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ASSESSMENT OF CASP PROJECTS IN THE FREE STATE PROVINCE

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EXECUTIVE SUMMARY

BACKGROUND

The aim of the Comprehensive Agricultural Support Programme (CASP) is to provide post-settlement support to both the targeted beneficiaries of land reform and to other historically disadvantaged individuals who have acquired land through private means and are engaged in primary and secondary agricultural production.

A comprehensive analysis of CASP-supported projects in the Free State is critical for three reasons. The first reason is that there is a need to determine the status of the relevant current projects. The second reason is to enable the Free State Department of Agriculture to determine the impact of CASP at the micro and macro levels in the province. The third is to have baseline information available against which further benchmarking can be done.

This study was conducted with the main purpose of appraising all CASP projects in the Free State province. The terms of reference outlined the following aims for the study:

- To determine the current physical (resource and infrastructure) and financial status of all projects funded by CASP in the Free State up to present[1];
- To determine the current and future economic viability and financial feasibility of existing projects, based on actual operational data (with special emphasis on debt ratios, income potential, balance sheet statements and asset utilisation);
- To identify failed projects and the main reasons for project failures;
- To determine the general impact of projects on the quality of living of involved beneficiaries;
- To determine the impact of project on the economies of the immediate community in which it is located;

[1] Note: The list of CASP funded projects used for this assessment was compiled by the FSDOA in March 2007, however data on funds received per project was only available for the 2004/2005 and 2005/2006 financial years.

- To determine the overall impact of CASP funding in the province;
- To make recommendations on the interventions that will be required to make projects viable and sustainable.

MAJOR FINDINGS OF THE STUDY

Current physical and financial status of all projects

Poor infrastructure such as fencing, stock watering systems and electricity makes it difficult for poor farmers to utilise farms optimally and in a sustainable way. Since rotational grazing is not practiced in most cases due to poor infrastructure, the farmers will face major problems during dry seasons as there are no reserve (spare) camps. At times camps are not being used due to a lack of water in those camps because of broken pumps or windmills. In such instances farmers are forced to cart water for their animals whenever they want to utilise these camps. Affected beneficiaries need urgent help to overcome the abovementioned problems.

Of all projects 87% have fencing. The remainder of the projects do not have any camps or fencing between the border fences. Through CASP support, extensive fencing has been provided to the emerging farmers. From the projects that have fencing 51% indicated that their current fencing is good while 25% stated that their fencing is very poor. A significant number of beneficiaries (58%) indicated that additional fencing is required on their farm. The fencing is mainly required to develop smaller camps on the farms.

Only 36% of all the projects evaluated indicated that they have sufficient water available. The reason for this low rate is mostly due to broken windmills and pumps. Although a large percentage of the beneficiaries received windmill training and have the necessary knowledge to repair the windmills they do not have the essential funding to do so. The lack of current water resources can also be observed from the availability of troughs in each grazing camp. Only 43.6% of livestock farmers have functional troughs in each

camp. Of the projects, 9% are connected to municipal water while 5% get their water from irrigation schemes. The largest percentage (90%) of projects utilise boreholes, 53% of all the projects are serviced with windmills and 47% of the projects make use of pumps. Of all the projects evaluated only 36% have their electricity switched on. Most of them have three phase electricity, while a small number have single phase connections.

Leasing out and renting of land is a common practise. The high cost to cultivate crop land makes leasing an attractive alternative income to the owners. There are both advantages and disadvantages to the leasing out of farmland; while reduced production cost is an advantage, the difficulty of securing long term leases on land is a disadvantage. A number of projects (18% of all projects) are leasing land out to commercial farmers for the purposes of an additional income. Some projects require more land, as indicated by the 12% that are renting land.

Financial data as a whole was not available at most of the projects. It was very difficult to develop enterprise budgets due to the lack of knowledge of the beneficiaries regarding the prices and quantity of input costs. Either the extension officer was not aware of any financial data or the beneficiaries did not keep any form of financial data. Many of the projects make use of bookkeepers or similar financial institution to keep financial records and check on their financial success, but almost none of these projects had any of these data available. The lack of knowledge in accounting matters is one of the major reasons beneficiaries are failing to keep proper financial records. Most project managers only came to know about poor financial management taking place on their farms long after the damage had been done. Of the projects only 45% have an income statement, 35% have balance sheets and 36% cash flow statements. Only 18% of the projects are compiling enterprise budgets. The rest stated that they do not know the actual profit/loss from their various enterprises. Despite this state of affairs the project team attempted to construct financial statements for each project as is provided in Volume II (See attached CD) of this document. Given the quality of the data that the project team received the mentioned statements can only be seen as an estimate of the actual situation.

Current and future economic and financial feasibility

In order to determine to what extend projects are successful and sustainable, and on the other side of the spectrum, a total failure, a project rating system was developed. This rating system was based on four factors which were derived from the questionnaires completed with the project chairpersons of the CASP funded projects. These factors were selected on the basis of their distinguished nature in the verification of the success of any project. It was agreed to use a combination of factors rather than a single determinant, since success and sustainability is a fairly comprehensive aspect. The categorization gives an indication on the rate of success of the various CASP funded projects in the Free State Province. It has become evident that only about one of every five projects can be rated as really successful and sustainable.

The rating system developed can also be used to determine which factors have an influence on whether a project can be classified as a success. Factors that proved to have a significant positive impact were total size of the land farmed on, total number of livestock, management support from their local municipality, daily, monthly or quarterly meetings and the involvement of commercial farmers in whatever respect. Economies of scale seem to be an important factor. It is remarkable that this principle (within the context of CASP funded projects) does not apply to arable farming practices, so the amount of the total area of crops harvested does not have a significant impact on the success of the project.

There is a positive relationship between the project score and the CASP funding received (+0.27). This can be interpreted that, although the correlation is low, the amount of CASP funding does have a positive impact on the size of the success of the surveyed projects. The total amount of loans received did not have a significant relationship with the rate of success, although total investment (CASP funding and loans together) do have a significant impact.

The main reasons for project failure

A large number of projects (17.2%) can be classified as total failures. These projects are seen as failures since no agricultural activities took place, no project income was generated and the project was not viable and sustainable. Another category of projects, representing 41.4 %, were classified as not being successful at present and having a slight chance of succeeding in the future.

Various aspects that have an impact on the sustainability of the CASP projects have been identified and these include: the type of farming operation, location of the project, legal status of the group, the size of land, general management of the project, local authority support, training and mentoring, meetings held, conflict and condition of available resources.

The results of the investigation show that the beneficiaries of the CASP projects still face many constraints. These include infrastructure deficiencies, poor operational and management structures, inappropriate land tenure arrangements, and a lack of technical expertise. Many of the interviewees complained about the Department of Agriculture not delivering on promises, not being intimately involved in the projects, not providing sufficient advice and support, etc. Two very important issues that have been identified are; firstly, the need for comprehensive institutional support in its different forms, and secondly, the need to provide the appropriate training, technical advice and mentoring.

Impact of CASP on the quality of life of the beneficiaries

Methodologically, the quality-of-life survey included 304 questionnaires with CASP beneficiaries. Overall, 56.3% of the beneficiaries interviewed were male, while 43.7% were female. The average household size among the respondents was 4.1. This is slightly higher than the average for the black population of the Free State of 3.6 people per household. Prior to their involvement in the CASP project, just less than one-quarter of

the CASP beneficiaries have resided on a farm. At the moment, only 27% of beneficiaries reside on the project farm. Most of the beneficiaries (53.8%) had had no agricultural experience before joining the project. Of those with agricultural experience, most had had more than five years of experience as a labourer (26.7%), 10.2% had had less than five years' experience, while only 6.6% had had managerial experience.

Overall, 37.3% of the respondents were employed full-time before joining the project. Regarding the unemployment levels before the start of the project, 22.1% of the respondents said that they were "unemployed or looking for work". The average income of households prior to the CASP project (adjusted to inflation) was recorded as R2.652,53 per month. This means an average per capita income of R646.98 per month, which is significantly more than the international norm of US $1 per day for the poor.

Approximately 46% of beneficiaries had a source of income other than income from the project. The average amount for beneficiaries who reported such income was R1 879.04. If this income is spread across all the households, the average drops to R835.13. Overall, the importance of a multiple income needs to be recognised. Nearly 50% (49.7%) of households recorded no income from the CASP project. The average household income generated from projects was calculated as R920.88 per month. If the average is considered for those households who have recorded income from the project only, the average was determined at R1.829 per month – nearly twice as much as the overall average.

The percentage of households earning less than R800 per month has declined. Prior to the project, 31.6% of households earned less than R800 per month. Currently, this percentage is 14.7%. Overall, the gap in income inequality (determined by the Z score) between the lower- and upper-income groups has decreased slightly from 1.983 to 1.971. The question is obviously whether this can be contributed to the role of CASP. The fact that the biggest change took place in the lower-income groups suggests that grants have probably played a more prominent role than CASP income.

Overall, very little change has taken place in respect of the living environment of CASP beneficiaries since involvement in the project. The small changes that have occurred have been for the better, yet the living environment of on-farm residents has been considerably poorer than urban residents. Furthermore, access to schools and health services seems to be good. Approximately 37% of beneficiaries indicated that their current financial situation was better than it had been two years before, while 27.7% deemed it to be worse, and 34.7% considered it to be unchanged. Nearly 80% of beneficiaries indicated that their financial situation will be better in five years' time. Approximately 45% of beneficiaries stated that the project held no benefit for them.

Impact of CASP funding in the immediate community and the Free State

The Economic Impact of the Comprehensive Agricultural Support Programme (CASP) can be measured in more than one respect. Firstly there is the economic effect on the beneficiaries who are now better off, secondly you have the immediate investment in infrastructure which creates secondary benefits for other role players in the economy, and thirdly you have the downstream and upstream effects of the economic activity of the CASP projects. The impact of the downstream and upstream effects can be calculated by making use of multipliers[2]. The labour multiplier was calculated using the reported incomes for all the projects evaluated, which amounted to 12.2 million Rand. The direct multiplier effect amounted to 139 jobs, the indirect effect to 56 jobs, the induced effect to 90 jobs, resulting in a total effect of 284 jobs.

More than R25 million has been invested in CASP projects in the Free State in the 2006 / 2007 financial year. It was derived from the questionnaires that this has created 156 permanent jobs and 152 seasonal jobs. Some of the projects make use of family labour; in this case 55 family members have also been employed. When comparing the survey outcome against the calculated multiplier effect it seems as though the programme has done better than the average for the agricultural sector in the Free State. According to the survey 156 permanent jobs were created while the calculation with the multipliers effect

[2] Different multipliers for the Free State agricultural sector where obtained from the following study: Taljaard, P. (2008). The macro economy and irrigation agriculture in the Northern Cape Province of South Africa. Department of Agricultural Economics, University of the Free State.

determined that 139 direct jobs would be created. Although more jobs have been created than the average for the agricultural sector one has to look at their quality of living. Another aspect that is important to consider is the long term sustainability of these projects, as it has been shown that 17.2% of the projects have already failed.
The sum of production income of all projects evaluated was also used to determine the production multiplier effect. The calculated total production multiplier effect amounted to approximately R24 million.

It is clear from the calculated multipliers that the potential benefits from the CASP investment can be significant. It is not only the CASP beneficiaries that benefit, but also those that directly or indirectly do business with them. Since CASP funds are public funds, and because there are potential large benefits for the general public, it is important to ensure that these projects are successful, and that they contribute positively to the economy. Unfortunately only 20% of the projects are entirely successful. This means that the economy is looming on 80% of the potential benefits due to poor design, management, etc. of the project.

RECOMMENDATIONS ON THE INTERVENTIONS THAT WILL BE REQUIRED

Specific items that need further attention have been identified. These items together with the recommendations for intervention are provided below:

Business plans

- The establishment of a Business Plan office at the FSDoA to take responsibility for the development and monitoring of the different business plans is crucial.
- Business plans should be comprehensive information documents to be used by the project management and a good evaluation process needs to be in place.
- Business plans should contain proper risk analysis and also risk expectations over the longer run, especially regarding potential farm income generation.

- It is important that beneficiaries are conversed with the business plan
- All business plans must be approved by the Agricultural Economics section of the FSDoA
- Extension officers should be trained in business plan development
- Before CASP funding is approved to the beneficiaries the FSDoA should verify that the contributions promised by the beneficiaries are in place.
- An appropriate risk assessment must be done for each business plan before it is approved.

