



## PROCEEDINGS OF THE FIRST INNOVATION LAB

### Supporting Smallholders into Commercial Agriculture: a social dialogue and learning project

*A project by the Southern Africa Food Lab and the Institute for Poverty, Land and Agrarian Studies.*

19 September 2013



## BACKGROUND TO THE INNOVATION LAB

The Southern Africa Food Lab (SAFL) and the Institute for Poverty, Land and Agrarian Studies at the University of the Western Cape (PLAAS) are engaged in a project called *Supporting Smallholders into Commercial Agriculture: A social dialogue and learning project*. This project has been designed to ensure strong linkages between academic research and processes of social dialogue, policy debate, media dissemination and institutional learning among stakeholders involved in the development of smallholder agriculture.

The processes of social dialogue, policy debate, media dissemination and institutional learning have been designed to:

- Solicit input from the full spectrum of stakeholders involved in smallholder agriculture;
- Facilitate a broad and systemic understanding of issues facing smallholder agriculture;
- Design innovations aimed to address certain agreed upon issues that require input in order to further shift the system towards a more sustainable and equitable path;
- Debate and inform official frameworks and policies;
- Facilitate alignment amongst stakeholders; and
- Communicate through the media.

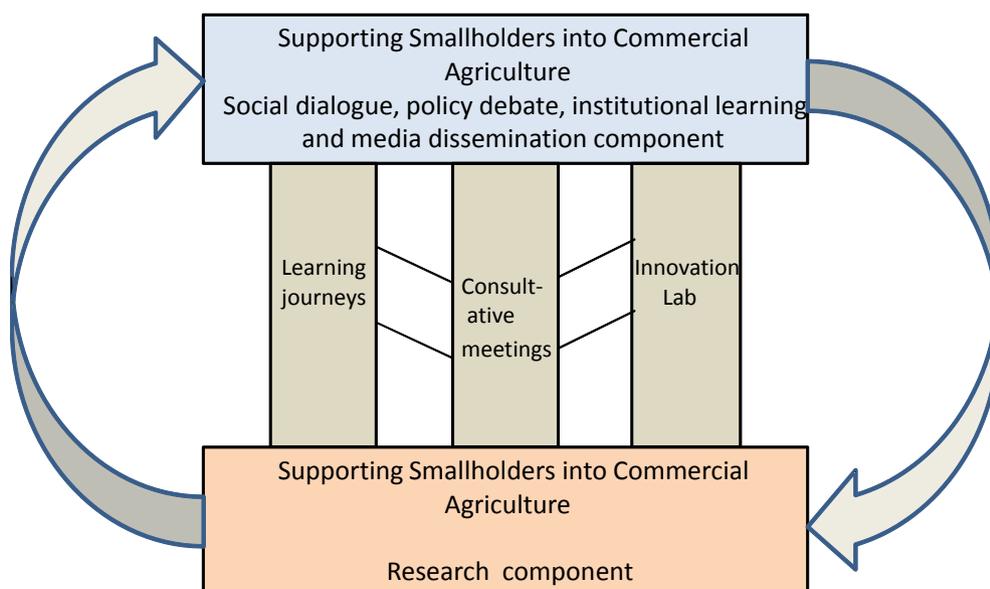
These processes will focus on the key challenges that need to be overcome to enable progress toward creating a thriving smallholder farming sector that addresses the issues of job creation and food security. A number of the key challenges are *inter alia*:

- Inappropriate extension support to smallholder farmers;
- Lack of alignment amongst producer support programmes;
- Lack of accessible markets and high transactions costs;
- Lack of marketing skills among producers; and
- Lack of access to finance.

The key activities undertaken to enable dialogue, debate, dissemination and learning are facilitated learning journeys, consultative meetings and innovation labs.

Three learning journeys have been undertaken during this component of the project. These learning journeys have been designed to build on each other in a recursive way to ensure that issues and questions that emerge have been captured, dealt with and inform the innovation lab events. A number of consultative meetings were held to ensure that the voices of various smallholder associations and representative bodies were heard and incorporated into the learning journeys and innovation lab events.

The learning journeys, consultative meetings and innovation labs link the research and the social dialogue components of the project as depicted in Figure 1.



**Figure 1.** Supporting Smallholders into Commercial Agriculture: A social dialogue and learning project

This report describes the proceedings of the first Innovation Lab which took place at Irene Dairy Farm on 14 and 15 August 2013.

## PURPOSE OF INNOVATION LAB

The innovation lab offers an opportunity to understand the landscape of smallholder farming in southern Africa with a deeper, more nuanced, or simply different perspective in order to envision new innovations or help renew or bolster existing efforts. As Rebecca Freeth of Reos Partners explained, the lab participants are presented with an imperfect system and are invited to ask themselves the question of whether they can still find possibility in this system, to invest their time, energy and full intention in the following two days even though the system is not perfect. The invitation was thus to notice the imperfections while still finding the will and willingness to work with the system in spite of its imperfections.

Rebecca put forth Reos' definition of a "Lab" or "Change Lab":

**The Lab offers a safe, creative space for people who share a common social challenge or opportunity to build upon their diverse experiences and practical knowledge.**

**Through a structured process of dialogue, action-learning, experimentation, and analysis, they design and implement innovations to impact on the system they are trying to change.**

The intentions for the Innovation Lab are twofold:

1. To create conditions to talk and learn together, to share our wide range of perspectives on small-scale farming together, and to experiment with new possibilities together.
2. To leave here with several innovations that were promising enough to pursue, towards the innovation lab phase 2 in October.

## DAY 1 - INNOVATION LAB PROCEEDINGS

### DEFINING SMALLHOLDER FARMERS IN SOUTH AFRICA

Prof Ben Cousins began his presentation by saying that the term "smallholder" is widely used but is often confused, with no single, agreed meaning. He said that it is often used to refer to farmers who are distinct

from so-called ‘subsistence farmers, on the one hand, and from ‘commercial farmers’, on the other. But he acknowledged that smallholder producers are themselves diverse, or socially differentiated.

He went onto say that the term “small” is a relative term, which is dependent of a particular context. For example, farms in drier zones tend to be larger than those in wetter zones, while farm size also depends on what is being produced. He also said that it’s important to differentiate between farm size, which refers to land area, and farm scale, which refers to the relative size of the farming operation or enterprise. Farm scale could thus be large-scale on a small area of land, as in intensive horticulture and livestock production, or small-scale on a large area, as in extensive livestock in an arid zone.

Ben then provided an overview of some of the past definitions and typologies of smallholder farmers and then went on to present a proposed typology that he and Researcher, Davison Chikazunga had developed, as shown below:

**Table 1: Typology of smallholders in South Africa today (Cousins and Chikazunga, 2013)**

	<b>Subsistence-oriented smallholders</b>	<b>Market-oriented smallholders in loose value chains</b>	<b>Market-oriented smallholders in tight value chains</b>	<b>Small-scale capitalist farmers</b>
Objective of production	Household consumption	Household consumption + cash income	Cash income + some home consumption	Profit
Proportion of marketed output	None or insignificant	50% or >	75% or >	100%
Contribution to household income	Reduces expenditure on food	Variable – from small to significant	Significant	Very significant
Labour	Family	Family + some hired	Family + significant numbers hired	Hired
Mechanisation	Very low	Low	Medium to high	High
Capital intensity	Very low	Low	Medium to high	High
Access to finance	Absent	Some	Significant	Very significant
Numbers in SA	2 – 2.5 million hh	200 – 250 000 hh	?	?

In practice smallholders move between these categories.

Ben ended his presentation by providing the following definition of smallholder farmers:

**Smallholders are small-scale farmers who use farm produce for home consumption to some degree, and use family labour within the farming operation to some degree, but for whom farming contributes a highly variable amount of cash income via marketing of farm produce. Levels of mechanization, capital intensity and access to finance are also variable amongst such farmers.**

*Please find more information on Prof. Cousin’s typology and the welcoming proceedings of the first morning in Appendices 1-4.*

## PLAAS CASE STUDIES

The three PLAAS researchers each had the opportunity to present case studies. Participants were split into three groups that rotated between the researchers every 20 minutes over the course of an hour. This session was designed to be highly interactive and thus lively discussions ensued. This session was followed by a tea break.

The seven case studies covered: Afgri, Potato SA, Kei Fresh Produce Market, Salem Ostriches, Spar, Mrs Hlongwa's maize bread initiative and the Malumbe Vegetable Co-op.

#### AFGRI

AFGRI is the biggest grain agribusiness in South Africa. It formerly operated as OVK (Oos Vrystaat Kaap Operations Limited). It has grown exponentially through acquisitions. It operates a farmer development programme in a number of provinces, including Mpumalanga, Limpopo and Gauteng, with funding from the grain board. AFGRI works with a number of players in developing smallholder farmers in the grain sector (including maize, barley, wheat, sunflower and sorghum). It works with the commodity association, Grain SA, on farmer development and with the Grain Farmer Development Association (GFADA), which is a private sector initiative aimed at promoting the establishment and development of developing grain farmers in South Africa.

AFGRI provide several forms of support including mentorship, input finance, procurement, services, storage and insurance. Recently AFGRI started an academy working with farmers who have access to at least 150ha. They are very active in supporting land reform beneficiaries.

In Mpumalanga more than 2000 smallholder farmers supply maize to AFGRI silos in the small towns of Gert Sibande and Nkangala district municipalities. A greater proportion of the said smallholders are located in Chief Albert Luthuli Municipality, which falls under Gert Sibande district. In the Free State province AFGRI procures from about 14 smallholders located in Thabo Mofutsanyana district municipality. In both provinces these partnerships involve the procurement of maize from smallholders. However in Mpumalanga some smallholders have pure storage agreements with AFGRI and those partnerships entail the supply of maize for milling in return for maize meal for household consumption. In KZN it appears that only one smallholder co-operative supplies maize to an AFGRI silo in Paulpietersburg.

The key questions regarding viability, equitability and sustainability of AFGRI grain development model include the following

- What is the motive of AFGRI in working with smallholder farmers, is it a profit motive or a PR exercise
- How viable are small scale grain producers in the face of volatile prices, high input cost and lack of subsidies
- The concentration of the grain industry threatens the viability of small scale grain producers.

#### POTATO SA

Potato SA is a commodity organisation, one of 30-40 commodity organisations in South Africa. It has a farmer development programme targeting smallholder farmers; the programme is being implemented in Limpopo, Free State, North West and Western Cape. Under the scheme Potato SA supports small capitalist farmers (i.e. farmers who are already well resourced and endowed) with finance, mentorship, training on production, packaging and market facilitation. The model is based on supporting farmers on up to 5ha of land over a period of five years, with a sliding scale of funding, where in the first year farmers are provided with 100% of funding needs, and a subsequent 20% reduction in funding each year until the farmers "graduate". The programme prefers to work with small cooperatives (5 – 12 farmers) rather than individuals. Farmers are attached to an established pack-house. Potato SA funds this farmer development program primarily from the Potato Industry Development Trust, while 20% of the revenues are obtained from levies collected by the National Agricultural Marketing Council. The programme was initiated in 1999. The number of beneficiaries has increased recently with renewed efforts by Potato SA. The target is to have at least 50 Sustainable Small Commercial farmers by 2015 with a rate of six entrants per year.

The key questions regarding viability, equitability and sustainability of the strategic partnership include the following:

- The sustainability of production after support is phased out: is 5 years support enough given the investment requirement for potato production?

