

THE DEVELOPMENTAL PROJECT PLAN FOR TALE GAIMORUDU VAALPENSKRAAL FARMING PROJECT

PHOKO PETRUS PETA

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Supervisor: Professor Mark Swilling

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DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature:



Date: 22 February 2007

ABSTRACT

The first democratic government of South Africa when it took power in April 1994 was faced with the challenge of transforming the past injustice of the dispossession of right in land. This can hence be seen as the process that started in 1930. Faced with the need to balance strong demand from the dispossessed with the need to preserve the commercial farming sector and a fragile political compromise, the government opted for a three-pronged land reform policy, one of land restitution, land tenure reform and land redistribution.

Following promulgation of the Restitution of Land Rights Acts, No, 22 of 1994, members of the public were invited to submit land claims before a deadline that was extended to 13 December 1998.

This study will focus on the land that has successfully claimed by Chief Taketsi Pheeha Morudu of the Tale Gamorudu tribe. This land is located in the Lephalale Local Municipality which is under Waterberg District of Limpopo Province of South Africa. Following the historical agricultural production potential of the land, the study examines different agricultural developmental opportunities that can best benefit the current beneficiaries without sacrificing the opportunities for the future generation to benefit from the same land. The rationale behind is to develop the developmental project plan guided by the typology that can best integrate the social, economic and environmental dimensions.

The study is mainly based on qualitative data collected from the stakeholders. These include: Limpopo Department of Agriculture, Department of Land Affairs, Department of Water and Forestry, the beneficiaries, and Members of the Lephalale Local Municipality. Data was mainly collected through personal interviews. In addition, the study also relied on a review of various literatures providing insight under study.

OPSOMMING

Tydens die bewindsoorname in April 1994 het Suid-Afrika se eerste demokratiese regering voor die uitdaging gestaan om die onreg van die verlede, naamlik gebrek aan die reg tot grondbesit, reg te stel. Dit kan gevolglik beskou word as die proses wat in 1930 'n aanvang geneem het. Die uitdaging was om die behoefte om die sterk eise van die onteienendes in balans te bring met die bewaring van die kommersiële boerderysektore en 'n brose politieke kompromie. Die regering het gevolglik besluit op 'n drieledige grondhervormingsbeleid, naamlik grondherstel, grondeiendomsreghervorming en grondhervedeling.

Na die promulgering van die Wet op die Herstel van Grondregte, No.22 van 1994, is lede van die publiek uitgenooi om grondeise voor te lê voor die verstryking van 'n sperdatum, wat uitgestel is tot 13 Desember 1998.

Die studie sal fokus op die suksesvolle eis van Hoofman Taketsi Pheeha Morudu van die Tale Gamorudu stam. Die grond is in die Lephalale plaaslike munisipale gebied geleë wat onder die Waterbergdistrik van die Limpopoprovinsie van Suid-Afrika val. In navolging van die grond se historiese landbouproduksiepotensiaal ondersoek die studie verskillende landbou-ontwikkelingsmoontlikhede wat tot die grootste voordeel van die huidige begunstigdes sal wees sonder die benadeling van toekomstige geslagte se moontlikhede om deur dieselfde grond te kan baat. Die motief is om die ontwikkelingsplan te laat ontvou onder die leiding van die tipologie wat die sosiale, ekonomiese en omgewingsdimensies die beste kan integreer.

Die studie is hoofsaaklik gebaseer op kwalitatiewe data wat vanaf die aandeelhouders ingesamel is en sluit in die Département van Landbou in Limpopo, die Departement van Grondsake, Departement van Waterwese en Bosbou, die begunstigdes en lede van die plaaslike Lephalale munisipaliteit. Gegewens is hoofsaaklik deur middel van persoonlike onderhoude ingewin. Daar is in die studie egter ook staatgemaak op 'n oorsig van verskeie literatuurbronne wat lig kon werp op die studie.

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1. INTRODUCTION

The problematique of the people-ecology interface is framed against the overall backdrop of 'sustainability' and 'sustainable development'. These concepts are not new but have grown significantly in importance on the international agenda in recent years. Global policy debates increasingly focus on the challenges posed by natural resources limits to the ways in which production and consumption are structured in a world sharply divided between rich and poor (Crane, 2006). These concepts are important, not just fashions that will easily fade away as some other concepts emerge (Mampholo & Botha, 2004) even though their meaning is hotly contested (Crane, 2006). These important concepts often had many definitions to many people in light of the constraints of ecology and policy framework of their locality (Norberg-Hodge *et al*, 2001).

The proposed definition by the Brundtland Commission (Dresner, 2002) was essentially unable to resolve this dilemma, although it did provide a sharper focus on the tension between the crisis of justice and the crisis of nature, both for the benefit of the current generation and future generations (Crane, 2006). The definition in particular seems to be identifying the crucial elements of sustainable development as meeting basic needs, recognizing the limits of technology and social organization, and the principles of inter-generational and intra-generational equity, a redistribution of right or transfer of assets to future generations (Dresner, 2002).

Gold (1999) perceives sustainability as an intergration and cross-sectoral concept that need to be considered when ever development projects are envisaged. From agricultural sector perspectives "Sustainable Agriculture" has become one of those terms that defies definition (Gold, 1999), but Mampholo and Botha (2004) views the concept as intricately woven together with

“Sustainable Development” and therefore cannot be easily discussed separately. “Sustainable Agriculture” describes farming systems that are “capable of maintaining their productivity and usefulness to society indefinitely. Such systems must be resource conserving, socially supportive, commercially competitive and environmentally sound. It minimizes the use of non-renewable inputs (pesticides and fertilizers) that damages the environment or harm the earth of farmers and consumers” (Pretty *et al*, 1995 & 2000). Cuban agriculture became a model for “sustainable agriculture”, farming in small and large units with highly motivated producers (Schwartz, 1995).

Policymakers across the world face the continuous challenge of reconciling complex and often conflicting relationships between poverty, inequitable access to resources, economic growth, and protection of environmental assets. For South Africa, given the legacy of colonisation and apartheid the agricultural sector in particular must focus on reducing inequality and poverty while promoting “sustainable agriculture”, because since the era of European conquest, the indigenous knowledge of farming sustainably which was practiced by many African farmers were systematically swept away as they have been told to “get big or get out”. Many of them in fact quit farming (Norberg-Hodge *et al*, 2001). “The real strategy of the green revolution is that it undermined, and in many cases destroyed, farmer’s practices based on diversity, the genetic of the critical plant species disappeared at a terrible pace’, says a report by the Crucible Group, made up of experts from poor and rich countries” (Madeley, 2002).

In contrast to ‘conventional agriculture’, an important proposition in ‘sustainable agriculture’ is that it encourages biodiversity conservation (see Madeley, 2002; Mulvany, 1996 & Shiva, 1995), which has been threatened by undergoing unprecedented loss in biological diversity due to increased human activity (Crane, 2006). Current estimates of global extinction rates remain

diverse and imprecise (Murray, 1995), despite significant effort to improve our knowledge base with regard to the magnitude and speed of loss of biodiversity (Myers *et al.*, 2000).

It should be clear that “Sustainable Agriculture” entails, in most cases, quite radical and dramatic changes to the farming system as a whole and requires a fundamentally different approach to the management of the farming operation. The decision to adopt the “Sustainable Agricultural System” (in this case Sustainable Beef Production) in this project requires a high level of commitment on the part of all involved stakeholders if it is to achieve and maintain ecological, social and economic sustainability for the benefit of the current beneficiaries and the future beneficiaries. Mostly this will depend on political will to implement appropriate legislative and policy frameworks and also it requires multinational cooperation (Pezzoli, 1997 & Roy & Tisdell, 1998).

2. BACKGROUND TO TALE GA-MORUDU: Vaalpenskraal Project

2.1. History of the dispossession of land rights

The dispossession of land rights occurred after 19 June 1913 according to the Restitution of Land Rights Act (Act No. 22 of 1994), as amended. Sebilaro Morudu, together with a number of other people, came from an area called Ga-Mamabolo during the eighteenth century to settle on land that later came to be named “Thabeng ye Tala” (literally “green mountain”), and which is now known as Saltlake 308 LR (Commission on Restitution of Land Rights, 2000).

With the population increase experienced over time, people started to scatter throughout the area and Sebilaro Morudu, as the leader of the community, nominated certain individuals called headmen (“indunas”) to become his assistants. After the death of one of the tribal council members, Lucas

Morudu, his wife Matlou (her maiden name) was requested to marry one of Chief Sebilaro Morudu's sons. When Matlou refused to do so, she was chased away from the chief's kraal, going to join a few other people who were staying in an area now called Otthille 283 LR (Commission on Restitution of Land Rights, 2000).

While Matlou was in Otthille 283 LR, she gave birth to a son whom she named Seleka, who, in adulthood, became a leader in the area where he grew up. Seleka's leadership later extended to an area called "Mmotong wa Masheleshele", now known as Reserve 284 LR. Piletsi Maripa, a senior councillor under the leadership of Sebilaro Morudu, was also in charge of those who were staying in the area now called Kaalhoek 335 LR adjacent to Saltlake 334 LR (Commission on Restitution of Land Rights, 2000).

Tlhako, another headman under Chief Morudu, was at Ramotshwa, which is now called Stutterheim 289 LR. He was a trusted traditional healer in the Chief's kraal. Seanego, a headman at Grootfontein, Kruispan and other adjoining areas, was also given permission by the Chief to conduct a circumcision school there. In the area, patches of deep red soil occurred around a mountain called "Lekgolwa", giving its name to the area (Commission on Restitution of Land Rights, 2000).

Headman Seanego was installed as headman in these areas to prevent these patches of red deep soils from been mismanaged. This soil, when processed and mixed with other African chemicals (mutis), could be used to mask the graduands of circumcision school and to cure certain diseases, hence it was considered very important to the entire Morudu community. Kgatla, Mohowa Lebepe and Maripa Tsekedi were also headmen in other areas under Chief Morudu (Commission on Restitution of Land Rights, 2000).

Some years later, on the passing away of Chief Sebilaro Morudu, he was succeeded by his son, Manase. Manase continued leading the community until, in 1919, they first saw a white man (only known by the name of Boshoff) on the land that they had occupied since 1700. They also later saw another white man, known as De Kock. De Kock was probably Stephanus de Kock of Portion 1 or Petrus Johannes de Kock of Portion 2 of the farm Steenbokskloof 331 LR (Commission on Restitution of Land Rights, 2000).

Ownership of the farm Steenbokskloof 331 LR was transferred to the above-mentioned men on 3 March 1958 by J.J. de Kock. According to an affidavit provided by T.A. Kgatla, who claims to have been born on the farm in question in 1920, his parents were working on the same farm. It is also mentioned that his parents moved from the farm in question to a place called Bergendal as a result of Fannie de Kock's confiscation of his parents' cattle, due to a complaint of there being too many on the farm. The subdivision of the land in question, without either the consent of, or consultation with, the claimant (T.A. Kgatla), could be seen as a direct degradation of his land rights, which resulted in his cattle being more than could be sustained by the available grazing land as a result of the said subdivision, resulting in the starting up of a feud (Commission on Restitution of Land Rights, 2000).

The white people concerned betrayed the Chief by telling him that they had come there to provide carpentry and farming services to those living in the area. Later, another white man, known only by the name of Dirk, was also seen around Chief Morudu's area. The said Dirk was Dirk Johannes Pretorius, the first registered owner of the farm Zwartland 301 LR. Ownership of the property in question was ensured by Linchi Property Consultants cc. Such ownership was obtained by the above person by means of deed of grant No. 4575, registered on 21 February 1870. An affidavit provided by M.F. Mpebe stated that he was born on the farm Zwartland in 1927 and that he saw no

white person on the subject's property until about 1940, when he first saw the arrival of a certain Lukas du Plessis. Du Plessis obtained Portion 3 of the said farm on 11 August 1949 from a certain Trust by way of deed registration No. 17890. The above proves that Mpebe was born on the said farm (Commission on Restitution of Land Rights, 2000).

Shortly thereafter, certain other white people started to tell the Chief and his people at a number of different places in the area that the land had been bought by them and that the people would have to work for three months without pay if they wished to remain on the land in question. After Boshoff left the area in 1930, his son remained for some time and later on also left. During that period the afore-mentioned Dirk came into direct conflict with the Chief over the labour tenancy system (Commission on Restitution of Land Rights, 2000).

In 1953 Chief Manase Morudu died in Potgietersrus Hospital after a long illness and was buried by the then municipality for reasons unknown. After the death of the Chief, the royal family moved to the area called "Madipitsi", now called Glen-Al-Pine 304 LR (the current location of the Glen Alpine dam). His son, Taketsi Morudu, succeeded the late Chief Manase (Commission on Restitution of Land Rights, 2000).

During the reign of Chief Taketsi Morudu, a feud again arose between a certain Oosthuizen and the tribe in question, which resulted in the confiscation of the people's livestock and property prior to their eviction. The community school in the area "Sapilwane", now known as Zwartland 301 LR, was also destroyed at that time. The Chief and some of the community members from surrounding farms then moved to the nearby areas of Chief Malebogo, known as Silvermine, Windhoek, Vergelegen, Grootdraai, Eldorado, and Papagaqi, where they are presently settled. Some members of the tribe then moved to

Chief Kibi's and Chief Tauyatswala's areas (Commission on Restitution of Land Rights, 2000).

The dispossession of right in land can hence be seen as a process that first started in 1930. In an affidavit, Kgatla swears that his parents stayed and worked on the farm Steenbokskloof 331 LR, where he himself was born in 1920. He remembers his parents leaving the land in question either in 1930 or somewhere around that time as a result of their being at loggerheads with the registered farm owner over the number of his father's cattle that grazed there at the time. Another affidavit, this time sworn to by Pheeha Morudu, states that Morudu was born in 1930 on the farm Kaalhoek 335 LR, where he stayed with his parents. The family moved to Glen Alpine 304 LR in about 1939, where he started working in about 1945 and where he also married a local woman. After his father was buried on the farm Kaalhoek 335 LR, he and his mother moved to Silvermine in around 1966, where his mother passed away and was buried (Commission on Restitution of Land Rights, 2000).

2.2. Nature and extent of land rights lost

The nature of land rights lost by the Tale Gamorudu tribe include the interest invested in being labour tenants and that of beneficial occupation for a continuous period of not less than ten years prior to the dispossession in question, as contemplated in Section 1 of the Restitution of Land Rights Act, (Act No. 22 of 1994).

When the Tale Gamorudu tribe settled on the land in question during the eighteenth century, the land had previously neither been registered in favour of, nor occupied by, anyone else, and therefore the land came to be under their auspice. The earliest registration of property with the deed office in Pretoria

occurred in 1870. Therefore, the tribe can clearly be seen to have had beneficial occupation rights regarding the land in question.

About 40 years later, members of the tribe came to be regarded as labour tenants in terms of the Natives' Land Act (No. 27 of 1913). In about the 1930s some tribe members started to feel frustrated with the system. Members of the tribe were moving from one farm to another in the area (unaware that the system of tenancy was uniform throughout the area) in anticipation of being able to settle freely. Only in 1953 or later was a serious feud sparked between a certain Oosthuizen and the royal family in Glen Alpine 304 LR, in terms of which livestock were confiscated and property, including the community school in Zwartland 301 LR, was destroyed, culminating in the total dispossession of land rights of the royal family, including those of other tribe members living elsewhere.

The tribe left the graves of their loved ones on the land under claim. Other rights that were lost as a result of the dispossession included those of grazing, residence, cultivation (backyard), hunting, convenient places for circumcision, and freedom, because members of the tribe came to be squeezed into the area that falls within the jurisdiction of Chief Malebogo and his neighbouring chiefs. The disintegration of family units and of the tribe members also dealt a blow to the entire Morudu tribe.

2.3. Description of the land successfully reclaimed

The successfully reclaimed land comprises the following farms: Otthille 283 LR; Hardekraaltjie 330 LR; Glen Alpine 304 LR; Steenbokskloof; Zwartland 301 LR; Kaalhoek 335 LR; Saltlake 308 LR; Vaalpenskraal 282 LR; Virginia 295 LR; and Sterkloop 300 LR; Briebosch 288 LR; Stutterheim 303 LR; Makapan 299 LR; Eenzaamheid 345 LR; Keizerbosch 298 LR, which are situated in the magisterial district of Waterberg in the Limpopo Province. The

total number of hectares involved is approximately 18 668.9200 ha, while the farm in question (Vaalpenskraal) contributes approximately 2 600 hectares (Commission on Restitution of Land Rights, 2000).

The farms in question are bordered on the north-eastern side by the village of Mogalakwinstroom, under Chief Mmachaka, and the village of Monte Christo, under Chief Phuti Matlala, to the south-west by the village of Steilloop under Chief Tauatswala and to the north-west by the former white area, including Tolwe, both of which areas fall within the Lephalale Municipality (Commission on Restitution of Land Rights, 2000). Due to the large number and diverse residential locations of the beneficiaries of the Tale Gamorudu Land Claim, the strategic decision was taken to divide the land into manageable projects supervised by different headmen under the overall guidance of Chief Morudu. The focus of this project will be on the farm Vaalpenskraal, which was allocated to the community under Headman A.L Langa.