Availability of markets

- Market infrastructure such as collection points or transport in general should be introduced by the FSDoA where the need arises. The necessary linkages with markets must then also be established.
- Future land acquisitions for land reform should be in close proximity to towns.
- Market information is pivotal. Small scale farmers need to know what to produce to access markets. They also need to know where, when and how to sell their products.

Extension officers

- It is important that the FSDoA have extension systems that should be able to supply farmers with adequate marketing information, but due to the lack of knowledge this is not succeeding, indicating that Agricultural Economists should be more involved from the beginning of the project
- Training of officers through formal college education and in the in-service context is crucial.
- A proposed strategy of implementing the "Agricultural Knowledge Triangle", whereby research, extension and higher education are combined as one comprehensive package tied to systematic mentorship of small-scale and emerging farmers until they are able to stand on their feet is necessary.

Inputs

- The FSDoA has a very important role to play in making inputs available, providing the right advice and in training the beneficiaries on the right application and usage of the inputs.
- The CASP funding should be more directed to a production system approach. Providing production inputs should be accompanied by providing the appropriate equipment and training.

Livestock

- The FSDoA should ensure that their extension officers have the necessary knowledge to be able to provide the farmers with the necessary support and advise with their livestock.
- Linkages with commercial farmers are of immense importance, they could support the emerging farmers with good genetic material through lending their bulls/rams. They can also provide information and advice. Improving the mentor system together with Free State Agriculture should be considered.

Crops

- When beneficiaries receive assistance in the form of machinery etc, proper training must be supplied to ensure that the beneficiaries know how to use the equipment they received.

Ownership / legal status

- The requirements for land redistribution often forces people to work together to get hold of the funding. This has a direct effect on the subsequent application for CASP funding. The revision of the overall criteria to allow smaller groups and even individuals to benefit must be considered.

Beneficiaries

- Beneficiary education at the outset is necessary to address the unrealistic expectations of beneficiaries.

Quality of available infrastructure

- The Free State Department of Agriculture needs to ensure that their house is in order. The interviewees often indicated that there has been considerable delay in the response from CASP. It was also said that promises are made and not followed up. The FSDoA needs to make sure that they have the necessary management structures to ensure implementation and follow through.

Financial factors

- Training on management issues pertaining to financial issues is vitally important.
- Most of the projects could do with proper mentoring, where the mentor can especially assist with the financial management of the project.

Selection criteria

- Less beneficiaries should be selected per project.
- Beneficiaries with higher levels of education should be targeted.
- Beneficiaries with agricultural related experience have a higher chance to succeed and should be selected (e.g. farm workers).

Selection of type of projects

- The FSDoA should mainly consider enterprises which are not of high risk. (e.g. livestock)
- Crop farming should only be approved in cases where production inputs can be accessed.

On-farm vs. in town residents

- Proximity of settlement to farm should be an important criterion when projects are established.

Multiplicity of income sources

- It should be acknowledged that beneficiaries make use of more than one income stream as a survival strategy.
- The obligations and privileges of all beneficiaries should be contractually specified from the outset.

Optimal use of land

- Extension officers should be able to provide extensive support on how land should be used most optimally.

Conflict management

- Extension officers should be trained in conflict management.
- The obligations and privileges of all beneficiaries should be contractually specified at the outset to prevent conflict in the day to day management.

Agriculture viability and beneficiary income

- It is important that the FSDoA does not set the beneficiaries up for failure when they introduce them to a specific project. The FSDoA must make sure that the project has a reasonable chance of success.

Financial status

- Before the approval of a project, the project should have been registered as a legal entity and have a bank account
- Financial education should be provided to beneficiaries before starting the project
- Identified beneficiaries should be trained in bookkeeping.

Stakeholder support

- Stakeholder support should be formalised and better organised.

- Participation by local authorities is a determining factor in fulfilling emerging farmer's objectives. They also play a vital role in educating beneficiaries to promote sustainable development. Emphasis should be focussed on this issue.
- Concerted efforts need to be made by private stakeholders, banks, NAFU and business groups to promote the use of mentors on the projects.
- There are, or can be, several groups of actors or stakeholders who can contribute to the CASP beneficiaries. They are as follows:
    - Government incentives (e.g. regulations, start-up subsidies)
    - Group action of smallholders founding, for example, a co-operative grading & packing station
    - Research institutes focusing on smallholder empowerment and their access to, or inclusion in, markets.

ABBREVIATIONS

BATAT	Broadening Access to Agricultural Thrust
CASP	Comprehensive Agricultural Support Programme
CPA	Community Property Association
FSDoA	Free State Department of Agriculture
LED	Local Economic Development
LRAD	Land Reform for Agricultural Development
MDT	Multi-Disciplinary Team
NAFU	National African Farmers Union
NDoA	National Department of Agriculture
PDI	Previously Disadvantaged Individuals
PMU	Programme Management Unit
TOR	Terms of Reference

A. Introduction

A.1. INTRODUCTION

A.1.1 Background to CASP

The aim of the Comprehensive Agricultural Support Programme (CASP) is to provide post-settlement support to both the targeted beneficiaries of land reform and to other historically disadvantaged individuals who have acquired land through private means and are engaged in primary and secondary agricultural production. The programme has six priority areas, namely:

- Information and technology management
- Technical and advisory assistance and regulatory services
- Marketing and business development
- Training and capacity building
- On/off-farm infrastructure and product inputs
- Financial support

The expected outcomes of CASP are:

- Increased creation of wealth in agriculture and rural areas
- Increased sustainable employment
- Increased incomes and increased foreign exchange earnings
- Reduces poverty and inequalities in land and enterprise ownership
- Improved farming efficiency
- Improved national and household food security
- Stable and safe rural communities, reduced levels of crime and violence, and sustainable rural development
- Improved investor confidence, leading to increased domestic and foreign investment
- Pride and dignity in agriculture as an occupation and as a sector

Bearing in mind the above priority areas and the expected outcomes, the targeted beneficiaries are:

- The hungry
- Subsistence and household food producers

- Farmers
- Agricultural macro systems within the consumer environment

The grant objectives and allocation criteria are:

- Community involvement and ownership
- Target beneficiaries should be from the previously disadvantaged group
- Enhancing national and household food security
- Once-off grants and not committing the Government to any form of direct recurrent operational or maintenance project grants
- Long-term sustainability and economic viability
- Providing project financial support only for agricultural activities having the required level of institutional and technical support
- Prioritising projects that will generate employment opportunities

The grant conditions are that it must:

- Complement provincial budgets to improve and increase farmer-support services within the CASP framework.
- Insist on the implementation of quarterly reporting on approved plans for targeted areas and beneficiary groups.
- See to it that strategic plans for 2007/08 clearly indicate CASP measurable objectives and performance targets.

This particular programme was first implemented in the Free State Province during the 2004/05 financial year. Since its roll-out in the province, a larger number of agricultural and related projects were supported with various kinds of infrastructural development.

A.1.2 Aim and objectives

A comprehensive analysis of CASP-supported projects is critical for three reasons. The first reason is that there is a need to determine the status of relevant current projects. The second reason is to enable the Department to determine the impact of CASP at the micro

and macro levels in the province. The third is to have baseline information available against which further benchmarking can be done.

The terms of reference outlined the following aims for the study:

- To determine the current physical (resource and infrastructure) and financial status of all projects funded by CASP in the Free State up to the present;
- To determine the current and future economic viability and financial feasibility of existing projects, based on actual operational data (with special emphasis on debt ratios, income potential, balance statement and asset utilisation);
- To identify failed projects and the main reasons for project failures;
- To determine the general impact of projects on the quality of living of involved beneficiaries;
- To determine the impact of projects on the economies of the immediate community in which it is located;
- To determine the overall impact of CASP funding in the province;
- To make recommendations on the interventions that will be required to make projects viable and sustainable.

A.2 Methodological overview

A more detailed discussion of the various methodologies is provided in the different sections of the report. Three main methodological approaches were utilised. First, a questionnaire was designed to assess the agricultural viability of the projects. This questionnaire, in the main, concentrated on the agricultural infrastructure and operational aspects of the projects. The second main methodological approach included a survey of beneficiaries focusing on micro aspects of change (or lack of change) in respect of the lives of beneficiaries. The databases created in this way were also linked. The third approach involved an in-depth interview with the training manager at the Free State Department of Agriculture (FSDoA).

A.3 Outline of the report

Against the above background, the report is structured in the following way. It starts off with a discussion of the agricultural assessment of the various projects (Section B). The

discussion includes both a detailed report on each project, and reasons why projects fail or succeed. Section C deals with the responses from the beneficiaries with respect to: biographical attributes, changing income and expenditure, quality of life, food security and managerial issues. Finally, in Section D, an overview of the key findings and recommendations will be given.

B. DISCUSSION OF THE ASSESSMENT OF THE VARIOUS PROJECTS

B.1 Background

The Comprehensive Agricultural Support Programme (CASP) aims to provide post-settlement support to targeted beneficiaries of Land Reform and other producers who have acquired land through private means and are engaged in value adding enterprises for domestic or export markets. The CASP grants also complement the provincial budgets to improve and increase farmer support services within the CASP framework.

The policy objectives of CASP are summed up below:

- To promote community involvement and ownership
- To facilitate the development and reliability of privately owned farms
- To provide machinery, implements, production inputs and farming facilities
- Training and building the capacity of farmers and communities
- To develop markets
- To improve farming practices for the effective use of natural resources
- To create jobs and alleviate poverty
- To promote broad-bases Agri-BEE

This study was conducted with the main purpose to appraise all CASP projects in the Free State province. The main reason for the evaluation was to determine each project's sustainability. A project assessment report has been compiled for every project. These reports can be found in the folder marked on the CD accompanying this document.

It is apparent from this and other similar research projects that CASP has brought many benefits, but also that some negative effects came with it. Beneficiaries started to rely on financial assistance from the DoA as though it were part of their project strategies. This misguided outcome should be acknowledged in order to ensure that overall expectations of project success are based on sound and improved project performance.

B.2 Projects visited and interviewed

A variety of CASP agricultural projects in the Free State province were visited and evaluated. In total 109 projects were visited and participants interviewed and a total of 107 questionnaires were completed. Figure B.1 indicates the distribution of the CASP

projects that were evaluated. The number in the white block indicates the number of questionnaires conducted in a specific town. From this figure the concentration of projects in the Lejweleputswa District can be noticed.

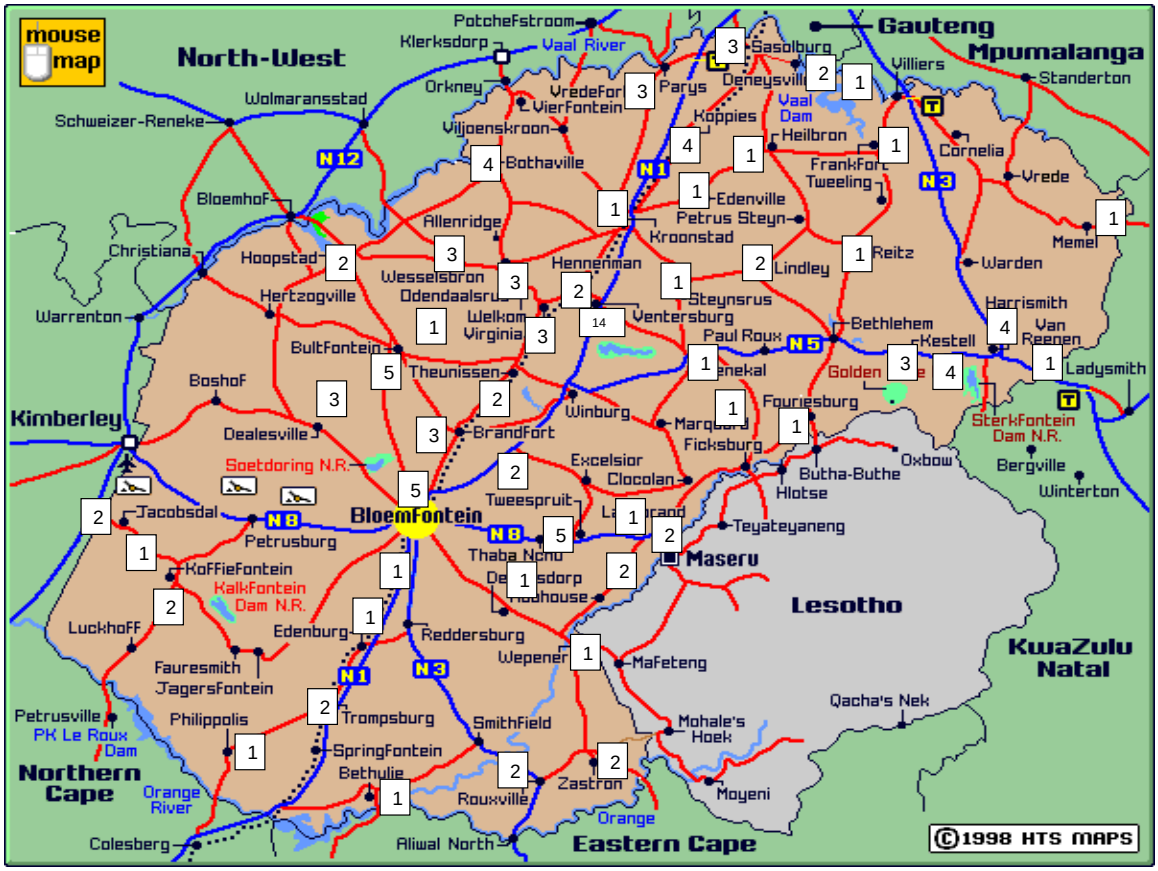

Figure B.1: Location of the projects in the Free State Province

According to the Terms of Reference (TOR) an original list of 109 projects needed to be appraised. The following were encountered during the appraisal exercise:

- Additional projects were added for evaluation although they were not on the original list.
  - Modikoe Trust (Koppies)
  - Marumo Trust (Ventersburg)
- Additional questionnaires were completed as per request of the DoA.
  - Three additional questionnaires for 114 Qwa Qwa

- Two additional questionnaires for Thaba Nchu

- Some projects had two different names .
  - Sasolburg Hydroponics is also Zwiraba Sasolburg Hydroponics
  - Parys Hydroponics is also Temong Hydroponics.
- Evaluation of the following projects was not done due to various reasons.
  - Sasolburg Hydroponics – The project was identified as a failed project
  - Xaba Family Trust - Project manager was on extensive sick leave
  - Bokamoso Farmers Trust - They are in the process of selling the farm
  - Mpho Poultry – They are in the process of selling the project
  - Rietfontein piggery – The beneficiaries are never available for interviews
  - Theunissen commonage – This project does not exist
  - Setsoto Fodder and Dairy – The project has never been implemented

B.3 Summary of surveys

In the next section various aspects are discussed which have an influence on the sustainability of the CASP projects. These aspects are discussed in general, as well as with their statistical frequencies as they appeared throughout the analysis.

B.3.1 Type of project

There are a number of different farming activities in the Free State Province. The CASP projects evaluated can mainly be categorised into four different groups, which are as follows: livestock, crops, mixed farming and other. The "other" group entails specialised projects types such as peanut butter manufacturing, tannery etc. According to Table B.1 the majority of projects entail livestock farming (65%). Mixed and crop farming projects have almost the same percentage, with 13% that are crop farming only and 18% that are mixed farming.

Table B.1: Type of projects initiated by CASP.

Type of project	%
Livestock	65
Crops	13
Mixed farming	18
Agro processing	4

Whereas Table B.1 discusses the type of farming enterprises, Table B.2 focuses on the intensity of the projects. For this analysis all agricultural activities are categorised into intensive, extensive and mixed farming. Intensive farming includes crop production, hydroponics, dairy, pig and poultry activities while extensive farming includes sheep, goats and cattle. If farming practices had both intensive and extensive farming actions they were included in the mixed group.

Table B.2 indicates that 51% of the projects evaluated are extensive in nature while 27% are classified as intensive farming. The 'other 'group includes the peanut butter manufacturing and tannery.

Table B.2: Intensity of the production system of projects evaluated

	%
Intensive	27
Extensive	51
Mixed	21
Water reticulation	1

B.3.2 Location of the projects

The Free State is divided into five district municipalities, which are again subdivided into local municipalities each, to a total of 20 local municipalities. More than 40.% of the CASP funded projects are situated in the Lejweleputswa District Municipality. Ventersburg (Matjhabeng Local Municipality) was identified as the town with the highest concentration of projects, not only in the Lejweleputswa District Municipality but also for the entire Free State Province. The distribution of assessed CASP projects in the different districts and local municipalities is shown in Table B.3.

Table B.3: Percentage distribution of CASP projects in the Free State Province

District an local municipality	%
Fezile Dabi	**15.6**
Mafube	0.9
Metsi Maholo	3.7
Ngwathe	9.2
Moqhaka	1.8
Lejweleputswa	**40.4**
Tokologo	2.8
Tswelopele	5.5
Nala	5.5
Matjhabeng	21.1
Masilonyana	5.5
Motheo	**13.8**
Mangaung	9.2
Mantsopa	3.7
Naledi	0.9
Thabo Mafutsanyane	**14.7**
Setsoto	0.0
Maluti a Phofung	7.3
Nketoana	2.8
Phumelela	1.8
Dihlabeng	2.8
Xhariep	**15.6**
Letsemeng	7.3
Kopanong	4.6
Mohakare	3.7

B.3.3 Legal Status of the group

Since the type of business entity has a huge influence on business issues, it is important to carefully select the legal entity for a particular project. Table B.4 shows that 52% of all CASP projects are Trusts while 14% are Close corporations.

Table B.4: Legal status of the projects

	%
Trust	52
Close Corporation	14
Partnership	6
CPA (Community Property Association)	5
Cooperative	8
Sole enterprise	10
NA (respondent did not know the status)	5

Table B.5 presents the understanding of the beneficiaries regarding the legal status of their projects. Only 69% of the respondents understand the content of their own legal entity. This indicates that 31% of the project managers have no idea what the legal status of their entity entails.

Table B.5: Percentage beneficiaries that understand the content of their own legal entity

Understand content of legal arrangement	%
Yes	69
No	31

B.3.4 Acquisition of land

The largest group of previously disadvantaged individuals (PDI's) do not have the available funds to buy land or other inventory inputs. In order to overcome this problem the National Department of Agriculture (NDoA) started to develop various programmes which enable them to buy their own land.

The Land Reform for Agricultural Development (LRAD) programme's main focus is to assist previously disadvantaged people to gain increased access to agricultural land (for use and ownership) by allocating grants to them. These grants are free and do not need to be repaid. However, it is expected of applicants to contribute in the form of cash (R 5000) towards labour or agricultural implements.

The effective management of a municipal commonage can also contribute to land reform, food security, local economic development and sustainable natural resource use. Commonage land is, in many towns, the only natural resource available to poor

communities. Many people look to commonages as a basis to improve their livelihoods. This has resulted in severe pressure on commonage land. The emerging farmers interviewed raised the point that they already have more livestock than the land allocated to them is able to support.

Table B.6 identified LRAD and commonages to be the most popular forms of ownership transition. LRAD was the highest determined method of land acquisition with a contribution of 47 of all projects. A disturbing observation was that 34 of the project chairpersons did not know how their land was acquired. The total number of the different methods of land acquisition does not add up to 99 due to the fact that in some cases more than one method was applicable e.g. LRAD in conjunction with a private loan.

Table B.6: Means of land acquisition

	No.
LRAD	*47*
Private	*7*
Community Property Association (CPA)	*1*
Commonage	*9*
Settlement and Land Acquisition Grant (SLAG)	*1*
Land Bank	8
Tribal	1
No land / respondent did not know	34

B.3.5 Financial records kept for the projects

The lack of knowledge in accounting matters is one of the major reasons beneficiaries are failing to keep proper financial records. Most project managers only came to know about poor financial management taking place on their farms long after the damage had been done.

A change of attitude in leadership is important, especially towards the need for beneficiaries to get financially involved in their farming activities instead of just "hoping for the best". Financial records would help to facilitate better monitoring on the farm so that they could see which enterprises have a positive or negative influence.

Financial records will enable beneficiaries to operate their farming practices as businesses and will give them the knowledge and skills to move from a subsistence orientation to an economic orientation in agriculture. Emerging farmers will gain the necessary knowledge and skills to access mainstream agriculture through a business-orientated approach to agriculture if they make use of financial records and have some management plans in place.

Table B.7 shows that 45% of projects have an income statement, 35% have balance sheets and 36% cash flow statements. Only 18% of the projects are compiling crop budgets. The rest stated that they do not know the actual profit/loss from their various enterprises.

Table B.7: Financial records kept by the projects

Registers	**%**
Income statement	45
Balance sheet	35
Cash flow	36
Enterprise budgets	18
Inventory	29
Production records	30
Climate records	8
Labour records	20

B.3.6 Local authority support

So many problems and their solutions have their roots in local authority support. Participation by local authorities is a determining factor in fulfilling emerging farmers' objectives. They also play a vital role in educating beneficiaries to promote sustainable development.

Table B.8 shows the various types of support received from the Municipality, Local Economic Development (LED) officials and the Free State Department of Agriculture (FSDoA). The municipalities and their LED officials do not contribute much to the CASP projects. When observing the individual local municipalities and the type of support they provide, the following distinction can be made:

- Financial support: Letsemeng
- Technical support: Matjabeng, Ngwathe
- Management support: Matjabeng, Ngwathe
- Training: Matjabeng,
- Advice: Mohokare, Letsemeng, Ngwathe, Matjabeng

The FSDoA, on the other hand, plays the most important role. The FSDoA supported the projects mostly through advice and training.

Table B.8: Support provided by Government stakeholders (%)

Support	Financial	Technical	Management	Training	Advice
Municipality	1	2	3	1	5
LED Officials	-	0	0	1	6
FSDoA	60	53	47	64	81

Table B.9 focuses on the involvement of stakeholders, with the exception of government institutions. As indicated 42% of the beneficiaries are members of National African Farmers Union (NAFU). Another important stakeholder is the commercial farmer, with 42% of projects reporting that commercial farmers give support, either through knowledge or advice. Land Bank plays a relative smaller role, with 28% of these farmers having loans with the Land Bank. Co-ops also played an important role since most projects purchase their agricultural inputs from local co-operatives. This has a positive impact on the local economy.

Table B.9: Support provided by various stakeholders

Stakeholders	%
Land Bank	28
Commercial Banks	28
NAFU	42
Co-ops	34
Producer organisations	6
Retail industry	2
Processing industry	3
Community	13
Commercial farmers	42

B.3.7 Training / Mentoring

Training and mentorship is a significant factor for the success of land reform initiatives such as CASP, and comprises an important part of the questionnaire. The questions "did you receive any training on your enterprises?" and "is there mentoring involved in the project?" are easily understood and answered. Once asked, the question usually leads to the need for training and mentoring.

Training includes teaching emerging farmers to know more about their enterprises, mechanisation (windmills and equipment), management and bookkeeping. Where a mentor is involved, this means that an experienced person is offering technical and strategic support on farming operations.

Training is seen as the main catalyst for emerging farmers to become commercial farmers. The Department of Agriculture's main objective is to identify the training needs of emerging farmers and to fulfil those needs. Various training programmes have been provided to emerging farmers hoping to increase their current knowledge regarding farming aspects. Training mostly included farm management, windmill training and livestock management courses. Of the CASP projects evaluated, 10% did not receive any training. Table B.10 shows that the projects that received training had positive results, with 87% of the projects identifying that the training was of good use and that the education broadened their knowledge.

Table B.10: Usefulness of the training

Training	%
Useful	87
Average	9
Not useful	4

Table B.11 shows the influence training had on the projects. In 36% of the projects the beneficiaries left the project hoping for a better future with their improved knowledge. With regard to the rest of the projects, 64% of the beneficiaries decided to stay with the project.

Table B.11: Trained people leaving or staying

Trained people	%
Leaving	36
Staying	64

Experienced commercial farmers can be assumed to be the best possible mentors for emerging farmers. They are most often more knowledgeable than extension officers regarding practical farming experience. It can be expected, therefore, that the continuous influence of commercial farmers would have positive effects on farming practises. In the majority of cases mentors had added significant value to the project; especially in cases where a relationship of trust had been developed (an example of such a relationship is demonstrated in the Oppermans project)

Table B.12 shows that 63% of all the projects do not have any mentoring. There are two types of mentoring, namely continuous and conventional training. Continuous training is where a mentor is giving persistent training on the farm, while conventional training comprises of short training courses. More beneficiaries indicated a preference for conventional training than continuous training. The reason emerging farmers chooses conventional training is because they want to be in control of there own operations and do not want mentors to participate during essential or decisive decision making.