#### KEI FRESH PRODUCE MARKET

The Kei Fresh Produce Market (KFPM) is the eighteenth fresh produce market to be established in South Africa through the Presidential Project Trust (PPT). It is a fresh produce market that is specifically geared towards the needs of the local producers around it. The market is run through the Ntinga OR Tambo Development Agency, which is the Local Economic Development Agency (LEDA) of the OR Tambo district in the Eastern Cape. The KFPM markets any produce from the area. However it has special facilities for smaller farmers, including an EU-funded potato processing unit. This processing plant plays a vital role in making the market accessible to smallholders. The unit has no minimum processing size, and provides a sorting and packing service free of charge, thus enabling the smallholder to pack and market their produce. Potato SA provides bags free of charge.

The KFPM differs from other fresh produce markets in that it is run through the local LEDA Ntinga Development Agency. The LEDA is a municipal structure and as such is funded through government. This funding allows the market to waive the 5% market fee for smallholders who then only pay the 7.5% agency fee. This form of subsidisation gives smallholder farmers a competitive market edge. Also, through LEDA, the market provides extension services to smallholders in the area, tractors to use for ploughing, and has vehicles to collect produce from farmers.

Approximately 80 local smallholders supply the market, 30 of them on a regular basis. The criteria for accessing the LEDA support is not very clear and thus open to exploitation. The market is currently running at 24% of its capacity due to the inability of local farmers to produce enough produce for full capacity.

Some points regarding sustainability, scalability and replicability are as follows:

- The KFPM needs to expand its extension and support services to enable smallholders to produce more and better quality.
- The market is a municipal entity which enables it to exist despite being under-utilised.
- A similar smallholder-specific marketing agency (with a waiver of the 5% market fee) could, in theory, be replicated to other markets. This could make fresh produce markets a more profitable market outlet for small producers.

#### SALEM OSTRICHES

Salem Agribusiness is a small agribusiness company which specialises in the production of ostriches. They are part of the larger umbrella organisation Khula Sizwe, a Christian development organisation active in Mozambique, Zimbabwe and South Africa in promoting rural development through mentorship.

The project commenced in 2004 with Martin Fick, owner of Salem Agribusiness and an ostrich producer himself, locating 12 farmers to mature ostriches in the Salem Area. The model initiated by Martin utilised the backyard of the smallholders in which to mature the ostriches, which was a novel model and different to the more common large scale farming operation. The project was successful and grew rapidly, expanding to over 80 farmers by 2006. In 2006, the Khula Sizwe Small-scale Ostrich Farmers Participation Incentive Trust (KSSSOFPI Trust) was formed with a grant from the National AgriBEE Fund of R9.3 Million for the purchasing of shares in a newly created R19 Million de-boning, value-adding and portion packing meat cutting facility and tannery in Grahamstown. The facility was built using this funding and with additional monies being provided by commercial partners such as Salem Agribusiness.

The Eastern Cape Rural Financing Corporation (Now Uvimba Finance) continued funding the smallholders throughout the process until a change of management in 2009 cut all funding. This sudden cessation of funds caused a huge drop in the numbers of ostriches being produced, thereby rendering the

processing facility unsustainable due to lack of sufficient throughput of birds. The ECRFC funding was then taken over by Klein Karoo, an ostrich product producer.

In 2012, the World Organisation for animal Health (OIE) created new regulations attempting to curtail ostrich flu. The regulations stated that ostriches could not be farmed in proximity of chickens and/or dogs. This forced the KSSSOFPI Trust to change its model of raising birds, and a new 10ha compliant farm was established. This farm is now being utilised by 20 farmers.

The current farm has the capacity to produce 3000 birds per eight month cycle. Training of new farmers is undertaken by Buyelwa Mangi, a farmer who has been with the project since its inception. With the assistance of Mr. Fick, Mrs. Mangi has registered a BEE company from which she draws a salary for training farmers. Salem Agribusiness provides the day old chicks to be matured and facilitates their sale to Klein Karoo who produce meat, feathers and leather for further sale and export. Mr. Fick continues to provide mentorship and assistance.

The case study highlights some of the key funding difficulties experienced by smallholders. Changes in government staff, structure and systems have profound impacts on projects fully funded by government.

Salem Agribusiness is still producing birds after cuts in funding and changes in health and safety standards. This has only been possible through the continued involvement of Mr. Fick and the KSSSOFPI Trust.

#### MRS HLONGWA'S MAIZE BREAD INITIATIVE

Mrs Hlongwa, a smallholder of 3ha in Mthonjaneni Municipality grows and processes maize for maize bread to supply a convenience store in Melmoth on a weekly basis. She relies on family labour for this labour intensive activity. She normally supplies 10 loaves (at R25.00/loaf) every Saturday and is the sole supplier of maize bread to the informal market, which includes the local taxi rank the local clinic and hospital, and sometimes local schools. Mrs Hlongwa cannot honour all the orders due to overwhelming consumer demand.

Her story is that of a small-scale rural industrialist integrated into the formal and informal market. She started her maize bread baking business using a traditional maize processing stone to process or grind freshly harvested maize into pulp and has recently invested in a modern manual food-processing machine. This technological shift proved effective, as it enhanced her productivity of maize bread. Mrs Hlongwa's maize bread-baking business has the potential for growth to the level of modern daily bread baking bakeries across the country given the availability of supportive mechanisms such as that of the Industrial Development Corporation which advocate 'pro-smallholder' rural agro-industrialisation.

Mrs Hlongwa has experienced major problems in her maize bread baking business. This includes the seasonality of the maize crop, which she tries to mitigate by planting maize on a successional basis in order to honour the orders she receives. One way of meeting her consumer demand has been to source green mealies from elsewhere when her own fields have been exhausted. Another issue that she has come across is that Melmoth Convenience Store attempted to stop her from selling her maize bread in the informal market but she resisted and insisted that she would not stop supplying the taxi rank because that is where she started her business. Mrs Hlongwa views her maize bread baking business as thriving because she has zero competition in supplying the maize bread.

#### DULUMBE VEGETABLES CO-OPERATIVE

Dulumbe Vegetables Co-operative is located in the Kranskop area in the Kwazulu-Natal Midlands, on a land reform farm. Dulumbe started cultivating in March 2012 and already regularly supplies cabbages, potatoes and butternuts to numerous supermarkets in Greytown and Kranskop. Furthermore it has been approached by local schools in the Ilembe district to supply produce under the current school nutrition programme.

Dulumbe Co-Op, which came into existence through funding from Ithuba Agriculture, is a community-owned enterprise established to administer the corporate relations of the land reform farms received by the Ngcolosi community through land reform (mainly timber (3340ha) and sugar (1850ha)). The Ngcolosi community is made up of 1360 beneficiary households receiving an annual grant of R4000 from Ithuba. The 12 members of Dulumbe, comprising 11 women and 1 man, belong to the Ngcolosi community.

Dulumbe Co-Op gets most of its agricultural inputs such as seedlings, infrastructural support and mentorship from Ithuba Agriculture. Recently Ithuba Agriculture provided Dulumbe with R300,000 worth of irrigation infrastructure. Dulumbe also receives manure and mentorship support from a local white commercial farmer.

Dulumbe Co-Op presents a case whereby a group of land beneficiaries were able to earmark a piece of land for growing vegetables within a bigger commercial farm. This case shows that smallholder farming is possible within the context of commercial-scale land reform farms given that institutional arrangements on the land allow for subdivision of land to take place, providing space for innovation on small plots of land.

However, a large proportion of the 6ha remains underutilised which speaks to the general reluctance to farm on the part of the Ngcolosi community evidenced by the fact that only 12 community members are members of Dulumbe Vegetables Co-Op.

#### SPAR

SPAR has a franchise model which allows for a decentralised procurement process allowing individual SPAR stores managers to make procurement decisions. During the research 50 SPAR stores that were procuring from smallholders were noted. Most SPAR stores were procuring fruit and vegetables in no set quantity and with no set formal agreement. SPAR Port St. Johns has an agreement with Micoso Agricultural co-op, a co-op of six members, with 40 around employees who farm 78ha of carrots, spinach and cabbage. The co-op supplies to the SPAR and the local Boxer with a formal written contract and SPAR collects produce from the farmers. They have no pack house and hire a truck for selling to the Kei Fresh Produce Market. However, other than the Micoso co-op it is unusual for smallholders to have contracts with SPAR.

Although the SPAR the model does allow for smallholders to access the formal market, there is generally no security of a guaranteed market for these farmers.

#### RECALLING THE THREE LEARNING JOURNEYS AND CONSULTATIVE DIALOGUES

The three Learning Journeys, in conjunction with the innovation labs and consultative meetings, have been the main process for enabling social dialogue, debate, dissemination and learning during this project. The Learning Journeys were designed to build on each other in a recursive way to ensure that issues and questions that emerged were then captured, dealt with and informed the innovation lab events. The first Learning Journey took place in Northern KwaZulu-Natal in April and was designed to investigate the market options available to smallholders and to explore the possibilities and dilemmas of integrating smallholder farmers into these markets and the associated supply chains. The second learning journey focused on the subject of extension and farmer support for smallholders and took place in a hot June in Limpopo Province. In between the first two Learning Journeys the SSCA project team had a series of consultative dialogues with smallholders and smallholder associations, including a number of farmers from Mopani Farmers Union and Nkuzi Development Association. The third learning journey occurred on the 13th August, directly prior to the Innovation Lab. It focused on developing a better understanding of aspects of urban agro-food value chain. A group of 13 participants, mostly smallholder farmers, visited the Johannesburg Fresh Produce Market and the associated Mandela People's Market, the Woolworths Midrand Distribution Centre, and Farmwise, a packer and processor of vegetable products for the formal retail sector.

*For more information on each of the three learning journeys and the consultative dialogues, please see Appendix 5.*

### LEGO MODEL BUILDING

After a successful exercise connecting participants over lunch (*Appendix 6*) and a presentation on systems thinking and complexity (*Appendix 7*), Colleen explained how lego is both a fun and useful tool for perceiving – with our hands – the complex systems we want to better understand. While she was speaking about systems thinking and complexity, a number of people had already started fiddling with lego pieces.

At their table groups, participants were asked to use the lego pieces to build a model of the current food system in South Africa as it relates to smallholder farmers. The particular framing questions were as follows:

***What are we seeing about the system of smallholder farming in the South African context? What's working and what's stuck?***

She emphasised the importance of building the current system rather than what people think the system should look like.

The building process occurred in two rounds. After an initial 20 minutes of model building, each group was given an opportunity to explain their model in 2 minutes to two neighbouring tables and then were asked questions by participants from the other groups that could be helpful for each group to deepen their exploration in the next round of model building. This exercise then led into a plenary session where the workshop group as a whole harvested the new insights emerging from this exercise.



