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### **2.5.2 Mngcunube Development Program**

According to Burgess (2016), a livestock development program was initiated in the Eastern Cape as a strategic intervention to develop livestock farmers in the former Transkei. Elundini District Municipality was the first in the province to benefit. The primary aim of the program was the identification of the constraints that hindered the developmental prospects of communal livestock farmers. Burgess (2016) further noted that the main problem at the start of the program was finding experienced farmers that were willing to mentor inexperienced farmers. The achievements of the program included bringing closer to the farmers the animal medical remedies that farmers could get without travelling long distances, understanding of which medicines to use for which diseases, as well as the successful transfer of knowledge and agricultural information to the emerging rural farmers.

In a review and analysis of the program, Jordaan (2012) indicated that the fact that the farmers were IsiXhosa speaking people and the mentors used were fluent in the language, was critical in assisting the adoption and acceptance of the program by the farmers. According to Karanja (2014), language plays a pivotal role in the perception of the possible success of an extension program. Extension officials must always be conversant in the language of the farmers to which extension services are delivered. Successful transfer of knowledge happens when there is no obstruction in communication. The regular visits by mentors to the farmers created an atmosphere of trust and confidence and that promoted learning. The activities of the program were mainly village visits where knowledge about health management, markets and general management skills was transferred. According to MDP (2008), intervention on animal medicines and the correct diagnosis of the disease treated with the correct medicine was cited as the main factor that contributed to increased production and revenue for the farmers. As stated by Jordaan (2012), mortality and lambing rates were the two indicators of success for the program. The success of a sheep enterprise is judged primarily by these two factors. According to Jordaan (2012), the mortality rate decreased from more than 20% per year to less than 0.5% for adult sheep. Lamb mortality decreased from 40% to 5% for farmers that participated in the program while there was an increase from 48% to 63% in terms of lambing percentage. Farmers' average annual income increased from R650 to R20956, totalling R56 million for the region. This program was eventually extended to other

municipalities in the former Transkei and covered a large number of farmers. Figure 2.1 portrays a picture of sheep in a village of the Elundini District Municipality.



**Figure 2.1:** Communal sheep near Mount Fletcher where the Mngcunube project was based.

## **2.6 Overview of agriculture and the role it plays in poverty reduction**

According to Karanja (2014), agriculture provides a livelihood to 75% of the people living in rural areas of Africa despite these areas having the highest concentration of poverty. This poverty is mainly due to low income from agriculture. Karanja (2014) further ascribed low agricultural productivity as the basis of low income from agriculture. In Kenya, Karanja argues that 26% of the country's GDP comes from agriculture, while agriculture constitutes approximately 65% of the country's total export and 70% to the informal employment in Kenya.

In the 1930s, agriculture constituted 20% of South Africa's Gross Domestic Product (GDP). However, there was a decline in the contribution of agriculture over the years (Satyal, 2007). Currently, agricultural production accounts for only  $\pm 5\%$  of the country's GDP. Key activities are maize, wheat, fruits, sugarcane, vegetables, sheep (wool and meat), goats and cattle. However, Bresciani and Veldes (2007) argued that agricultural contribution to poverty reduction extends beyond the agricultural

contribution to GDP. Two segments characterize the agricultural sector in South Africa. The first is the commercial section that mainly comprises white farmers and the second one is the subsistent section that is characterized by emerging black farmers (DAFF, 2012). Characteristic features exist in contrast between the two. The former is characterized by broad access to land, advanced technologies, and vast production while the latter is characterized by limitations connected to lack of access to land and institutional support (Coetzee et al., 2005). Apartheid and its discriminatory policies are given as the basis for this dichotomy (DAFF, 2012).

The green revolution in Asia in the 1970s and 1980s provides a profound case study concerning the role of agriculture as an instrument of poverty reduction when proper strategies are developed, and resources channelled towards the improvement of this sector. According to Christiaensen et al. (2011), through the adoption of science-based technology, subsistent agriculture was transformed into modern commercial agriculture and agriculture was rapidly transformed and there was a reduction in the poverty levels of the country. It is claimed that no developing country has ever achieved poverty reduction through agriculture only, yet no country has achieved it without agriculture playing a role (Thirtle & Piesse, 2003).