2.4. The South African agricultural/land context

2.4.1. The historical South African agricultural/land context

South Africa, of which the total surface area is 122.3 million ha, occupies the most southern part of the African continent. The country has nine provinces, with Limpopo Province (in the far north) covering 11.8% of the total land area. The three most important economic features of South African agriculture are its dualistic structure (comprising both a commercial and a subsistence sector), the process of deregulation of commercial agriculture that has taken place over the preceding two decades, and the attempt to 'deracialise' the sector that was first embarked on in 1994 (Aliber *et al*, 2005). These features must be seen against the background of the country's resource endowment. Of the 100.6 million hectares of agricultural land available, only some 14% receives enough rainfall to allow for arable farming, while the remainder is

used for extensive grazing (83.9 million hectares). Only 1.35 million hectares of the arable land available is irrigated, with yields of at least a third of total agricultural output (Nesamvuni *et al.*, 2003). Limited water availability is the main reason for this, but on some of the southeastern rivers limited irrigable soil is the main factor. Only 10% of the irrigated soils in South Africa have high potential. In comparison: IRAN, a country with the same size as South Africa, has the potential to irrigate 7.5 million hectares (Laker, 2005).

South Africa has an extreme history of land dispossession based on systematic processes of racially-based land dispossession that lasted for over four centuries during the colonial era (see Elphick & Malherbe, 1989; Philip, 1995 & Hall, 2003) and subsequent years of apartheid rule (see Bernstein, 1996; Lahiff, 2003; Hall, 2004a; Hall, 2004b; Cousins, 2004 & 2005). In comparison to other African countries that suffered land dispossession during the colonial era, South Africa differs in that colonial settlers concentrated productive land into large private estates; creating a highly unequal pattern of land ownership and leading to widespread rural land-related poverty (see Quan, 2000 and Crane, 2006). South Africa represents the most extreme case in this respect, often characterized by disempowerment and racial paternalism (Du Toit, 1996). Before the new dispensation in 1994, some 60 000 commercial farmers occupied almost 87% of the total agricultural land in the country, while producing more than 95% of the marketed output. In contrast, African smallholder farmers were found mostly in the former homeland areas, which, in total, make up some 13% of the agricultural land and produce mainly for consumption (Aliber *et al.*, 2005). These areas, which were established under the notorious Land Acts of 1913 and 1936, were characterised by traditional forms of land tenure, which were, in the past, regulated by a series of laws and regulations, mostly proclaimed in terms of the Black Administration Act of 1927.

Such was the situation facing South Africa's first democratic government when it took power in April 1994 and began with its land and agrarian reforms programmes, which seeks to transform the racial pattern of land ownership (DLA, 1997).

Faced with the need to balance strong demands from the dispossessed with the need to preserve the commercial farming sector and a fragile political compromise, the government, dominated by the African National Congress, opted for a three-pronged land reform policy, one of land restitution, land tenure reform and land redistribution, all driven by the twin goals of restoring and upgrading land rights, and reducing poverty by promoting rural development (Cousins, 2004). The aim of the restitution is to restore land and provide other restitutionary remedies to people dispossessed by racially discriminatory legislation and policies. Land tenure reform is intended to secure and upgrade the tenure rights of people who occupy but do not own land, but balancing this with the rights of the existing owners. Land redistribution is aimed at transforming the racially skewed pattern of land ownership, through a grant-based programme that aimed to assist previously disadvantaged people to acquire land through a market-led approach ("Willing Seller Willing Buyer") (DLA, 1997). However if the aim of the Government of redistributing 30% by 2014 is to be achieved, Cousins (2005) argues that a decisive break with market led approaches to land reform is required, these must be replaced by an approach premised on the central role of the state, together with progressive forces in civil society, in driving process of land acquisition and redistribution (Cousins, 2005).

As white power and privilege created their current economic control over Africans this has been directly associated with the past skewed land distribution, land reform is seen by many as imperative to the success of the

national economic transformation project (Hall, 2004b; Lahiff, 2003 & Cousins, 2005) - a precondition for the legitimacy of the new non-racial order.

Under the land restitution policy, which allows for legal steps to be taken on behalf of those who can prove that they were dispossessed of their land after 1913, individuals are empowered to regain their land or to receive financial compensation for it. Chief Taketsi Pheeha Moruu of Tale Gamorudu formally lodged a claim in terms of the policy on 15 December 1998. Following promulgation of the Restitution of Land Rights Act, (No. 22 of 1994), members of the public were invited to submit land claims before a deadline that was extended to 31 December 1998. The date of the lodgment of the claim by Chief Taketsi Pheeha Morudu therefore fell within the period for lodgment of claims as provided for in Section 2(1)(d)(e) of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994), as amended (Commission on Restitution of Land Rights, 2000).

2.4.2. The current state of South African agriculture

According to Nieuwoudt and Groenewald (2003), agriculture plays a relatively dynamic role in the South African economy, as it provides an acceptable economically, politically and socially stable environment for South African society. The annual value of commercial agriculture production in South Africa is now about R45 billion, while the GDP contribution (in terms of value addition) is around R25 billion. Nominal growth in agricultural production has been about 11.5% per year since 1965. However, the economy as a whole has grown by 14.4% per year over the same period. The result is that agriculture's share of GDP has declined from 9.1% in 1965 to 3.1% in 2001. While this is lower than is the average contribution of 9% for middle-income countries, the combined contribution of the primary sectors to the Gross National Product

(GNP) in South Africa was 10.5 in 2000, given the 7.3% contribution made by the mining sector.

Agriculture also plays a leading or equilibrating role in earning foreign currency. While agriculture forms 8% of total exports, it forms 5% of total imports. The agricultural sector exports almost twice the value of products that it imports. With the recent appreciation of the Rand and high agricultural production due to heavy rainfall, the level of exports is bound to increase. Given that the country is largely unsuited to cultivation, livestock production accounts for the greatest share of output (44% in 2000). Field crop production (31% of the total output in 2000) declined from almost half of the total output in 1978–1979 to less than a third in 2000. During this period, animal production increased its share somewhat, while horticultural production increased its share by 9%. The former is due to the increase in intensive livestock production, while the latter is due to the liberalisation of foreign trade, as well as to the country's formal re-entry into international markets (Nieuwoudt and Groenewald, 2003).

2.4.3. The current state of agriculture in the Limpopo Province

The Limpopo Province is divided into six districts: Vhembe; Capricorn; Sekhukhune; Mopani; Bohlabela; and the Waterberg. The total area of the province is 12 460 000 ha, of which 10 548 290 ha (88.2%) constitute farm land, with 14.7% and 14% of the total constituting arable land and commercial agriculture respectively. The area under irrigation in the Limpopo Province is 135 000 ha (10.5% of the country's total). There are about 167 government-developed schemes serving small-scale farms, covering 47 780ha (Nesamvuni *et al.*, 2003).

Agriculture is the flagship of the economy for the Limpopo Province, being capable of division into three broad sub-sectors: commercial, emerging

commercial, and subsistence farming. It contributes approximately 15.2% of the GGP and 10% of the National Agricultural Production. Tobacco, sunflower, cotton, maize, and peanut crops are cultivated in this Province, contributing 25% of the total farm income. This Province produces about 41% of the National's tobacco production and 50% of the National's cotton production. (Nesamvuni *et al.*, 2003).

Land and agrarian reform have become ever more of a challenge, not just in terms of the speed of delivery but also in terms of the sustainability of restored properties and the participation of black people in the entire value chain of the agricultural sector. Given that about 80% of the Limpopo provincial commercial land is under restitution claims, land reform sustainability should justifiably occupy the centre stage as regards realising 6% economic growth in terms of employment opportunities. Through the implementation of such programmes, it has become clear that the successful implementation of land reform policies requires strategic partnerships and the involvement of all stakeholders (Nesamvuni *et al.*, 2003).

Dualism is declining due to land reform outcomes and the involvement of Black entrepreneurs in the agribusiness value chain. However, there are still two distinct types of agricultural production systems, the large-scale commercial farming system and the smallholder farming system, which have evolved as a result of past policies of the previous governments under the apartheid regime. The outcomes of land reform and the acquisition of interests by Black entrepreneurs in agribusiness should, over time, remove this anomaly (Okorie, 2003).

White farmers who practise a large-scale farming system using the most advanced production technology occupy approximately 70% of the total land area. These commercial farmers operate large farms, which are well organised

and situated on prime land. At present, there are approximately 5 000 commercial farming units in Limpopo Province (Okorie, 2003). This was also echoed by Mashela and Mathabe (2002).

The smallholder farms are located mostly in the former homeland areas, covering approximately 30% of the provincial land surface area (Mashela & Mathabe, 2002). Farming under the smallholder systems is characterised by a low level of production technology and the small size of farm holdings (approximately 1,5 hectares per farmer), with production primarily being subsistence, providing little marketable surplus (Okorie, 2003).

2.4.4. The current state of agriculture in the Waterberg District

Due to the extensive area available for grazing, Waterberg District makes a significant contribution to the production of red meat and to the game industry. Animal production contributes 51% of the Gross Agricultural Income, followed by horticulture (32%) and field crops (26%), while forestry and other sectors contribute 0.2% (Nesamvuni *et al.*, 2003). The district profile, though relatively broad-based, largely applies to Lephalale Municipality, and therefore can successfully be used to illustrate the economic trends and dynamics of the Municipality as well.

Table 1: Gross Geographical Product (GGP) at factor cost and current prices by kind of economic activity, 1996 and 2001 (R1 000) (Lephalale and Waterberg Districts) (Lephalale Municipality, 2004)

Municipality	Year	Primary sector		Secondary sector			Tertiary sector			Total	
		Agriculture	Mining	Manufacturing	Electricity & water	Construction	Trade/Catering	Transport/Communication	Finance/Real estate	Community services	
Lephalale	1996	45 667	12 558	68 446	10 241	46 024	110 137	46 025	40 745	273 323	653 076
	2001	51 957	41 799	123 690	14 981	81 929	191 854	90 443	95 941	415 082	1 107 677
Waterberg district municipality	1996	445 572	1 180 526	344 955	612 454	197 278	554 859	247 311	431 899	1 434 278	5 476 132
	2001	497 622	3 365 202	599 109	741 950	353 594	981 037	585 410	1 131 701	2 178 890	10 434 515

Table 2: Percentage contribution of local municipalities to GGP of Waterberg District Municipality (WDM) by kind of economic activity, 1996 and 2001(Lephalale Municipality. 2004)

Municipality	Year	Primary sector		Secondary sector			Tertiary sector				Total
		Agriculture	Mining	Manufacturing	Electricity & water	Construction	Trade/Catering	Transport/com munication	Finance/real estate	Community services	
Thabazimbi	1996	7.9	81.2	27.4	2.3	18.1	10.4	19.6	34.4	5.8	27.9
	2001	8.2	82.5	32.6	2.5	22.6	13.6	20.3	44.4	5.8	38.7
Lephalale	1996	9.6	17.4	15.6	91.2	21.3	27.2	33.8	18.9	18.5	28.9
	2001	9.9	15.8	15.9	90.1	22.2	31.0	36.9	21.6	18.5	25.8
Mookgo-pong	1996	3.6	0.2	29.6	4.2	27.8	35.0	19.8	31.1	45.1	24.1
	2001	3.4	0.2	22.3	4.4	19.9	25.9	14.1	18.9	45.1	18.2
Modimolle	1996	8.0	0.1	7.0	0.8	9.3	7.5	9.9	6.2	11.4	7.1
	2001	7.5	0.2	8.4	0.9	11.9	9.7	13.0	6.6	11.4	6.6
Bela-Bela	1996	0.6	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.1
	2001	0.6	0.0	0.2	0.0	0.1	0.1	0.2	0.1	0.1	0.1
Mogalak-wena	1996	0.2	1.1	19.8	1.7	23.3	19.8	16.8	9.4	19.1	11.9
	2001	0.4	1.2	20.6	2.0	23.2	19.6	15.4	8.5	19.1	10.6
WDM	1996	100	100	100	100	100	100	100	100	100	100
	2001	100	100	100	100	100	100	100	100	100	100

The inherent agricultural production capacities of an area can be considered a function of a number of variables, including soil type, climate, access to service infrastructure, distance to markets, and access to suitable ground and surface water. In comparison, the actual portfolio of commodities and the volume produced in the area (given its inherent capacities), is the function of a different set of variables, including effective demand and prices level per commodity, financial and technical abilities of the particular farming community concerned, and the policies and support provided by government.

It should by now be clear that, given the latter set of variables, agricultural production capacities and abilities are area specific. Identifying the various agricultural production areas as they impact macro land-use patterns (such as those regions set aside for irrigation or extensive cattle production) can, therefore, be of great importance. Much of the district in question is, in fact, prone to frequent drought, while most of the farming activities conducted by the largely small-scale farmers depend on adequate rainfall. On-going research is conducted into appropriate drought-tolerant crops and new techniques, aimed at minimising the effect of drought on crop production.

3. Business objectives of the project

The business objectives concerned are to create opportunities and possibilities for commercialising beef production within the Tale Ga-morudu Vaalpenskraal Project of the Waterberg District in the Limpopo Province of South Africa, resulting in improved household livelihood resulting from a sustainable beef production system, involving a viable processing mechanism and readily available access to markets.

Project objectives

The objectives of the project are:

- to generate sufficient revenue for household livelihood improvement;

- to use a whole-system approach to land, water, energy, labour, and technology utilisation, as well as a system of capital management to meet goals and ensure biodiversity and resilience while producing profit;
- to promote sustainable natural resource management;
- to contribute to the growth of the economy of the Waterberg District; and
- to ensure sustainable potential market outlets for project outputs.

Output definition

The output of the project will consist of the production of quality beef products aimed at satisfying consumer demand.

4. The nature of the project

4.1. Geographical location

The set project is in the Waterberg District, the largest district in the Limpopo Province, which is located in the west of the Province. The total surface area of the District is 4 951 881 ha, with the largest area of arable land being 1 220 900 ha in extent (Nesamvuni *et al.*, 2003). Figure 1 illustrates the location of the Waterberg District Municipality within the Limpopo Province.

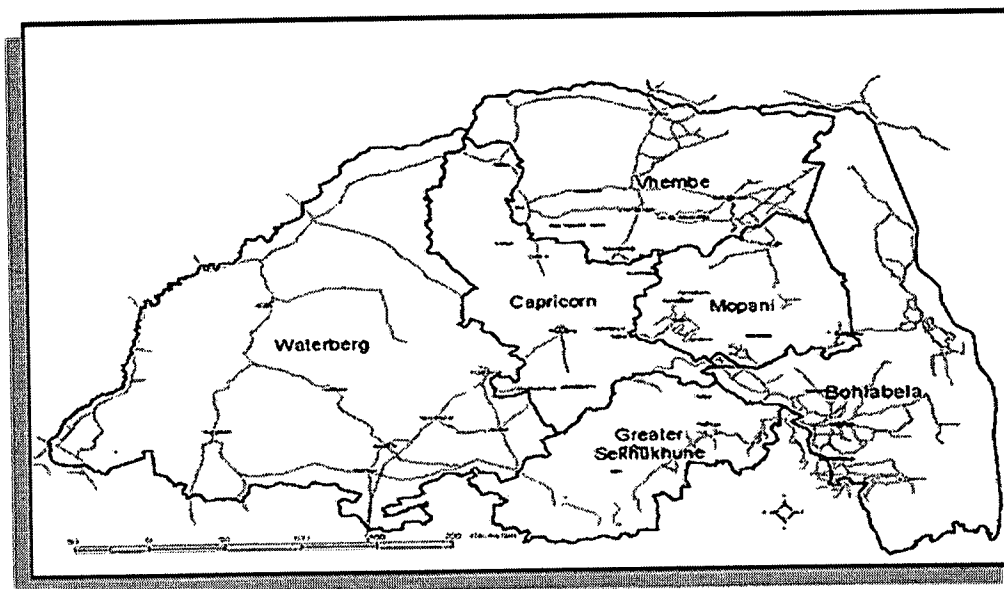


Figure 1: Map of the Limpopo Province, showing the Waterberg District in the west

The Waterberg District Municipality consists of the following local municipalities: Mogalakwena, Bela-Bela, Modimolle, Mookgopong, Lephalale and Thabazimbi. The district is rural in nature, containing only relatively dispersed and fragmented urban areas. The Lephalale Municipality is situated in the western quadrant of the Limpopo Province, within the Waterberg District Municipality, and is bordered by Aganang Municipality to the east, Mookgophong to the south, Mogalakwena to the west and Modimolle to the north. The extent of the land comprising Vaalpenskraal farm, which consists of 2 600 ha, falls under Lephalale Municipality.

4.2. Climate

The area is hot and dry, with an annual rainfall of about 600mm and a high evaporation rate. Rainfall occurs predominantly in summer, with an estimated average range of 20.8 to 123.3mm between September and April, and 3.7 to 7.8mm between May and August. Rainfall is unreliable, with at least one year in two drier than the average. The area is characterised by alternately dry and wet cycles, though a dry year can be expected at least once every 10 years.

The general conditions imply that dryland agriculture is risky, so that adequate planning is required in order to reduce the risk. The average evaporation rate per day ranges from 3.6 to 5.5 between April and August, and from 6.0 to 8.0 between September and March (see Table 3). The average minimum temperatures range from 2.2 to 6.0°C from May to August and 9.0 to 16.7°C from September to April. The average maximum temperatures range from 20.2 to 23.04°C from May to August, and from 26.7 to 29.6°C from September to April.