### NEW INSIGHTS EMERGING FROM THE MODEL-BUILDING EXERCISE

Colleen asked people to share what participants were seeing that they hadn't seen before. Here are some of the responses:

- *The negative impacts of farming and pollution: it's something that us guys sometimes conveniently ignore*
- *The upcoming impacts of climate change and adaptation*
- *We're not talking much about smallholders who are farming livestock*
- *The importance and role of academic institutions*
- *Irene Farm's consolidation of suppliers. It is distressing in terms of dehumanisation and industrialisation of supply chains.*
- *I am a natural pessimist but was surprised how much negativity was portrayed in the model building exercise rather than positive. I think there is a lot more good happening than we showed*
- *There is uneven development in the smallholder sector, with a polarization of views*
- *We are not talking about creating jobs. Affordable food for the poor is not showing up in the models.*
- *We talk about government and how it should always be there for farmers. We are not talking about farmers graduating and standing on their own.*
- *Have we tapped enough into farmer's creativity? There is a huge amount of creativity potential in the farmer that hasn't been unleashed yet*
- *We've lost touch with old ways of doing things*
- *There is still a create deal of confusion regarding marketing outlets. We need to put more effort into that*
- *This process has reinforced my belief that, if you look at smallholder farmers as an exclusive group, we need to invest in creating new markets rather than looking at ones that already exist*
- *I've learned something about the two-sided nature of government regulation. It can be protective and stifling at the same time. This applies to larger farmers, but now I see it can apply to smallholder farmers too*
- *Smallholder farmers don't reach the market. So where is their produce going?*
- *There are many different views of what needs to be done to assist smallholder farmers.*
- *There is a lack of attention on the consumption side*
- *A smallholder farmer is gearing himself for the bad that still comes. That's part of the creativity of smallholder farmers that people are not looking at. What are they actually doing with the little that they have?*
- *There is no room for negotiation. Prices are fixed; everything is fixed*
- *The certification standards are set too high which means that markets are out of reach to smallholder farmers.*
- *As consumers we don't realise what we're doing to the environmental system when we demand ridiculously perfect things that don't even smell like fruit.*

## PROVOCATIONS

Rebecca introduced the next session, which consisted of two provocations designed to illuminate dimensions of the system that have been less visible. She asked participants to listen and to try and understand the perspective of both provocateurs, even if they did not agree with this perspective. After each provocation, participants were asked to reflect on the following:

- *What is this person seeing? Describe it*
- *What does this provoke in me? What am I drawn to or triggered by?*

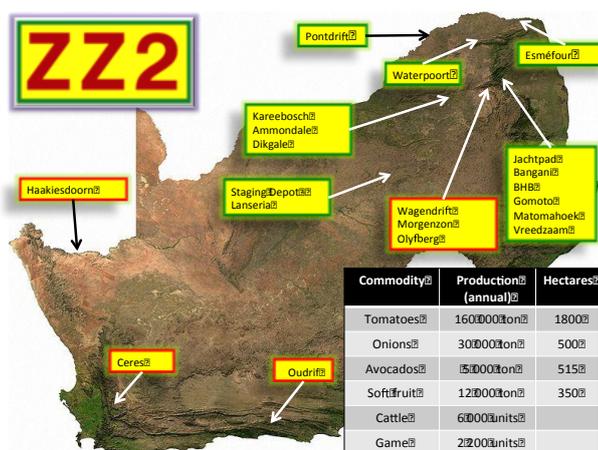
The two provocations were:

1. Stephanus Malherbe from ZZ2: a story of vulnerability, innovation and agro-ecology: what have they learned about the ecological system and farming? What have they learned about innovation?
2. Tola Okunlola from PLAAS: a story of the social and economic patterns evident in their database: things to celebrate, things to worry about, and a list of don't – dos.

A summary of each of the provocations is provided below.

### ZZ2 - STEPHANUS MALHERBE

Stephanus began his provocation by providing a brief background on ZZ2, which is a large company of 6000 people,



focusing on producing tomatoes, avocados, apples and onions, and situated mostly in the north. Many of its products are sold locally and exported. The majority of food is produced by a small number of farmers (i.e. the 80/20 rule).

ZZ2 have adopted a philosophy of working with nature. Several years ago they realised that they could not continue farming as they used to. They were experiencing declining soil quality, were encountering more and more soil borne diseases, their yield was declining, while at the same time they were experiencing consumer pressure to produce more good quality produce. The agricultural chemicals were no longer helping them and they had their backs up against the wall economically. In order to survive as a business they had to find ways of overcoming these problems.

Before going into the solutions, Stephanus offered a number of provocations on some of the following “myths”, which are as follows:

- “Don’t panic its organic” – but not everything that is organic is good. For example smoking is organic, and a great deal of pollution is also organic.
- The environmental impact of pesticides – but we all use chemicals in our own life, e.g. antibiotics. The importance is to only use chemicals when required.
- The benefits of no-tillage – this is crop- and context-specific. Some can benefit from it, some not; it depends on soil types and climate. If there are certain diseases in the soil, no tillage can be good in some cases or bad in others.

Stephanus then spoke about the unifying principles at ZZ2, which include the following

- The plant is the customer from the farmer perspective
- Don’t farm against nature
- The basics of farming have not changed
- You can irrigate your plants sick
- The soil is alive which can be beneficial or bad for us – but don’t kill it.

He completed his presentation by speaking about a range of different challenges that have and continue to face farmers and how these could be addressed. The first was the Knowledge Challenge, which affects commercial and smallholder farmers alike. This related to the fact that the conventional farming system has not been sustainable: farmers were running out of plans and the chemistry-based technology has not kept pace with change. He gave the examples of the onion white rot fungus which can stay in soil for 20 years. One needs science and expertise to help guide farmers along way to get around problem. The problem has been exacerbated by the collapse of government-funded research. While South Africa’s agricultural contribution to GDP is 2.4%, government support to agriculture has been ineffective. There are critical skills shortages and there is an inability to find scientific solutions to problems. Because of this lack of government support, ZZ2 has had to source its information from universities and appoints agronomists, engineers, marketing specialists, etc., to help them find solutions to their problems.

The next challenge was the market challenge. With regard to smallholder farmers, Stephanus felt that government should help them become competitive in the market and to focus on niche markets to avoid scale-sensitive products. For example for maize, one needs a minimum of 1000ha to be competitive. In this case the smallholder farmer usually has no economy of scale. On the other hand there are crop types large farmers do not want to get involved in, which provides a market opportunity for smallholder farmers.

The third challenge, which is a particular challenge to smallholder farmers is the resilience challenge. This specifically relates to weather and pest-related incidence that can destroy a crop. He gave an example of how ZZ2 had lost half their tomato crop in a single month due to major floods on the Limpopo River. During the same month, they had a hailstorm that destroyed crop in another area. A big company that has resources can rebound from shocks like this but for a smaller farmer it can mean the end of game.

Finally, the innovation challenge was essentially about seeing the system of food production as a living system. In this context, one thus needs to adopt the following principles:

- A living system is adaptive, adaptable and emergent
- Change is non-linear and occurs in unpredictable leaps
- The future wants to be created, understood, discovered and willed
- A living system operates in a relational, decentralized way.
- A living system is interdependent
- There is no hierarchy and bureaucracy in a living system

#### PLAAS DATABASE PROVOCATION –TOLA OKUNLOLA

Tola began by talking about what is worth celebrating in what they are learning through their PLAAS research. Firstly, there is money from donors and government for smallholder support. There is also increasing political will for smallholder support, which has noticeably grown over the last five years, so now is the time for smallholders! Private-public partnerships are developing between the state and the private sector involving smallholder farmers. There are also emerging examples of how supermarkets can procure directly from smallholders, such as the SPAR model, which provides an alternative to the standard models of centralised procurement, which often don't work for smallholders. She spoke about how NGOs play a special role by linking retailers to smallholders in terms of market access or pooling enough product, while at the same time being able to explain to the retailer the complexities of being a smallholder farmer. In addition there are a number of commodity associations that are driving BEE, by providing funds and programmes to emerging black farmers. While some funds may go to middle class or wealthy black farmers, it does provide a vehicle for driving farmer success. She also mentioned the numerous small effective farm associations that are working well, as well as a strong informal economy around smallholders which should be explored. Finally, there is a rural populace very close to the smallholders who are consumers of smallholder produce.

She then went on to speak about concerning trends that deserve attention. The first is the centralised procurement processes and standards of most supermarkets, which are a barrier to entry for smallholders. Furthermore, many of the models only work at scale, which is a further barrier for smallholders. Having said this, these procurement models and standards are not going to go away as retailers are after working markets and profits; they are not driven by social justice and environmental rights. In addition, one must guard against pushing all smallholders towards commercial agriculture. The push to access commercial value chains could be misguided in certain situations. For those farmers who want to be incorporated into formal value chains, support should be provided but for those who want to continue as subsistence or smallholder farmers associated with loose value chains, they should still receive relevant support such as irrigation, fencing and other inputs. Another concern was the question of how little power resides with smallholder farmers. Most major projects have been initiated by the private sector, and while there has been a lot of good work in reaching smallholder farmers and linking them with markets and suppliers, what voice do the smallholder farmers have? Often these agreements lock farmers into contracts that do not allow them to trade with other suppliers or markets. A further question was about how to measure success. Is success profit? Empowerment? Sustainability? Ecological integrity? For example an organisation can link 10,000 farmers to the value chain and say this is success, but it might not be successful in the long run if farmers do not know how to navigate the landscape and access markets when the organisation leaves. Another issue was the concern that public funding for smallholder support is in practice subsidising private sector partners to work with smallholder farmers. Would the private sector still support smallholders without this funding? Linked to this are the PR benefits of engaging with smallholder farmers. There are many organisations sporting great websites, claiming to engage with smallholder farmers, but it is hard to tease out what is actually happening in reality. Another related concern is the question of who claims to represent smallholders at a large scale, as there is a great deal of power to be had from claiming this space. For example, some people claim to present farmer unions or smallholder farmers but do not exist in reality. Two final concerns were raised. The one was the difficulty smallholders face in accessing finance. The other is that very little is known about informal markets, which shows up an overall

urban bias in the food supply chain. The current thought is to focus on linking farmers only to the larger retailers in the city, but what about the bakkie traders and the significant role they play within the rural landscape?

Based on these observations and learning from what has been tried and failed, Tola provided a list of “don’t-dos”. Don’t:

- Have a rigid, “one size fits all” model. Smallholders are not all the same. Have models that are loose enough to shape to unique circumstances.
- Underestimate the variety of markets and customers, including valuing the rural markets.
- Ignore the informal nature of trading and value chains in local systems.
- Aim to integrate smallholders in ways that only serve the urban masses. Also think of the rural masses who are often better suited to smallholder produce.
- Patronise smallholders. They should be taken seriously as human beings and as rational economic agents.
- Fall into the trap of the ‘Dependency Myth’. Farmers are highly resourceful. Many of them act as sole agents in accessing supermarket chains without government or NGO support. Contextualising smallholders as dependent on external support equates to undermining their trading capacity as business actors in a capitalist system.

Tola closed her provocation by leaving the audience to ponder a number of questions: Why are we working with smallholder farmers? Is it because we want them to sell and make money? Or is it to get all smallholders to sell to one supermarket? Or is it to ensure more money security for the rural poor? To change the rural landscape to one with more justice? Or is it economic growth? Sometimes we will have to sacrifice one for the other.

## CLOSURE – DAY 1

Colleen concluded the day by summarising the day as it had unfolded from beginning to end and then asking participants to answer the following two questions:

- 1) What’s becoming clearer for me?
- 2) What is unclear, hazy or muddy for me?