## **2.7 Livestock production systems**

“Production environments, and the intensities and purposes of production, vary greatly within and across countries. Agricultural animal systems have been categorised based on agro-ecological opportunities and demand for livestock commodities” (Steinfeld et al., 2006).

Steinfeld et al. (2006) provided a comprehensive analysis and description of the world animal production systems. According to the authors above, livestock production systems can be divided and categorized into four main classifications: landless livestock production systems (which may be monogastric or ruminants), grassland-based production (where crop production is minimal), mixed rainfed systems (where rain cropping system is combined with animals) and mixed irrigation systems (where a large proportion uses irrigation concurrently with livestock). According to Thornton (2010), the choice of a particular production system is a

function of the climatic and ecological factors in a specific environment. Livestock producers must, therefore, study the role of these factors to understand and adopt a system that is not in conflict with these factors. Steinfeld et al. (2006) further add that the purpose of production and the environment in which this production occurs significantly influence the choice of the systems.

### **2.7.1 Cattle production systems**

Cattle production systems can be classified into the following five main categories (Casey & Maree, 1993).

- Mixed farming system: this system is subsistent in nature, where a farmer keeps a limited number of animals to feed on home-grown fodder.
- Pastoral system: this system is practiced by nomadic people who are largely focused on survival than market orientation.
- Ranch system: on this system, animals are kept in a large expanse of land and this system is commercial.
- Free-range system: animals can roam around freely during the day and return to the kraal at night.
- Organic system: animals can roam freely and feed on natural feeds. In this system, there are high animal welfare standards.

### **2.7.2 Small-stock production systems (Sheep and Goats)**

#### **2.7.2.1 Sheep production systems**

According to Mahlako (2018), there is a variation in sheep production systems from extensive free ranging, controlled grazing, and no grazing feedlots. Steinfeld (2006) argued that the production environment influences the type of operation, reasons for production and the demand for livestock products. Maree and Casey (1993) advised that extensive production systems are suited for wool production, particularly with Merino sheep. Maree and Casey (1993) mentioned that there are four production systems for sheep:

- Extensive sheep production system (rangeland only).

- Semi-extensive production system (rangeland supported by irrigated pastures).
- Silage intensive system.
- Pasture intensive system.

While all these systems are essential and profitable, Louw (2012) indicated that extensive systems where there is direct grazing on the natural pastures have the lowest input costs. During winter and lambing, it is usually the case that pastures are not sufficient to cater for the needs of the ewes. For this reason, Maree and Casey (1993) advised that irrigated pastures must be utilized as supplementary feeding. Morris (2017) and Kilgour et al. (2008) indicated that climate unpredictability is a significant risk in traditional extensive production systems. This risk is because the climate has an influence on plant growth and therefore the availability of forage to sheep. This risk is especially prominent and prevalent in winter when sheep are in their poorest body condition. Thus, Morris (2017) further suggests that there is a need to ensure that modern and traditional sheep production systems are flexible to cope with the problems of pasture shortages should climate change proceed at the forecasted rates.

#### 2.7.2.2 Goat production systems

Escareno et al. (2013) reported the total worldwide number of goats to be 617 million. Of this number, 97,3% were reported to be in the developing countries. Of the 617 million goats, 65,7% were reported in Asia, 27,4% in Africa, 3,5% in Europe, and 3,0% in America. Goat production thrives on grazing on communal areas with high bush encroachment (Escareno et al., 2013). In Southern Africa, 50% of the goat population is found in South Africa, with the Eastern Cape contributing most to these numbers (Visser & Koster, 2017; DAFF, 2019). According to Monteiro et al. (2017), goat production is highest in both mountainous and forest areas. They can survive harsh conditions in the steep slopes and rocky mountainous areas.

