane	**Dropped Out** Crop established by neighbor depleted. Considering restarting if drought relents and her son helps buy inputs with his wages
Ms NS	Mad.	1	5 ha	3 ha	0.25 ha	None	No	0	Mixed labour	Self	48	F	No	6	1994	CA Homestead elsewhere. 4ha,10-20 cattlefather=casual timber labourer Married at 19 as 3rd wife, moves to Mad. Husband divides land amongst wives, NS gets 5 ha	Husband was gardener, gave each wife R100 a month for cleaning products, but dies in 1999. Wives subsistance crops , and start cane in 1994 on 3ha. Earns R14,000; R4,000 profit. Wives reciprocate labour & hire.	**Dropping Out/Creeping Back?** Drought + rising input costs see declining returns; now too expensive to replant with grants. Only 0.25 ha to cane. Hopes to expand by using current crop as seedcane.
Mr ZM	Shiki.	1	5.5 ha	4 ha	1.5 ha	None	No	0	Mixed labour	Self	67	M	Yes; alive	7	1997	Born Shiki., parents have 40 ha, 400 cows. No-one sought wage work. Left home after 2nd child ('Zulu Custom'), father gives him 3 ha.	Wife cropped, while he sought wage work: LSCF, clerk; SANDF assistant. Stops 1994. Brother, the induna, grants him an extral 2 ha for cane. Pays for initial ploughing/inputs, then expands with FAF.	**Creeping Back?** By 2000s, R10,000/ha to re-plant, but earns R8,000/ha. FAF took 20%; & R3-4,000 for consumption. Dwindled to 1.5 ha; 2008 applies for pension. Wants to expand 0.5 ha at a time, reinvest proceeds & use some cuttings for seedcane
Ms MG	Mad.	1	3 ha	3 ha	0	1 Cas Agri 1 Land rental	No	0	N/A	Grand mother	23	F	No	5	N/A	Mad. born. 3h plot, no crops or cattle. Mother born in Mad. Not sure of father.	Father was miner, but died of 'sickness' 2008. Used to do cas ag work with mother, but since 2003 mom is too sick. Currently renting land for cane ratoons reverting to them in 2 years.	**Impoverished** Sustained by casual agri wages, CSG, & grandmother's pension. Father of her child working in Empangeni, waiting to marry him, move on his family plot.