Table B.12: Type of mentoring

Type of mentoring	%
Continuous	14
Conventional	23
No mentoring	63

The development and implementation of mentorship programmes are key factors that positively influence the CASP initiative. Therefore a formal well structured mentoring programme with a clear rationale, measurable goals or objectives and mechanisms of assessment is essential for sustainable and successful projects. Technical training and mentoring initiatives are indeed important for the capacity development of beneficiaries.

B.3.8 Meetings

Meetings are an important factor which regulates communication between different stakeholders. Apart from extension officer meetings with beneficiaries, it is essential for beneficiaries to have their own separate meetings. Most of the beneficiaries indicated that conflict issues and farm management programs are being discussed at these meetings.

There are no preset requirements regarding the frequency of meetings stipulated in the legal arrangements for close corporations, trusts and partnerships. However co-operatives are obligated to have a certain number of meetings during the establishment of such an entity.

Table B.13 reports on the regularity of meetings between the beneficiaries. It was determined that 14% of the projects do not have any kind of meetings. From the remaining 86% of projects that have meetings, 53% are held on a monthly basis. It is also interesting to note that 16% indicated that they have meetings on a weekly basis and 7% on a daily basis.

Table B.13: Regularity of meetings between beneficiaries

Regularity	%
Daily	7
Weekly	16
Monthly	53
Quarterly	19
Yearly	5

B.3.9 Conflict

Twenty three percent of the projects are experiencing significant levels of internal conflict. Some of the beneficiaries are not willing to work but still claim a share of the income. Problems are especially experienced when there are many beneficiaries, and the management experience problems where there are many beneficiaries involved. The most frequent reason for conflict is the lack of beneficiary involvement on the projects. Conflict was identified as a significant factor contributing to dysfunctional projects.

B.3.10 Resources

For successful production certain resources are essential. These resources must simplify management and must be both functional and economical. The utilisation of resources (soil, water, electricity, fencing) in a sustainable way is of great importance in agriculture.

B.3.10.1 Water, electricity and fencing

Poor infrastructure such as fencing, stock watering systems and electricity makes it difficult for poor farmers to utilise farms optimally and in a sustainable way.

Since rotational grazing is not practiced in most cases due to poor infrastructure, the farmers will face major problems during dry seasons as there are no reserve (spare) camps. At times camps are not being used due to a lack of water in those camps because of broken pumps or windmills. In such instances farmers are forced to cart water for their animals whenever they want to utilise these camps. Affected beneficiaries need urgent help to overcome the abovementioned problems.

Table B.14 shows that 87% of all projects have fencing. The remainder of the projects do not have any camps or fencing between the border fences. Through CASP support, extensive fencing has been provided to the emerging farmers. From the projects that have fencing 51% indicated that their current fencing is good while 25% stated that their fencing is very poor. A significant number of beneficiaries (58%) indicated that additional fencing is required on their farm. The fencing is mainly required to develop smaller camps on the farms.

Table 14: Condition of fences

Conditions of fencing	**%**
Availability of fencing	87
Poor	25
Average	24
Good	51
Additional fencing required	58

Table B.15 shows that only 36% of all the projects evaluated indicated that they have sufficient water available. The reason for this low rate is mostly due to broken windmills and pumps. Although a large percentage of the beneficiaries received windmill training and have the necessary knowledge to repair the windmills they do not have the essential funding to do so. The lack of current water resources can also be observed from the availability of troughs in each grazing camp. Only 43.6% of livestock farmers have functional troughs in each camp.

Of beneficiaries, 9% are connected to municipal water while 5% get their water from irrigation schemes.

Table B.15: Availability of water resources

	%
Sufficient water available	36
Functional stock watering system	41
Trough in each grazing camp (Livestock)	35
Connected to municipal water	5
Irrigation: water usage licensed	9

The largest percentage (90%) of projects utilise boreholes, 53% of all the projects are serviced with windmills and 47% of the projects make use of pumps.

Of all the projects evaluated only 36% have their electricity switched on. Most of them have three phase electricity, while a small number have single and double phase connections.

B.3.10.2 Land

Leasing and renting of land is a common practise. The high capital cost of land makes leasing an attractive alternative to the owners. There are both advantages and disadvantages to the leasing out of farmland; while reduced capital cost is an advantage, the difficulty of securing long term leases on land is a disadvantage. A number of projects (18% of all projects) are leasing land out to commercial farmers for the purposes of an additional income. Some projects require more land, as indicated by the 12% that are renting land.

B.4 Economic impact of CASP funded projects

The Economic Impact of the Comprehensive Agricultural Support Programme (CASP) can be measured in more than one respect. Firstly there is the economic effect on the beneficiaries who are now better off, secondly you have the immediate investment in infrastructure which creates secondary benefits for other role players in the economy, and thirdly you have the downstream and upstream effects of the economic activity of the CASP projects. The impact of the downstream and upstream effects can be calculated by making use of multipliers.

Three types of multipliers i.e. direct, indirect and induced multipliers are used to measure the impact on economic activity. The direct impacts are those impacts that emanate in a particular sector itself. Indirect impacts in turn reflect the impacts that a particular sector will have on all other input-supplying industries, whereas the induced impacts will result from the paying out of salaries and wages to people employed in a particular activity, as

well as other activities/sectors indirectly linked to the first activity. In the subsequent three subsections, the labour, production and value-added multipliers for agricultural activities in the Free State are reported and interpreted in regard to the investments made in CASP projects. The reported multipliers have been calculated by Taljaard (2007).

B.4.1 Labour multipliers

Labour multipliers or employment creation are key elements in many production processes, especially in labour-intensive sectors like agriculture. This indicator measures job creation and indicates the extent to which each sector contributes towards the creation of employment opportunities and, ultimately, each sector's contribution towards distributing salaries and wages amongst various types of labourers which, in turn, should impact positively on the alleviation of poverty.

In terms of agriculture in the Free State, the reported direct labour multiplier is 11.4, indicating that for each R1 million of agricultural output/production, 11.4 full-time agricultural job opportunities respectively are created within the respective sector. The direct labour multipliers for the other aggregate economic activities range from a low of 1.7 in the case of communication and electricity, water and gas to a high of 91.3 in the case of domestic services.

The indirect multipliers measure the impact that a particular sector will have on all other industries that supply the inputs of that particular sector – more specifically the indirect labour multipliers, which provide an indication of the full-time job opportunities created in the input-supplying sector as a result of a R1 million increase in the original sector. The indirect labour multiplier for agricultural economic activities in the Free State is 4.6. Compared to agricultural activities in the other eight provinces, the average indirect multiplier of 4.6 for the Free State is above the national average of 3.5.

The induced effects measure the economic impact that will result from salaries and wages paid out to employees in both the particular area of direct activity and the input-supplying sectors. These additional salaries and wages lead to an increased demand for various consumable goods that need to be supplied by various economic activities throughout the

broader economy. In the Free State the observed induced effects from agriculture is 7.4. From the results it is clear that the induced effects are on average double the size of the indirect effects and only slightly smaller than the direct effects.

The sum of the direct, indirect and induced effects provides an indication of the total employment effects resulting from a R1 million change in agricultural production. In the case of the Free State 23.2 full-time job opportunities are created on average as a result of a R1 million change in agricultural production. This means that if the projects are successful and running, the CASP initiative will produce in the order of 23 additional job opportunities (from a R1 million production increase). This makes the success of the project all the more important.

Table B.16 below provides the calculated labour multiplier effect for direct, indirect and induced effect of all CASP projects in the Free State. It was calculated by using the reported incomes for all the projects evaluated, which amounted to 12.2 million Rand.

Table B.16: Labour multiplier effect of CASP

Type of labour multiplier	Labour multiplier effect
Direct	139
Indirect	56
Induced	90
Total	**284**

Approximately R25 million has been invested in CASP projects in the Free State. It was derived from the questionnaires that this has created 156 permanent jobs and 152 seasonal jobs. Some of the projects make use of family labour; in this case 55 family members have also been employed

When comparing the survey outcome against the calculated multiplier effect in Table B.16 it seems as though the project has done better than the average for the agricultural sector in the Free State. According to the survey 156 permanent jobs were created while the calculation with the multipliers effect determined that 139 direct jobs would be created. Although more jobs have been created than the average for the agricultural

sector one has to look at their quality of living. This will be discussed in more detail in Section C. Another aspect that is important to consider is the long term sustainability of these projects, as it has been shown that 17.2% of the projects have already failed. The R25 million CASP investment on which the multiplier calculation is based could also not be confirmed

B.4.2 Production multipliers

The economic term "production" refers to the total turnover (i.e. quantity produced multiplied by the corresponding price) generated by each activity/sector in the economy, which can be measured as the sum of the intermediate inputs plus the total value added by a specific sector.

The indirect production multiplier for the Free State is 0.89. This implies that a R1 increase in production will have a backward effect or R0.89 (i.e. increase in sales) on the economic sector supplying inputs to the agricultural sector. The induced effect amounts to 1.11, indicating that as a result of the additional salaries and wages paid out due to the original R1 increase in production, increased consumer spending totalling R1.11 will result. Together the total production multipliers for the Free State add up to R2.00.

Table B.17 represents the production multiplier effect for the indirect and induced effect of all CASP projects in the Free State. The sum of production income of all projects evaluated was used to determine the production effect, As mentioned in the previous paragraph this amounted to 12.2 million Rand. The total production multiplier effect is R 24,312,173.00.

Table B.17: Production multiplier effect of CASP

Type of production multiplier	Production multiplier effect (ZAR)
Indirect	10,818,917
Induced	13,493,256
Total	**24,312,173**

B.4.3 Conclusion

It is clear from the calculated multipliers that the potential benefits from the CASP investment can be significant. It is not only the CASP beneficiaries that benefit, but also those that directly or indirectly do business with them. Since CASP funds are public funds, and because there are potential large benefits for the general public, it is important to ensure that these projects are successful, and that they contribute positively to the economy.

B.5 Factors determining success

B.5.1 Introduction

This section will give an overview of the analysis conducted to determine which factors have an impact on the success and sustainability of selected CASP funded projects. First the project rating system will be discussed, subsequently the methodology and the variables will be touched on and at the end of this section some outcomes will be given.

B.5.2 Project rating system

In order to determine to what extend projects are successful and sustainable, and on the other side of the spectrum, a total failure, a project rating system was developed. This rating system was based on four factors which were derived from the questionnaires completed with the project chairpersons of the CASP funded projects. These factors were selected on the basis of their distinguished nature in the verification of the success of any project. It was agreed to use a combination of factors rather than a single determinant, since success and sustainability is a fairly comprehensive aspect.

In Table B.18 the various questions that were used to calculate the inclusive "Success and Sustainability" score per project are given, as well as their individual scores/weights. The maximum score a project could receive is 12 which indicates a very successful project and the lowest score is 0 which indicates a totally failed project. The scores have intervals of 0.25.

The scores were calculated for a total of 99 projects as the 10 projects classified as "Commonages" were removed from the dataset due to their different character. .

The first element of the score was determined by the question of whether the project chairperson stated that the project is making a profit or not. The degree of error on this question may be large due to various reasons. The respondent might, for instance, not understand the concept of profit or how it is actually calculated; this is magnified by the fact that more than half of the projects do not keep financial records, hence the degree of perception is fairly large in this regard. Since actual financial data for most projects is poor; inclusion of this question was in most cases the only available measurement of profitability. In the case where the chairperson indicated a profit was made a score of one point was awarded, no profit and break-even received zero points

The above gives more reason for the development of a comprehensive rating system, as a single perception of profit cannot be a determinant for success or sustainability.