Here are some people’s answers to these questions:

What’s becoming clearer:

- *I need someone to help me with my administration. I only have Standard 5, so I can’t do my admin and also I don’t have the time.*
- *For me as a retailer to understand how our procurement teams understand the plight of smallholder farmers and to work closely with them and give them the means of help to get them into the mainstream competition. It’s become clearer for me that the procurement teams need to search for good smallholder farmers.*
- *We need to talk to each other rather than speculating.*
- *Smallholder farmers have always been there. They are nothing new. Perhaps some of us killed their initiative. Perhaps we should have left people to continue and let them ask for help when they need it. Perhaps we should be thinking about why it [smallholder farming] died in the first place. Looking back, those people used to sell somewhere with far less education than they have and they survived. Maybe we killed it with our promises. Let them say what they need. Don’t just offer everything to them. Yes can offer some things to them but not everything.*
- *The smallholder has to be helped to get better control of their inputs. They are strongly disadvantaged by fact that they are dependent almost entirely on commercial for inputs. They also need to be able to control their own markets.*
- *We cannot address the issue of food insecurity without involving the smallholder farmer.*
- *Private sector is taking on the role of government*
- *Consumer voice of things like ethical trade, etc, is very powerful.*

What's still unclear, confusing, hazy, muddy:

- *I am not sure about the details that make or break an initiative. For example in the case studies there was always a detail which wasn't planned for in the beginning which made it either a success or failure. We are not at a level of detail that allows us to predict this.*
- *I am clear that the consumer voice within the context of organic farming, agro ecology and ethical trade is powerful in advocating procurement from smallholder farmers. But I am unclear about what the consumer voice is saying about other aspects of the food system.*
- *What are the root causes of the problems? Human made? God-made?*
- *The vulnerability of the economic system has not featured in the conversations. Is the global economic system vulnerable to collapse or not? And if it is, why are we trying to get smallholder farmers into a vulnerable system? At the moment the people from Lusikisiki will be much better off than the people in Sandton if the system collapses.*
- *Smallholder farmers are at various levels of development. Do we want smallholders to grow and if so, do we want them to become commercial farmers or do we want them to be growing in current status quo at a level where they are at their peak??*
- *We have not incorporated traders into this process and there is a lack of clarity around their role and scope in this system.*
- *How can we link smallholders with the urban poor?*

The facilitators provided a brief synopsis of what people could expect the following day, which would involve identifying and beginning to work on innovations that could address some of the systemic issues identified.

## DAY 2 – INNOVATION LAB PROCEEDINGS

### INTRODUCTION TO THE DAY



The group gathered on the lawn outside the conference centre to start the day and Colleen introduced an exercise called the “Soft Shoe Shuffle”, whereby one person answers a question posed by Colleen from

their personal vantage point and everyone else configures themselves spatially around that person (near or far) depending on their level of agreement or disagreement with that answer. Several rounds of questions were asked.

The questions and some of the responses are provided below:

How are you feeling?

- *Curiosity is high*
- *Apprehensive*
- *Confused about roles and who plays what.*
- *I am confused about why government is so ineffective (this resulted in a very polarised response from the group).*
- *Why is the voice of the consumer absent?*

What excites you the most about today?

- *The possibility of coming out with attainable goals we can do ourselves (there was a lot of agreement with this response).*
- *There is no wrong answer (there was a lot of disagreement with this response).*
- *Coming up with different insights*
- *It's not just about forcing smallholder farmers into commercial agriculture but it's about looking at alternatives.*
- *Practical model outcomes that are implementable.*
- *Complete independent economic freedom for smallholder farmers.*

What is your deepest fear about today?

- *Failure: coming up with an innovation that is not succeeding and smallholder farmers are affected by this (there was a lot of disagreement with this response).*
- *Continual acceptance that the current system is going to prevail. That we're held back by the assumptions of the system we are in.*
- *Will our good work be accepted by people with power and influence? And by us? (there was a lot of agreement with this response).*
- *That this will be an interesting talk shop (The group was quite divided in response, with some in close agreement and several clusters who disagreed with this statement).*

What do I need to let go of to create a new future today?

- *The role I traditionally hold and just being a citizen (there was a lot of agreement with this response).*
- *My fears.*
- *My way is the only way*
- *My need to find a solution on the spot. Maybe it needs to be an organic process. There might be value in confusion today.*
- *The either/or: we need clear actions AND we need space for confusion.*
- *My sense that, with differing expectations, the process isn't going to take us all in the same direction.*

After this exercise the group moved into the conference room, where Milla McLachlan, Director of the SAFL, provided some ideas on the concept of food security and how to work with the complexity inherent in the food system. What follows is an overview of her presentation:

*I am frustrated with how the concept of food security has become meaningless. There are so many aspects of food security and it means different things to different people. The term emerged from places that were experiencing severe food shortages (e.g. Ethiopia and Somalia), but in South Africa, the issue is not just about hunger but also about poor nutrition. For example, 20 to 25% of young children in the country remain stunted due to inadequate nutrition. It is for this reason that the SAFL has moved away from talking about food security, toward talking about what it means to transform the food system that we have collectively created but that nobody wants. No one can be individually blamed*

for this, but we are stuck.

*How do we move out of this complex stuck system? We need to think about the depth of change required in the food system. We can't just keep thinking about whether there is enough food. We need to look to producing food in a way that is sustainable. We have to think about economics, environmental issues and the health implications of that food. We need to envision different food systems that could emerge in the future. We need to become clear about where we are likely to go and where we want to go.*

*When one works with complex systems one cannot fix them. Systems can't be fixed. They need to be transformed. In some ways it is uncomfortable to sit in places where we realise that there are no easy solutions. It doesn't mean there is nothing to be done. But we need to understand that it is very complex and we don't have all the answers.*

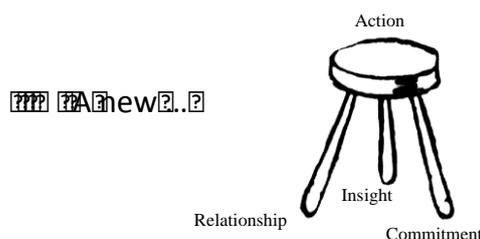
*There are three voices to be aware of in these processes: the voice of fear; the voice of cynicism; the voice of judgment. I am not saying we must get rid of them. But we need to acknowledge them. In the course of today, don't get stuck in fear, judgment or cynicism. Suspend them and it will help us move forward.*

Following Milla's presentation, Rebecca introduced the overall programme for the day before reminding the group about what "innovation" means. This was followed by a session where ideas formulated during the learning journeys were presented and new innovations were proposed.

## INTRODUCTION TO INNOVATIONS

Rebecca spoke about the three kinds of innovation towards realising new possibilities in the interests of a food system that works for all: there are the formation of new relationships, the development of new insights and the generation of new commitment, vigor, or energy to take risks. Out of these, new and creative actions are more likely to grow.

## What is an "innovation"?



## TAKING STOCK OF INNOVATIONS AND PROPOSING NEW ONES

This session provided the opportunity for all workshop participants to become familiar with and review the key initiatives that had emerged from the Learning Journeys, and to propose additional innovations. Once the innovation groups had been agreed upon, participants were asked to join a group that they felt energized by or a group where they felt they could make a meaningful contribution.

Leads from the five existing innovations presented their ideas as follows:

- 1) ***Develop market segmentation and common safety standards for smallholder fresh produce supply to retailers*** (Project leads: Kenneth Carden and Dianna Moore)
- 2) ***Build a public-private partnership with DAFF at the local municipal level, to find ways to unblock extension service blockages in the interests of subsistence farmers*** (Initiator: AJ Gatley, Massmart)
- 3) ***Create criteria, co-ordinated at the municipal level, for subsistence-oriented smallholders to graduate to market-oriented small holders in loose value chains, and mechanisms to support this graduation*** (Initiator: Lawrence Mkhaliphi, Biowatch)
- 4) ***Test the collaborative approach and co-ordinating model outlined in the draft Extension policy and enable what works*** (Initiator: Kenneth Carden, SAFL)
- 5) ***Create ways of getting more small scale farmers' voices heard in this work and in policy development*** (Initiator: Rashmi Mistry, Oxfam)

After some discussion, it was agreed that Innovation 2 and 4 would be grouped together and another two innovations were added. Thus the final list of innovations proposed were as follows:

1. *Developing market segmentation and common safety standards for smallholder fresh produce supply to retailers.*
2. *Piloting the coordinating model as defined in the draft DAFF Extension Policy*
3. *Creating criteria, co-ordinated at the municipal level, for subsistence-oriented smallholders to graduate to market-oriented small holders in loose value chains, and mechanisms to support this graduation*
4. *Creating ways of getting more small scale farmers' voices heard in this work and in policy development*
5. *Using localised data and approaches developed by ZZ2 for the benefit of smallholder farmers in Limpopo, taking seriously the impact of farming on ecosystems* (Proposed by Sidney Luckett)
6. *Exploring how to strengthen coordination across sectors for the benefit of smallholder farmers* (Proposed by Jemina Moeng)

A number of cross-cutting issues were flagged for each group to bear in mind: ecology; young people; women; typology of smallholders; and trade-offs.

### PREPARING TO INNOVATE

Directly after tea, Colleen played a 2-minute video clip of Picasso's creation of the painting, "Death of A Matador", which shows through a series of freeze-frames how he went through numerous iterations to create his final masterpiece, fluidly working his way towards a final image by both committing and letting go. This clip provided a visual demonstration of how one might approach the innovation process.



To help innovation teams work in an emergent, iterative manner, Colleen introduced the following principles:

- *Fail early, fail often.*
- *Go where the energy is: The decision to work on an idea should be made on the basis not of personality politics, or other such considerations, but on the basis of what an individual has most energy for and what they are being called to do.*
- *Many eyeballs tame complexity: The more people that are looking critically at a complex situation, the more unintended consequences will reveal themselves.*

Workshop participants were asked to organise themselves into innovation teams. They then had two 30 minute slots to discuss and iterate their ideas, with a brief interactive session with another innovation team between the two slots. The aim of these interactive sessions was to help each innovation team integrate ideas and perspectives that they may not have previously considered. Resources were offered to the groups by way of expertise and facilitation, as well as material resources such as lego, flip-charts and crayons.

Rebecca invited participants to hold their innovations lightly and to be willing to discard them if they did not meet the criteria below:

- Is this innovation **desirable**? ~ *is this what we want to do?*
- Is it **viable**? ~ *can this be done?*
- Is it **feasible**? ~ *can we do this?*

## SUMMARY OF INNOVATIONS

The six innovation working groups that emerged from the lab are summarized below.

Please find more information on the outcomes and next steps of these innovations in Appendix 8.

NUMBER	TITLE	SUMMARY	LEAD
1A	Entry Level Checklist	Non-accredited checklist that increases market access, increases resilience/sustainability and provides a roadmap to LocalG.A.P. certification.	Dianna Moore: <a href="mailto:diannacmoore@gmail.com">diannacmoore@gmail.com</a> Kenneth Carden: <a href="mailto:Kenneth@cape-energy.co.za">Kenneth@cape-energy.co.za</a>
1B	Market Segmentation	Perform a market segmentation study of a discrete area in order to better understand the current markets smallholders supply and identify key actors or processes that would be necessary to facilitate change	Dianna Moore: <a href="mailto:diannacmoore@gmail.com">diannacmoore@gmail.com</a> Kenneth Carden: <a href="mailto:Kenneth@cape-energy.co.za">Kenneth@cape-energy.co.za</a>
1C	Monitoring and Evaluation	An M&E system needs to be developed to monitor performance of smallholder farmers within extension service support programmes.	Sarah Chapman; <a href="mailto:Sarah.Chapman@uct.ac.za">Sarah.Chapman@uct.ac.za</a> , Institute for Monitoring and Evaluation, School of Management Studies, University of Cape Town.
2	Pilot the coordinating model as defined in the draft Extension Policy	Test the collaborative approach and co-ordinating model outlined in the draft Extension policy to inform the implementation of the policy.	Kenneth Carden: <a href="mailto:Kenneth@cape-energy.co.za">Kenneth@cape-energy.co.za</a>
3	Graduation of farmers	Create criteria, co-ordinated at the municipal level, for subsistence –oriented smallholders to graduate to market-oriented small holders in loose value chains, and mechanisms to support this graduation	Lawrence Mkhaliphi, Biowatch: <a href="mailto:Lawrence@biowatch.org.za">Lawrence@biowatch.org.za</a>
4	Smallholders' voices	We want to create spaces for farmer-to-farmer engagement and collaboration to allow farmers to talk to each other and share and engage in policy making; and to create a space for farmers and other stakeholders to have dialogue with NGOs and academics and policy makers.	Rashmi Mistry, Oxfam- <a href="mailto:RMistry@oxfam.org.uk">RMistry@oxfam.org.uk</a>
5	Collaboration between ZZ2 and local smallholder farmers	Making localized data, farming methods, and ecological approaches available to members of the Mopani Farmers' Association in Limpopo	Sidney Lockett, Independent: <a href="mailto:Sidney.lockett@gmail.com">Sidney.lockett@gmail.com</a>
6	Bridging the Divide	Multi-sectoral co-operation and alignment for the benefit of small holder farmers.	Jemina Moeng (DAFF – Smallholder Development) <a href="mailto:DSHD@daff.gov.za">DSHD@daff.gov.za</a> and Busi Mdaka (DRDLR)

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			<a href="mailto:DBMdaka@ruraldevelopment.gov.za">DBMdaka@ruraldevelopment.gov.za</a>
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## APPENDICES

### APPENDIX 1: DEFINING SMALLHOLDER FARMERS IN SOUTH AFRICA<sup>1</sup>

What is a smallholder farmer? The term is widely used but has no single, agreed meaning. It is often used to refer to farmers who are distinct from so-called ‘subsistence farmers, on the one hand, and from ‘commercial farmers’, on the other. But smallholder producers are themselves diverse, or socially differentiated.