Monteiro et al. (2017) categorized goat production systems into two main categories, namely the extensive- and intensive production systems respectively.

a) *Extensive production systems*

Goats in the extensive production systems are characterized by access to large amounts of lands, feeding on natural pastures. According to Monteiro et al. (2017), production in extensive systems utilizes family labour, which is often the second source of income. Usually, goats reared under this system wield poor economic value because these goats do not receive supplementary feeding, are often unsheltered, and are raised under the most climatic adversities (Monteiro et al, 2017). It appears that extensive production can assume two grazing systems, namely, the mobile and sedentary. The former implies seasonal movement of goats with herdsman to areas in search of feed. The latter implies that goats are freely released from the kraal during the day for access to pastures in the surrounding environment and returned to the kraal at night. The extensive goat production system is not very productive; however, it is essential in the maintenance of rural landscape because it prevents or lessens the occurrence of forest fires in areas where bush encroachment is untapped (Mahanjana & Cronje, 2000).

b) *Intensive production systems*

Intensive production systems involve increased use of concentrated feeds to supplement natural pastures. Animals are not dependent on grazing for their feed needs (Monteiro et al, 2017). Efficient feed ration to meat and milk production is enabled to improve breeds because of balanced feeding practices (Escareno et al., 2013). This system means a high number of animals kept in a specific unit area. According to Monteiro (et al, 2017), goats that are kept in intensive grazing must have a high fertility and growth rate than adaptability to the environment.

## **2.8 Agricultural constraints in communal farming**

Globally, livestock production is constrained by several challenges, and communal livestock farming is mostly affected by these challenges. This section shall review the challenges that face livestock production in the communal areas that impede them from developing their farming operations.

While many authors have unanimously agreed on the nature of challenges/constraints that usually face communal livestock production, Ngqulana (2017) identified and grouped these agricultural constraints in communal farming into four major categories. These are:

- Production constraints,
- Economic (marketing and credit access) constraints,
- Environmental constraints, and
- Support services constraints.

These constraints will respectively be discussed in succeeding paragraphs.

### **2.8.1 Production constraints**

In a study conducted in Nigeria by Adesehinwa et al. (2004) on livestock production constraints, it was revealed that pest and diseases were major factors constraining livestock production in communal farming. They further argued that, in most cases, diseases and pests are responsible for the increased cost of production in livestock. Diseases and pest prevalence resulted in complications during birth, reduced birth rate and ultimately in a reduction in the number of animals that farmers keep. The above is confirmed by Belay et al. (2013), where they mentioned that animal health is a constraining factor in livestock production. Assefa et al. (2013) argued that the problem with livestock diseases is that farmers do not have adequate knowledge and information on disease control mechanisms and that those who have this knowledge are often hindered by lack of access to appropriate animal medication.

In the same study, Assefa et al. (2013) stated that feed availability or the shortage of feed is one of the significant production constraints that farmers generally grapple with. In that study, the authors revealed that diseases constituted 67.7% of the total constraints that farmers faced. According to Pen et al. (2009), feed shortage was also perceived as one of the major constraints that contributed to production problems in the communal farming systems. The authors mentioned that the striking problem with feed inadequacy is that animals are subjected to long distances being herded in search of feed. The movement of animals from one place to the other leads to a decrease in the weight of animals (Matibvu et al, 2012). This results to farmers and animals moving for approximately 5 hours to and from grazing lands

that have adequate feed, particularly for farmers that kraal their animals. The problems of feed shortages in communal farming are mostly connected to overgrazing of the grazing land. The reason is that there is generally a consensus amongst many authors about the lack of grazing and pasture control in this type of farming (Mahlako, 2018). Tolera et al. (2012) and Mutibvu et al. (2012) mentioned natural pastures and crop residues as the primary feed sources in the communal livestock production areas. Overgrazing in communal land system often leads to the extinction of indigenous grasses. Jones et al. (2010) attributes such occurrences to overgrazing, and this results to the domination of the palatable indigenous species of grasses by alien species.

Another important production constraint that researchers find consensus on is water scarcity. In a study by Assefa et al. (2013), the second biggest problem was revealed to be water scarcity. According to Katikati (2017), water is a vital nutrient for animals as it influences the animals' feed intake and overall health. Thus, animals must have access to clean and fresh water. Water sources must be managed effectively to ensure that water is available throughout the year (Hangara, 2011). Mutibvu et al. (2012) identified water scarcity as a critical constraint that hinders the development of communal livestock farming. Amenu et al. (2011) reported rivers, dams, boreholes, springs, and wells to be the main sources of water in communal areas. The main challenge that many rural farmers face concerning water is that usually water sources are found in far distances, where farmers travel 2 to 5 km to get their animals to water sources (Amenu et al., 2011). According to the authors, another problem connected with water is the fact that the quality of the water given to animals is mostly very inferior, especially after rain. Walking distances to water sources may lead to weight loss, and poor water quality affects intake which in turn may be to the detriment of livestock (Mutibvu et al., 2012). The loss of weight and poor water quality further lead to the reduction in milk yield and growth rate of the animals (Lukuyu et al., 2009).