Table 3: Climatic data for the land claimed (Lephalale Municipality, 2004)

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Ave. max. T	29.4	29.0	27.9	25.4	23.0	20.2	20.6	23.4	26.7	28.1	29.3	29.6	
Ave. min. T	16.7	16.4	14.6	10.8	6.0	2.2	2.4	4.6	9.0	12.8	14.8	16.0	
Ave. rainfall	17.6	92.1	69.2	38.2	6.5	7.8	3.7	6.0	20.8	38.5	99.2	123.3	622.9
Ave. evap./ day	7.5	6.6	6.0	4.7	4.3	3.6	4.0	5.5	7.5	8.0	7.7	7.8	
Ave. sun hrs	8.5	8.6	8.4	7.9	8.7	8.7	9.1	9.4	9.3	9.1	8.5	8.6	
Total wind	3 917	3 311	3 225	2 893	2 831	2 972	3 258	4 268	4 768	5 403	4 811	4 268	

Approximately 10 frost days can be expected each year, with occasional black frost that can cause severe damage.

4.3. Topography

On the west the Drakensberg escarpment and the Soutpansberg Mountains dominate the landscape, with steep slopes and peaks that rise to 2 000 metres. The Waterberg and Blouberg Mountains consist of undulating to very steep terrain and reach altitudes of between 800 and 1 000 metres. During the rainy season the veld abounds with running streams and rivulets.

4.4. Soil types and vegetation

Soils are good red sandy loams falling in the Hutton form, ranging from a Shorrocks series to a Makatini series (the clay contents range from 15 to 35%). The pH of the soils is slightly acidic to neutral, with most soils high in lime. The dominant grass species on the farm are Buffalo grass and Smuts finger grass. The farm provides a great competitive advantage on livestock production, due to its significant grazing capacity (See Appendix:1).

4.5. Population and the farming typology

The Waterberg District is mostly inhabited by Black (Tswana, Pedi and Ndebele), White (Afrikaans) and Indian people. The total population of the district is 623 354, with an estimated 117 659 households. About 36.4% of the population is unemployed and 42.1% of the population consists of young people (14 years and younger). Estimates of the size of the Lephalale population vary. The latest figures indicate that the total population adds up to 298 419 persons comprising 68 010 households. The average household is home to 4,4 persons. Many households are home to more than ten persons. It should, however, be noted that the population of the Municipality could be more than the number of the people indicated, as many people live scattered on farms throughout the area. The population also changes with the seasons,

since many residents migrate to work elsewhere. The annual population growth rate is estimated at 1,4%, which represents the average provincial population growth rate (Lephalale Municipality, 2004).

Table 4: Population of Lephalale by age and gender, IDP (2004/2005)
(Lephalale Municipality, 2004)

	0–4 Years	5–14 Years	15–34 Years	35–64 Years	65+ Years	Total
Male	15 972	41 928	46 966	25 697	6 457	137 020
Female	16 064	41 665	53 718	37 001	12 972	161 420
Total	32 036	83 593	100 684	62 698	19 429	298 440

The land claim of the Tale GaMorudu tribe consists of approximately 1 212 beneficiaries, 550 households and 225 female-headed families. The beneficiaries of Vaalpenskraal farm under Headman Langa number approximately 100, consisting of 40 households and 14 female-headed families. The female headed households are more susceptible to poverty and the incidence of these households is increasing rapidly in the developing countries (Bepa and BE, 2001).

The farm has been earmarked by the community for the application of sustainable agricultural management practices, including a commitment to use agriculture as a means of achieving food security and job creation. However, households differ in natural, physical, human, social and financial capital: in other words, assets required to engage in farming. As there is only one area in question here, the variability in these assets is expected to be minimal. Natural

capital, covering such factors as soil and climate, will be the same for all the farms claimed, as they are located in the same geographical zone.

A typology entails consideration of variation of assets in households in the same area. The typology of the tribe's households differs in the following respects: access to resources, preferences, objectives, and expectations. The variation in access leads to varying degrees of engagement in different activities, both agricultural and non-agricultural. 80% of the households concerned farm with livestock (cattle, goats, sheep and poultry) on the subsistence level and support the livestock agriculture-related activities to be implemented as part of the project. Only a minority claimed to support any project proposal that could benefit all those concerned, including even those currently without livestock. "Communities with different view about life and economic development – these views and expressions must be clearly identified and linked into a conceptual framework to the theory of entrepreneurship and business development in order to understand the timeframe and the different steps that a potential entrepreneur or group of them require to develop an idea and creation of stable sources of income and economic growth" (Alfaro Altuve, 2003). Table 5 shows the amount of income obtained from animal production on smallholder farms, which constitutes more than half the total income in the Waterberg District, the district followed by that obtained by similar farms in the Mopani and Vhembe Districts. The ranking of income obtained by way of animal production may be due to the available infrastructure and markets (Lephalale Municipality, 2004).

Table 5: Income obtained from animal production according to District (in R Million) (Lephalale Municipality, 2004).

	Bohlabela	Capricorn	Mopani	Sekhukhune	Vhembe	Waterberg	Provincial
2000	6 227	7 249	19 609	4 576	10 276	39 258	14 349
2001	7 233	8 434	20 527	5 466	13 285	35 977	15 644
2002	7 061	7 670	23 583	5 347	16 984	28 757	15 373

4.6. Socio-economic status of the Beneficiaries

4.6.1. Livelihoods of the Beneficiaries.

‘Livelihood’ refers to ‘means of living’ or ‘the way people make a living’. Analyzing livelihood systems is the analysis of the way in which people make a living. In this case the study focused on the analysis of how beneficiaries of Vaalpenskraal farm make their living. In a broad context, the sustainability of livelihoods of the beneficiaries is determined and driven through a number of elements/factors. Among these are: the activities the beneficiaries are involved in; access to, availability and control over Resources; and characteristics of the People (beneficiaries) in the area.

4.6.1.1. Activities

The economic and livelihood activities explained in this context are divided into on-farm and off-farm income. From group interviews (July and August 2005) with beneficiaries at Lephalale Municipality Office, a representative picture was assembled, to explain the large dependency on off-farm income for the beneficiaries of the farm. The largest portion, 49% of the responding farmers actually got 100 percent of their income from formal employment, self-employment, social grants or remittances. Twenty-one percent of the responding farmers generated some of their income from subsistence farming

activities, but relied on off-farm income sources for 50 to 75 percent of their income. Only 20 percent of respondents relied on off-farm income for less than 10 percent of their total household income. On average off-farm activities accounted for 64 percent of households' total income. Figure 2 shows the frequency of farmers with different levels of percentage off-farm income for their households.

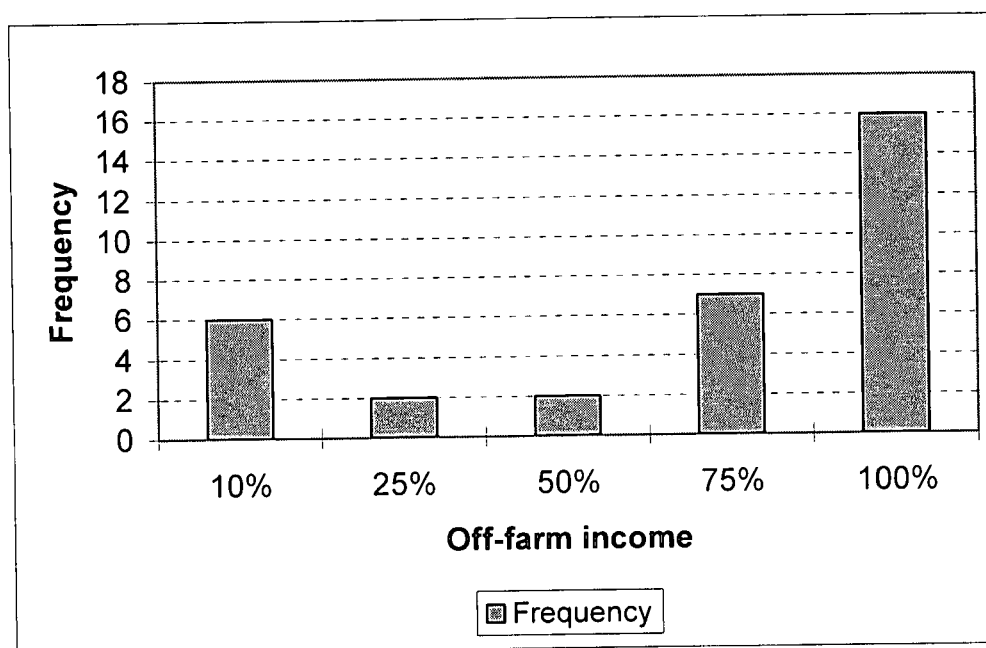


Figure 2. Percentage contribution of off-farm income to the total income of responding farmers

The most common agricultural practice is livestock farming, with majority of the farmers solely engaged in livestock farming, whether at small-scale, or simply for subsistence purposes while few percent of beneficiaries are combining livestock with arable production (Sithole, 2005).

4.6.1.2. Resources

Access to, availability of and control over resources have been indicated as the most important factors determining what farming practices the farmers are engaged in. The three important resources were; water, land and agricultural

infrastructure. Land ownership and occupation of land have a great influence on farming activities.

4.6.1.3. People

The characteristics of the beneficiaries have great influence on their livelihoods and incentive to be involved in certain activities. Three issues have been identified as main elements of the characteristics of the people: their level of knowledge and life skills, their culture, and their age. Jackson (1997) echoed that people have always been an important resource in organization. Now they are even critical as their skills, knowledge and behaviour will become more important as the shift to knowledge work increase.

During the interviews with beneficiaries, July and August 2005, they acknowledged the fact that knowledge is important issue in determining their participation and success in different farming activities (Group Interview, 2005). Improved knowledge gives people the confidence to ask why, to question the instructions handed down from above (Jackson, 1997). The subsistence farmers involved in the partnership with the commercial farmer gain an immense level of knowledge (De Villiers & Basson, 2005). The knowledge is both on practical agricultural production, financial management, marketing and other life skills. It also indicated that another source of training and knowledge transfer is through the extension services (Sithole, 2005).

Support can be given through practical advice and through courses presented to the farmers. According to the beneficiaries, these support services are not sufficient. The need for more effective training, in terms of quantity and quality, was expressed during interviews with the CPA and LED (June 2005) hence the involvement of Tompi Seleka College of Agriculture in training farmers was emphasized. There is a direct relation between the level of knowledge and the effectiveness of farming operations.

Tribal conflict has divided the community of Chief Ga-Morudu and negatively affected the sustainability of people's livelihoods. Hence it was important to realize that instead of trying to change the culture or to change the organization, the wisest approach may be to work with and through the existing culture, mainly because process of economic development dependent on existing human, natural and capital resources, trade, and policies, requiring that the beneficiaries be positively involved in the development drive of this project (Alfaro Altuve, 2003).

Other cultural dynamic that was identified during group interviews (July and August, 2005) with beneficiaries at Lephalale Municipality Office was that they showed aspect like, lack of self confidence and lack on inter-personal skills and this represent a major threat for the survival of the project. Considering that 100% of land reform project in the Province presented in a greater or lesser extent that these kind of attitudes where the most important consequences comes as loss of potential opportunities and potential succesfull commercial links with other role players. Attitude like shared values, group oriented, communication skills, inter-personal skills and tolerance, represent important characteristics in successful project development (Alfaro Altuve, 2003).

Another important characteristic of the beneficiaries is their age. The majority of them are ageing, and some acknowledge the fact that they are now less capable in farming than they used to be in their youth. The level of farming activities is thereby influenced by the age of the farmers. The sustainability of the farm and the activities are also determined by the availability of a successor and the capabilities and/or incentives of these successors.

4.7. Financial support

In order to ensure successful sustainable beef production on the farm, the project has applied for credit/support from different agricultural financial

institutions, including the government. Firstly, the Land Bank, as mandated for the financing of agricultural development in terms of granting loans to farmers, has been approached. The extent of any loan provided by this Bank depends on the type of collateral that the farming project concerned is able to provide as security, with projects without collateral only being able to obtain loans of up to R25 000. The bank loan, together with the initial membership fees that will be generated and the recurrent annual levies, should serve to provide sufficient funding to enable purchase of the requisite breeding stock.

Secondly, the project has envisaged donor support of the infrastructure revitalization (Phaahla & Selepe, 2005). The Department of Agriculture, through its farmer support programme (the Comprehensive Agricultural Support Programme), aims to provide effective agricultural support and to streamline the provision of services to the targeted four different levels of clients within the farming continuum. The Department has been approached in order to secure farm-level support aimed at supporting the beneficiaries of land reform restitution and redistribution, as well as of tenure reforms and other strategic programmes, such as the rehabilitation of irrigation schemes.

Other government-run financial support programmes have also been considered in order to secure sufficient funding. Such programmes include the Micro Agricultural Finance Institutions of South Africa (MAFISA), which aims to provide funding through provisionally accredited Developmental Finance Individuals supportive of on-land targeted end-users within pre-determined target areas (Strauss Commission, 1996). Through the MAFISA programme the beneficiaries will have access to loans up to R100 000. As can be seen, the project is likely to prove financially sustainable enough to allow for the undertaking of sustainable beef production in terms of the identified agricultural development opportunity.

4.8. Infrastructure and resources available.

As part of the handing over of the government-owned farms, the Limpopo Department of Agriculture has withdrawn all the relevant biological assets, while donating all other assets to the beneficiaries concerned and this mentioned in the interviews with the beneficiaries (Group Interview, 2005). However, the long period of time that has passed without developmental activity taking place on the farm, has resulted in some necessary infrastructure, such as boreholes and canals, being allegedly stripped and damaged (Mkhudu, CPA & LED, 2005). Such deterioration of resources may lead to otherwise unforeseen difficulties in attaining the same level of productivity as that obtained by the farmers previously in possession of the land. For example, the damaged electricity infrastructure is too expensive to repair, making it difficult to pump water from the boreholes to supplement the water supply currently available from the dams. The damaged fencing also poses a problem for the successful management of livestock production. Details of the available farming resources and infrastructure, as well as their current state on Vaalpenskraal farm, are shown in Table 6:

Table 6: The state of the available farm resources and infrastructure on the farm.

Resources and infrastructure	Condition of available farming resources and infrastructure			
	Poor	Fair	Good	Excellent
Residential houses		X		
Office building		X		
Tractors			X	
Input and fodder storage		X		
Grazing camps			X	
Boreholes			X	
Drinking troughs			X	
Reservoirs			X	
Roads				X
Electrical connections		X		
Communication network			X	

5. Stakeholder analysis

The stakeholder analysis involves identifying the relevant stakeholders, considering their objectives towards the Tale Gamorudu-Vaalbenskraal Farming Project, and then obtaining their perspective on how possibly to solve the current difficulties relating to commercial livestock production on the

farm. Various stakeholder matrices will be constructed in order to facilitate the comparing of currently available information about the different stakeholders concerned (SDD, 1995)

Stakeholders are those individuals, institutions or organisations with an interest in and/or influence on the current difficulties. How to identify opportunities for commercialisation of livestock production in terms of the community-run Tale Gamorudu-Vaalpenskraal Farming Project under Headman Chief Langa is faced by all such stakeholders. Examples of lack of communication, power play, and lack of appropriate decision making by various stakeholders currently abound.

5.2. Key stakeholders and their objectives

The objectives, roles and influence of each stakeholder regarding the problem were considered. While some stakeholders have shared objectives, others have conflicting objectives. The clustering of stakeholders according to conflicting and sharing objectives can serve to justify their varying perceptions of the problem situation and any possible solutions of the problem involved. The clustered stakeholders are shown in Table 7.

Table 7: Stakeholder cluster objective analysis

Stakeholder clusters	Conflicting objectives	Shared objectives
Noordelike Transvaal Kooperasie (NTK), Feedlots, Lephalale Dairy Project Butchers & Abattoir	Market outlet red meat vs fodder production NTK is also an input supplier.	Market outlets
Land Bank, Partnership (Production), Limpopo Department of Agriculture, Department of Land Affairs and Department of Economic Development, Environment and Tourism	-	Provision of financial support for agricultural development
Farmer, Partnership (Production), Partnership (Hay-making)	-	Utilisation of available resources and commercial production
Department of Land Affairs, Department of Water Affairs and Forestry	Control of water resources vs control of land	Resource management and administration
Limpopo Department of Agriculture, Agricultural Research Council, Local Municipality	Competing in regard to service provision Administration and research and development vs only research and development	Agricultural and local economic development

6. Development strategies/activities

6.1. Identifying the strategies/activities

The analysis of the system of interest focused on the analysis of the nature of livestock farming for the different types of stakeholders affected by the project. Stakeholders need different development options due to their varying capabilities, resource endowments, livelihood strategies, interests and vulnerabilities. In order to be able to identify a typology for the project, a prolonged criterion has been considered: history of the farms (in terms of previous production activities), farm size, farming experience of the beneficiaries and market availability.

Four types of typologies were found to affect the stakeholders involved with the given project: Also see Table 9

- A – Arable Farming under Dryland (AFD)
- B – Sustainable Beef Production (SBP)
- C – Game Farming (GF)
- D – Fodder Production (FP)

Strategies are products of scenario building, which needs to be undertaken in order to reach a desirable future situation. A good strategy needs to be able to adapt to several possible future scenarios. The strategies are informed by what was learnt by means of engaging with stakeholders during the data-gathering process. Strategies are developed in order to counteract the negative implications of the scenarios concerned. It is then important to show why each particular strategy is relevant in regard to the achievement of the desired change.