#### *Scale is relative to context*

The terms ‘large’, ‘medium’ and ‘small’ are relative terms, and their meaning varies greatly with context:

- a) *agro-ecology* (farms in drier zones tend to be larger than those in wetter zones)
- b) *product* (strawberry farms tend to be smaller than citrus farms)
- c) *technology* (farms that use tractors tend to be larger than farms that use ox-drawn ploughs or hoes)
- d) *labour regime* (farms that hire in labour tend to be larger than those that use family labour only)
- e) *farming system* (farms with irrigation tend to be smaller than farms relying only on rainfall)

#### *Farm size or scale of farming?*

There is an important distinction between farm size and scale of farming.

\* *Farm size* refers to the land area, usually measured in hectares, of the productive unit.

\* *Farm scale* refers to the relative size of the farming operation or enterprise (which can be large-scale on a small area of land, as in intensive horticulture and livestock production, or small-scale on a large area, as in extensive livestock in an arid zone).

#### *Defining smallholder farmers*

In the past small-scale farmers were often called ‘peasants’, who farmed with family labour and aimed to feed themselves. But in the modern world everyone needs some cash to survive. Small-scale farmers who use mainly family labour, simple technologies and have a ‘subsistence’ orientation, but who have to earn cash either from the sale of farm products or their own labour, are now often termed ‘smallholders’.

To distinguish smallholders from commercial farmers, and also to understand the differences between types of smallholder, a number of variables are relevant:

- 1) Objective of farming
- 2) Proportion of output that is marketed
- 3) Contribution of farming to household income
- 4) Use of family labour or hired labour
- 5) Degree of mechanization
- 6) Capital intensity
- 7) Access to finances

These can be used to develop typologies of differences amongst smallholders.

**Typology A: classifying farmers globally** (from Wegner and Zwart 2011, drawing on Berdegue and Escobar 2002)

	<b>Subsistence (family) farmers</b>	<b>Small investor farmers</b>	<b>Large-scale farmers</b>
Objective of production	Food security	Farming for both subsistence and cash	Profit, production is high-value & export-

<sup>1</sup> A briefing note developed by Ben Cousins and Davison Chikazunga of PLAAS for an Innovation Lab on 13-14<sup>th</sup> August 2013.

		income	oriented
Labour	Family labour	Family plus hired labour	Hired labour, often to operate machinery
Scale	Very small plots (often < 1 ha)	Small farms	Medium to large
Access to finance	Absent	Constrained	Good
Poverty status	Poor	Less poor	Wealthy
Market/asset status	Asset constrained, context often unfavourable	Market-oriented and asset constrained	Market-driven

**Typology B: smallholders, value chains and access to finance** (from Peck and Anderson 2013)

	<b>Non-commercial smallholders</b>	<b>Commercial smallholders in loose value chains</b>	<b>Commercial smallholders in tight value chains</b>
Gender of farmer	More women	-	Fewer women
Land size	< 1 ha	1 – 2 ha	2 ha or more
Crop mix	Staple crops	Staples + some cash crops	Cash crops, few staple crops
Engagement with markets	Most produce consumed by household, very little market engagement,	Some produce consumed + reliable surplus sold through informal local markets	Some produce consumed + reliable surplus sold through informal local markets + cash crops sold through contract farming
Access to technology	Very limited	Limited	Good, via contract farming
Access to finance	Limited, informal if at all	Limited and informal	Informal and formal, some from buyer

**Typology C: smallholders in SA today** (Cousins and Chikazunga 2013)

	<b>Subsistence-oriented smallholders</b>	<b>Market-oriented smallholders in loose value chains</b>	<b>Market-oriented smallholders in tight value chains</b>	<b>Small-scale capitalist farmers</b>
Objective of production	Household consumption	Household consumption + cash income	Cash income + some home consumption	Profit
Proportion of marketed output	None or insignificant	50% or >	75% or >	100%
Contribution to household income	Reduces expenditure on food	Variable – from small to significant	Significant	Very significant
Labour	Family	Family + some hired	Family + significant numbers hired	Hired
Mechanisation	Very low	Low	Medium to high	High
Capital intensity	Very low	Low	Medium to high	High
Access to finance	Absent	Some	Significant	Very significant
Numbers in SA	2 – 2.5 million hh	200 – 250 000 hh	?	?

**Definition:** Smallholders are small-scale farmers who use farm produce for *home consumption* to some degree, and use *family labour* within the farming operation to some degree, but for whom farming contributes a *highly variable amount of cash income* via marketing of farm produce. Levels of *mechanization, capital intensity and access to finance* are also variable amongst such farmers.

APPENDIX 2: WELCOME AND FRAMING

Kenneth Carden welcomed everyone on behalf of the Southern Africa Food Lab (SAFL) and the Institute for Poverty, Land and Agrarian Studies at the University of the Western Cape (PLAAS) to the Innovation Lab, explaining how it forms part of the *Supporting Smallholders into Commercial Agriculture: A social dialogue and learning project (SSCA)*. He expressed how pleased he was to be able to welcome both familiar and new faces to the Lab and especially being able to welcome several smallholder farmers who had travelled from far to join the event. He thanked everyone for giving up their valuable time and hoped that people would find the next two days enjoyable, insightful and motivating.

Kenneth then provided some background to the SAFL, which had its origins in a Food Security workshop in Johannesburg in February 2009 where it became clear that there was a need for better collaboration within and between sectors involved in the agro-food value chains. He went on to explain how over the years SAFL has become a true multi-stakeholder platform that brings together diverse role-players with influence in the regional food system in order to identify and pilot innovative means of enhancing long-term food security.

The SSCA is one of the innovations to emerge from this platform. It is an initiative in which PLAAS and the Food Lab are collaborating in a unique way. The project has as its major aim the identification of viable, equitable and scalable approaches to support commercial smallholder farming in South Africa. The PLAAS/SAFL collaboration sees PLAAS primarily focusing on the research component of the project while the Food lab focusses on the processes of social dialogue, policy debate, media dissemination and institutional learning.

The Project Inception workshop took place in April 2012, and helped to frame the subsequent work. The research component of the project has been running consistently since then and this has seen three research students under the supervision of Prof. Andries du Toit and Prof. Ben Cousins from PLAAS undertaking a national scan to locate smallholders in all nine provinces and exploring models and approaches of private sector support for the small farming sector. This research has now lead to the compilation of a database which has over 15,000 entries of smallholders, over 240 private sector and NGO partners, and over 200 actors or instigators and many complex relationships between these. The researchers have also compiled a list of 50 case studies of really interesting stories of private sector smallholder farmer interaction. Kenneth noted that six of these case studies would be shared by the researchers later in the day.

Kenneth then provided an overview of the social dialogue component of the project, which commenced in 2013. He explained that the Innovation Lab is the fourth major event of this component of the SSCA project with three learning journeys and a series of consultative dialogues already having occurred. The first learning journey to Northern Kwazulu-Natal in April focused on market access. The second learning journey to Limpopo in June concentrated on questions of extension and farmer support and the third Learning Journey, which had taken place the previous day, had focused on urban commercial value chains. The consultative dialogues, which were undertaken during May aimed to ensure that the smallholder farmers themselves had sufficient voice and input into the project. Several of the farmers consulted were amongst the participants present in the room.

Kenneth elaborated on how the two day Innovation Lab the group was about to embark on creates an opportunity to a) take stock of what has been learnt from the research and learning journeys, b) to envisage alternative realities, and c) to take advantage of the collective influence, energy and leverage of participants in the room to innovate where there are possibilities for change in the small scale farming system, in the interests of greater food security. He hoped that the two days would prove to be both enjoyable, challenging and would lead to some meaningful output, drawing on collective insights in order to come up with innovations that will ultimately help shift the food system towards something that everyone wants.

Kenneth went on to acknowledge and thank the project team, which included the PLAAS research team, the Reos facilitation and logistical support team and colleagues from the SAFL, as well as participants and hosts of the Learning Journeys and consultative dialogues, funders (including the Ford Foundation, the Mellon Foundation, Oxfam and the Southern Africa Trust) and the media that have become increasingly

involved in the project to write more holistically about the issues rather than in a shallow piecemeal fashion.

Kenneth then introduced Prof Ben Cousins, who was to provide some framing to the discussion of the following two days by presenting a view on the definitions of commercial, small-scale and subsistence farmers. The reason for this was that on several of the learning journeys and consultative dialogues, there had been much debate on the definitions of different types of farmers. Being clear on definitions and terminology was important to developing a collective understanding and dialogue.

### APPENDIX 3: AN AFRICAN STORY

After Ben's presentation, Dineo Ndlanzi from Reos sat down in front of the room and began the following story, to the beating of her drum, the clapping of hands and the words "Keleketla" voiced by all in the room:

*Baregale gale bogologolo, a long time ago. Under the beautiful African skies, the green hills and valleys, the curvaceous mountains of Limpopo in a small village lived uBaba and his five children.*

*He had one son named Khatu. Uyabona Khatu had big dreams and his dreams didn't include his small village. When he finished school, he went to the big city to pursue his dreams. He landed in Gauteng maboneng, where the traffic never stops and the buzz never ends. Two years into city life, he was studying at a big higher education institution when tragedy hit. He had to go back home and when he got there his father was no more.*

*Khatu had to take care of his siblings as the eldest son. All he had was a piece of land a growing orchards. They produced yummy delicious green fruit, that South Africans wanted 365 days, 24/7. Of course I am talking about avocados. He had the advantage of the warm climate and the challenge of Mr. Creepy who loves avo's "The black spot fungus". The fungus makes funny black looking spots on the avo but doesn't affect the taste of the fruit.*

*Khatu took a truck-load of this fruit to "the Big Market in Joburg", the produce went from him to distribution, from distribution to agent, from agent to market. And by the time "ching ching" had to come back, there was nothing for him.*

*Kanti Ke, there was a big village, well established that also grew avos, that saw Khatu along with small other villages and it saw the potential of them making it big. The village asked another fancy market to help them fund muthis that will deal with the fungus. So that their produce can look attractive.*

*The days of work started with Khatu and the other farmers growing their fruit. Finally harvest-time came and they started to get excited. Saying, "iyhoo, maybe when I get money I will do this for me, or maybe get this for my family". Off the produce went to the big markets. They waited and when the returns came? There were hardly any returns! They were disappointed and thought, "This is not for us. These shoes are too big for our size." Kodwa ke, Khatu continued on his journey to grow the most delicious avocados. It wasn't easy the Aluta Continua for him. He persevered through lots of challenge and now he's the gift of his own village and the sun that dances throughout the year.*

*Keleketla!*

### APPENDIX 4: INTRODUCTIONS TO ONE ANOTHER

Colleen Magner introduced herself, and Rebecca Freeth as Reos facilitators responsible for helping move the process towards an outcome that would be useful for everyone attending.