### **2.8.2 Environmental constraints**

Environment plays a critical role in agricultural activities, and these activities also affect the environment. It is unfathomable to suggest development in agriculture

without linking it to the natural resources on which agrarian production relies. According to Lemaire et al. (2014), agricultural production in the world has focused on a need to mitigate food shortages to ensure food security. However, this endeavour seems to conflict with the agenda of reducing agricultural contribution and offset the downgrading that agriculture does to the environment (Lemaire et al., 2014). According to Tilman et al. (2002), agricultural systems have resulted in escalating negative effect on the environment. Steinfeld et al. (2006) stated that there is a perception that livestock production is the major contributor to global warming. Meissner et al. (2012) revealed that the recent figures suggest that livestock production contributes between 5% to 10% to global warming in South Africa. In Zimbabwe, Sivotwa et al. (2007) mentioned that the rise in temperatures during spring was a significant causative factor in the occurrences of diseases.

Climate change and global warming are a reality in the world and could influence food production and security. Mare et al. (2014) stated that climate change might lead to a reduction in crop and livestock productivity. Drought is estimated to be the costliest natural disaster (Hlalele et al., 2016). Due to drought, natural vegetation and water quality deteriorate and in Zimbabwe, this was perceived as one of the critical problems that faced cattle production (Matibvu, 2012). According to the South African Weather Services (SAWS, 2017), the year 2015 registered a devastatingly low annual rainfall and was thus recorded the driest year since 1904. The low rainfall referred to above, came with many challenges for livestock producers, particularly in the Kwazulu-Natal province, which was hit hard, and 40 000 heads of cattle perished (SAR, 2015).

Scholtz et al. (2013) mentioned two critical points about livestock production which relate to the environment. Firstly, livestock is argued as the world's largest user of land resources. In South Africa, it is generally accepted that 70% of the land is suitable for livestock production purposes (Meissner et al., 2013). The land is a critical environmental resource without which agricultural production is not possible (Zander et al., 2013). The availability of land to livestock producers is an essential aspect of production. Zander et al. (2013) highlighted that land availability and access determines the amount of feed available to livestock and thus significantly influences livestock development. Secondly, livestock is suggested as the users of

vast amounts of water, particularly in the production of beef. Water is very important in livestock for meat and milk production (Mekonnen et al., 2019). Although direct water uses by animal accounts for only 1.3%, much water is available to the animal through forage and pastures. Water provides nutrients to the animal and influences feed intake and health of the animal (Katikati, 2017). In the communal areas, water sources for animals are usually available at far distances (Amenu et al., 2011 and Matibvu et al., 2012). This distance is problematic in that farmers are forced to herd their animals to these sources, leading to many hours being wasted on movement, ultimately to the reduction in animal weight (Matibvu et al., 2012).

### **2.8.3 Support services constraints**

In addition to other types of constraints that challenge communal farmers, availability and delivery of support services are essential aspects of constraints that require consideration. A detailed description of the types of support services that the government renders to communal livestock farmers in South Africa is featured in the preceding pages. Even though the government has support services provided to communal farmers, much research in the communal sector continues to reveal support services as constraints to their operations (Ngqulana, 2017).

### **2.8.4 Economic constraints**

#### **2.8.4.1 Marketing constraints**

A market is defined as a place where sellers and buyers meet. According to Shane and Delmar (2004), the beginning point in marketing is the planning of the market. In developing the market plan, the authors suggest that the farmer must study the environment in which the farming business will be operating. The study provides information on consumer needs, preferences, and spending patterns (Shane and Delmar, 2004). The study, according to the authors, must further investigate aspects such as prices, sales, competitors, etc. Moichwanetse (2004) reported another scenario in a study conducted in Madikwe District. The author stated that communal farmers do not seek information about markets and do not know the price of livestock. However, it appears that marketing is not always a significant marketing constraint in rural farming. Pen et al. (2009), in a study conducted in Cambodia,

marketing was ranked as the least gripping constraint in livestock production by the farmers.