Table 8: List of identified strategies/activities and the suitable typologies

Strategies	Suitable typology
Rehabilitation of infrastructure	A, B, C, D
Drought-tolerant crops	A
Value-adding	A, B
Partnership	A, B, C
Shift to game farming	C
Fodder diversification with livestock	B, D

Table 9: List of identified suitable typologies supported by stakeholders for prioritisation

Stakeholder	Typologies			
	AFD	SBP	GF	FP
5 = 100%				
4 = 75%				
3 = 50%				
2 = 25%				
1 = 10%				
- = No vote				
Limpopo Department of Agriculture	1	5	1	3
Lephalale Local Municipality	2	4	2	2
Limpopo Department of Land Affairs	1	4	2	4
Limpopo Department of Water Affairs and Forestry	4	3	3	4
Limpopo Department of Economic Development, Environment and Tourism	-	5	4	3
Beneficiaries (subsistence farming with livestock)	-	5	-	4
Beneficiaries (non-farming)	1	4	4	2
Land Bank – Modimolle	-	5	3	4
Commercial Farmers	-	4	4	4
Agricultural Research Council	1	4	2	4
Abattoirs	-	5	1	3
Feedlots	-	5	-	3
Supermarkets (Pick n' Pay and Spar)	1	5	3	1
Tompi Seleka College Of Agriculture	1	5	2	4

From the above table it is clear that the listed stakeholders support Sustainable Beef Production as the relevant typology to be given preference in the project followed by Fodder Production.

6.2. Justification of strategies to be implemented

6.2.1. Rehabilitation of infrastructure

Whether or not more water will be made available for livestock in certain parts of the farm is uncertain, due to the number of currently existing damaged boreholes and canals. The limited availability of water in other parts of the farm has led to recognition of the need for the revitalisation of boreholes under the Tale Gamorudu Project. The Limpopo Department of Agriculture currently

employs Comprehensive Agricultural Support Programme (CASP) to develop the infrastructure involved in other farming projects, including those of land reform. If more water were to be made available, the yield could be increased by means of enhancing the stocking rate. Earnings could also be obtained by way of utilisation of all the farms claimed, and even fodder production could be increased for commercialisation.

6.2.2. Importance of farming with drought-tolerant crops

Some beneficiaries are currently practising dryland cropping as a result of the water shortage on the subsistence level. Dryland cropping poses a challenge to the project, due to the large number of wild animals, such as monkeys and baboons, currently present on the claimed land that can strip the lands of produce prior to its maturation. Water remains a limiting factor in the region concerned, so much so that the project would need to consider cultivating drought-tolerant crops on the farm.

6.2.3. Value-adding opportunities

In order to acquire competitive and higher prices, value needs to be added to the produce. A marketing strategy for producing volume by way of the production of better quality weaners is under consideration. The amount of grazing currently available may be insufficient for the livestock during dryer than usual seasons and, as such, investing in seasonal feedlots should serve to maximise value through the efficient use of resources. On the other hand, adding value should help to ensure a large enough market. The project has the potential to improve the regional economy by way of processing of beef instead of having to rely on sending it out of the region. Therefore, having a broad-based market will serve to support local sustainable beef production.

6.2.4. Partnership

Partnerships are currently being favoured in all government sectors for their way of complementing one another, either in terms of human skills or physical resources. Farmers have limited capabilities, due to lack of resources, skills and knowledge, and limited decision-making capabilities, which makes them vulnerable to market forces. The beneficiaries of the project can form partnerships with commercial farmers in order to help them to secure a better living from their farming practices. Such support will help to alleviate the heavy burden carried by farmers, since production costs will be shared and a stable income will result from a more secure and guaranteed market. Apart from the knowledge transfer involved, a commercial farmer offers management skills and other life skills necessary for conducting business. Other partnerships will only be entered into in order to obtain the sharing of resources other than those involved in agricultural activities, in order to secure additional income.

6.2.5. Diversification into game farming

The growing trend in game farming in Waterberg District can be seen in light of the expanding game-related tourism in the Province. Market opportunities still exist for game farming. The capital-intensive nature of the set project demands collaboration with other sectors of the community.

6.2.6. Fodder diversification attendant on livestock farming

The current state of the farm in question has served to displace crop farming and warrant livestock production, due to the large number of wild animals that currently wreak havoc on the desired harvest. However, fodder production will, nevertheless, still be possible on the cleared land, if conducted as a separate, independent enterprise. If the amount of water available continues to decline, fodder diversification can come to serve as a risk-aversion strategy in times of lower rainfall. Practising mixed farming will also help to ensure the

efficient utilisation of available resources, because fodder can be used for livestock feed, while livestock manure can be used to improve the fertility status of the soil, in this way contributing to improved yields.

6.2.7. Capacity building

The beneficiaries concerned tend not to be well informed regarding government policies on reclaimed land. They also lack the requisite technical know how in respect to farming and farm management principles. Some beneficiaries would also like to be farm owners and not farmers as such. While the knowledge of farmers needs to be enhanced by means of instruction in matters of policy, livestock management and the use of correct practices, their skills in farm management, financial management and business practice also need to be developed. By furthering their education and skills development, they will be able to become more self-sustained, self-reliant, competent and successful in their own private subsistence farming operations, regardless of what the future holds.

6.3. Screening the typologies involved

Verification of the validity, feasibility and practicality of the typologies concerned involves their screening. By means of this practice, strategies can be dealt with in order of priority, in terms of the criteria used for the screening process.

6.3.1. Criteria for screening of typologies

Criteria were developed in terms of the potential benefits of the proposed typologies. The criteria also involved consideration of the activities required for implementing the developmental typology.

Potential benefits of the different typologies involved

The potential benefits could be measured in terms of the three different sustainable development dimensions which normally pull in different directions, but which, when integrated, can ensure sustainable feasible practices. The three dimensions considered in identifying the potential benefits were:

- the economic implications (e.g. profitable commercial production);
- the agro-ecological implications (e.g. sustainable resource utilisation); and
- the sociological implications (e.g. improved livelihoods).

6.3.2. Results of screening typology/strategies

Potential benefits:

The potential benefits of the proposed development opportunity can be screened by means of identifying the economic, agro-ecological and social benefits/considerations concerned. The listed screenings of the potential benefits are shown in Table 10.

Table 10: Screening the listed typology in terms of their economic, agro-ecological and sociological implications

Typologies	Economic Implications	Agro-ecological Implications	Sociological Implications
Arable Farming under Dryland	Low output generated; lack of market	Low external inputs required	Serving of household needs
Sustainable Beef Production	Low input cost; availability of secure market and high profit returns	Minimum disturbance and most effective use of natural resources	Potential benefit for all beneficiaries concerned in terms of improved livelihood
Game Farming	Extremely high capital investment required	Minimal disturbance of natural resources	High level of marketing and management skills required
Fodder Production	Extra on-farm income	Utilisation of ground water	Potential benefit for all beneficiaries concerned in terms of improved livelihood

Considering the farming history of the farm (Vaalpenskraal) in terms of the previous agricultural practices, support of stakeholders of various typologies

as indicated in Table 9 and from the above table (Table 10) it is clear that the typology that can most effectively integrate the sustainable development dimension is that of Sustainable Beef Production, which is capable of ensuring the sustainable feasibility of all the dimensions concerned. When specifically considering the information presented in Table 9, both beneficiaries (viz. project owners and stakeholders) were of the opinion that sustainable beef production offered the best possible development opportunity (typology) for prioritisation in terms of implementing the project. Both the owners and the stakeholders concerned identified the need for the long-term guidance of the owners concerned in order to make a success of the project. The possibility of incorporating fodder production as an independent enterprise was also acknowledged. Having identified the appropriate typology, the strategies and activities required to be implemented were considered (see Table 11).

Table 11: Identified strategies and activities required for implementing the desired typology (Sustainable Beef Production)

Strategy	Activities required for the implementation of the chosen strategy
Rehabilitation of infrastructure	Involvement of the Limpopo Department of Agriculture aimed at identifying the damaged infrastructure and facilitating the rehabilitation process
Diversification in terms of fodder and beef production	Re-allocation of the cleared land, implementation of the fodder management system and insuring of water availability
Partnership for production	Identification of the relevant partner and the drafting of clear and transparent contracts to ensure mutual benefit gain
Value-adding	Determination of markets, a cost-benefit analysis and the provision of guidance
Training	Ensuring that training needs and requirements are identified and met by relevant trainers and supervisors
Introduction of livestock	Identification of potential beneficiaries for livestock contribution, ensuring sufficient funding is available for purchase and ensure the acquisition of relevant breeds

6.3.3. The time and duration of the implementation phase of the development strategy of the desired typology

The perception of the time/duration of implementing the strategies differed amongst the beneficiaries involved, as well as between the beneficiaries and stakeholders concerned. Their perceptions of the time/duration of implementing the strategies are shown in Table 12.

Table 12: Time/duration of implementation of the different strategies, according to the beneficiaries and the stakeholders concerned.

Strategies	Beneficiaries (individual)	Beneficiaries (group)	Stakeholder
Rehabilitation of infrastructure	Immediate	Immediate	Within two years
Diversification in terms of fodder and beef production	Within a season	Immediate	Within a season
Partnership for production	Immediate	Within a season	Within four years
Value-adding	Within one season	Within three years	Within five years
Training	Immediate	Immediate	Immediate
Introduction of livestock	Immediate	Immediate	Within one year

7. Key development Typology: Sustainable Beef Production

According to Vasilikiotis (2004), certain factors have to be taken into consideration for any development initiative to be sustainable, including how best to do the following: protect the production potential and capacity of natural resources; prevent the degradation of water quality and biodiversity; reduce the production risk in order to increase security; ensure economic viability; ensure social acceptance and justice; and maintain and develop production and services in such a way as to ensure productivity.

In the last few years, farm animals have tended to suffer from the effect of new, intensive systems designed to maintain or increase farm profit, a development that has not gone unnoticed by the consumer. One of the reasons why vegetarians avoid meat is their concern about the conditions under which animals are raised and fattened up for slaughter (Lampkin, 1999). Contrary to the practices followed under such systems, sustainable beef production has as its focus the long-term health of the environment, while still maintaining the economic viability of the farm and addressing consumer concerns about the conventional beef products made available for their consumption. Such production methods serve to optimise the use of pasture, while reducing dependency on grain and harvested forage. They also serve to emphasise alternative health practices for keeping animals healthy and costs low. Preventative methods are used to reduce problems resulting from pest and parasite infestation, as well as stress.

Sustainable beef production is also economically viable. With pasture-based production, the costs for chemical inputs of fertilisers, pesticides, and herbicides are reduced. Since pastured livestock harvest their feed themselves, inputs of machinery and energy are reduced, as the need to harvest mechanically is reduced. Less capital investment is needed, since pasture, animals, fences, water and management require the most outlay. Such a

system is integrated, with animals and plants adapting in accordance with both site and operational goals; records are kept to measure progress; and marketing fits the skills and interests of the manager concerned.

7.1. Scope of the Sustainable Beef Production Project

7.1.1. Soil fertility and pasture management

How to increase the level of soil fertility forms one of the most important considerations of sustainable agriculture production. Soil fertility is based on the amount and availability of nutrients available in it, resulting from the cycle of growth and decay. According to Lampkin (1999), “the main aspect of the soil ecosystem is the availability and cycling of nutrients. The minerals in the soil represent a massive store of nutrients, and together with gases in the air, particularly nitrogen, are sufficient to support and maintain the production of large quantities of biomass or living material.”(Lampkin, 1999).

Livestock on the farm provide dung and manure that help to ensure the effective cycling of minerals through the soil. When animals graze, nutrients are returned to the soil in form of manure, which also serves to regenerate grass that is consumed during grazing. With the available grazing camps and sufficient pastures on the farm, a rotational grazing system should be designed to distribute the available manure more uniformly than could otherwise be achieved by means of continuous grazing. Such a system of grazing could also enhance the capacity of the pasture concerned to meet the nutritional needs of the animals grazing there, and so serve to minimise the need for harvested forages and purchased feeds.

Every effort should be made in terms of the project to ensure that animal manure is used productively and in order to protect it from loss of nutrients, which are especially valuable in adding nitrogen to the soil. After collecting the manure from the drinking points currently available, it should be stored

under cover and added to other raw materials collected on the farm in order to make compost. The beneficiaries' backyard crop farming efforts also stand to benefit from such an initiative. Philip (1995) reinforced the importance of following such a practice when urging farmers to practise sustainable agriculture by adding organic matter as a nutrient-rich source to the soil, either in the form of compost and animal manure, or in the form of plant residue, in order to increase the fertility of the soil by way of stimulating biological activity. Another role played by organic matter in the soil is that of acting as a supplier of nitrogen, which helps the soil to hold water, as well as protecting it from compaction and erosion. This was also echoed by Ranth (2004).

Extending the forage season is important in sustainable pasture management. Feeding hay and silage is very expensive when compared to grazing due to the costs of the machinery involved, but forage conserved during the dormant season is needed on the farm involved in this project. The size of the farm may prevent grazing of all the spring growth when it is most palatable, leading to the need to harvest the forage in areas cleared of bushes to ensure good quality grazing later in the season.

The current mix of shrubs and grasses enhances the biodiversity of the farm. The trees presently there should be integrated strategically into the farm in order to create greater harmony of those living there with the forest environment by developing the complementary inter-relationship of trees and agricultural production. Some of the benefits that trees bring to the farm (see Appendix:1) are:

- They provide feed for livestock, particularly during seasons when the grass supplies little fodder.
- They serve as soil stabilisers on the slopes, improving the infiltration and retention of water.
- They recycle nutrients that the grasses cannot access.

- They also provide shades which, in turn, have positive impact on the palatability of grasses that emerge – grasses under shade are more nutritious.

The trees should regularly be adequately pruned in order to reduce competition for light with the surrounding grasses, as well as in order to produce green manure and occasional fodder for the livestock. (Lampkin, 1999).

7.1.2. Health management

Generally, the health of farm animals has not markedly improved and mortality rates have remained essentially unchanged in most farms practicing conventional farming, while the cost of maintaining such health has risen faster than have the farmer's total production costs. The artificially created conventional intensive system of animal production is known to contribute to the disease aetiology of the animals concerned. Many diseases and syndromes encountered result from the overcrowding imposed on inadequately stalled animals that stunts the full growth of the animals concerned. Such ill health has, in the past, largely been ignored or alleviated by means of the routine and extensive use of antibiotics and other drugs administered in order to destroy the pathogens and/or relieve the symptoms concerned (Lampkin, 1999).

However, in sustainable animal production, the preventative management of health, proper nutrition and sanitation, the reduction of stress, and the culling of problem animals will help to maintain the good health of the herd on the farm, increasing its resistance to disease and parasites. Minimal use will be made of conventional chemicals, as most of the input will be organic. Herbal poisons or plant teas, effective microbes, compost tea and diatomaceous earth will be used for the prevention and control of parasites.

While vaccines are routinely used on most conventional farms, with sustainable farming practices, vaccines are only used for countering known diseases detected within a specific geographical area in order to comply with legal requirements. Otherwise, their use is avoided in order to minimise their interference with, and inhibition of, the development and expression of the animals' own immune system. In the location of the project, animals need to be vaccinated against diseases such as anthrax and black quarter.

Integrated Pest Management (IPM), utilising the minimal amount of pesticide, is the key method of controlling pests (such as flies, ticks, grubs, and lice) affecting livestock. IPM combines biological, physical and natural techniques in order to reduce the number of pests to an economically tolerable level. In biological control, for example, dung beetles have become known as buriers of manure piles, by means of which they serve to lower the populations of horn flies and other dung-breeding flies (Vukasin *et al.*, 1995).

Beef cattle in the said area tend to be subject to intestinal and stomach worms, as well as to coccidian. The brown stomach worm (*Osrertagia ostertagi*) is the worm most commonly found among cattle in the area. This parasite is able to seasonally inhibit its maturation in an animal in order to maximise the benefits to be obtained from good pasture. The use of synthetic dewormer will be avoided on the farm in countering worm infestations in order both to reduce costs and the parasites' resistance to dewormers. Faecal samples will regularly be assessed by veterinarians for parasite load in order to provide more targeted IPM control, such as the use of diatomaceous earth or the combination of other, less toxic, herbal and folk medicine alternatives for deworming. The medicinal use of herbs has been well documented, with plants such as garlic having a history of curative powers for several conditions, including that of acting as a mild vermifuge for the control and prevention of internal parasites, in combination with various other forms of folk medicine (Lampkin, 1999).

7.1.3. Carrying capacity

The total hectare of the Vaalpenskraal farm is approximately 2 600 ha. From this land, approximately 20 ha has been cleared for the plantation of planted pastures and fodder crops, and the harvesting of natural pastures, which will be treated as an independent enterprise, and even sold to the livestock enterprise part of the project. The natural vegetation currently occupies about 2 130 ha (divided into 29 grazing camps) of the farm, consisting of a mixture of mostly mixed and sweetveld, with the remainder of the farm being occupied by other infrastructures, such as roads and houses. The current capacity of the farm should be able to provide at least 70% of the rations needed by the livestock from the natural vegetation. Such a capacity means that the remaining percentages have to come from the fodder production enterprise. With the pasture being both sweet and mixed, the stocking rate can target around 5 ha/AU, taken over the full extent of the cultivable land and the natural vegetation, meaning that the farm has the capacity to carry 400 large stock units (LSU). The rotation for the cultivable area will consist of clover, ryegrass and lucerne. However, in the larger hectares of the cultivable area, intercropping of identified grasses will be encouraged. During the internship at James Moffet's farm in September 2005, he verbally indicated to us that such intercropping serves to add value to bales at market due to the enhanced nutritional value. An example of the proposed rotation of one sub-hectare of cultivable land follows:

Year	Crop
1-2	Short-term ley: red clover / Italian ryegrass mix
3-5	Lucerne
5-6	Medium-term: red clover / Italian ryegrass mix

The higher nutritive value of the clover family, combined with the use of high-energy fodder crops and an increased quantity of organically produced supplement feed, will enable individual animals to provide maximum yield.