She invited everyone to join in an exercise which involved having everyone stand up and congregate in an open space at the back of the room. People were then asked to mill about and introduce themselves by name to as many people as possible. After a few minutes, the milling was paused and Colleen asked a number of participants to recall as many names of people they had met as possible. The second round of milling required people to introduce themselves by name to one another and share what their names meant. The milling was paused again to ask participants to recall as many names and meanings. The final round of milling involved sharing with each other why they were at the workshop.

This exercise generated a great deal of conversation, buzz, and energy. At the end of the exercise Colleen invited participants to move from where they had been sitting at one of the six tables, to sit elsewhere, ideally with unfamiliar people, in an attempt to shift from one's own perspective to being able to understand and hear other perspectives. Each table became a working group for the day.

Once people had settled at their new tables, Colleen undertook an exercise of seeing who was in the room in terms of the following sectors: farmer, NGO and/or consultant, government, donor organisation, journalist and private sector. People were asked to stand up if they belonged to any of these sectors. This was followed by a similar exercise to ascertain how far people had travelled to be at the workshop.

Prior to handing over to Rebecca, she invoked Chatham House Rules (which means that any comments may be recorded, but will be unattributed to create space for people to speak openly and honestly) and explained that part of the process over the following two days was to hear a diversity of opinions, to develop a bigger picture of the complex system of small scale farming and to join the dots.

## APPENDIX 5: RECALLING THE THREE LEARNING JOURNEYS AND CONSULTATIVE DIALOGUES

After tea, Kenneth provided an overview of the three Learning Journeys and the consultative dialogues that have been undertaken since the beginning of the year. He reminded workshop participants that these Learning Journeys are the main process for enabling social dialogue. This was followed by an exercise called "Voices from the Field", which aimed to provide workshop participants with an imaginative, visceral experience of each of the learning journeys and to demonstrate the multiple, sometimes conflicting perspectives that exist. Rebecca invited all workshop participants to close their eyes and listen as participants who had been on each Learning Journeys shared sound-bites of what they had heard during their time. Each of these Learning Journeys is summarised below, with the "voices from the field":

### LEARNING JOURNEY 1: MARKET ACCESS; NORTHERN KWAZULU-NATAL: APRIL 2013

#### SUMMARY

The market access Learning Journey took place in Northern KwaZulu-Natal in April and was designed to investigate the market options available to smallholders and to explore the possibilities and dilemmas of integrating smallholder farmers into these markets and the associated supply chains.

The learning journey saw 18 participants coming together at King Shaka International airport and then spending 3 days together visiting a number of different farmers, intermediaries and market facilities.

The Learning Journey began in Durban with everyone visiting the new Dube Tradeport Agrizone with its greenhouses, pack-houses and state of the art infrastructure. Participants then split into three groups. One went to the FoodBank, which distributes surplus food to the needy, including crèches and old age homes. FoodBank have recently started to procure fresh produce from smallholders. A second group visited women farmers in Mtubatuba who are being assisted by Biowatch and are supplying local retailers. The third group visited land reform projects in the Nkwalini area that are exporting citrus fruit via Lona.

The second day focussed on the area around Jozini and the Makhathini Flats. This area has been highlighted in the National Development Plan as an area with vast untapped agricultural potential and where there should be greater support for public-private partnerships. The three different groups visited a number of local small scale farmers before returning for an afternoon of dialogue.

On the third day the full group visited the government sponsored Jozini Value Adding Centre (JVAC). This newly built government-sponsored pack-house has been standing unused for the past 18 months.

The Learning Journey concluded with a dialogue at the municipal offices, which resulted in the group defining a number of initiatives that the group wanted to focus on and take forward, which were as follows:

- Minimum safety standards and market segmentation;
- How to scale up successful cases; and
- The role of the government.

#### VOICES FROM THE FIELD

- *Why are you wasting my time? What are we doing here? I come from my farm to come and speak to you and what can you do for me? Don't waste my time.*
- *So our farmers co-op had 200tons of butternut to sell to Massmart and we had an agreement: Massmart sent their truck to us. But they didn't tell us when the truck was going to arrive and they didn't tell us that they have a 30minute turn-around. So the truck arrived and our butternuts were not ready; they were not in pallets or crates. And the truck headed back to town without our produce.*
- *We have 200ha of land but we only irrigate 30. We don't have resources to irrigate more. Related to that is the cost of electricity to get water from the pump.*
- *People say that young people don't want to farm and that farming doesn't make money but it makes money for us. We're getting rich and we're young.*
- *We have established a co-operative and we employ people for the office. We do everything together as a co-operative, including leasing a tractor but what we do on our farms we do separately.*
- *We want to talk to you but we can't talk to you until our committee members are here.*
- *Now that we have helped you with your research, how are you going to help us? We have lots of people coming to ask us questions.*
- *We've signed a contract to supply Massmart and we're getting a lot of help from Technoserve, they tell us what to do every single week of the year. We also sell our produce to bakkie traders, some of them come from over the border in Mozambique and they earn us good money as well.*
- *This warehouse stands empty because the government fails to continue with their payments.*
- *No-one is hungry in this community. We all produce our food. We only want to be assisted with access to markets.*

#### LEARNING JOURNEY 2: EXTENSION AND FARMER SUPPORT; LIMPOPO: JUNE 2013

The second learning journey focussed on the subject of extension and farmer support for smallholders and took place in a hot June in Limpopo Province. The group of approximately 20 people gathered together in Polokwane and started the Learning Journey with a conversation with local small scale farmers to frame the learning journey and were also given exposure to the Department of Agriculture, Forestry and Fisheries' (DAFF) draft policy on extension and advisory services.

Groups then moved off into the field with one group focussing on visits in the Thohoyandou area, with another group driving further north to the Nwanedi area near Musina. The Thohoyandou Group visited cooperatives of small scale farmers, the Madzivhandila Agricultural College and the extension services offices of Vhembe Municipality. The Nwanedi Group conducted a number of visits to farmers who are supplying Tiger Brands, Massmart and the Johannesburg Fresh Produce Market as well as the informal market. The group also had discussions with Tiger Brands management. These two groups then came together at a guesthouse in the mountains above Makhado to exchange their experiences. In the rich discussions that ensued, several initiatives materialised. These included:

- Clarifying the typologies used to describe different kinds of small scale farmers
- Drawing on the PLAAS research to understand private partnerships with small scale farmers
- Getting more small scale farmers' voices heard in this process, and in policy development
- Testing the collaborative approach and co-ordinating model outlined in the draft policy on extension
- Building public-private partnerships that would work inside DAFF
- Understanding how graduation happens from subsistence and family farming to small scale and commercial farming.
- Engaging journalists and the media more meaningfully with these issues.

#### VOICES FROM THE FIELD

- *I've learned a lot from the extension officer. I think I can now do it with the lessons that I've learnt. But I wouldn't have been here if I didn't get the help from them.*
- *Government extension officers only visit us once a month.*
- *Lots of women investing in tomato and not really wanting to tell us how much they earn a day.*
- *So why am I successful and other people in my co-op aren't? They need to wake up.*
- *We do get conflicting advice from the different service providers*
- *The land I am growing tomatoes on is subject to a land claim and we don't have any contract with the owners of the land. We don't know when this problem will be resolved. But we're not too worried about it.*
- *The extension officers say that there are too many reports needed and not enough time for farmers.*
- *We have entered into an agreement with Higher Education and Training from next year. The college will be providing training in agriculture.*
- *The District Manager says that there is less budget that goes to small-scale farmers.*
- *As an extension officer I've heard about this online facility where I can learn and get information from, but I've never used it and I only have access to the internet for about half an hour a week anyway.*
- *I'm scared that this new extension policy will handicap the work that many private sector enterprises are doing already.*

#### CONSULTATIVE DIALOGUES

In between the first two Learning Journeys the SSCA project team had a series of consultative dialogues with smallholders and smallholder associations, including a number of farmers from Mopani Farmers Union and Nkuzi Development Association. Some of the experiences shared by the farmers included:

- the large delays between requests and provision of support;
- the lack of true consultation between service providers and farmers; and
- how service providers could work more effectively with the emerging farmer associations.

#### LEARNING JOURNEY 3: URBAN AGRO-FOOD VALUE CHAINS; JOHANNESBURG: AUGUST 2013

The third learning journey occurred on the 13th August, directly prior to the Innovation Lab. It focussed on developing a better understanding of aspects of urban agro-food value chain. A group of 13 participants, mostly smallholder farmers, visited the Johannesburg Fresh Produce Market and the associated Mandela People's Market, the Woolworths Midrand Distribution Centre, and Farmwise, a packer and processor of vegetable products for the formal retail sector.

#### VOICES FROM THE FIELD

- *Small-scale farmers must learn to package their produce because it makes it easy for the agent to sell them quickly.*
- *My first piece of advice is that you need to work together.*
- *The Joburg Fresh Produce Market wants its 5%, whether the produce has been sold or not. The agent takes 7.5%, the rest goes to the farmer.*
- *So one of our market agents went into the rural areas and found a woman who was selling beautiful tomatoes on the side of the road and the agent offered to buy her entire crop and she said to the agent, "I'm not going to sell you my crop. What am I going to do tomorrow morning? Tomorrow morning I must sit next to the road and sell my crop. What will I do if I don't have any tomatoes to sell?"*
- *We have created this African Parliament as the committee of Mandela People's Market.*
- *Anything that is on the floor, we will try and sell it, no matter what the cost.*
- *For a small-scale farmer to be able to supply produce to Farmwise, you have to be GlobalG.A.P accredited.*
- *We have 15 agents in this fresh produce market. Three of them are black and one of them is an African woman.*
- *People are so surprised when they see the prices at Mandela People's Market. In the fresh produce market they sell a big bag of potatoes for R15, here we sell it for R13, which is reduced by R2.*
- *I started as a street hawker on Eloff Street and I bought my first house in Randburg from that money.*
- *If you fail to grow and plant, give a chance to your brother to grow and give alternative crops.*
- *We have a member here whose husband has been working at the Joburg Fresh Produce Market for the last 30 years. After the wife started selling at the Mandela People's Market, they managed to buy a house and also the daughter is driving a car.*

- *In our old factory we used to have two shifts: a day shift and a night shift. But now that we've moved to our new factory, we have dropped to a single shift and so we now employ 350 people in this pack-house, as opposed to about 500 people before.*
- *Woolworths is about quality not quantity. That's what makes the Woolworths difference.*

## APPENDIX 6: DEEPENING CONNECTIONS OVER LUNCH

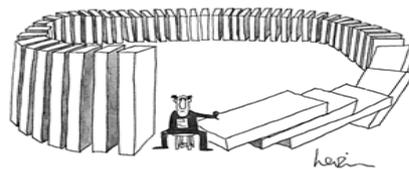
Rebecca invited participants to choose a partner from the table group, ideally someone holding a different perspective to their own and to have a conversation with them over lunch. Towards the end of lunch the manager of Irene Dairy Farm, originally trained as a chef, came to speak with participants about his procurement process and how he has had to shift away from sourcing food directly from the producer, especially from small scale local producers. This has been financially beneficial, but the trade-off is less confidence about food safety and food sources, and an absence of relationship with producers.