Table B.18: Determinants of the Success and Sustainability Score

Question	Outcome	Score
"Does the project make a profit?"	Yes	1
	Break-even	0
	No	0
	Maximum score	**1**
Project rating system: 1. Business plan available 2. Assets are well maintained 3. Beneficiaries receiving benefits above the minimum wage 4. Regular meetings are held 5. Beneficiaries know what benefits they are entitled to 6. Number of animals or areas planted has increased 7. Well kept plans for the future 8. Long term sustainability is guaranteed	Yes	1
	No	0
	Maximum score	**8**
Registers: 1. Income statement 2. Balance sheet 3. Cash flow 4. Crop budgets	Kept/recorded	0.25
	Not kept/recorded	0
	Maximum score	**1**
Fieldworkers opinion:		
1. Successful and sustainable in the long run	2	
2. Not sustainable in the long run	0.5	
3. Not sustainable at present but in the future	1.5	
4. Total failure	0	
	Maximum score	**2**
MAXIMUM OVERALL SCORE		12

The survey's own project rating system is the second element included in the rating system. The two questions on profit and the keeping of financial records were left out due to their overlapping with the previous factor. In total, eight of the questions used in the questionnaire to rate the projects were therefore included. One point was awarded for every "yes" response to these questions.

The third determinant includes the extent to which financial records are kept. This gives a broader perspective than just if they are kept. A decent financial administration may be a good indication of sound management practices at the project, which directly affects the success and sustainability of the agricultural operation.

The last determinant used in the rating system is the fieldworker's opinion regarding the success and sustainability of each project. The fieldworkers involved are qualified agricultural economists and their assessment of the viability of the different projects is a valuable contribution to the rating. The scores are based on one of the four fieldworkers' opinions that is most applicable to each of the projects.

In order to ensure dynamics in the rating system, projects are classified in four groups rather than assigning them a single score. This is done because the "Success and Sustainability" score may not capture all determinants of positive assessment since the environment and other exogenous factors differ significantly per project. Hence, ranking them individually may be misleading as the position on the ranking does not automatically indicate dominance or sub-ordinance over other projects, within the category.

The four categories were determined by using the average (5.85) and the standard deviation (2.96) of all scores. The four categories are as follows:

- Category 1: This top group contains projects with an individual score between more than 8.75 and 12, and can therefore be characterised as being successful at present and sustainable in the long run. Of all the projects, 21.2 percent fall into this category.

- Category 2: This group contains projects with an individual score of more than 5.75 and less than or equal to 8.75 and can be characterised as performing above average and are moderately successful although additional support and investment are required to ensure long term sustainability. Of all the projects, 20.2 percent fall into this category. Some of the "newer" projects scoring close to the average are in the building phase of their agricultural operation.
- Category 3: This group contains projects with an individual score higher than 2.75 and less than or equal to 5.75, and can be characterised as below average performing projects that are presently hardly successful. Some "older" projects require extensive support and investments to reassure sustainability. The "newer" projects, with close to average scores may be in the process of establishing herds and infrastructure, gaining skills etc. About 41.1 percent of all the projects fall into this category.
- Category 4: This group contains projects with an individual score of below of 2.75 and lower and can be characterised as failed projects where presently little or no agricultural activity takes place. Full recapitalization or termination of the project must be considered in all these cases. 17.2 percent of all projects full into this category.

Table B.19 provides the projects falling into the different categories.

Table B.19: Classification of projects

Project name	Category
Mosia Trust	**Category 1** Score > 8.75 21.2% Presently successful and sustainable in the long run
Hazeldene Dairy Project	
Kamogele	
Graceland Business Trust	
Dondolo	
Vaaldam Besproeiings Projek	
Van Reenen and Swinburne	
Heelgoed farm	
Kotoko Tannery	
Lema u Vena	
Wonderkop	
Waya Waya	
Pax	
Kopano ke matlo	
Bethany	
Basotho Lechabile Trust	
Relebohile Poultry	
Sawukazi Trust	
Setshego	
Thabo agricultural co-operative	
114 Qwa Qwa (S.P. Tshabalala: good farmer)	
Dikgomo Society	**Category 2** 5.75 > Score = < 8.75 20.2 % Presently marginally successful but additional support needed to guarantee long term sustainability
Morare Trust	
Glenross	
Diyatalawa	
Boitumelo Vineyard	
Steynsras land reform project	
Sithole Farms	
Tuloane trust	
Mathabatho	
Tswelopele Farming Trust	
Bendplaas Dairy Project	
Mashaeng poultry project abattoir building	
Ncaseka	
Ikemeleng Poultry Farm	
Itekeng Chicken Abattoir	
Mohapi Communal Property Assoc.	
Matlakeng cc	
Waterford	
Essential oils	
Leratong Trust	

Ithabeleng Layer	**Category 3** 2.75 > Score = < 5.75 41.4 % Presently not successful and success and sustainability on the long run will require extensive support.
Makgakajane	
Seloane Spitskop water reticulation	
Sandvet	
Ntlangeni	
Dashe Trust	
Letsoha Trust	
Mnembe Trust	
Molelengoane Trust	
South African Free State Farm	
Matchabela Trust	
114 QwaQwa (M.M. Malakoane: average farmer)	
Vukani Ma Afrika	
Nyambose and Motsima farming cc (lorelei) Paul Roux	
Phahameng Farmers Association	
Metsimaholo Communal property Trust	
Thusonao Association	
Mokoena Family trust	
Thusanong Trust	
Kopano Beef Master	
Siyabonga Trust	
Bophelo ke Matla	
Tikwe	
Riverside	
Wesselsbron Trust	
Maluti diaries	
Qala Botjha Botjha Stock Farming	
Medupe Trust	
Lechabile Dairy	
Multi Layer Trading	
Marumo Trust	
Mokwena Family Trust	
Olifant Trust (Fezile Dabi)	
Sinsonke Trust	
Skosana Trust	
Modikue Trust	
Mabohloki	
Mokolutlo	
Itumeleng cc	
Qwa Qwa hydroponics	
114 Qwa Qwa (overall)	

Moalasi	Category 4 Score =< 2.75 17.2% Failed projects
Chabane Trust	
Olifant Trust (Xhariep)	
Boiteko Peanuts	
Mopereo	
Reakopanya	
Sechaba Trust	
Impala Trading CC	
114 QwaQwa (P. Tshabalala: unsuccessful farmer)	
Tswelopele Broiler	
Piccanini	
Kgothule	
Zim Trust	
Marematlou Trust	
Lewane Farm	
Hydroponics project Temong, Parys	
Lesedi la Bophelo	

The categorization gives an indication on the rate of success of the various CASP funded projects in the Free State Province. It has become evident from the previous table that only about one of every five projects can be rated as really successful and sustainable.

B.5.3 Methodology

The rating system developed above can also be used to determine which factors have an influence on whether a project can be classified as a success. In order to determine the success factors, the relationship between various variables obtained from the questionnaire and data from the rating system need to be analysed. Since factors determining success need to be evaluated the investigation will focus on Category 1 (successful) and Category 2 (moderately successful, above average).

The analysis consists of exploring correlations between the dependant variable (rating) and the independent variables (factors obtained from the survey) in order to verify their positive or negative relationship. Additionally a logit regression model has been constructed to analyse the statistical significance (probability) of the relationship between the dependant variable and a set of independent variables.

For each set of independent variables two scenarios were run in the logit model, the first one included all Category 1 projects as dependant variables and the second one included

both Category 1 and Category 2 projects. This was done to check for the difference between "fully successful" and "moderately successful" projects.

B.5.4 Variables

As mentioned, a logit model was constructed for the analysis of success factors. This regression model requires for the dependant variable to have either the value of "1" or "0".

In this analysis the value would be "1" if the project rating would fall between the set score values for Category 1 or Category 2, depending on the scenario run. The value would be “0” if the project does not fall in these base categories, so this would be the case for projects in Category 3 and 4 (depending on the scenario, also projects rated in Category 2). The independent variables stemming from various sections of the survey were converted into numeric values to make them suitable for analysis. An overview of all the variables used in the analysis is given in Table B.20. During the analysis it became evident that some variables contained too little data points to make them significant for analysis. Generally the threshold was a minimum of 6 entries.

The dependant variable was defined as follows,

- Group 1: Category 1 projects equal "1", all other projects equal "0".
- Group 2: Category 1 and Category 2 projects equal "1", other projects equal "0".

Table B. 20: Overview of independent variables

Category	Variable (independent)
Type of farming enterprise	*Livestock*
	Crops
	Mixed
Beneficiaries	*Total number of beneficiaries per project*
Legal status	*Trust*
	Close Corporation
	Partnership
	CPA
	Cooperative
	Solo enterprise
Distance	*Distance from project site to nearest town*
Support 1 (support received)	*Local authority support (y/n)*
Support 2 (type of support received from)	*Financial support from municipality (y/n)*
	Technical support from municipality (y/n)
	Management support from municipality (y/n)
	Advice from municipality (y/n)
	Advice from LED officials (y/n)
	Financial support from DoA (y/n)
	Technical support from DoA (y/n)
	Management support from DoA (y/n)
	Training from DoA (y/n)
	Advice from DoA (y/n)
Support 3 (stakeholders involved)	*Land bank involvement (y/n)*
	Commercial bank involvement (y/n)
	NAFU involvement (y/n)
	Co-op involvement (y/n)
	Producer Organisations' involvement (y/n)
	Community involvement (y/n)
	Commercial farmer involvement (y/n)
Training and mentoring (received)	*Training (y/n)*
	Mentoring (y/n)
Conflict and meetings	*Is there conflict between the beneficiaries (y/n)*
	Do you have regular meetings (y/n)
Regularity (of meetings	*Daily*
	Weekly
	Monthly
	Quarterly
	NA
Land	*Total land leased out*

	Total land farmed on
Lease	*Land leased out (y/n/)*
Livestock 1	*Total number of large livestock (beef and dairy cattle)*
	Total number of small livestock (goats, pigs, sheep)
Livestock 2	*Total number of dairy cattle*
	Total number of beef cattle
	Total number of sheep
	Total number of pigs
	Total number of chickens
Crops	*Total area harvested*
	Maize harvested (y/n)
	Sunflower harvested (y/n)
	No crops harvested (y/n)
Land reform (how?)	*LRAD*
	Land bank
	Don't know
Resources	*Sufficient water available (y/n)*
	Electricity connected (y/n)
Additional income	*Total amount of off farm income per project*
	Off-farm income (y/n)
Location	*Xhariep*
	Motheo
	Lejweleputswa
	Fezile Dabi
	Thabo Mofutsanyane

As becomes evident from the table numerous variables have been derived from the survey in order to gain knowledge of the factors that determine success. Their influence on whether a project is successful and sustainable will be discussed in the next paragraph.

B.5.5 Outcomes

B.5.5.1 Analysis

The analysis of the correlation between the dependant and independent variables only serves to evaluate the magnitude and the sign (positive or negative) of the relationship. To what extend an independent variable explains the variability of the dependant variable ("1" or "0") will be explained by the logit regression model, since this model determines

the probability of such an event. In the case of building an all-inclusive success model, a factor analysis would be the next step in the analysis, however this falls outside the scope of this study.

In Table B.21 a summarisation is given of the outcomes of the correlation and logit analysis. For each scenario the values of the independent variables are given and if applicable it is indicated to what extent the variable is significant (level of 15% and lower). It will be indicated in the table if the independent variable is significant in relation to the other variables in its category, otherwise it will be assumed the regression has been restricted to lesser variables. This assumes that only an array of the various variables can ensure the "global fit" of the model. This can be achieved by conducting a factor analysis which, as mentioned, falls outside the scope of this study.

Table B.21 : Outcomes of correlation and logit analysis

Category	**Variable**	**Group 1 (Cat. 1 = 1 Cat. 2, 3, 4=0)**		**Group 2 (Cat. 1, 2 =1 Cat. 3, 4 = 0)**	
		Correlation	**Logit**	**Correlation**	**Logit**
Type	*Livestock*	0.07	No sign.	-0.03	No sign.
	Crops	-0.05	No sign.	-0.14	No sign.
	Mixed	-0.05	No sign.	0.09	No sign.
Beneficiaries	*Total number of beneficiaries per project*	-0.04	No sign.	-0.04	No sign.
Legal status	*Trust*		Sign. @ 1% -1.6		Sign. @ 4% -0.9
	Close Corporation		Sign. @ 12% -1.4	0.01	No sign.
	Partnership	0.08	No sign.	-0.04	No sign.
	CPA	0.11	No sign.	0.09	No sign.
	Co-operative	0.12	No sign.	0.05	No sign.
	Solo enterprise	0.15	No sign.	0.19	No sign.