Livestock on the farm will meet the following baseline standards in order to comply with sustainable livestock management principles:

- Animals will not be treated with growth hormone.
- Excellent animal husbandry will be practised.
- Animals will be provided with open pasture, plenty of walking area, fresh air, and clean bedding.
- Feeding conditions for supplements will be humane.
- Rotational grazing will be employed.

7.1.4. Breed selection and adopted production system

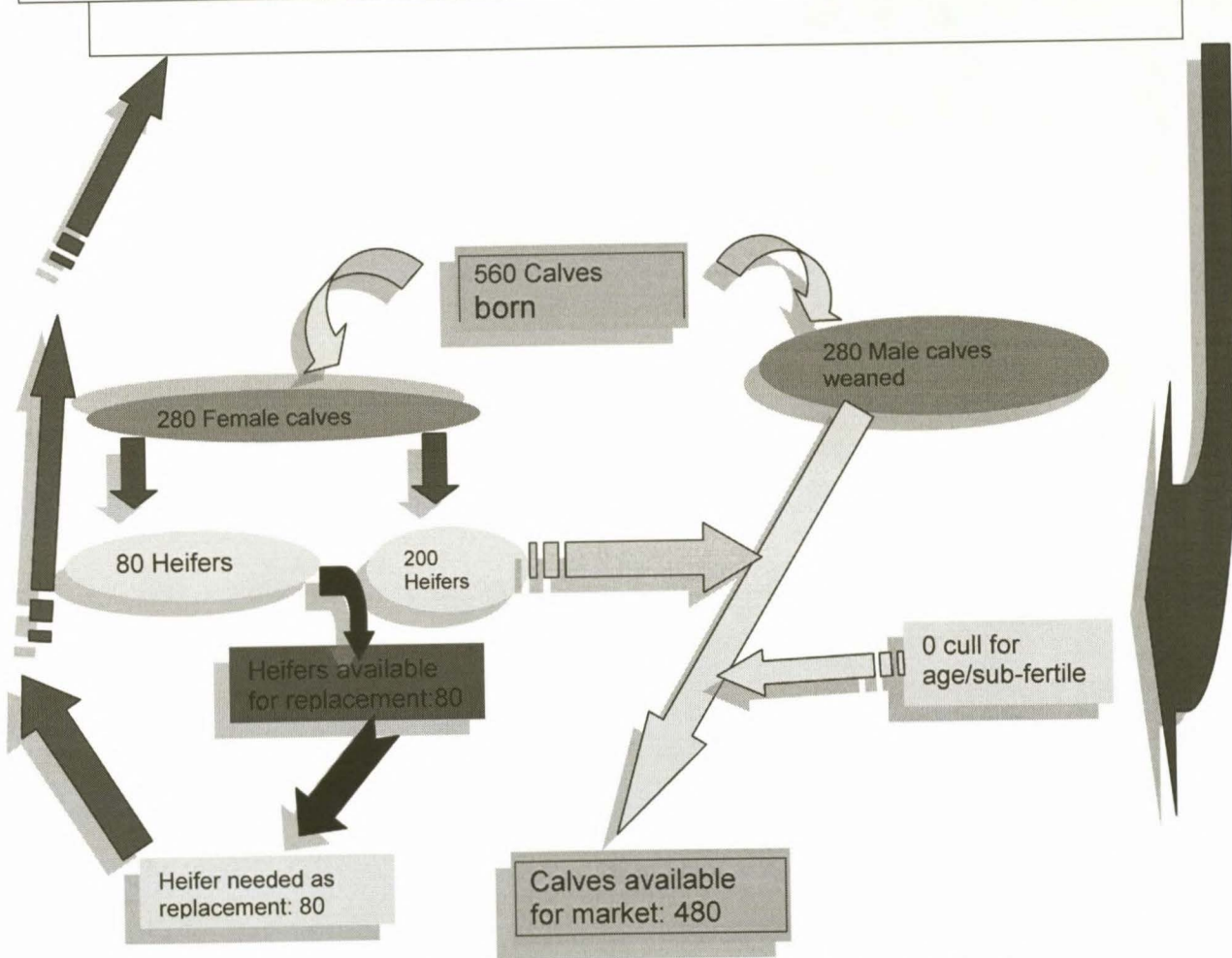
Breeds should be chosen according to the needs of the operation, as well as those of the targeted market. Acknowledging that most of the beneficiaries are accustomed to livestock farming on a subsistence basis, the kind of nguni and indigenous breeds that they currently keep may not necessarily qualify as appropriate breeding stock for the project, considering the need to adopt a weaner production system. However, the Bonsmara and Afrikaner breeds that were once kept by the former owners of the farms in question are suitable for breeding in terms of the set project. In terms of this rationale, instead of raising feed to support a particular type of cattle, a breeder should choose a breed that effectively uses the forage that the land can economically produce. Bonsmara and Afrikaner breeds have already been shown to be able to tolerate the heat in the area, to resist parasites, to be extremely fertile, to show an appropriate mothering instinct and to perform on the available forage; hence, use of such breeds should minimise the need for additional input, while simultaneously improving production. For bull selection, only performance-tested bulls on forage instead of on grain will be considered, with each bull serving a recommended number of 25 cows during the breeding season.

With due recognition being given to the fact that a weaner production system will take time to establish before sales can be made, the required breeds will

be introduced/purchased as heifers in a 3-in-1 formation, meaning that the cows concerned will be purchased with their calves prior to weaning and while they are still three months pregnant, in order to ensure sales from the first year of operation. Figure 2 consists of a herd composition chart that shows the expected age structure of the proposed herd, the classes of animals expected to form part of the herd, the animals available for sale and the animals that must be maintained for purposes of breeding. Forecasts, estimates and predictions can be made on the basis of the chart.

Figure 3: Expected herd composition of 400 heifers, including cows, for the first year of the project.

Age (year)	2	3	4	5	6	7	8	9
Number	100	90	50	50	60	50	-	-



Most important is the assumption that 50% of the available stock be introduced to the herd as heifers, while 50% should be introduced in a 3-in-1 formation, allowing for the calves that are born to include weaners who were purchased along with their mothers. The guidelines to be adopted consist of the following:

- Conception rate : 90%

- Weaning rate : 99%
- Calves available for market : 480
- Weaning age : 205 days (215 kg)

8. Project marketing channels and strategy

Marketing integrates all the functions of a business and speaks directly to the customers, however meaning different things to different people. To the consumers, it may refer to the weekly food shopping trip to the supermarket - the most visible tip of the food marketing iceberg (Kohls, 2002). It has developed in importance and complexity as economic development and specialization have increased our productive capacity and separated food producers from consumers.

The marketing of agricultural products is an important function of the agricultural industry, as it plays a major role in transferring products from the farm to the final consumer. Agricultural marketing in South Africa has undergone a number of transformations, especially during the twentieth century. The promulgation of the Land Act (1936) and the Marketing Act (1937) were instrumental in ensuring the alienation of Black South Africans from land ownership and from effective participation in agricultural marketing and other farming activities. Such disruption in the marketing of agricultural products led to the imposing of quotas on the marketing of beef at controlled abattoirs, which led to an increase in retail prices for the product, while the reverse was true for uncontrolled abattoirs. The result was that producers (mainly black farmers) who utilised uncontrolled abattoirs facing open market conditions inevitably earned less for their produce.

The free market-oriented Marketing Act (1996) was established in 1996 following debates about reforming the Act to take into cognisance the need to incorporate the many previously disadvantaged Black small-scale farmers.

The Marketing Act (1996), therefore made provision for the deregulation process to be managed by the National Agricultural Marketing Council (NAMC) that was mandated:

- to increase market access to all participants, including large-scale commercial, small-scale commercial and subsistence farmers; and
- to introduce statutory measures.

The promulgated Act (Marketing Act of 1996) opened up a number of market possibilities for the Project as regards the production of sustainable beef products. Firstly, existing feedlots have declared themselves willing to buy weaners from the project if its production management system meets the required standards of sustainable beef production set for their targeted international market. Secondly, the abattoir in the Lephalale Municipality is willing to purchase culled cattle raised in a sustainable manner for their targeted market, including supermarkets and butcheries. Quality, correct packaging and continuous supply are vital for supplying these markets adequately. For the Project to be able to enter the red-meat market and to be able to cope with the five competitive forces (namely: entry of competitors, threats of substitutes, bargaining power of buyers, bargaining power of suppliers, rivalry among the existing players and sometimes government is added as the sixth competitive force), it will have to adopt one of the three potentially successful generic strategic approaches.

Box 1: Buying from small-scale farmers.

We will buy weaners from the small-scale farmers if the quality and breeds are right and the price is market-related. We'll support the community, because they support us.

Trui Geldenhuys, Manager –
Feedlot

Cost leadership, produce differentiation and market focus are a key to outperforming other companies (farmers) already present in the industry of supplying weaners. The strategy concerned is capable of taking offensive or

defensive action in order to create a defensible position in the industry and thereby yield a superior return on investment for the Project (Porter, 1980).

Due to consumer concern about the red meat that they purchase for their own consumption, most feedlots have already tried to minimise the conventional inputs that they add to feeds as growth stimulant. However, their challenge is that most weaners that they purchase from conventional farmers have already been subject to highly conventional inputs. As the Project aims to ensure sustainable means of raising weaners a “differentiation generic strategic approach will be recommended”, entailing the differentiation of the weaners offered by the project, creating a product that stands to be perceived industry-wide as unique. This differentiation will provide high protection and higher than normal profits as it is regarded as the most important means of competition and, thereby of economic development (Seidl *et al.*, 2003). Although it should be emphasised that such an approach does not allow the company concerned to ignore the costs involved, they do not form the primary strategic target. If the Project can achieve differentiation, such a strategy will viably enable it to earn above-average returns in the industry, because so doing creates a defensible position that will facilitate its coping with competitive forces, especially in comparison with other approaches, such as cost leadership, that it might adopt (Porter, 1980). The success of creating a market via product differentiation will enable the project to be regarded as “Born Global Company” because exporting could be a strong viable alternative. This is possible under the current globalized environment which facilitates the trend of internationalization of knowledge, tools and technology (Rodrigues, 2002).

Adopting such a strategic approach will help to insulate the Project against competitive rivalry arising from consumer loyalty to existing brands, resulting in decreased sensitivity to price. Doing so will also increase the margins

involved, minimising the need for a low- cost position, with the resulting customer loyalty and the need for a competitor to withstand the uniqueness of the brand providing entry barriers. More importantly, such an approach also stands to yield higher margins with which to deal with supplier power, by clearly reducing buyer power, since the buyer will lack comparable alternatives and accordingly be less price sensitive (Porter, 1980).

For the fodder/pasture enterprise, the markets targeted consist of members of the project and the farmers outside the project aiming to supplement their own privately-held animals during the dry period. However, preference will be given to supplementing the livestock that form part of the project itself.

9. Project ownership and structure

The beneficiaries of the land in question currently reside about 20km away and have no intention of moving back onto the farm for residential purposes. The community has formed a Communal Property Association (CPA), which is made up of 11 members, with the sole responsibility of administering the land in line with the adopted constitution. The membership of the project is limited to those falling under Headman Langa of the Tale Gamorudu tribe, who wishes to join the project, and who can afford to abide by the entry requirements concerned. As part of its responsibilities regarding the settlement and implementation issue, the Regional Land Claim Commission: Limpopo will facilitate the Department of Agriculture: Limpopo and other stakeholders involved, such as the Waterberg District Municipality, to assist the claimants with necessary technical support in their farming operations in order to ensure the maintenance of sustainable farming practices.

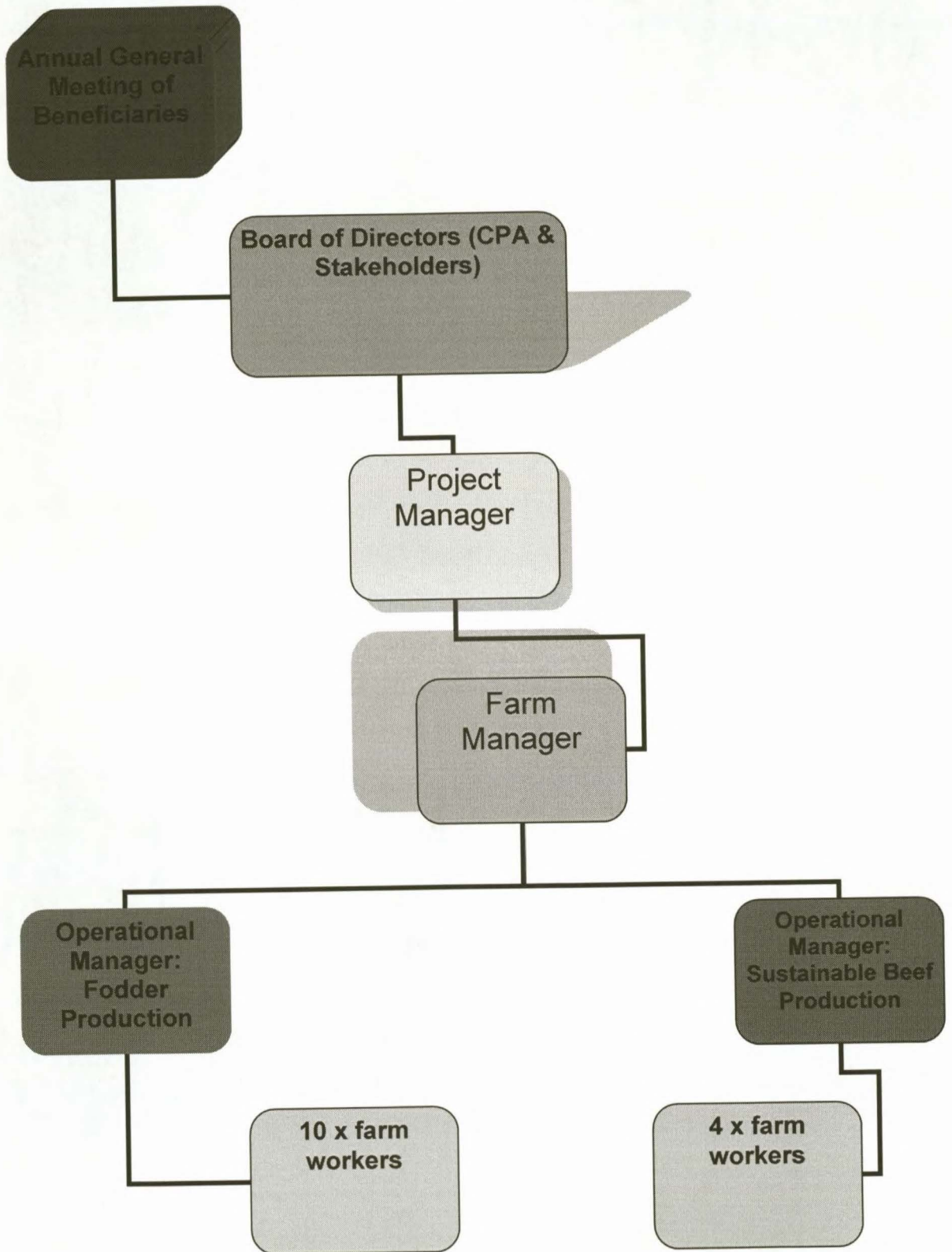
The Commission also undertakes to facilitate a series of standard workshops offered to land restitution beneficiaries with respect to CPA capacity building, including, but not limited to, promotion of the following:

- understanding of:
 - the CPA Constitution, as well as of the roles and responsibilities of CPA Executive members;
 - the South African Revenue Services policy implications with regard to land ownership;
 - the labour regulations relating to their position as potential employers; and
- basic financial training, in conjunction with the Department of Agriculture and Land Bank.

The CPA committee has both executive and managerial powers, though it does not generally act independently from the Project steering committee, which includes outside members, including the Local Municipality (which chairs the meetings), the Department of Agriculture and Land Affairs, and other strategic stakeholders. The umbrella stakeholder is the Lephalale Local Municipality, under which the project falls as a key project in terms of the Integrated Development Programme.

Considering the size of the farm in question, the production system adopted and the lack of capacity of the beneficiaries as far as policy information, livestock management, financial management and business skills are concerned, there is a need for the project to appoint a competent Manager with the necessary entrepreneurial skills and knowledge relating to agricultural business management, who will then report to the CPA as the board of directors concerned with the project. Entrepreneurship is the precondition for economic development; the promise of financial and operational independence behind new business venture (Gibb, 1996).

9.1. Co-operative management structure: organogram



9.2. Method of delivery

From their current stock, each individual household participating in the project will be expected to contribute two heifers or cows that have calved only once or twice. Households without livestock will contribute financial backing of the equivalent value of two heifers as their initial contribution to joining in this venture. The poorest households, lacking either of the above-mentioned alternatives, will contribute their labour, for which they will receive appropriate payment. From their wages, they will then contribute on a monthly basis until they have paid the equivalent value of two heifers. They will receive the remainder of their wages as take-home in order to alleviate their poverty. The contributed heifers or cows will immediately be sold in order to raise sufficient funds to add to those already available for purchasing relevant breeding stock. The project will own all the livestock concerned. No member will own stock privately on the claimed land, thereby replacing individual ownership with group ownership. Members of the scheme will effectively own collective shares in each animal, with the goal of operating the project as a commercially viable distinct entity, with, at present, some 40 households as shareholders, operating as a co-operative.

10. Project preparation plan for implementation

The project preparation plan for implementation will be scheduled according to the following distinct phases:

10.1. Phase 1: Development of facilities (June to December 2006)

The six months starting from June 2006 will be spent on improving the infrastructure and on acquiring all the necessary resources for running the co-operatives concerned. The activities will include the following:

10.1.1. Staffing and project committees

The following staff requirements have been identified for overseeing the Project.