## APPENDIX 7: SYSTEMS THINKING AND COMPLEXITY

People returned from lunch to find piles of lego on their tables, a sign of things to come... But before that, Colleen provided an overview of some key features of systems thinking and complexity relevant to the Innovation Lab process.

She started off the session by showing people the following cartoon and asked people what they saw. After a lively round of input, Colleen spoke about one of the main aims of any process is to metaphorically get us all to turn around and at the least see what we are doing. Thus one of the first is to see what is already visible to us if we will just turn around.

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how

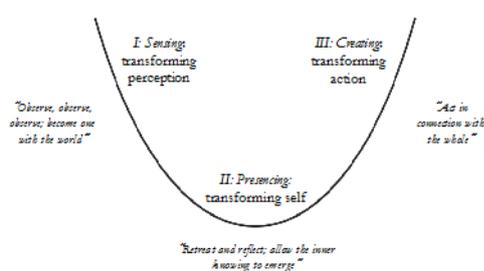
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Colleen went on to speak about complex issues and the different types of complexity that exist. These are 1) *dynamic complexity*, where cause and effect are far away from each other in space and time (e.g. the impacts of climate change); 2) *social complexity*, where there are many different actors in any given system who often have different views of both the problem and the solution; and 3) *generative complexity*, where the situation being experienced has never happened before (e.g. the HIV/Aids epidemic has for the first time left children behind).

Often when sitting with complex problems we try and fix the parts, unaware of the unintended consequences of trying to address just one piece. She gave the example of the fable of the golden goose, where the goose is pulled apart to figure out how it produces golden eggs, but in the process of doing so the goose is killed. Working with complex problems requires that we take into account and work with these different types of complexity. This requires us attempting to see the system as a whole, to obtain the broad and big picture, which requires many “eyeballs” – bringing in multiple perspectives and views of the issue. Doing this does not mean participants have to be in agreement or even like each other, but rather that we have a better chance of solving problems when we understand and can make use of each other’s perspectives. She emphasised the value of including ourselves within the system, turning the activist perspective of “if you’re not part of the solution, you’re part of the problem” on its head; in other words, “unless you see yourself as part of the problem, you cannot be part of the solution”.

## U-Theory: Three Movements



Colleen concluded by introducing the three movements of the U-process. The first is the act of stepping back, slowing down and reflecting on what we are seeing and what others are seeing. This can result in letting go of a

particular belief, view, assumption, or even a solution. The next movement involves letting in new insights and perspectives. It is only after these first two movements that new solutions can emerge.

## APPENDIX 8: FEEDBACK FROM INNOVATION GROUPS

The feedback forms from each innovation are included below.

### INNOVATION 1A

Title	Standards, NAC (Non-accredited checklist), GROW
Summary	Non-accredited checklist that increases market access, increases resilience/sustainability and provides a roadmap to LocalG.A.P. certification.
Lead	Dianna Moore: <a href="mailto:diannacmoore@gmail.com">diannacmoore@gmail.com</a> Kenneth Carden: <a href="mailto:Kenneth@cape-energy.co.za">Kenneth@cape-energy.co.za</a>
Other members	Samson Tauzeni - Technoserve Tola Okunlola – PLAAS Tatjana von Borman - WWF Leah Berkowitz – Care SA Jeremy Lister-James – Biowatch Don Thankge - Woolworths Karen Goldberg – Reos Partners, facilitator
Main motive	<ul style="list-style-type: none"> <li>Economic stability/growth of smallholder farmers</li> </ul>
Farmer types served	<ul style="list-style-type: none"> <li>Market-oriented farmers in loose value chains</li> <li>Market-oriented farmers in tight value chains</li> <li>Small-scale capitalist farmers</li> </ul>
Emerging Themes	<ul style="list-style-type: none"> <li>Concern that it bolsters “<b>supermarketification</b>”</li> <li><b>Power dynamics</b>- concern retailers always get to place demands on smallholders</li> <li>The importance of <b>sustainability/relevance</b></li> <li>What is in it for the farmer besides market access and simplified audit system?- The potential value of <b>increased long-term resilience through environmental</b> practices upskilling</li> <li><b>Road map</b> to accreditation important- not just a random standard but designed to link into LocalG.A.P.</li> <li><b>Smallholders</b> need to be engaged more in process</li> <li><b>Retailers</b> need to play a bigger role in this process</li> <li><b>Renaming needed</b>- Calling it a “Standard” is misleading and causes resistance from people asking “why do we need another standard?” but the term “Non-accredited checklist” is unappealing</li> </ul>
Current Questions	<ul style="list-style-type: none"> <li>Will retailers agree to this ultimately?</li> <li>Can it be entry level enough to meet farmers’ abilities (time to keep records, infrastructure required, etc.) but stringent enough not to compromise food safety?</li> </ul>
Decisions made	The initiative is worth continuing because: <ul style="list-style-type: none"> <li>Retailers had asked for it themselves, so it would be easier to implement than an uninvited initiative</li> <li>Supported a “road map” to Localg.a.p.</li> <li>While some felt the retail sector was not a major current</li> </ul>

	<p>market for smallholders, they felt the checklist would be beneficial to a segment of smallholders</p> <ul style="list-style-type: none"> <li>• One checklist would benefit the farmer who currently has to fulfil different obligations to interact with different retailers</li> <li>• If environmental considerations were included, it would help make the farmers' livelihoods more resilient in the long run.</li> <li>• Not trying to create a label that consumers would see- strictly B-to-B use</li> </ul>
Resources available	<ul style="list-style-type: none"> <li>• Dianna Moore: available to coordinate and track progress</li> <li>• Others in the discussion group had expressed interest in being involved but the innovation lab concluded before tasks and roles could be decided</li> </ul>
Actions to be taken before next innovation Lab	<ul style="list-style-type: none"> <li>• Dianna to gather input from <b>discussion group members</b> on roles / tasks people would like to take on and way forward (proposed path below but open to editing from any and all):</li> <li>• Engage further with <b>LocalG.A.P. / CGCSA/ GFSI</b> to ensure NAC leads into LocalG.A.P. accreditation and increase awareness of the initiative</li> <li>• Engage <b>retailers</b>: 1. Assess what is needed in order for a group meeting (lawyers, other stakeholders present or consulted beforehand, etc.). 2. Set time, location, and agenda for meeting. 3. If successful in agreeing to the development of a NAC, retailers' technical working groups to develop criteria for NAC, so that 1 checklist can be used for all retailers</li> <li>• Develop an engaging way to excite <b>smallholders</b> to contribute to the development, implementation, and awareness of an NAC</li> <li>• <b>Rename working title</b> to reflect the work of the initiative and motivate people to be a part of it (GROW was suggested)</li> </ul>

## INNOVATION 1B

<b>Title</b>	<b>Market Segmentation</b>
Summary	<p>Farmers, retailers, and other stakeholders identified a desire to better understand the current markets smallholders supply by performing a market segmentation study of a discrete area in order to:</p> <ul style="list-style-type: none"> <li>• Better estimate the size of informal markets and the penetration smallholders currently have in these</li> <li>• Better estimate the proportion and value of produce currently in various market segments</li> <li>• Identify limitations unique to different segments</li> <li>• Prioritize future efforts to focus first on segments which may be easiest to increase access</li> <li>• Identify key actors or processes that would be necessary to facilitate change</li> </ul>
Lead	<p>Dianna Moore: <a href="mailto:diannacmoore@gmail.com">diannacmoore@gmail.com</a>  Kenneth Carden: <a href="mailto:Kenneth@cape-energy.co.za">Kenneth@cape-energy.co.za</a></p>
Other members	<p>Samson Tauzeni - Technoserve  Tola Okunlola – PLAAS  Tatjana von Borman - WWF  Leah Berkowitz – Care SA  Jeremy Lister-James – Biowatch  Don Thankge - Woolworths  Karen Goldberg – Reos Partners, facilitator</p>
Main motive	Economic stability/growth of smallholder farmers

Farmer types served	<ul style="list-style-type: none"> <li>• Market-oriented farmers in loose value chains</li> <li>• Market-oriented farmers in tight value chains</li> </ul>
Emerging Themes	<ul style="list-style-type: none"> <li>• Importance of <b>differentiating between the 4 farmer types</b> and their varying market access- if a market segmentation is performed, needs to either be limited to a certain farmer type or needs to indicate the different market access of the specific farmer types</li> <li>• A market segmentation would be helpful in better understanding the <b>informal markets</b> (how large are they, how many channels are there, what level of penetration do smallholders already have, what are the barriers, etc.) since non-retail segments are presumably the major buyers of smallholders supply</li> <li>• Would be helpful to understand <b>current market environment</b> for a multitude of initiatives trying to affect change- need to understand what is in order to affect what could be</li> </ul>
Current Questions	The feasibility of this innovation was questioned. Who has the skill, time, and funds to perform a proper market segmentation?
Decisions made	Ran out of time before group could come to a final decision on desirability, feasibility, and viability of initiative, but Tola offered to talk further to see if the recent PLAAS research could give some insight
Resources available	<ul style="list-style-type: none"> <li>• Dianna Moore: able to coordinate and track progress</li> <li>• The PLAAS research is a possible resource for beginning to analyse market segments</li> <li>• Others in the discussion group had expressed interest in being involved but the innovation lab concluded before tasks and roles could be decided</li> </ul>
Actions to be taken before next innovation Lab	<ul style="list-style-type: none"> <li>• <b>Dianna</b> to gather input from <b>discussion group members</b> on roles / tasks people would like to take on and way forward (proposed path below but open to editing from any and all):</li> <li>• <b>Tola</b> and <b>Dianna</b> to speak further wrt PLAAS research- clarify the extent to which it provides specific enough information on market segments to estimate market sizes.</li> <li>• <b>Jeremy</b> and <b>Dianna</b> to communicate as Biowatch conducts its own market segmentation</li> <li>• <b>Dianna</b> to liaise with <b>Tatjana</b> who referred to literature and data on informal market sizing</li> <li>• Connect with <b>Extension Support Innovation team</b> to see if a link could be made between the two initiatives- it may be helpful to perform the market segmentation in the same geographical region as the Extension Support project for cross learnings</li> <li>• Develop <b>proposal for funding</b> a market segmentation in a specific district</li> </ul>

## INNOVATION 1c

<b>Title</b>	<b>Monitoring and Evaluation</b>
Summary	An M&E system needs to be developed to monitor performance of smallholder farmers within extension service support programmes.
Lead	Sarah Chapman: <a href="mailto:Sarah.Chapman@uct.ac.za">Sarah.Chapman@uct.ac.za</a> , Institute for Monitoring and Evaluation, School of Management Studies, University of Cape Town.