Distance	*Distance from project site to nearest town*	0.11	No sign.	0.08	No sign.
Support 1	*Local authority support (y/n)*	-0.08	No sign.		Sign. @ 15% -0.6
Support 2	*Financial support from municipality (y/n)*	0.10	No sign.	-0.08	No sign.
	Technical support from municipality (y/n)	0.20	No sign.	0.03	No sign.
	Management support from municipality (y/n)		Sign. @ 9% 2.1	0.09	No sign.
	Advice from municipality (y/n)	0.08	No sign.	-0.10	No sign.
	Advice from LED officials (y/n)	0.13	No sign.	-0.04	No sign.
	Financial support from DoA (y/n)	0.05	No sign.	0.07	No sign.
	Technical support from DoA (y/n)	0.02	No sign.	0.07	No sign.
	Management support from DoA (y/n)	0.04	No sign.	0.01	No sign.
	Training from DoA (y/n)	0.19	No sign.	-0.03	No sign.
	Advice from DoA (y/n)	0.10	No sign.	-0.06	No sign.
Support 3	*Land bank involvement (y/n)*	-0.06	No sign.	-0.06	No sign.
	Commercial bank involvement (y/n)		Sign. @ 11% -0.9	-0.15	No sign.
	NAFU involvement (y/n)	0.00	No sign.	0.02	No sign.
	Co-op involvement (y/n)	-0.15	No sign.	-0.17	No sign.
	Producer organisations involvement (y/n)	-0.08	No sign.	-0.04	No sign.
	Community involvement (y/n)	-0.09	No sign.		Sign. @ 9%* -1.3
	Commercial farmer involvement (y/n)	0.10	No sign.		Sign. @ 8 %* 0.8
Training and mentoring	*Training (y/n)*	0.09	No sign.	0.00	No sign.
	Mentoring (y/n)	0.09	No sign.	-0.06	No sign.
Conflict and meetings	*Is there conflict between the beneficiaries (y/n)*	-0.11	No sign.	-0.12	No sign.

	Do you have regular meetings (y/n)	0.14	No sign.	0.11	No sign.
Regularity	*Daily*	0.18	No sign.		Sign. @ 6% 1.8
	Weekly		Sign. @ 15 % -1.6	-0.16	No sign.
	Monthly	0.07	No sign.		Sign. @ 9 % 0.9
	Quarterly	0.04	No sign.		Sign. @ 4% 1.4
	NA		Sign. 15% -1.6	-0.11	No sign.
Land	*Total land leased out*	0.12	No sign.	0.11	No sign.
	Total land farmed on		Sign. @ 1 % 0.02		Sign. @ 5% 0.02
Lease	*Land leased out (y/n/)*	0.08	No sign.	-0.02	No sign.
Livestock 1	Total number of large livestock		Sign. @ 4% 0.01	0.20	No sign.
	Total number of small livestock		Sign. @ 9% 0.004		Sign. @ 5 % 0.01
Livestock 2	Total number of dairy cattle		Sign. @ 5%* 0.03	0.18	No sign.
	Total number of beef cattle		Sign. @ 12% 0.01	0.10	No sign.
	Total number of sheep		Sign. @ 3% 0.01		Sign. @ 1%* 0.01
	Total number of pigs	-0.08	No sign.	0.04	No sign.
	Total number of goats	-0.15	No sign.		No sign.
	Total number of chickens		Sign. @ 8% 0.001	0.04	No sign.

Crops	Total area harvested	0.04	No sign.	0.01	No sign.
	Maize harvested (y/n)	0.05	No sign.		Sign. @ 6% 1.96
	Sunflowers harvested (y/n)	-0.08	No sign.	-0.05	No sign.
	No crops harvested (y/n)	0.09	No sign.	-0.02	No sign.
Land reform	LRAD	0.10	No sign.	0.02	No sign.
	Land bank	-0.06	No sign.	0.05	No sign.
	Don't know	-0.06	No sign.	-0.09	No sign.
Resources	Sufficient water available (y/n)	-0.14	No sign.	-0.11	No sign.
	Electricity connected (y/n)	0.02	No sign.		Sign. @ 9% 0.73
Additional income	Total amount of off farm income per project	-0.05	No sign.		Sign. @ 9% -0.79
	Off-farm income (y/n)	-0.03	No sign.	0.11	No sign.
Location	Xhariep	0.00	No sign.	0.01	No sign.
	Motheo	0.13	No sign.	0.22	No sign.
	Lejweleputswa		Sign. @ 9% -0.96		Sign. @ 1 % -1.23
	Fezile Dabi	0.03	No sign.	0.11	No sign.

* Dependant variable is significant in relationship with all the other categorical variables

B.5.5.2 Outcomes

As has become evident from Table B.21, various variables have a significant positive or negative impact on the determination of whether a project can be categorised as successful or moderately successful (above average). In this regard, a positive impact implies that a higher value of the independent variable increases the probability of being related to the base category ("1") i.e. being in the more successful category (either 1 or 1+2).

All the variables not listed below do not have a significant impact (positive or negative) in the determination whether a project is successful and sustainable and/or moderately successful. Surprisingly, training did not show any impact.

The factors determining the success of the CASP projects are as listed below:

Group 1: Projects which are successful and sustainable in the long run

Factors with a significant positive impact:

- Total land farmed on
- Total number of large livestock
- Total number of small livestock
- Total number of dairy cattle
- Total number of beef cattle
- Total number of sheep
- Total number of chickens
- Receiving management support from municipality

Factors with a significant negative impact:

- Trust as legal status
- Close Corporation as legal status
- Located in the Lejweleputswa district
- Having a commercial bank as a stakeholder
- Having weekly or no meetings

Group 2: Projects which are successful and sustainable in the long run + moderately successful projects (above average)

Factors with a significant positive impact:

- Having daily, monthly or quarterly meetings
- Involvement of commercial farmers

- Total land farmed on
- Total number of small livestock
- Total number of sheep
- Total area of maize harvested
- Having electricity connected

Factors with a significant negative impact:

- Trust as legal status
- Receiving local authority support
- Involvement of the community
- Total amount of off-farm income
- Located in the Lejweleputswa district

Taking the total number of factors used in the analysis into account, it can be stated that only a small number of them actually significantly determine if a project is successful or not. Most of the investigated variables were extensively scattered over all four categories (see paragraph B.5.2) of projects, complicating the determination of success factors. Additional research would be required to get a holistic understanding of the impact of each individual factor.

Group one, comprising of the most successful projects, were positively impacted by the amount of total land farmed on and the herd size of various type of livestock. From this it can be concluded that the larger the size of the farm and the greater the number of livestock, the more successful are the projects. Economies of scale seem to be an important factor. It is remarkable that this principle (within the context of CASP funded projects) does not apply to arable farming practices, so the amount of the total area of crops harvested does not have a significant impact on the success of the project. Receiving management support from municipalities was also one of the positive determinants of success. In order to make recommendations it should be investigated what this support actually entails.

Whether a project was categorised in group one (successful) was negatively impacted by Trusts and Close Corporation as legal status; to what extent this was caused by skewness in the dataset, or the actual legal arrangements related to the type of entity, requires further investigation. On the other hand, no type of legal entity positively impacted on rate of success. By far, most projects were located in the Lejweleputswa district. Interpreting the effect of this is therefore impossible.

Group two, consisting of all projects scoring above average (category one and two: projects which are successful and moderately successful) were positively impacted by having meetings on a regular basis, involvement of commercial farmers, the total number of small stock, total number of sheep, total area of maize harvested and having electricity connected. The impact of economies of scale also filters through in this group. Additionally, assistance from commercial farmers (in whatever form) as well as having electricity connected do benefit the rate of success of CASP funded projects.

Overall it is remarkable that the following selected variables did not have a significant impact on success within the context of CASP funded projects:

- Availability of sufficient water
- Training,
- Conflict amongst beneficiaries
- Stakeholder involvement
- Local and provincial authority support (except for management support from municipality)
- Type of farming
- Total area of crops harvested (except for maize)
- Amount of off-farm income received

B.5.6 Rate of success and CASP funding

As mentioned correlation is a single number that describes the degree of relationship between two variables. The relationship between the score of each project and the

amount of CASP funding it received is depicted in Table B.22. There is a positive relationship between the project score and the CASP funding received (+0.27). This can be interpreted that, although the correlation is low, the amount of CASP funding does have a positive impact on the size of the success of the surveyed projects. The total amount of loans received did not have a significant relationship with the rate of success, although total investment (CASP funding and loans together) do have a significant impact.

Table B.22: Correlation between project score and

	Score	CASP Funding	Loan*	Total investment
Project score	1	0.27	0.18	0.31

*At a 95% significance level, loans are not correlated with the project score.

B.6 Reasons for the failure of projects

B.6.1 Introduction

As became evident from Table B.19, a number of projects (17.2%) can be classified as total failures. These projects failed since no agricultural activities took place, no project income was generated and the project was currently not viable and sustainable. Another category of projects, representing 41.4 %, were classified as not being successful at present and having a slight chance of succeeding in the future.

In an attempt to uplift the CASP beneficiaries to an economically viable state it is necessary to understand the constraints these beneficiaries might have. Infrastructure deficiencies, poor operational and management structure, inappropriate land tenure arrangements and a lack of technical expertise are among a few of the major constraints that they face.

The apparent abundance of project failures can be ascribed to a number of reasons which are almost inherent to the complexity of farming and an agricultural industry characterised by low profitability and high risk. Although these reasons or factors for project failure are seen in a negative context, they do generate a better understanding of

what leads to failure and what corrective action could be taken in order to revive those projects that seems to be on an unsustainable pathway.

B.6.2 Institutional constraints

Institutional constraints can be further divided into different factors such as access to finance, access to information and technology, access to farm input and product output markets, lack of collective action (lack of leadership) and well defined property rights.

B.6.2.1 Limited access to financial services

The main services required by rural households and therefore CASP beneficiaries are savings, credit, insurance and money transference. These are often closely related to each other, and also with input and output marketing services, as regards both the problems they face (for example, low levels of activity with small and dispersed, hence high-cost, transactions), and the way that supply and demand constraints across input, output and financial service delivery interact in the vicious circles of low-level equilibrium traps [3]

There are particular challenges in the provision of savings and credit services in poor rural areas, and in particular in providing credit for seasonal purchases of crop inputs:

- small-scale deposits and loans lead to very high transaction costs, exacerbated by
- the seasonality of agriculture this leads to patterns of lumpy demand and repayment (may be difficult to make repayment);
- lending to agriculture in a given area faces covariant risks from adverse weather (agriculture is particularly risky) but insurance markets are usually non-existent and smallholders generally lack collateral to borrow against;
- covariant risks (of events striking many members in a community), for example affect not only the demand for credit but also savings deposits and withdrawals by rural people;
- there are further problems in financing input purchases for subsistence-crops.

[3] ”low-level” equilibrium is a situation where performance is low on most relevant counts: service quality and coverage are both low, and there are severe organisational efficiencies, with few incentives to maintain existing facilities or improve services. Moreover, this situation implies an ”equilibrium” in the sense that there are inherent forces tending to maintain the current state.

These difficulties make provision of banking services costly and unprofitable in poor rural areas, so that these areas are poorly served by banking facilities. Difficult and costly access to these facilities, located in distant urban centres, then constrains demand even for relatively straightforward deposit or withdrawal services.

Inadequate funding is almost a refrain heard from most participants interviewed during the project survey. This can be explained by the fact that project beneficiaries came into their new business venture which had normal start-up capital requirements, that they entered without or limited capital of their own, and that they had to direct much of their start-up capital into the purchase of land. The end result is that a significant number of projects started off under a cloud of inadequate funding, which then gradually increased to an untenable debt burden. This phenomenon explains their plight for higher and continued state grants, which again will help them to remain sustainable instead of becoming another failure.

It has also been detected in some project evaluations that CASP system administration sometimes caused delays in payments, which again caused cash-flow problems at farm level. The latter occurrence perhaps demonstrates the unnatural reliance on CASP providing production inputs.

B.6.2.2 Information

Information in various literature depicts the transparency of a market and the deregulation of the agricultural marketing sector in South Africa in the late 1990s, which resulted in the abolishment of the marketing boards, which lead to non transparency in markets. With the abolishment of the marketing boards, the important roles they played in the collection and dissemination of agricultural data went with them, which led to a decrease in the supply of agricultural data, and in some cases discontinued it, despite a substantial increase in the need for data by decision makers. Information economics studies show how information affects economic decisions.

The provision of information alone does not guarantee that recipients will find it useful or even understand it. Networks that are socially and culturally contextualised thus need to be built on demand-side rather than supply-side principles.