Project manager – A dedicated manager will be appointed to oversee all aspects of the Project and to serve as the liaison between the stakeholders concerned. The manager will be responsible for the carrying out all administrative, financial and marketing-related tasks, as well as for the development, sourcing and nurturing of all Project partners and personnel. The manager will also be responsible for overall evaluation of the work plans devised by, as well as the progress made by, the Co-operative.

Farm manager – A dedicated manager will be appointed to oversee all technical aspects of the Project. The appointee will be responsible for the development of production management plans for the two integrated enterprises (fodder and beef production). The manager will also be required to evaluate the performance of the operational managers with regard to production outputs.

Operational manager – Two dedicated staff members will be appointed to oversee the implementation of the production plans undertaken by the Project. The managers will also be responsible for the supervision of farm workers.

Farm workers – Farm workers identified from among the poverty-stricken families will be responsible for performing general work for the Project. The selection criteria for the appointment of workers will be as follows.

Any worker appointed in terms of the Project should:

be a South African citizen; be aged 18 years or above be designated as having been one of those previously disadvantaged under Headman Langa; be from a poverty-stricken household containing no employed member for at least the previous **12 months;** **have an inherent interest in the agricultural sector;** have a sound work ethic; be willing to participate in all operational activities, as well as to sign a set contract; and be willing to stay away from home for protracted periods and to be relocated to a farming environment for a longer period. **The following committees have been identified as necessary for the initial Project functioning:**

Project Steering Committee (PSC)

The PSC will meet monthly to monitor the overall development of the Project. The PSC will be formally constituted and include representatives of all major partners involved in the Project. The core committee will consist of representatives of the CPA, the Department of Agriculture, the Department of Land Affairs, the Department of Economic Development, Environment and Tourism and the Waterberg District Municipality. Provision will also be made for others to be brought in from time to time on an ad hoc basis. The main function of those involved in the PSC will be to represent the interests of their different organisations in the Project, as well as to monitor and evaluate the progress of the Project.

Technical committee

A technical committee will need to be constituted by subject/field specialists in order to provide technical advice to the PSC and the Project Manager.

10.1.2. Rehabilitation of infrastructure

The infrastructure of the project will undergo the following rehabilitation:

- the general refurbishment and furnishing of accommodation facilities (rondavels and staff houses) and offices on the farm (see Appendix:2);

- the repair of farm production units (including existing machinery and equipment) and the fencing of camps (see Appendix:3); and
- the re-establishment of irrigated and natural pasture units for the fodder production enterprise (see Appendix:4).

10.2. Phase 2. Negotiations and agreements (December 2006 to March 2007).

Negotiations are currently under way with the following partners:

Feedlots, abattoir and butchers – The already drafted contract documentation needs to be finalised and signed as soon as the Project is up and running. These concerns will also be represented on the PSC, as well as providing technical support to the Project regarding the marketing of livestock.

The Land Bank has already submitted a letter of support detailing the financial support that it is prepared to provide to the Project. The Bank will provide financial services to the project covering its operational costs (including livestock purchase) with the repayments scheduled to start at the beginning of the third year of operation.

The **Limpopo Department of Agriculture** has also submitted a letter of support detailing how it will assist the Project. The Department, in addition to the financial support with which it will provide the Project for the rehabilitation of the infrastructure, will also provide extension services to the Project and act in an advisory capacity on the Project advisory committee. The Department has already donated all the already existing farming assets to the beneficiaries of the Project, excluding the biological assets themselves.

Department of Land Affairs – In terms of the Settlement Agreement of the claim, it is intended that the Settlement Support and Development Unit

(SSDU) of the Regional Land Claims Commission: Limpopo will facilitate the appointment of a service provider to compile detailed future land use and farm management plans. Such planning will be done in consultation with the Project Manager, the service provider will also conduct an appropriate training needs assessment.

Lephalale Municipality – As part of its Integrated Development plans, the Lephalale Municipality has promised both financial and technical support for the Project

The **Tompi Seleka College of Agriculture** has submitted a letter of acknowledgement to the Project, detailing how it would be prepared to assist the Project with regard to agribusiness training.

Agreements with all the above strategic partners, funders and other service providers will be drawn up whenever required throughout the duration of the project. Signing of agreements with the afore-mentioned role-players will form part of Phase Two and will be agreed on before starting any engagement. Agreements still have to be developed for all the individual beneficiaries, committee members and project staff members concerned.

10.3. Phase 3. Purchase of equipment/resources (March 2007 to August 2007).

Purchasing of all necessary equipment for the offices, houses and production units will be performed as outlined below.

Stocking the farm

Arrangements for the supply of all necessary breeding stock to begin running the Co-operative will include the purchase of all necessary beef cattle, pasture seed and organic fertiliser.

10.4. Project Implementation Matrix**IMPLEMENTATION PHASE: April 2007**

KEY PERFORMANCE AREAS	OBJECTIVES	PERFORMANCE INDICATORS	BY WHO	TIME-FRAME
<ul style="list-style-type: none"> ◦ Workers training on technical skills 	To impart workers with technical skills on beef and fodder enterprises	Workers to demonstrate competence in application of all practical extensive beef and fodder enterprise management	Tompi Seleka College of Agriculture	April 2007 – Ongoing
<ul style="list-style-type: none"> ◦ Training on professional skills 	To develop the business / entrepreneurial skills of Managers	Managers to demonstrate competence in business management and general entrepreneurial skills	Tompi Seleka College of Agriculture or to be contracted to accredited service provider	April 2007 – Ongoing
<ul style="list-style-type: none"> ◦ Project monitoring 	To ensure that the project plan is executed as planned	Monthly reports	Project Manager	Twice in every Month
<ul style="list-style-type: none"> ◦ Programme evaluation 	To ensure that the progress is made on the farm and the objectives and expectation are met	Project evaluation reports	Project Steering Committee	Once in every quarter
<ul style="list-style-type: none"> ◦ Community services 	To ensure that the knowledge base and skills are transferred to the community	Monthly report on services rendered to the community	Workers	Twice in every month

11. Critical risk areas

11.1. Pre-termination of contracts by strategic partners, including funders

Project funders and other strategic partners may choose to terminate their contract agreements of support for various reasons, including changes in company and government policies and inadequate funding. The risk of their doing so will be minimised by ensuring that contract agreements cover the entire life span of the project.

11.2. Vis major (Drought and disease outbreaks)

Farm insurance will be taken out in order to minimise the risk of occurrence of natural disasters beyond human control, which might disrupt the successful conducting of activities of the Project.

11.3. Financial risks

Use of appropriate managerial software program will facilitate daily decision making and the compilation of reports on demand, optimising risk management, which can then translate into additional savings and profits.

11.4. Inflation rates

Input price increases may affect the Project budget. Budgetary inflation targets of between 3 to 8 % have to include contingencies, which may serve to minimise the attendant risk.

11.5. Internal conflict

Appointment of the Project Manager and Farm Manager is envisaged to create a conducive relationship in minimizing conflicts amongst the beneficiaries.

12. Budget**12.1. Budget Summary**

BUDGET CATEGORIES	BUDGET YEARS			
	Year 1	Year 2	Year 3	Total
Farm capital costs	1,400,000			1,400,000
Border and internal fencing	100,000			100,000
Renovation of farm buildings & infrastructure	200,000			200,000
Office furniture and kitchen equipment	100,000			100,000
Purchase of farm machinery and vehicles	500,000			500,000
Livestock	500,000			500,000
Farm operational costs	1,260,000			1,260,000
Seeds	25,000			25,000
Fertilisers	50,000			50,000
Stock feeds	150,000			150,000
Breeding Stock	500,000			
Drugs an pesticides	35,000			35,000
Salaries and wages	500000			500000
Overhead costs	188,000	209,440		397,440
Telephone	20,000	24,800		44,800
Printing and stationery	5,000	7,800		12,800
Insurances	25,000	27,000		52,000
Water and electricity	38,000	41,840		79,840
Depreciation	50,000	54,000		104,000
Other indirect costs	50,000	54,000		104,000
Total project costs	2,848,000	209,440		3,497,248

Source of financial resources

- Provincial Department of Agriculture - Capital expenditure (R2, 000,000)
- Land Bank Loan—operational and overhead costs (R1, 500,000)

12.2. Project Financial Projections

In this section the financial implication of the project will be formatted according to the lesson learned during classes with the lecturer Mr. Patrick Tobin and again guided by the agricultural financial principle (See Van Zyl, *et al.*, 1999 & Mahanjana, *et al.*, 2001):

- 11.2.1. Sales Budget (Microsoft Excel-work. Annexure A)
- 11.2.2. Weaner's Enterprise Gross-Margin and Operational Cost
(Microsoft Excel-work. Annexure B)
- 11.2.3. Fodder Enterprise Gross-Margin and Operational Cost
(Microsoft Excel-work. Annexure C)
- 11.2.4. Income Statement (Microsoft Excel-work. Annexure D)
- 11.2.5. Cash Flow Forecast (Microsoft Excel-work. Annexure E)
- 11.2.6. Management Account (Microsoft Excel-work. Annexure F)
- 11.2.7. NPV and Internal rate of returns (IRR) (Microsoft Excel-work.
Annexure G)
- 11.2.8. Rates-Weaners (Microsoft Excel-work. Annexure H)
- 11.2.9. Rates- Fodder (Microsoft Excel-work. Annexure I)
- 11.2.10. Weaner Production Plan (Microsoft Excel-work. Annexure J)
- 11.2.11. Fodder Production Plan (Microsoft Excel-work Annexure K)

13. Conclusion

This Project will have the ability to integrate the three Sustainable Development dimensions (Social, economic and environment) that normally pulls in different directions when ever developmental project is envisaged, hence its scope regarding the identified developmental typology (Sustainable Beef Production) considers this dimensions. It will benefit the current beneficiaries without sacrificing the opportunities for the future beneficiaries to benefit from the same resources.

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Annexure A

Tale Gamorudu-Vaalpenskraal Farming Project: Sales Budget-Weaners and Fodder:2006/2007

Product	Avail Tonnes	Avail kg	Contract	Ton/kg	Price	Total	Rands per Month												Total	
							Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Weaners		120425.8	Feedlot 1	15180	8.2	124,476.00	-	-	-	124476	-	-	-	-	-	-	-	-	-	124,476.00
			Feedlot 2	22000	8.2	180,400.00	-	-	-	-	180400	-	-	-	-	-	-	-	-	180,400.00
				37180	8.2	304,876.00	-	-	-	124476	180400	-	-	-	-	-	-	-	-	304,876.00
							-	-	-	-	-	-	-	-	-	-	-	-	-	
Fodder	117		Internal	2304.00	65.00	149,760.00	-	-	149,760.00	-	-	-	-	-	-	-	-	-	-	149,760.00
			Feedlot 1&2	614.25	65	39,926.25	-	-	-	39,926.25	-	-	-	-	-	-	-	-	-	39,926.25
			Communities				-	-	-	-	-	-	-	-	-	-	-	-	-	
				2918.25	65.00	189,686.25	-	-	149,760.00	39,926.25	-	-	-	-	-	-	-	-	-	189,686.25
							-	-	-	-	-	-	-	-	-	-	-	-	-	

Annexure B

Tale Gamorudu-Vaalpenskraal::Sustainable Beef Production(Weaner Production System):Enterprise Gross Margin									
Gross Margin									
Income	Prod/season			No.:Weaners	380	Price(R/kg)	Total mass	Total rands	
	Weaning %			99%	376				
	3 In 1 formation weaners			No.:Weaners	200				
	Total weaners available				576				
	Replacement rate			5%	29				
	Weaner @ 220kg				547	8.2	120425.8	987491.56	
	Income per production							987491.56	
Cost	Variable cost per production							336423.12	
	(See details below)								
	Enterprise Gross Margin							651068.44	
Detailed Variable Costs per Weaner Production System									
			No.:Weaner	Unit/head	Unit Required	Unit cost	Costs	Total cost/pr	% per prod
Camps Maintenance									
Labour	Animal Attendant				4	77.4	8049.6	96595.2	1200%
								96595.2	
Veterinary & Medication									
Dip (Delete)@25ml/h/m		576	25	14400	0.60	8686.80	2171.70	25%	
Deworm:Superfluke@10ml/h		576	10	5760	0.254	1463.04	10241.28	700%	
BlaAnthrax: 150ml@2ml/h		576	2	1152	1.0622	1223.65	1223.65	100%	
Brucella RB 500ml@2ml/h		576	2	1152	0.6384	735.44	735.44	100%	
Lumpy skin:100ml@5ml/h		576	5	2880	1.7424	5018.11	5018.11	100%	
Vibrio olie verse:100ml@2ml/h		576	2	1152	0.2769	318.99	318.99	100%	
Needles 18G38mm(T)100's		576	1	576	61.81	35602.56	1780.13	5%	
Syringe 5ml (Basic) Each		576	1	576	35.3	20332.80	1016.64	5%	
Syringe 10ml (Basic) Each		576	1	576	46.51	26789.76	1339.49	5%	
Krutex s/s Gloves 100's (ARM)		576	2	1152	78.51	90443.52	4522.18	5%	
Liquid paraffin (MEDI) 20ltr		576	10	5760	0.06	334.08	334.08	100%	
Fenylbutazone 20% 100ml(s4)		576	5	2880	92.06	265132.80	13256.64	5%	
Supano Aerosol 400ml		576	10	5760	0.14	806.26	201.56	25%	
Terramycin Eye 25g powder		576	2	1152	1.41	1628.93	407.23	25%	
Forry 65 100ml		576	5	2880	2.80	8064.00	2016.00	25%	
Diatomaceous Earth 1kg/h/season		576	1	576	7.00	4032.00	28224.00	700%	
							72807.12		
Identification									
Eartags		576	1	576	2.50	1440.00	1440.00	100%	
							1440.00		
Supplement Diet									
Licks		576	2	1152	1.80	2,073.60	6220.80	300%	
Fodder		576	4	2304	65.00	149,760.00	149760.00	100%	
							155980.80		
Other:	Water Charge						800.00	9600.00	1200%
								336,423.12	

OPERATIONAL PLAN: BUDGET:2006/07(WEANERS)													
No	576												
Tot cost/head	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
167.70	8,049.6	8,049.60	8,049.60	8,049.60	8,049.60	8,049.60	8,049.60	8,049.60	8,049.60	8,049.60	8,049.60	8,049.60	96,595.2
0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
3.77	310.2	310.2	310.2	-	-	-	-	-	310.2	310.2	310.2	310.2	2,171.7
17.78	1,463.04	1,463.04	1,463.04	-	-	-	-	-	1,463.04	1,463.04	1,463.04	1,463.04	10,241.28
2.12	-	-	-	-	-	-	-	-	-	-	1,223.65	-	1,223.65
1.28	-	-	-	-	-	-	-	-	-	-	735.44	-	735.44
8.71	-	-	-	-	-	-	-	-	-	-	5,018.1	-	5,018.11
0.55	-	-	-	-	-	-	-	-	-	-	318.99	-	318.99
3.09	-	-	-	-	-	-	-	-	1,780.13	-	-	-	1,780.13
1.77	-	-	-	-	-	-	-	-	1,016.64	-	-	-	1,016.64
2.33	-	-	-	-	-	-	-	-	1,339.49	-	-	-	1,339.49
7.85	-	-	-	-	-	-	-	-	4,522.2	-	-	-	4,522.18
0.58	47.73	47.73	47.73	-	-	-	-	-	47.73	47.73	47.73	47.73	334.08
23.02	-	-	-	-	-	-	-	-	13,256.6	-	-	-	13,256.64
0.35	-	-	-	-	-	-	-	-	201.56	-	-	-	201.56
0.71	-	-	-	-	-	-	-	-	407.23	-	-	-	407.23
3.50	-	-	-	-	-	-	-	-	2,016.00	-	-	-	2016
49.00	4,032.00	4,032.00	4,032.00	-	-	-	-	-	4,032.00	4,032.00	4,032.00	4,032.00	28224
0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
2.50	-	-	-	-	-	-	-	-	480.00	480.00	480.00	-	1440
0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
10.80	-	2073.6	2073.6	2073.6	-	-	-	-	-	-	-	-	6220.8
260.00	-	-	37,440.0	37,440.0	37,440.0	37,440.0	-	-	-	-	-	-	149,760.0
0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
16.67	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	9,600.00
-	-	-	-	-	-	-	-	-	-	-	-	-	-
584.07	14,702.6	16776.2	54,216.21	48,363.20	46,289.60	46,289.60	8,849.60	8,849.60	39,722.5	15,182.6	22,478.8	14,702.6	336,423.1

Annexure C

Tale Gamorudu-Vaalbengkraal Farming Project (Fodder Production) - Enterprise Gross Margin