Marketing institutions are the cardinal determinants of the economic performance of livestock enterprises in that they determine how market transactions are organized (Kherellah & Kirsten, 2001). The authors further highlight that these institutions are important since they generally provide more certainty in human interactions. According to Coetzee et al. (2005), marketing should play a fundamental role in the process of transforming small scale farmers to commercial farmers. Thus, marketing should provide the necessary motivation for farmers to improve their income. Musemwa et al. (2008) stated that communal livestock farmers fail to attract buyers to their areas. According to these authors, this failure is due to numerous reasons, but lack of marketable livestock and poor livestock conditions are the most striking. Strydom et al. (2008) stated that there are low livestock numbers per farmer, and an average weight of animals is generally low in comparison to those of the commercial farming sector. Makhura (2001) stated that perception of lack of marketable livestock and poor condition of animals to be the reasons why buyers do not buy livestock in the communal farming or, at worst, the communal farmers are offered low prices that lead to farmers refusing to sell their animals. These perceptions are usually given as the reason why there is poor marketing institutions visibility in the communal areas. According to Coetzee et al. (2005), it is when productivity is improved that demand for services provided by a market system is created, and also as more specialization in farming systems take place. This improved productivity stimulates economic activities and leads to increased income (Coetzee et al., 2005).

Ainslie et al. (2002) found that the number of livestock marketed from the small-scale sector in the Eastern Cape to be 10% of the total herd. According to Coetzee et al. (2005), this number is deficient when compared to the 23 – 25% of the whole herd found by Coetzee et al. (2005) in the commercial sector. Coetzee et al. (2005) further ascribed the low market off-take rate in the communal farming sector to reasons connected to cultural values and inadequate production systems rather than market failures.

According to Montshwe (2006), small scale farmers are confronted with problems connected to access to market information, and this exposes them to market

weakness. He indicates that these farmers rely on informal marketing networks such as friends, family, and traders. Montshwe (2006) contends that, however, these people may not always have up to date and reliable market information and this compromises the very essence of giving this information. According to the author, the implication here is that market-related decisions might be taken by communal farmers premised on this compromised information. In a study done by Musemwa et al. (2008), the marketing constraints that cattle producers in the Eastern Cape faced with are poor infrastructure, high transaction costs, diseases, and lack of information. Coetzee et al. (2005) added the unwillingness and inability to adopt livestock identification and poor condition of livestock as other constraints that communal farmers face.

The following marketing challenges are prevalent in communal areas:

*a) Poor infrastructure*

According to Mahabile et al. (2002), lack of marketing facilities is a severe constraint in livestock marketing. Chakwizira et al. (2010) stated that it is the constitutional right of every citizen to have access to the necessary infrastructure. They suggested that infrastructural support is an essential basis and important foundation that allows the stimulation of socio-economic activities, growth, and development. Coetzee et al. (2005) categorized infrastructure into physical (communication, transport, and roads) and institutional infrastructure (market information, security, and animal diseases control). Most of the communal farmers are in remote areas which are far from the major markets (NDA, 2005). Musemwa et al. (2008) opined that this could be the reason for the inadequate supply of livestock to formal markets by small scale farmers. Lokesha and Mahesha (2016) mentioned that improvement in the infrastructure leads to market expansion, the economy of scale expansion and the general increase in market operations. Lokesha and Mahesha (2016) further added that the improvement in infrastructure may lead to subsistent produce demanded in the commercial markets. Sound road conditions help agriculture by breaking down village isolations, spreading of education and creating a general sense of awakening (Lokesha & Mahesha, 2016). In Ethiopia, Tegegne et al. (2013) reported transport to be the most critical infrastructural constraint in the livestock marketing systems. Marketing facilities such as sale pens and loading ramps are considered as some of

the many factors that constrain the ability of the small-scale farmers in marketing their animals (NERPO, 2004).