These results suggest that farmers who are presently not participating in the markets might respond positively if they could have reasonable access to information about markets. Access to information is possible when farmers are located closer to the markets, and have appropriate contacts with the extension service. Information systems for promoting market access have not been very clear and accessible in South Africa. To encourage smallholder farmers to participate in high value markets, it is definitely necessary to create information sources that are within farmers' reach.

The other role of information pertains to the increased level of market participation. This is reflected in the existence of variable transaction costs. The role of access to information through extension officers and the ability to interpret information is limited to influencing the decision of farmers whether to participate in the market. What the farmer knows about the market is not pivotal in determining the level of sales.

It is evident that lack of knowledge is a major stumbling block regarding successful farming for many of the project beneficiaries. Most of them started farming activities without proper experience in commercial farming and limited technical knowledge, and many received little or no sound advice or assistance over long periods of time. More recent efforts by the FSDoA to improve capacity to better support these beneficiaries with capacity building programmes can be regarded as either insufficient and/or too late to turn failing projects around.

The role of the Agricultural Economist should be acknowledged more, as their role in providing information is crucial. A possible Multi-Disciplinary Team (MDT) approach should also be considered to support the projects.

B.6.2.3 Funding

The lack of capital is clearly perceived as the most important constraint by the project respondents. The problems faced due to high input costs can be closely related to lack of capital. Production capital determines the affordability of good inputs, such as good seeds, the right fertilizers, etc. Sustainable production over a period of time depends greatly on good usage of inputs. The cost price squeeze effect is a serious concern with emerging farmers, because their input costs are exceeding the output. Inputs are unavailable and unaffordable, which causes farmers to become self sufficient with their inputs. Low quality inputs are then used, and production decreases. When commercialisation takes place, farmers get increasingly more dependent on input suppliers. The demand for new inputs also grows. This means that the emerging commercial farmer will start to use new inputs like better fertilizers, production credit and improved cultivars. Acquiring new and technologically improved inputs can be difficult for small-scale commercial farmers.

One of the most important inputs is seed. Good seed is not always available, as farmers do not always have the necessary financial means to acquire improved seed. Travel expenses also add as transaction costs in acquiring seed. Co-operatives and Agribusinesses provide an organised supply system but are centred in towns and more urbanised areas. Commercial farmers contribute to the high demand for seed. On a commercial level, seed is regarded to be fairly accessible due to transport availability, access to necessary financial requirements and the incentive to buy improved seeds. Emerging farmers cannot compete with commercial farmers. The necessary seed is inaccessible to small-scale emerging farmers. This creates the incentive for farmers to use their own produced seed. This practice enables farmers to cope with the short term problem of access to seed, but unfortunately results in other problems in the longer run. Firstly the yields of the crops will not increase significantly over the long run, and crop yields must increase as the availability of arable land is an increasing problem. The increase in yields can directly contribute to the increase in farm income.

B.6.2.4 Markets

Market access is complicated by numerous internal and external challenges that CASP beneficiaries face.

A report by the Broadening Access to Agricultural Thrust (BATAT) identified the following major obstacles to entry into markets in South Africa for smallholder agriculture, which are similar to the marketing problems encountered by CASP funded projects: Management and basic business skills, lack of information on prices and technologies, communications, roads and vehicles, storage, extension advice, finance and credit, bargaining power, institutional capacity, processing technology, high transaction costs and legislation and regulations. In addition, with the increasing number of free trade agreements affecting both national and international commodity markets, smallholder farmer are being forced to compete not only with their local cohorts, but also with farmers from other countries as well as domestic and international agribusinesses.

B.6.2.5 Collective action

The concept of social capital is what can best be described by the term "collective action". The uniqueness of social capital is that it is relational. It exists only when it is shared. Social capital refers to the features of social organisation such as trust, norms and networks that can improve the efficiency of society, facilitating co-ordinating actions.

At community level, the structural component of social capital has been defined in terms of the density and diversity of associations within a community. The associational interactions in the community reflect the ability to co-ordinate, monitor and hence solve a collective dilemma. At individual level, structural definitions consider social capital as embedded in the network of friends, relatives and acquaintances an individual interacts with, based on norms of reciprocity. Individual social capital can be conceptualised as consisting of two components; (1) the private component that is embedded in friends, relatives and acquaintances, and (2) the public or social component that is embedded in the community and flows from informal community institutions (local associations).

As the literature demonstrates, information diffusion may be a function of social capital, suggesting the possibility of differences in access to information from early adopters by potential adopters that may lead to differences in adoption rates. Social capital may influence social learning and technology adoption in a number of ways: First social capital reduces the cost of information acquisition since it can be acquired passively during social interactions or actively from people who already know each other. Second, social capital reduces the uncertainty about the reliability of information. Information is likely to be given a higher value if it comes from trusted people. Third, social capital facilitates a willingness and co-operation in sharing information, thereby revealing tacit information that would be difficult to exchange otherwise. Social capital also reduces transaction costs in a range of markets (such as output, labour and credit markets) that are endemic in most developing economies.

The economic function of social capital is to reduce the transaction costs associated with formal co-ordination mechanisms like contracts, hierarchies, bureaucratic rules, and the like. It is of course possible to achieve co-ordinated action among a group of people possessing no social capital, but this would presumably entail additional transaction costs of monitoring, negotiating, litigating, and enforcing formal agreements. No contract can possibly specify every contingency that may arise between the parties; most presuppose a certain amount of goodwill that prevents the parties from taking advantage of unforeseen loopholes.

Some of the projects which are mostly identified as full ownership projects, and where group influence is dominant, demonstrate the impact of group interrelationships on the sustainability of such projects. A large group of beneficiaries often experiences problems of collective action where different interest groups exist and actually become small pressure groups which undermine sound decision making and management within the project. Examples of these projects also portray existing passive and active members within the group, which contribute to conflict situations, and which require conflict resolution or conflict prevention by mentors and extension officers intervening in the group. Some of the preventative actions encountered indicate the enhancement of strong management structures within the group by establishing formal and informal leadership

patterns, addressing interrelationships between conflicting elements in the group, creating greater group coercion, etc. It is also evident that strong leadership, coupled with a good understanding of agriculture, can contribute towards a sustainable project over the longer term.

B.6.2.6 Lack of land ownership

Some of the CASP projects are on commonages, which creates its own problems. There is widespread belief among development specialists that land tenure security is a necessary but insufficient condition for economic development. Compared with weak or insufficient property rights, tenure security (1) increases credit use through greater incentives for investment, improved creditworthiness of projects, and enhanced collateral value of land; (2) increases land transactions, facilitating land transfers from less efficient to more efficient users by increasing the certainty of contracts and lowering enforcement costs; (3) reduces the incidence of land disputes through clearer definition and protection of rights and (4) raises productivity through increased agricultural investment.

In production, for product output to increase, tenure security becomes a binding constraint. At some point of production, farmers will demand high tenure security before undertaking fixed land improvements or investing in capital intensive technology. Credit supply by informal lenders becomes limiting, while formal lenders will require clear and transferable title before lending. It is doubtful whether the transition to high value crops and a high capital/labour ratio can be achieved without land tenure that confers right of sale, mortgage, and low cost transaction in the eyes of creditors.

B.6.2.7 Transaction cost economics

Many of the projects fail due to the high transaction costs associated with some of the actions that need to be taken.

In discussing all of the institutional constraints there has been an underlying theme throughout all of the factors, namely transaction costs in the respective institutions.

Institutions are transaction cost-minimizing arrangements which may change and evolve with changes in the nature and sources of transaction costs.

Some of the institutional constraints linked to increased transaction costs are summarised below:

- The search for information about potential contracting parties and the price and quality of the resources in which they have property rights, which includes personal time, travel expenses and communication costs
- The bargaining that is needed to find the true position of contracting parties, especially when prices (including wages, interest rates, etc.) are *not* determined exogenously
- The making of (formal and informal) contracts, i.e. defining the obligations of the contracting parties
- The monitoring of contractual partners to see whether they abide by the terms of the contract, and
- The enforcement of the contract and the collection of damages when partners fail to observe their contractual obligations
- Screening costs: These refer to the uncertainty about the reliability of potential suppliers or buyers and the uncertainty about the actual quality of the goods.

Transfer costs: These refer to the legal, extra legal or physical constraints on the movement and transfer to goods. This dimension commonly includes handling storage costs, transport costs, etc.

Beneficiaries engaged in CASP projects have limited access to factors of production, credit and information, and markets are often constrained by inadequate property rights and high transaction costs. Generally, transaction costs can be explicit (observable) and/or implicit (unobservable). Explicit transaction costs include transport costs, for example bus fares, while implicit transaction costs include the opportunity cost of time spent searching for new partners or customers, gathering market information, travelling and waiting time. When faced with high transaction costs, small farmers may not realise the benefits of trade and consequently persist with subsistence agriculture. The provision

of physical and legal infrastructure, information and education through extension, and agricultural research may lower transaction costs. Achieving rural economic growth will require the participation of small-scale farmers in various markets. Government policies, education, knowledge and access to capital are important factors in market participation by small-scale farmers in Third World countries. Therefore, policies affecting rural marketing institutions, property rights and both physical and legal infrastructure that deal effectively with transaction cost obstacles are necessary.

B.6.3 Technical constraints

Technical constraints can be further divided into different factors such as inadequate infrastructure, distance to markets, access to inputs, the lack of economies of scale, extension services and a general lack of skills and experience.

B.6.3.1 Infrastructure

An implication for the success of the CASP projects might be that investment in a good physical infrastructure is of the essence if smallholder participation in the markets is to be encouraged. Markets should be brought closer to the farmers in order to address the problem of proximity to markets. This can be done by establishing a market infrastructure that includes collection points and/or a transport system. Farmers could then deliver their products to the nearby distribution points, from which the buyers or agents could collect the products. Possibly this initiative could be left in the hands of the private sector, but the public sector could play a role in supporting the information transfer to farmers. There is therefore a clear need for better managing of marketing, such that it can cater for market information centres.

B.6.3.2 Distance to markets

Beneficiaries of CASP projects near markets and on main roads could justify taking their products directly to markets because of reduced transportation costs and reduced time taken to carry the products to the market.

The distance from the market to the farm gate is integrated mostly as an explicit cost in the transaction cost economies. However distance from the market also has an implicit

transaction cost as the opportunity cost of time spent travelling to markets. The implicit costs are usually higher, suggesting that proximity to institutions such as markets and banking facilities is crucial. The extent of these costs depends on the degree of market organisation and the development of the physical and institutional infrastructure.

Rural households with different asset bases are likely to have different levels and distribution of transaction costs. In regions with thin or non-existent markets, it is costly to discover trading opportunities. Also, poor market access due to lack of transport and distance, and barriers such as ethnicity increase a household's cost of observing market prices to make transaction decisions.

B.6.3.3 Access to inputs

Widespread interest in recent years in farmer organisations has seen them as mechanisms for supporting agricultural development and as an important means for smallholders' access to markets and services. Resource productivity can be improved through application of external inputs or with internal resources. Given the high costs of agrochemical inputs, poor farmers tend to rely on internal inputs (manure, fallow, cover crops). Economic performance of such low external input systems has been disappointing due to their generally high labour requirements. Only in rather remote regions with high population density and low opportunity costs of labour, exclusive reliance on internal inputs may be a feasible option. In other settings, a combination of internal and external inputs will be more appropriate for raising factor productivity.

Inaccessibility of seed, fertilisers and plant protection inputs are reported to hinder yields. Use of poor quality seed does not enhance crop yields while use of high yield varieties significantly increases yields.

B.6.3.4 Economies of scale

Many of the respondents have indicated that they would like to have more land. Economics of scale can however also be achieved in other ways. Given increasing market instability and competition for smallholders, small farmers need to become more competitive, and build capacity to improve their market position. One way to enhance

such productivity is through the advantages of economies of scale. Developing producers' organisations can help to achieve these economies through pooling of credit, information, labour force and transportation means for selling products and buying inputs. Such aggregation of input activity, production, processing and marketing processes into larger economic units, like farmers' associations or cooperative organizations, have been shown to improve individual smallholders' bargaining power and hence their market position.