Gross Margin						R/h		
Income	Production per ha		tonnes	6.0				
	Losses		%	2.50%				
	Sales per ha		tonnes	5.9				
	Number of bales per tonne			146.0				
	Price per bale		R	65				
	Income per ha					9,490		
Costs	Variable cost per ha (see detail below)					-2,533		
Enterprise Gross Margin						6,957		
Detailed Variable Costs per ha								
			Unit	Unit Cost	Units/ha	Unit Cost/ha	Total Cost/ha	% per ha
General labour			day	77.4	0.029	2.21	389.21	1200%
Land Preparation								
Equipment	Ripper	hrs		162.81	1.19	192.96	96.48	50%
	Disc	hrs		117.56	0.56	65.31	32.66	50%
							129.14	
Planting								
Materials								
	Seed	kg		4.30	25.00	107.50	107.50	100%
Equipment	Planter	hrs		287.20	0.46	132.96	132.96	100%
	Loader	hrs		60.50	0.12	7.00	7.00	100%
							247.47	
Pest and Disease Control								
Materials								
	Sterile Insect Release (SIR)	ha		23.40	1.00	23.40	23.40	100%
	Oil	ltr		9.00	0.75	6.75	6.75	100%
	CM Virus	ltr		323.00	0.25	80.75	80.75	100%
	Bioneem	ltr		45.00	0.75	33.75	33.75	100%
	Diatomaceous Earth	kg		7.00	25.00	175.00	175.00	100%
Equipment	Boom sprayer	hrs		91.65	0.00	-	-	100%
	Water bowser	ha		49.27	0.00	-	-	200%
							319.65	
Fertilising								
Materials								
	Calcium Chloride	kg		4.10	10.00	41.00	41.00	100%
	Trace element Zn	ltr		30.00	1.25	37.50	37.50	100%
	Trace element Mg	ltr		16.45	3.00	49.35	49.35	100%
	Compost Bought	m3		223.00	2.00	446.00	446.00	100%
	Ecofert Low N	kg		2.73	4.00	10.92	10.92	100%
Equipment	Fert spreader	hrs		104.39	0.17	18.12	54.37	300%
	Loader	hrs		60.50	0.04	2.63	7.88	300%
							647.02	
Irrigation								
	Water charge(inc equip)	R/ha		667.00		667.00	667.00	100%
Harvest								
Equipment	Round Baler	day		60.00	2.22	133.33	133.33	100%
							133.33	
							2,532.81	

OPERATIONAL COST: BUDGET:2006/2007 (Fodder Production)														
	ha	20												Annexure C
Total cos/ha	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL®	
389.21	648.69	648.69	648.69	648.69	648.69	648.69	648.69	648.69	648.69	648.69	648.69	648.69	648.69	7,784.23
-														
96.48					1,929.60									1,929.60
32.66					653.11									653.11
-														
-														
107.50										2,150.00				2,150.00
132.96										2,659.26				2,659.26
7.00										140.05				140.05
-														
-														
23.40	117.00	140.40								117.00	46.80	46.80		468.00
6.75	33.75	40.50								33.75	13.50	13.50		135.00
80.75	403.75									403.75	403.75	403.75		1,615.00
33.75	168.75									168.75	168.75	168.75		675.00
175.00		875.00								875.00	787.50	962.50		3500.00
-										-	-	-		-
-	-	0.00								-	-	-		-
-														
-														
41.00									820.00					820
37.50									750.00					750.00
49.35									987.00					987.00
446.00									8,920.00					8,920.00
10.92									54.60	109.20	54.60			218.40
54.37									724.93	181.23	181.23			1,087.40
7.88									105.03	26.26	26.26			157.55
-														-
-														-
667.00	3,335.00									3,335.00	3,335.00	3,335.00		13,340.00
-														-
133.33			1,200.00	1,466.67										2,666.67
-														-
-														-
2,532.81	4,706.94	1704.59	1,848.69	2,115.35	3,231.40	648.69	648.69	648.69	13,010.25	10,847.93	5,666.08	5,578.99		50,856.26

Annexure D

Tale Gamorudu-Vaalpenskraal Farming Project: Income Statement (2006-2007) Rands		Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	Weaners	304,876.00	-	-	-	124,476.00	180,400.00	-	-	-	-	-	-	-
	LivestockTotal	304,876.00	-	-	-	124,476.00	180,400.00	-	-	-	-	-	-	-
	Fodder	189,686.25	-	-	149,760.00	39,926.25	-	-	-	-	-	-	-	-
	Crops Total	189,686.25	-	-	149,760.00	39,926.25	-	-	-	-	-	-	-	-
Tot Sales		494,562.25	-	-	149,760.00	164,402.25	180,400.00	-	-	-	-	-	-	-
Cost of Production	Weaners	336,423.12	14,702.61	16776.2086	54,216.21	48,363.20	46,289.60	46,289.60	8,849.60	8,849.60	39,722.48	15,182.61	22,478.80	14,702.61
	LivestockTotal	336,423.12	14,702.61	16776.2086	54,216.21	48,363.20	46,289.60	46,289.60	8,849.60	8,849.60	39,722.48	15,182.61	22,478.80	14,702.61
	Fodder	50,656.26	4,706.94	1,704.59	1,848.69	2,115.35	3,231.40	648.69	648.69	648.69	13,010.25	10,847.93	5,666.08	5,578.99
	Crops Total	50,656.26	4,706.94	1,704.59	1,848.69	2,115.35	3,231.40	648.69	648.69	648.69	13,010.25	10,847.93	5,666.08	5,578.99
Tot cost of Production		387,079.38	19,409.54	18,480.79	56,064.89	50,478.55	49,521.00	46,938.29	9,498.29	9,498.29	52,732.73	26,030.54	28,144.88	20,281.59
Contribution	Weaners	(31,547.12)	(14,702.61)	(16,776.21)	(54,216.21)	76,112.80	134,110.40	(46,289.60)	(8,849.60)	(8,849.60)	(39,722.48)	(15,182.61)	(22,478.80)	(14,702.61)
	LivestockTotal	(31,547.12)	(14,702.61)	(16,776.21)	(54,216.21)	76,112.80	134,110.40	(46,289.60)	(8,849.60)	(8,849.60)	(39,722.48)	(15,182.61)	(22,478.80)	(14,702.61)
	Fodder	139,029.99	(4,706.94)	(1,704.59)	147,911.31	37,810.90	(3,231.40)	(648.69)	(648.69)	(648.69)	(13,010.25)	(10,847.93)	(5,666.08)	(5,578.99)
	Crops Total	139,029.99	(4,706.94)	(1,704.59)	147,911.31	37,810.90	(3,231.40)	(648.69)	(648.69)	(648.69)	(13,010.25)	(10,847.93)	(5,666.08)	(5,578.99)
Total contributions		107,482.87	(19,409.54)	(18,480.79)	93,695.11	113,923.70	130,879.00	(46,938.29)	(9,498.29)	(9,498.29)	(52,732.73)	(26,030.54)	(28,144.88)	(20,281.59)
Administration 7.5%		37,092.17	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01
Depreciation (overheads)7.5%		37,092.17	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01	3,091.01
Stock Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit before Finance and Tax		33,298.53	(25,591.57)	(24,662.82)	87,513.08	107,741.67	124,696.98	(53,120.31)	(15,680.31)	(15,680.31)	(58,914.76)	(32,212.57)	(34,326.91)	(26,463.62)
Interest		(22,134.89)	(3,750.00)	-	-	(3,679.58)	(2,674.78)	(2,301.22)	(2,088.22)	(1,893.44)	(1,710.67)	(1,514.95)	(1,324.99)	(1,197.05)
Net Profit before Tax		55,433.43	(21,841.57)	(24,662.82)	87,513.08	111,421.24	127,371.75	(50,819.10)	(13,592.09)	(13,786.87)	(57,204.08)	(30,697.62)	(33,001.92)	(25,266.57)
Tax	30%	16630.03	-	-	-	-	-	8315.01	-	-	-	-	-	8,315.01
Net Profit after Tax		38,803.40	(21,841.57)	(24,662.82)	87,513.08	111,421.24	127,371.75	(59,134.11)	(13,592.09)	(13,786.87)	(57,204.08)	(30,697.62)	(33,001.92)	(33,581.59)

Tale Gamorudu Vaalpenskraal Farming Project- CASH FLOW FORECAST: 2006/2007

	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Receipts													
Weaners	304,876.00	-	-	-	124,476.00	180,400.00	-	-	-	-	-	-	-
Fodder	189,686.25	-	-	149,760.00	39,926.25	-	-	-	-	-	-	-	-
Interest - Bank Deposit	22,134.89	3,750.00	-	-	3,679.58	2,674.78	2,301.22	2,088.22	1,893.44	1,710.67	1,514.95	1,324.99	1,197.05
Total Inflow Cash	516,697.14	3,750.00	-	149,760.00	168,081.83	183,074.78	2,301.22	2,088.22	1,893.44	1,710.67	1,514.95	1,324.99	1,197.05
Expenditure													
Salaries & Wages	480,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
Staff Costs	30% 72,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Protective clothing	1,680.00	1,680.00	-	-	-	-	-	-	-	-	-	-	-
Seed	10,000.00	-	-	-	-	5,000.00	5,000.00	-	-	-	-	-	-
Breeding Stock	750,000.00	-	-	-	500,000.00	250,000.00	-	-	-	-	-	-	-
Chemicals	12,500.00	-	-	-	-	-	2,500.00	-	-	2,500.00	2,500.00	2,500.00	2,500.00
Fertilisers	15,000.00	-	-	-	-	7,500.00	-	-	-	7,500.00	-	-	-
Supplements diet	200,000.00	-	-	30,000.00	20,000.00	20,000.00	30,000.00	30,000.00	25,000.00	20,000.00	25,000.00	-	-
Other:	48,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Interest - Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Outflow Cash	1,589,180.00	51,680.00	50,000.00	80,000.00	570,000.00	332,500.00	87,500.00	80,000.00	75,000.00	80,000.00	77,500.00	52,500.00	52,500.00
Cash Flow													
Surplus/Deficit		(47,930.00)	(50,000.00)	(89,760.00)	(401,918.18)	(149,425.22)	(85,198.78)	(77,911.78)	(73,109.56)	(78,289.33)	(76,985.05)	(61,175.01)	(51,302.95)
Opening Bank Balance		1,500,000.00	1,452,070.00	1,402,070.00	1,471,830.00	1,069,911.83	920,486.60	835,287.82	757,376.04	684,269.48	605,980.15	529,995.10	478,820.09
Closing Bank Balance		1,452,070.00	1,402,070.00	1,471,830.00	1,069,911.83	920,486.60	835,287.82	757,376.04	684,269.48	605,980.15	529,995.10	478,820.09	427,517.14
Bank Overdraft		-	-	-	-	-	-	-	-	-	-	-	-
Overdraft available		-	-	-	-	-	-	-	-	-	-	-	-
Bank Deposit Interest	Rate		3%			3%	3%	3%	3%	3%	3%	3%	3%
Bank Overdraft Interest	Rate			0%	0%								
Bank Deposit Interest	R'000s		3,750.00	-	-	3,679.58	2,674.78	2,301.22	2,088.22	1,893.44	1,710.67	1,514.95	1,324.99
Bank Overdraft Interest	R'000s		-	-	-	-	-	-	-	-	-	-	-

Annexure F

Tale Gamorudu Vaalpenskraal Farming Project: 2006/2007

Management Accounts - June 2007

Fodder - Operational Costs

ha 20

		Month				Year to Date			
		Budget	Actual	Var R	Var %	Budget	Actual	Var R	Var %
General labour									
Land Preparation									
Equipment		3,500.00	2,582.71	(917.29)	-26%	3,500.00	2,582.71	(917.29)	-26%
		3,500.00	2,582.71	(917.29)	-26%	3,500.00	2,582.71	(917.29)	-26%
Planting									
Materials	Seed	-	-	-	0%	2,000.00	2,150.00	150.00	8%
	Chemicals	-	-	-	0%	2,500.00	2,659.26	159.26	6%
Equipments		-	-	-	0%	500.00	140.0462963	(359.95)	-72%
		-	-	-	0%	5,000.00	4,949.31	(50.69)	-1%
Pest and Disease Control									
Materials		-	-	-	0%	5,000.00	6,393.00	1,393.00	28%
Equipment	Boom sprayer	-	-	-	0%	-	-	-	
	Water Bower	-	-	-	0%	-	-	-	
		-	-	-	0%	5,000.00	6,393.00	1,393.00	28%
Fertilising									
Materials		-	-	-	0%	15,000.00	12,940.35	(2,059.65)	-14%
Equipment	Fertiliser spreader	-	-	-	0%	1,000.00	1,087.40	87.40	9%
	Loader	-	-	-	0%	200.00	157.55	(42.45)	-21%
		-	-	-	0%	16,200.00	14,185.30	(2,014.70)	-12%
Irrigation									
	Water charge	-	-	-	0%	13,000.00	13,340.00	340.00	3%
		-	-	-	0%	13,000.00	13,340.00	340.00	3%
Harvest									
Equipment	Round Baler	-	-	-	0%	2,500.00	2,666.67	166.67	7%
		-	-	-	0%	2,500.00	2,666.67	166.67	7%
		3,500.00	2,582.71	(917.29)	-26%	45,200.00	44,116.98	(1,083.02)	(0.03)

Annexure G

Tale Gamorudu-Vaalpenskraal Farming Project												
Investment Appraisal - Discounted Cash Flow- Investment 1(Goat Production)												
Payback period, NPV and IRR for a 1000 sheep production development project												
Development	1000											
	R/ ha	0	1	2	3	4	5	6	7	8	9	10
Initial Investment												
Clearing & Land preparation		100,000.00										
Camps		50,000.00										
Pump station		75,000.00										
Equipments		25,000										
		250,000.00										
Cash Flows												
Income												
Sheep sales			500,000	500,000	450,000	600,000	550,000	500,000	500,000	500,000	550,000	600,000
			500,000	500,000	450,000	600,000	550,000	500,000	500,000	500,000	550,000	600,000
Costs												
Sheep production costs	255.00		255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000
			255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000
Net Cash Flow		-250,000	245,000	245,000	195,000	345,000	295,000	245,000	245,000	245,000	295,000	345,000
Cumulative Net Cash Flow		-250,000	-5,000	240,000	435,000	780,000	1,075,000	1,320,000	1,565,000	1,810,000	2,105,000	2,450,000
Pay Back period	Years		1									
NPV	12%		-1,240,367				689,504		924,454		1,129,786	
IRR	10 years		98%		78%		95%		98%		98%	
Assumptions												
Average sheep price/sheep			500	500	450	600	550	500	500	500	550	600
Sheep production cost R/ha			255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00

Investment Appraisal - Discounted Cash Flow- Investment 2 (Feedlot- Beef Production)												
Payback, NPV and IRR for a Feedlot development of 1000 standing feedlot animals												
Development	1000											
		Year										
	R/ Head	0	1	2	3	4	5	6	7	8	9	10
Initial Investment												
Clearing and Land preparations		1,000,000.00										
Pump station		90,000.00										
Roads		80,000.00										
Equipments		600,000.00										
Electricity line and transformers		8,000										
		1,778,000.00										
Cash Flows												
Income												
Beef sales			3,300,000	3,075,000	3,150,000	3,225,000	3,300,000	3,285,000	3,375,000	3,450,000	3,225,000	3,420,000
			3,300,000	3,075,000	3,150,000	3,225,000	3,300,000	3,285,000	3,375,000	3,450,000	3,225,000	3,420,000
Costs												
Beef production costs	2,518.00		2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000
			2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000	2,518,000
Net Cash Flow		(1,778,000.00)	782,000	557,000	632,000	707,000	782,000	767,000	857,000	932,000	707,000	902,000
Cumulative Net Cash Flow		(1,778,000.00)	-996,000	-439,000	193,000	900,000	1,682,000	2,449,000	3,306,000	4,238,000	4,945,000	5,847,000
Pay Back period	Years		2									
NPV	12%		2,405,175				707,135		1,483,385		2,114,755	
IRR	10 years		38%		6%		27%		35%		38%	
Assumptions												
Average Beef Price/kg			15	15	15	15	15	15	15	15	15	15
Average Beef Carcass/head			220	205	210	215	220	219	225	230	215	228
Beef production cost R/h			2,518.00	2,518.00	2,518.00	2,518.00	2,518.00	2,518.00	2,518.00	2,518.00	2,518.00	2,518.00

Annexure H

Rates: Weaners Production System (2006-2007)

Cost per Unit				
Labour & Materials				
Type	Item	Unit	R/unit	
Labour	General	day	77.40	
Veterinary	Dip:Delete	ml	0.60	
	Deworm:Superfluke	ml	0.25	
	BlaAnthrax: 150ml	ml	1.06	
	Brucella RB 500ml	ml	0.64	
	Lumpy skin:100ml	ml	1.74	
	Vibrio olie verse:100ml	ml	0.28	
Medication	Needles 18G38mm(T)100's	mm	61.81	
	Syringe 5ml (Basic) Each	ml	35.3	
	Syringe 10ml (Basic) Each	ml	46.51	
	Krutex s/s Gloves 100's (ARM)	s/s	78.51	
	Liquid paraffin (MEDI) 20ltr	ml	0.06	
	Fenylbutazone 20% 100ml(s4)	ml	92.06	
	Supano Aerosol 400ml	ml	0.14	
	Terramycin Eye 25g powder	g	1.41	
	Forray 65 100ml	ml	2.80	
	Diatomaceous Earth	kg	7.00	
Supplements	Licks	kg	1.80	
	Bales: Lucerne+ natural grass	each	65.00	
OTHER:	Ear tags	Each	2.50	
	Water charge	R/mon	800.00	