*b) High transaction costs*

Most communal farmers are in remote areas. These areas are characterized by poor road conditions which result in high transaction costs and ultimately reducing the price that buyers are willing to pay for the animals (Musemwa, 2007). “Transaction costs include, among others, the costs of searching for a partner with whom to exchange, screening potential trading partners to ascertain their trustworthiness, bargaining with potential partners (and in some cases, officials who can hold up trade) to reach an agreement, transferring the product (this typically involves transportation, processing, packaging, and securing title, if necessary), monitoring the agreement to see that its conditions are fulfilled, and enforcing (or seeking damages for any violation of) the exchange agreement” (Musemwa, 2007).

It appears, according to Mahabile et al. (2002), that the distance from the farms or village to the markets has a significant influence on the transaction costs due to costs associated with transporting the animals from the farm to the marketplace. Since farms are far away from the markets, farmers incur higher transportation costs. These challenges usually demotivate farmers from participating in distant formal markets (Musemwa et al, 2008).

*c) Lack of and inadequate information*

According to Stats SA (2016) and Coetzee et al. (2005), agricultural information is key to providing farmers with the capacity to make rational decisions and equip farmers with negotiation abilities to prevent exploitation by established and better knowledgeable buyers during transactions. Agricultural information is also important in that it directs policy development and informs strategies on poverty, food security, environmental sustainability, and rural development. Tegegne et al. (2013) defined information needs of farmers as information on prevailing production techniques, market information, product demand, quality and quantity of the demanded product and prices opportunity. Montshwe (2006) observed a significant gap in agricultural knowledge in the villages. Communal farmers continue being uninformed of the

current production techniques, trends in the market and prices despite considerable progress being made to ensure that communal farmers get information. The provision of this information is usually through radio, television, and personal communication. However, according to Montshwe (2006), this has not yielded much gain because communal farmers struggle with access to this intervention and where there is access, farmers are often barred by language, considering that most of this information is offered either in Afrikaans or English.

*d) Poor livestock condition*

Togarepi et al. (2016) stated that the lack of grazing land, poor pasture or grasses, lack of rainfall and problems of fencing of the grazing land in communal farming are some of the contributing factors to poor livestock conditions in Namibia. Extreme degradation of the grazing land and poor grazing are considered as the reason for poor livestock condition in the communal areas (Coetzee et al., 2005). Lack of supplies of feed supplements, vaccines and the general genetic inferiority of animals are cited as the reasons for the lack of interest in the animals by traders and speculators. The poor condition of livestock also influences the prices that buyers are willing to pay for the animals. These prices are usually low; thus, the farmers elect not to sell their animals.

*e) Unwillingness and inability to adopt livestock identification*

The perpetual reluctance of the communal farmers to register their animal brands contributes to their marketing failure. According to Coetzee et al. (Coetzee et al., 2005 as cited in USAID, 2003), three points are offered as the justification or reasons for small scale farmers being reluctant to registering their identification brands. The first one is that since there is no fence generally in the communal areas, animals may graze alongside the roads and cause accidents for which farmers do not want to take responsibility. Secondly, there are registration costs as well as the costs associated with the procurement of branding equipment, and lastly, the lack of facilities to brand the animals. According to Coetzee et al. (2005), this reluctance reduces the traceability of animals to the original owner, and this negatively affects the prospects of future marketing.

#### 2.8.4.2 Types of markets for livestock farmers

##### *a) Auctions*

An auction is the public sales of goods and property to the highest bidder. Nkosi and Kirsten (1993) offered a similar definition where they mentioned that auctions are established places of business where livestock are gathered at certain time intervals and sold to the highest bidder in a public bidding setup. Various agricultural goods are traded throughout the country (Cason & Gangadharan, 2004). Buyers could be people buying for farming purposes, speculators, household use, butchers, etc. (NDA, 2005). According to Nkosi and Kirsten (1993), auctions can be operated by auctioneering companies. The auctions that are operated by auctioneering companies do not follow specific time intervals. These companies operate auctions as more surplus in livestock occurs (Nkosi & Kirsten, 1993). Coetzee et al. (2005) mentioned two government-initiated programs introduced in the Eastern Cape to improve livestock marketing. Two programs were established: Land Care Project, which is renowned for its success in enhancing wool production, and the Agrilink Project, whose objective was to initiate livestock auctions in the rural areas. However, according to Coetzee et al. (2005), these projects ceased to exist following a political change in South Africa that saw the integration of the then Ciskei and Transkei into the modern-day Eastern Cape. Another reason for the ceasing of the projects can be attributed to the general perception that rural farmers have about livestock auctions. These perceptions were highlighted by Nkosi and Kirsten (1993) where they reported that many rural farmers mentioned, amongst others, that low prices, not enough buyers, that buyers do not value farmers' animals, that auction points are too far and the dishonesty of auctioneers to be reasons for not supporting auctions.