Other members	Dianna Moore: <a href="mailto:diannacmoore@gmail.com">diannacmoore@gmail.com</a> Kenneth Carden: <a href="mailto:Kenneth@cape-energy.co.za">Kenneth@cape-energy.co.za</a>
Main motive	A standardised M&E system is needed because: <ol style="list-style-type: none"> <li>1. If production standards are harmonised (Innovation 1a), extension support services will have standardised <b>outcome evaluation measures</b> against which to monitor the <b>outcomes</b> of extension support programmes.</li> <li>2. If procedures for supporting farmers into market-oriented value chains and/or productive agro-ecosystems are developed (Innovations 3 and 5), extension support services will have a set of <b>service delivery standards</b> against which to monitor the <b>implementation</b> of farmer support programmes.</li> <li>3. If the coordinating model defined in the draft extension policy is piloted (Innovation 2), an M&amp;E system will need to facilitate information flows between stakeholders, and assess the implementation and outcomes of this pilot.</li> <li>4. If the coordinating model is scaled up (Innovation 2), recommendations for effective, participatory M&amp;E indicators, measures and standards which facilitate two-way information flows and collaborative learning between farmers, extension programme implementers and policy makers will be needed (Innovation 4).</li> </ol>
Farmer types served	<ul style="list-style-type: none"> <li>• Market-oriented farmers benefitting from farmer support programmes.</li> </ul>
Emerging Themes	<ul style="list-style-type: none"> <li>• Importance of aligning extension programme outcomes with emerging harmonised production standards (Innovation 1a).</li> <li>• Importance of incorporating the means for rigorous impact evaluation of any pilot programme emerging from the SSCA Innovations on long-term outcomes (food security, economic stability, growth of smallholder farmers, etc...)</li> <li>• Importance of incorporating emerging best practice guidelines of extension support (Innovations 3 and 5) into the service delivery assessment standards, measures and indicators of the monitoring system.</li> <li>• Importance of incorporating participatory and collaborative monitoring approaches into the M&amp;E system. This would facilitate two-way information flows from farmer-to-farmer, farmer-to-programme, programme-to-farmer and programme-to-programme (i.e. communication and collaboration between various implementing partners).</li> <li>• Importance of incorporating into the M&amp;E system a means for monitoring processes relating to farmer participation, effectiveness of targeting, and equality of service utilisation.</li> <li>• Importance of aligning the M&amp;E system with existing Management Information Systems and/or Outcome Monitoring Systems within government.</li> </ul>
Current Questions	Funding for piloting this Innovation will need to be raised, probably as a 10% M&E budget worked into the budget for Innovation 2 (and/or possibly Innovation 4.)
Decisions made	Little time was available to discuss this Innovation. No decisions with respects to next steps were made.
Resources available	<ul style="list-style-type: none"> <li>• Sarah Chapman at the Institute for Monitoring and Evaluation (UCT) is willing to provide technical assistance with respects to developing and piloting the M&amp;E framework. The IME is also able to partner with SAFL/ other stakeholders in writing funding proposals, etc... to bring on more resources needed for M&amp;E.</li> <li>• Resources emerging from Innovation 1c (productions standards) and Innovations 3 and 5 (extension support processes and best</li> </ul>

	practices) will be used to formulate the assessment criteria for monitoring implementation outcomes and process.
Actions to be taken before next Innovation Lab	<ul style="list-style-type: none"> <li>• Sarah to take the lead, in collaboration with Dianna and Kenneth, on developing a conceptual framework for the M&amp;E system. Framework will be drafted in the form of an academic Journal article.</li> <li>• Sarah to attend the GFSI information day on 11 September in Johannesburg in order to support initiative 1a, and facilitate the streamlining of outputs from this initiative into an M&amp;E framework.</li> <li>• Kenneth to gather input from <b>Extension Support Innovation team</b> (and key players in Innovations 2 and 4) on feasibility/partnerships and interest in this Innovation.</li> <li>• Sarah and Kenneth to possibly speak further Ford Foundation and/or government stakeholders regarding feasibility of fundraising potential for this initiative during a visit to JHB in September.</li> <li>• Develop <b>proposal for funding</b> M&amp;E, possibly as part of a pilot for Innovation 2 in a specific district.</li> </ul>

## INNOVATION 2

<b>Title</b>	<b>Pilot the coordinating model as defined in the draft Extension Policy</b>
Summary	Test the collaborative approach and co-ordinating model outlined in the draft Extension policy to inform the implementation of the policy.
Lead	Kenneth Carden: <a href="mailto:Kenneth@cape-energy.co.za">Kenneth@cape-energy.co.za</a>
Other members	Bafana Shongwe – Woolworths AJ Gatley – Massmart Nkosinathi Motsoane – DAFF Mkhoza XXX – DAFF Khathu Mathala – LDA (did not attend on 2 <sup>nd</sup> day but should be involved in this innovation)
Main motive	<ul style="list-style-type: none"> <li>• Profitability (primary motive)</li> <li>• Food security (secondary)</li> </ul>
Farmer types served	<ul style="list-style-type: none"> <li>• Policy engages all but if we needed to focus on a pilot, market-oriented farmers in loose value chains would probably be the focus.</li> </ul>
Emerging Themes	<ul style="list-style-type: none"> <li>• Coordination/collaboration</li> <li>• Neutrality</li> <li>• Inclusivity of participation</li> </ul>
Current Questions	<ul style="list-style-type: none"> <li>• Funding</li> <li>• Number and length of trials</li> <li>• Buy-in of government</li> </ul>
Decisions made	<ul style="list-style-type: none"> <li>• This innovation is to stay within the SAFL to gain traction</li> <li>• Nkosinathi / Mkhoza in DAFF to propose</li> <li>• Initial idea of pilot site in Tzaneen or Thulamela Municipality</li> </ul>
Resources available/ needed	<ul style="list-style-type: none"> <li>• Will require full-time resourcing</li> <li>• Will require funding</li> <li>• Will require research – use PLAAS resources</li> <li>• Buy-in of DAFF Extension Reform, Smallholder Directorate</li> </ul>
Actions to be taken before next innovation Lab	Need to get buy in from DAFF

## INNOVATION 3

<b>Title</b>	<b>Graduation of farmers</b>
Summary	Create criteria, co-ordinated at the municipal level, for subsistence – oriented smallholders to graduate to market-oriented small holders in loose value chains, and mechanisms to support this graduation
Lead	Lawrence Mkhalihi, Biowatch: <a href="mailto:Lawrence@biowatch.org.za">Lawrence@biowatch.org.za</a>
Other members	Chester Mhlanga – DAFF, Smallholder Development Richard Mthembu – Biowatch Merle Dietrich – Goedverwacht Farmers' Association Rahab Ngumba-Njoroge - Virtual Livelihood School Africa (VLSA) Initiative
Main motive	Food security
Farmer types served	<ul style="list-style-type: none"> <li>• Subsistence-oriented smallholders</li> <li>• Market-oriented small holders in loose value chains,</li> </ul>
Emerging Themes	<ul style="list-style-type: none"> <li>• Criteria of subsistence smallholders and classifying them</li> <li>• Define what kind of support they need to graduate</li> <li>• To provide incentive and recognition of the role of smallholder farmers in the economy</li> <li>• Try to find a self-regulatory system – eg PGS</li> <li>• Have to convene meetings with relevant stakeholders and have to pilot at one area.</li> <li>• Have to draw in expertise of various systems.</li> </ul>
Current Questions	<ul style="list-style-type: none"> <li>• Defining who else will play a role in planning, implementation and regulation</li> <li>• Need to develop long-term plan to graduate farmer out of subsistence</li> <li>• Scaling it up</li> </ul>
Decisions made	<ul style="list-style-type: none"> <li>• Piloting the self-regulatory system – PGS at Biowatch and Zimele Project</li> <li>• Lawrence will host first two planning meetings where stakeholders.</li> </ul>
Resources available	Biowatch to lead process with other interested stakeholders, in the local municipality of Mthubathuba.
Actions to be taken before next innovation Lab	For further discussion

## INNOVATION 4

Title	<b>Create ways of getting more small scale farmers' voices heard in this work and in policy development</b>
Summary	We want to create spaces for farmer-to-farmer engagement and collaboration to allow farmers to talk to each other and share and engage in policy making; and to create a space for farmers and other stakeholders to have dialogue with NGOs and academics and policy makers.
Lead	Rashmi Mistry, Oxfam - <a href="mailto:RMistry@oxfam.org.uk">RMistry@oxfam.org.uk</a>
Other members	Mnqobi Ngubane - PLAAS Ulrich Klins - SAT Duncan Stewart – Lima Mandy Moussouris Nokuzola Jenness – DAI Busi Mdaka – DRDLR Nthobithini Ndwandane – Biowatch Lawrence Nkaliphi - Biowatch
Main motive	Justice/fairness
Farmer types served	All typologies of farmers will be served
Emerging Themes	Need to create spaces for: <ul style="list-style-type: none"> <li>• Farmer-to-farmer learning and policy understanding</li> <li>• Farmer plus multistakeholder dialogue</li> </ul> Success will depend on someone taking a coordinator role.
Current Questions	Who do we focus on? Not sure what these spaces look like, how when etc. Viability will rely on that.
Decisions made	Mnqobi volunteered to do a desk-top study to carry out mapping and alignment of existing farmer forums To create a group and nominate a coordinator
Resources available	Mnqobi from PLAAS to do desktop study DAFF, SACAU, Technoserve, NGOs: SPP, LAMOSA, TCOE, Itumeleng
Actions to be taken before next innovation Lab	For further discussion

## INNOVATION 5

Title	<b>Collaboration between ZZ2 and local smallholder farmers</b>
Summary	Making localized data, farming methods, and ecological approaches available to members of the Mopani Farmers' Association in Limpopo
Lead	Sidney Lockett, Independent: <a href="mailto:Sidney.lockett@gmail.com">Sidney.lockett@gmail.com</a>
Other members	Adam Mabunda - Mopani Farmer's Association Stephanus Malherbe - ZZ2
Main motive	Food security
Farmer types served	Market-oriented small holders in loose value chains /low income growers
Emerging Themes	Raising awareness of smallholders Enhancing the productivity and resilience of agro-ecosystems Benefitting from local experience Connecting with commercial agriculture Pilot
Current Questions	How to integrate with existing stakeholders (e.g. DAFF and ARC)? How to upscale?
Decisions made	The Mopani farmers union will work on a pilot project and will bring ZZ2's skills to them through Adam. Information gathering and pilot certain kinds of information which Stephanus will then analyse and give guidance on that. This will be an ongoing interaction. Sidney will report back to the SAFL at the next innovation Lab.
Resources available	For pilot project: funding provided by extension officers for transport of growers.
Actions to be taken before next innovation Lab	Adam to convene a meeting between Stephanus to and Mopani Farmer's Association for Stephanus to give guidance on data acquisition necessary to improve production practices Farmers to collect and send data to Stephanus for analysis Stephanus to advise farmers on practices and technologies which would increase their yield while maintaining the integrity of local ecosystems

## INNOVATION 6

<b>Title</b>	<b>Bridging the Divide</b>
Summary	Multi-sectoral co-operation and alignment for the benefit of small holder farmers.
Lead	Jemina Moeng (DAFF – Smallholder Development) <a href="mailto:DShd@daff.gov.za">DShd@daff.gov.za</a> and Busi Mdaka (DRDLR) <a href="mailto:DBMdaka@ruraldevelopment.gov.za">DBMdaka@ruraldevelopment.gov.za</a>
Other members	Ben Cousins, PLAAS, SAFL Scott Drimie, SAFL Davison Chikazunga, PLAAS, SAFL
Main motive	Effective, efficient and scalable support to smallholders
Farmer types served	All typologies of farmers will be served
Emerging Themes	Building coordinated smallholder support and delegations at multiple levels – with government, between government and non-government, and catering for a population of smallholder farmers Embracing a learning process approach
Current Questions	
Decisions made	Co-leaders to seek political buy-in at the highest bureaucratic and political level Scott to support from SAFL side
Resources available	
Actions to be taken before next innovation Lab	For further discussion

## Appendix 9: Innovation Lab Participant List and Contact Details

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