Annexure I

Tale Gamorudu-Vaalbengkraal Farming Project (Fodder rates) - 2006/07 Budget

Cost per Unit				Tractors & Equipment															
Labour & Materials																			
Type	Item	Unit	R/unit	Operation	Tractor - Implement	kW	Width	Speed km/hr	N	hrs	ha/day	hr/ha	R/hr Tractor	R/hr Impl	R/hr Total	R/ha			
Labour	General	day	77.40	Ripper	4wd hp - 5 tine	100	2.5	4.5	0.75	10	8.44	1.19	151.20	11.61	162.81	192.96			
				Disc harrow	2wd mp - 3m trailed	56	3	8	0.75	10	18.00	0.56	69.20	48.36	117.56	65.31			
Seed	Soya - Farm			Soya/Wheat drill	4wd mp - 4m	100	4	10	0.6	10	24.00	0.42	141.12	284.21	425.33	177.22			
	Soya - Farm (Organic)			Sorgum planter	4wd mp - 4row, 3.6m mtd pneum	100	3.6	10	0.6	10	21.60	0.46	141.12	146.08	287.20	132.96			
	Soya - Certified			Loader	2wd lp - FEL	34								41.00	19.50	60.50			
	Maize - Certified			Rolling Cultivator	4wd mp - 4 row	49	4	5	0.75	10	15.00	0.67	63.90	15.70	79.60	53.07			
	Maize - Farm (Organic)			Tyne Weeder	2wd lp - Tyne weeder	34	5	20	0.75	10	75.00	0.13	40.77	14.93	55.70	7.43			
	Sorgum-Certified	kg	9.30	Tractor+trailer	2wd lp - 3t	34								40.77	12.22	52.99			
	Sorgum-Farm (Organic)	kg	2.60	Boom sprayer	2wd lp - 12m mounted	56	12	6	0.6	10	43.20	0.23	65.40	26.25	91.65	21.22			
	Sorgum-Farm	kg	1.00	Water bowser	2wd lp - bowser 3k	34								40.77	8.50	49.27			
	Lurcern Seeds	kg	4.30	Fert spreader	2wd lp - 12m, 1000 ltr mounted	56	12	8	0.6	10	57.60	0.17	65.40	38.99	104.39	18.12			
	Chemicals	Inoculum	kg	33.70	Mist blower	4wd mp orchard - 1000 ltr, trailed	50								75.51	71.36	146.87		
Chipper/mower					4wd mp orchard - 2m mounted	50										75.51	43.61	119.12	
Tractor+trailer					4wd mp orchard - 3t	50										75.51	12.22	87.73	
Fungicides	Compost Extract	R/ha	58.00	Round baler	Medium (1.5)	56	1.5	5	0.6	10	4.50	2.22	60.00	0.00	60.00	133.33			
	Wettable sulphur	kg	15.00	Grain cart	2wd mp - 5 tonne, 4 wheels	56							2.22	67.00	13.10	80.10	178.00		
Insecticides	Sterile Insect Release (SIR)	ha	23.40																
	Oil	ltr	9.00																
	Mating disruption	each	1.90																
	CM Virus	ltr	323.00																
	BT Spray	kg	700.00																
	Bioneem	ltr	45.00																
	Bioworm	kg	265.00																
Diatomaceous Earth	kg	7.00																	
Fertilizers	Calcium Chloride	kg	4.10																
	Anti Leaf-burn	ltr	38.00																
	Trace element Zn	ltr	30.00																
	Trace element Mg	ltr	16.45																
	Seagro	ltr	18.76																
	Compost Bought	m3	223.00																
	Bird Guano	kg	5.00																
	Potassium Sulphate	kg	2.70																
	Ground kelp	kg	1.50																
	Effective Micro-organisms	ltr	0.90																
	Ecofert	kg	2.70																
	Ecofert Low N	kg	2.73																
Others	Water charge	R/ha	666.00																

Annexure J

Tale Gamorudu-Vaalpenskraal Farming Project: Weaner Production Plan

ACTIVITIES						Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Production Preparation programme																	
Camps maintenance: Wire and Poles			Order Materials														
			Maintenance														
	Fire Belts		Operation application														
Breeding																	
Pregnancy Testing			Order Materials														
			Testing														
Calving																	
Identification:(Taging & Branding)			Order Materials														
			Marking														
Vaccination			Order vaccines & apparatuses														
			Vaccination														
Deworming & Dipping			Orders														
			Deworming & Dip														
Supplementary diet			Orders														
			Supplementing														
Dehorning			Orders														
			Dehorning														
Selling of Weaners																	

 Ops involving labour
  Orders
 Documents arrangements
  Less labour involvement
 Operation involving tractor

Annexure K

Sekhukhune Farm - 2006/07 Budget - Fodder Operations Plan

				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Operation																			
Planting and land prep programme																			
Land preparation	Ripping & discing	Tractor/equip prep	Order Spares																
		Operation	Workshop																
Fertilising																			
		Order materials																	
		Tractor/equip prep	Order spares																
		Operation - applicn Top-dress	Workshop																
Planting	Seed Planters	Order certified seed																	
		Tractor/equip prep	Order spares																
		Operation - plant	Workshop																
Irrigation	Pre-plant (as above) Post-plant	Equip prep	Order spares																
		Operation - application	Workshop																
Pest and disease control																			
	Spraying	Order materials																	
		Tractor/equip prep	Order spares																
		Operation - application Boom sprayer	Workshop																
Harvest	Combining & haulage	Tractor/equip prep	Order spares																
		Operation - harvest	Workshop																
		Post-harvest equip clean-up																	
		Documents																	
				Orders				Maintenance				Ops with tractors			Ops without tractors				

APPENDIX: 1. Methodology

Participant observation methods of qualitative research approach were applied to gather information required for this project as it requires that the researcher become a participant in the culture or context being observed (William, 2004). Different participant observation tools including surveying, interviews and meeting with relevant stakeholders, and review of many secondary sources, were utilized to generate information in building the project. These information gathering methods are discussed below:

Reconnaissance survey (June 2005)

This is also called a windscreen survey, whereby I spent a day with the Former Farm Manager (Mr. V. Mkhudu) through the Vaalpenskraal farm, to get a general idea of what was happening on the farms to prepare for fieldwork. The officer took me around the farm and I managed to meet some resourceful farm workers who were busy on the farms. The survey gave me a general idea of how big the farm portions were; the condition of infrastructure and the farming activities (for planning purposes). The survey also helped me prepare for the meeting with other stakeholders. But I should mention that it was not my first time in the farm as I explained above that the farm falls within the area that I serve as part of work responsibilities and also I am the one who was requested to remove government biological assets (Livestock) in this farm

Meeting with the CPA and LED Official (June 2005)

A week after I met the former farm manager, I arranged a meeting with the CPA through their chairperson Mr. Sethosa. The main aim of the meeting was for me to explain the proposal, so that both I and the client would have a common understanding of what was expected of me and from the study. I had already developed a list of potential stakeholders that could be of relevance to the project guided by my own experience and involvement in community development projects. This list was then given to each of the members of the CPA and LED official to go through, identify additional stakeholders and then choose those that I could focus on.

Meeting with the Provincial Department of Agriculture and Land Affairs (June 2005)

Meeting with key government official was arranged to explain my proposal. The officials include Mr Phaahla Manager: Restitution System & Support and Mr Selepe: Manager. Land Claims Commission and in this meeting the Chairperson of CPA was available.

Interviews with key informants (July 2005)

Key informants interviewed included: a retired Extension Officer (Mr Sithole) who was responsible for the region where the farm is located; a representative of the Lephalale Municipality Service Centre (Ms Mpe) and commercial farmers (Messrs de Villiers, Basson and Trui Geldenhuys, Manager – Feedlot). These people were chosen due to their knowledge of the farm and their involvement with the beneficiaries, to help me enrich my understanding of the problem and come up with relevant project proposal.

Interviews with Beneficiaries in general (July 2005)

With the assistance of the LED office, I held a meeting with the beneficiaries of this project at the Lephalale Municipality office. This means all the households were represented in the meeting i.e.

from 48 beneficiaries in the meeting there was a member from each household. This meeting was held so that I could introduce myself; explain the reason for visiting and outline the expected output of the proposal as well as its significance to the beneficiaries' future. After these explanations were given, the beneficiaries were split into three groups, to facilitate full participation of all participants. Within these groups, we used a list of guiding questions to gather information about general livelihoods beneficiaries, the different farm typologies, a brief history of how the farm got to be on the beneficiaries' possession, problems encountered as well as possible solutions for the future.

Focus group discussions and interviews with selected beneficiaries (August 2005)

These activities were undertaken with 29 beneficiaries I had identified as being active in farming (subsistence farming with livestock) at the same abovementioned venue, to get more in-depth information on farming in the region and verify the information gathered at the first general meeting, especially the typologies.

Interviews with other stakeholders (August 2005)

Interviews (personal and telephonically) were conducted with representatives of the following stakeholders from the Limpopo Province: Department of Agriculture; Department of Water Affairs and Forestry; Department of Land Affairs; Land Bank; Supermarkets (Spar & Pick 'n Pay); commercial farmers. Lephalale Local Municipality, Limpopo Department of Economic Development, Environment and Tourism; Agricultural Research Council, Abattoirs; Feedlots and Tompi Seleka College of Agriculture.

Mid-term workshop with CPA members (October 2005)

At this workshop I presented progress made thus far and any problems I might have encountered during data collection and also to cross check gathered information. All members of the CPA were present in this workshop including the LED official.

Workshop with stakeholders (October 2005)

Again with assistance of the Local Municipality the workshop was arranged at Tompi Seleka College of Agriculture and for this workshop, I requested the assistance of the LED Official to facilitate the workshop; we divided into two groups, the LED Official worked with the beneficiaries while I worked with the other stakeholders. The reason for the split was to cater for language (English) proficiency of the two groups of stakeholders. It was easier for the LED Official to discuss with the farmers in their local language, while with the other stakeholders English was the proper language for discussion.

The workshop was for discussing farm typologies, driving forces, future scenarios and potential strategies with stakeholders - to either confirm that they were right or to come up with new/alternative ones. Ideas gathered at this workshop assisted me in putting relevant information on the final report, with the views/perceptions of all the concerned stakeholders to be incorporated into the report.

Final workshop (January 2006)

The aim of this workshop was for me to present the final proposal to the beneficiaries, all the stakeholders and key informants. From their inputs we had come up with recommendations for the future of Vaalpenskraal farm and these were discussed in detail with those attending the workshop. The outcomes of the workshop helped me in finalising the report for submission to the beneficiaries and to the Stellenbosch University for the completion of my studies.

APPENDIX: 2. The photo showing the grazing potential of the farm during raining season.



APPENDIX: 3. The photo showing some of the accommodation facilities in the project that will need to undergo rehabilitation.



APPENDIX: 4. The photo showing the crush-pen in the project that needs to be repaired.



APPENDIX: 5. The photo showing the unit of the project that will be used for fodder production.



APPENDIX 6: SUMMARY OF SEMI STRUCTURED INTERVIEWS

1. GENERAL CHECKLIST FOR STAKEHOLDERS

- o What are your perceptions about the future of livestock production on these farms?
- o What are the characteristics of commercial farmers around Vaalpenskraal farm?
- o What minimum size of land required for a farmer to be profitable for each enterprise?
- o Are you aware of other farmers who are successfully exploiting the markets?

2. DEPARTMENT OF AGRICULTURE

- o How do you interact with farmers?
- o Is there any kind of support you provide them? What do you provide?
- o What are your perceptions on the major obstacles that hinder the way the beneficiaries would like to farm, in terms of the following?
 - a) Inputs
 - b) Yields
 - c) Financial support
 - d) Extension services
 - e) Equipment/mechanization
 - f) Marketing
 - g) Policies?
- o How do you see the future of commercial livestock production in Tale-Gamorudu-Vaalpenskraal farming project?
- o What possibilities exist for dry land farming?
- o What opportunities existed in the past for crop production and livestock?
 - a) Why are these no longer exploited?
 - b) Are there any possibilities of revisiting these opportunities?
- o What could be the issues that need to be considered in the future for profitable crop production?

3. DEPARTMENT OF LAND AFFAIRS

- o What do you think are the causes for the reduction in crop production on the Vaalpenskraal farming? Please rank these in order of importance.
- o What are your perceptions about the future of livestock production on these farms?
- o What are the characteristics of commercial farmers around Vaalpenskraal farm?
- o What minimum size of land required for beneficiaries to be profitable for each enterprise?
- o Are you aware of other farmers who are successfully exploiting the markets?
- o What criteria do you use to select farmers that you give
 - a) leases to
 - b) options to buy
- o Are the lessees allowed to sublease their land, if/when they are not using it?
- o What happened in terms of land tenure on the farms between 1981 and 1992?
- o How do you ensure compliance with the specific lease contracts (e.g. using the land fully for agricultural purposes)?

4. DEPARTMENT OF WATER AFFAIRS AND FORESTRY

- o How is water allocated to the farmers? How does the quota system work?
- o What is the local capacity for use/division of water?
- o What is the power of farmers to claim for more water?
- o What are the possibilities of farmers being allocated more water than they are currently getting?
- o What happens with the allocated quota that is not being used by farmers?
- o What are the different demands for water and how does it affect the availability of irrigation water?
- o Do the farmers have to pay for the water allocated to them or just pay for the water they used?

5. LAND BANK

- What services do you render to the farmers?
- What form of funds do you provide to farmers (cash/voucher/pay to supplier/grant) and how do you decide whether to give cash/voucher/pay to supplier/grant.
- What is the minimum amount of money you lend to the farmers?
- What form of guarantee do you require as collateral for loans?
- What qualities do you look for in a farmer before issuing a loan?
- What methods of payment?
- Have there been changes in your clientele?
 - a) What have been the changes?
 - b) What could be the causes of such changes?
- How long does it take to process a loan or a grant? Farmers have complained that the amount offered by the bank is the same as it was years ago, what are your perceptions?
- How do you see the future of livestock production in Vaalpenskraal farm?
- What possibilities exist for dry land farming?
- What opportunities existed in the past for crop production? Livestock?
 - a) Why are these no longer exploited?
 - b) Are there any possibilities of revisiting these opportunities?
- What could be the issues that need to be considered in the future for profitable crop production? Livestock?
- What specific complaints do your office receive from farmers, how do you deal with these?

6. COMMERCIAL FARMERS (Partnership)

- How long have you been farming?
- What could be the solutions for Vaalpenskraal farm?
- What minimum size of land could a farmer require to be profitable for each enterprise?
- What procedure did you follow to acquire water?
- What is your market outlet?
- What are your views about having contracts with the Tale-Gamorudu Vaalpenskraal farming project?
 - a) What benefits does the project derive from these contracts?
 - b) What are your benefits from the contract?
 - c) What do you think constrain other farmers to be part of your contract?
- How long is the contract that you have with the farmers?
- What will happen after the end of the contract?
- What potential opportunities are there for future commercial livestock production in Vaalpenskraal farm?
- What are your perceptions about the future of livestock production on these farms?

7 NTK, Lephale Dairy Project, Feedlots and Butcheries

- Who are your current suppliers?
- If not already doing so, what are the possibilities of your store accepting supplies from Vaalpenskraal farming project?
- What quality standards do you require from farmers who are supplying you with raw materials?
- What are the possibilities for small-scale farmers to enter your procurement system?

APPENDIX 7: STAKEHOLDER PERCEPTION MATRIX DEVELOPED FROM INTERVIEWS AND MEETINGS WITH THE STAKEHOLDERS

PURPOSE: Determine perceptions on challenges and possible solutions for Tale Gamorudu-Vaalbenskraal Farming Project

Stakeholder	Perception on the problem situation	Perception on the Solutions / Opportunities
Limpopo Provincial Department of Agriculture	Damaged infrastructure No interest to farm	Revitalization of the damaged infrastructure Provision of Extension services Capacity Building of the beneficiaries
Department of Land Affairs	Non-transparent water allocations and applications Shortage of water Boreholes not useable Financial assistance	Need market based production Access to more water Ownership of the land Technical support Provision of infrastructure Extension services
Department of Water Affairs and Forestry	Access to water Wrong agricultural production Power play between government departments No management skills	Provision of more water Skills training Long term guidance Better linkages between government departments Identifying the right typology Partnerships between commercial and black farmers Extension services
Partnership: Production	Access to water Power play between government departments No financial management High cost of living, due to many dependencies Lack of incentive to farm productively	Provision of more water Financial management training Fodder production Long term guidance Better linkages between government departments Full time commitment by the beneficiaries Partnerships Produce for the market
Partnership: Extra resources	Jealousy among the beneficiaries – destructive Access to water No effective use of available infrastructure Wrong people were allocated land Non-transparent water allocation Power play between government department – decision making Land Claims No management skills	Fodder production Simpler irrigation methods / systems Enlarge dam's capacity Sell wood from bush clearing Long term guidance Partnerships

NTK	Erratic rainfall patterns and climatic changes Low prices for agricultural products Underutilization of available infrastructure	Access to more water Training Financial support Efficient extension services Game farming and tourism Produce for the market
Land Bank	Poor infrastructure (fencing, irrigation equipment) Lack of management knowledge Insufficient extension services	Training in agricultural management Improve extension services Implement monitoring and support
Commercial farmers	Price fluctuations and uncertainties in farming Infrastructure have been damaged Lack of financing Lack of management skills	High intensive, high risk, high value crops Partnerships for long term guidance Allocate water to those who will utilise it Livestock is very feasible Need veld and grazing management Need secured, committed markets
Feedlots	Low supply of quality products (weaners) Insufficient quantity of production	Produce in continuous supply Produce high quality products (weaners) Partnerships Feedlots can become more accessible for the producers
Lephalale Dairy Project	Low supply of high quality fodder Wrong fodder production	Produce high quality fodder Collaboration in transport services
Beneficiaries	Access to water – can't get water allocations Non-transparent water allocation Financial constraints Poor fencing Roaming of neighbour's livestock Erratic rainfall patterns Lack of equipments and inputs Damaged infrastructure Lack of knowledge	Provision of water Transparency of water allocation process Revitalization of infrastructure Access to extension services Skills training Partnerships with commercial farmers Government support Effective farmers' organization