##### *b) Informal markets/Private sales*

According to Nkhori (2004), free-market sales in communal areas are usually the most used method of marketing livestock. Nkosi and Kirsten (1993) mentioned that communal livestock farmers prefer private sales because of the simplicity of the marketing activity, the fact that there are limited costs associated with marketing, and because farmers can determine the prices for their livestock. Nkhori (2004) stated

that the costs of livestock sales in the informal market are low because private sales eliminate the involvement of the middleman in that animals are bought directly from the farmer's gate. Nkosi and Kirsten (1993) mention that the communal owner perceives formal marketing forms as giving low prices for their animals. However, it is difficult to know the accurate number of animals sold through informal markets because these sales are usually unrecorded (Nkosi & Kirsten, 1993). Livestock sales are generally made during the festive season and Easter holidays because migrant labourers would be back in the villages for holidays in which they would have traditional ceremonies where these animals are slaughtered (Coetzee et al., 2005).

#### *c) Abattoirs*

Another option for communal farmers is that they can sell their animals to abattoirs. Abattoirs are the least used marketing channel (NDA, 2005). According to NDA (2005), the reasons that are offered for this option are that; abattoirs are located far from the farmers, there is a high risk of selling animals through this channel since animals may be rejected based on health, and the charges involved in the usage of this channel. Musemwa et al. (2008) contend that it is usually of limited economic value to communal livestock farmers to use this channel as most of these farmers generally sell 1 or 2 animals. Musemwa et al. (2008) advised that, however, small-scale farmers may still benefit from this channel provided that they form group markets where they sell animals as a group in order to ensure that they enjoy the economy of scale and ensure shared responsibility for the costs involved in getting the animals to the marketplace.

#### *d) Speculators*

Speculators are those buyers that take the risk of buying animals with the hope to sell these animals at a higher price in future. Coetzee et al. (2005) stated that due to weak negotiation abilities of the farmers, they sometimes sell animals at far below the market price. Speculation is often perceived as an exploitation of the farmers in that farmers usually have poor bargaining powers and is thus dominated by the speculators (Coetzee et al., 2005). Speculators usually determine the terms of engagement, and through control, dictate these conditions. One of the reasons for

this perceived exploitation could be that speculators provide their own transport and loading facilities.

*e) Butcheries*

Musemwa et al. (2008) suggest that communal farmers can also consider selling their animals directly to butchers. Butchers buy directly from the farmers or buy animals from the auctions. In a study by Nkhori (2004), reasonable price and durable bargaining power in price determination influence the perception of farmers about this marketing channel.

*f) Feedlots*

Another available option to farmers is the exploration of selling their animals to feedlots. Farmers can opt to sell animals when they are still young to be finished and fattened in the feedlots (Gwin, 2007). However, communal farmers prefer to sell their animals through informal markets due to lack of knowledge about how other channels operate.

#### 2.8.4.3 Access to credit

According to Goqwana et al. (2008), the lack of and inadequate financial assistance provided to rural farming is one of the main challenges that impede agricultural development, especially in this kind of farming. Chisasa and Makina (2012) stated that access to credit for small scale farmers is a challenge in many developing countries. Isaga (2018) in Tanzania, and Qwabe (2014) mentioned that lack of finance is a leading hindrance to the development of the communal farmers. According to Qwabe (2014), the challenges of accessing credit from formal financial institutions by small-scale farmers have been enduring for many years and these challenges constrain the development of this agricultural section. The challenge of the formal financiers is the provision of agricultural credit that satisfies the unique requirements of the whole agricultural sector (commercial and the emerging sector). Qwabe (2014) further stated that even though there have been strides to address the problems of credit access by communal farmers, studies reveal that a large number of small-scale farmers continue to experience issues linked with access to credit facilities. The small-scale sector carries with it, the risks and uncertainties which are















































































































































































































