Collective marketing through rural producers' organizations can be a means to overcome constraints faced by small scale farmers, including lack of capital, imperfect information, geographic dispersion, poor infrastructure and communications. These constraints are particularly apparent with State withdrawal from productive activities, concurrent with a private sector that is still underdeveloped. Acting collectively through farmers' associations, farmers can mitigate transaction costs and therefore accrue benefits from collective marketing

B.6.3.5 Extension services

Most of the projects indicated the involvement of the FSDoA through the extension officers. Extension services link directly to the supply of information, although extension officers lack knowledge and experience of commercial practices most of the time. They are also not committed to projects. It is important that extension systems should be able to supply farmers with adequate marketing information, but due to the lack of knowledge this is not succeeding, indicating that Agricultural Economists should be more involved from the beginning of the project. It is thus recommended that government, in particular, consider introducing into the extension system extension officers who are specialised in marketing. Naturally this would require the training of these officers through formal college education and in the in-service context. With extension officers gathering and dispersing market information the benefit of such investments would be an increased market participation of smallholder farmers.

The FSDoA has a rather sufficient level of capacity considering the number of extension officers. Support and extension services are regularly available, and programmes are generally successful, however the extension services in rural areas are seriously constrained by poor infrastructures, inadequate financial resources and weak institutional structures. These factors combine to limit the extent to which they can support the poor farmers who are invariably located in the most inaccessible areas. Failure of extension support for emerging farmers sets off a chain reaction that destroys the faith between farmers and public institutions. The problems faced are not as serious as experienced in other parts of the country.

For support and services, the emerging agricultural sector cannot just rely on the department of agriculture. Other institutions should also be included in programmes for skills training, extension services, development of organisations and institutions, financial assistance, creation of markets, and many more. The University of the Free State, Central University of Technology, Glen College of Agriculture and other institutions and NGO's can make much a difference in the sustainability of development. A proposed strategy of an "Agricultural Knowledge Triangle", whereby research, extension and higher education are combined as one comprehensive package tied to systematic mentorship of small-scale and emerging farmers until they are able to stand on their feet, is discussed in the "Creating an enabling environment" document.

B.6.4 Lack of skills, experience and education

Literacy is generally acknowledged to influence smallholders´ success positively. Some of the reasons that helped literate households in other surveys to cultivate and participate in the market included: (i) enhanced ability to receive, decode, and understand information from print and mass media channels; (ii) easy contact with outsiders; (iii) understanding of concepts related to causality, arithmetic, weights and measures that increased the ability to conceptualise abstract ideas; (iv) improved managerial ability; and v) sensibility to science and technology.

Although beneficiaries got exposed to different types of management training and indicated the usefulness thereof, very few can read the financial accounts of their

appointed bookkeepers. There also appears to be a lack of understanding of the implications of record keeping and management for the successful execution of their different business types. It seems, therefore, that competence levels are not meaningfully improved through training efforts and extension support.

Since proper management ability, and especially financial management capacity (including debt management) is so often the prerequisite for a successful project, it is no wonder that so many of the project failures can be ascribed to the absence of this indicator for success.

B.6.5 Farming practices

Farming practices include cultivation techniques and livestock practices. The perception that larger numbers of livestock represent larger wealth should be changed. This creates the incentive especially on commonages to enlarge livestock numbers, disregarding the grazing capacity of the natural pastures and the quality of the animals. The results are over-grazing, lower quality animals and erosion. Erosion causes a deterioration of the pastures and arable land.

Small-scale farmers have a greater tendency to practice intercropping. Mixed cropping should not always be seen as negative and has some advantages. Small-scale farmers have low incomes and are normally risk-averse. Intercropping gives a more stable income and is a way of diversifying income on scarce land resources. Mixed cropping practices also spread labour demand over a longer time period. Pests are less of a problem in intercropping systems, thus reducing input costs.

B.6.6 Health

The lack of employment and income in many households means that these households are extremely vulnerable to many of the problems associated with poverty such as poor health care (leading to increased mortality) and lack of access to basic amenities needed to maintain good quality of life. The situation in the Free State is further exacerbated by the increasing incidence of HIV/AIDS.

The main issue with HIV/AIDS is the devastating effect that it has on development and growth through its impact on the human capacity to work. As a result of increasing frequency of ill-health, the individual is unable to work at levels that add to national output and guarantee a steady income for the worker. The most immediate impact on the households is the loss of regular income which goes to exacerbate poverty and destitution for those associated with the infected person. The impact that HIV/AIDS has on emerging and subsistence farmers is enormous. This is attributed to the fact that almost all farming activities are labour-intensive, especially when considering the circumstances of the small-scale and emerging farmers who ordinarily have a low capital base and rely on the mobilization of labour to perform farm operations. When labour effort is impaired by ill-health, the result is that some activities have either to be postponed or abandoned. This means that affected households will be experiencing declining productivity in their farming businesses.

LoveLife, an HIV/AIDS charity, estimates the number of employees lost to AIDS could rise to between 40 and 50 per cent of the workforce in some companies in the next 10 years. Most farms are suffering from HIV/AIDS-induced absenteeism, a decline in the skilled workforce, a fall in productivity, increased sickness payments and rising employee benefit costs. In the local municipalities of Blue Crane Route, Sundays River Valley and Ndlambe, AIDS has led to a severe erosion of human capital. The skilled and trained workers in the area die, creating a void of knowledgeable labour. There is also a lack of awareness programmes for HIV/AIDS. There is evidence that HIV/AIDS is also threatening foreign direct investment although the specific mode of action in this regard is not yet well researched and documented.

B.6.7 Entrepreneurship

Currently entrepreneurship is not a selection criterion to receive CASP support, although it should be. CASP actually has no selection criteria at all. This can be identified as very important selection criteria. On many of the projects a lack of creativity in entrepreneurship is evident. Entrepreneurs organize and grow new businesses and play an important role in rural development, a fact often overlooked in the public policy arena. It is important that entrepreneurship in farming should be recognised as one of the

necessary conditions for a healthy agricultural economy. The challenge facing the Free State is the development of policies that promote entrepreneurship, defined as the rapid growth of new and innovative businesses that fosters opportunity and rural economic health. In many instances the agricultural policy of the day shows no confidence in the entrepreneurial ability of farmers and concentrates on production. This policy undermines the building of a viable farming community.

B.6.8 Beneficiary selection process

The initial beneficiary selection process for the projects could in some cases be blamed for project failures. There is a great variability between projects which again require careful selection of beneficiaries in terms of experience, skills, training background, group size, etc. If excessively large numbers of beneficiaries were allowed on a project with limited income potential, chances are good that participants would experience unreliable and insufficient income levels or that they would tend to deplete the resources of the farming business because of limited or no financial spare capacity. Some project failures occur when the selection process lead to a mismatch of beneficiary groups and the type of farming ventures chosen for them. An example would be where a group of beneficiaries with a background in extensive livestock farming are matched with intensive irrigational type crop farming and then find it difficult to adapt to such a challenging and high risk environment. Examples of failure were also encountered where the composition of the group of beneficiaries caused friction between those actively involved in project operational activities and those with no interest in the farming operation.

B.6.9 Agribusiness

Institutional support is often crucial for the sustainability of a particular project. However, it was found that in some cases of the failed projects almost none of this kind of intervention is displayed. In most cases there was only an extension officer applying some kind of support. One would have expected to encounter more involvement of organised agriculture and the agricultural divisions of banks, universities, etc. These institutions could assist with in-depth and applied training courses in a drive to enhance

essential skills and management requirements. Such projects also displayed a lack of strong leadership, and could also be linked to an absence of management capacity.

B.6.10 Business plans and expectations

Project business plans are often constructed without the proper consultation of all role players. The main function seems to be a submission for grants. Instead of being aimed at sustainable projects, a business plan should be a comprehensive information document to be used by the project management and a good evaluation process needs to be in place. Business plans should contain proper risk analysis, and also risk expectations over the longer run, especially regarding potential farm income generation.

B.6.11 Conclusion

Two overarching themes were highlighted: 1) the need for comprehensive institutional support (Multi-Disciplinary Team (MDT) and Programme Management Unit (PMU) implemented) in its different forms, and 2) the need to provide training and technical advice at all stages of the supply chain. There also exists the need to identify champions within the chain that would have the capacity to guide and motivate the other factors. The Global Forum on Agricultural Research (2005) identified ten key success factors on how poor smallholder farmers can benefit from growth in markets which can be generalised for most smallholder farmers in South Africa as well:

- *Willingness and capacity of farmers to organise for collective action.* It was felt that in order to overcome the challenges and risks posed by high value markets it is critical for farmers to organise collectively for input and output markets, advocacy and other functions, and to link with other actors of the chain, the principle being that Smallholder Farmers are defined by their limited assets.
- *Ability to access technical and training assistance and organisational advice.* This is a key factor that can be included in each of the other key factors listed. This explicit mentioning of this point results from its importance and the continued need for it in Smallholder Farmer's organisations that are involved in supply chains.

- *Credible facilitating agents (extension officers) to encourage market linkages and build trust among actors.* Third party facilitation is often required to build effective farmer-buyer linkages. This targeted short-term intervention is designed to create effective and efficient communication and coordination along the supply chain.
- *Access to credible market information and intelligence.* Small scale farmers need to know what to produce to access markets, but they also need to know where, when and how to sell their products.
- *Access to affordable finance.* Tools to access credit which is affordable and reliable can be crucial at all stages in the chain.
- *Local motivation and entrepreneurial skills within the community.* Entrepreneurial skills among at least some members of the local community are a necessary requirement.
- *Consistent and supportive policies to create development.* Enabling environments entails more than governmental infrastructure issues. Pro-poor policies entail changing policies that create bottlenecks in supply chains; creating a socio-political environment with an emphasis on food security through rural business development.

B.7. Summary and recommendation

B.7.1 Future Studies

B.7.1.1 Problems encountered by the research team

This section provides the reader with problems that were encountered during the process of completing questionnaires but also general problems that arose during the study.

B.7.1.1.1 Business Plans

The main concern was that some business plans did not correspond with the actual project. Other business plans were found to be incomplete. The overall impression was

that the business plans were only drafted to get the CASP grants; thereafter no attention was given to the content of the business plans.

B.7.1.1.2 Financial Data

Financial data as a whole was not available at most of the projects. It was very difficult to develop enterprise budgets due to the lack of knowledge regarding the prices and quantity of input costs. Either the extension officer was not aware of any financial data or the beneficiaries did not keep any form of financial data. Many of the projects make use of bookkeepers or similar financial institution to keep financial records and check on their financial success, but almost none of these projects had any of these data available. As a result of the unavailability of the necessary data, historical balance sheets could not be compiled.

B.7.1.1.3 Timeframe of the Project

The research team was frustrated by the difficulties experienced at the start of the project. It was felt that the project was rushed and that the time of the project was very badly chosen. Everybody was preparing to go on leave towards the end of the year, which made proper preparatory consultation extremely difficult, and at the same time there was much pressure to rush the process to completion. The team did not have enough time and felt that not enough information could be gathered in the right manner to develop good statistics and financial data for quantitative and qualitative analysis. More time was also necessary to consult with extension officers about projects as well as to phone some of the beneficiaries to find missing information for the questionnaires.

B.7.1.1.4 Extension Officers

The role of the extension officers is very important. In some places extension officers were not very involved. The research team got the impression that some of the officers are not really playing any role to make a success of the projects. They visit the projects from time to time, but that is all. It is felt that the officers should be actively involved with decision-making and helping these beneficiaries practically on the projects. They organise people to speak to the beneficiaries but it is only in theory that these beneficiaries are trained. Some of the beneficiaries are illiterate and they don't have a

clue as to what these people explain. The team is of the opinion that there should be many more practical lessons for these people to show them how to use and maintain their equipment, etc.

The team would like to suggest that the extension officers be exposed to professional training with at least some practical farming experience because they cannot help the beneficiaries when help is needed. Such training would also capacitate the extension officers to handle these projects with confidence. Perhaps the extension officers should also be evaluated monthly on the progress of the projects they are assigned to. Since they do not have any motivation to work harder and make the projects work an incentive scheme should be designed that is based on the rate of success of these projects.

B.7.1.1.5 Claims of Corruption

The research team encountered some participants that claimed that there is corruption in the FSDoA. The beneficiaries of certain projects want to stay anonymous about this corruption because they were threatened with death. The majority of these claims were in the Welkom, Virginia and Henneman regions. Some of the beneficiaries claim they have proof of these irregularities and that they are scared to approach the police or any corruption authority about it. It is suggested that the FSDoA should ask for an audit in order to evaluate these allegations.

B.7.1.2 Aspects to improve for future investigations

A number of lessons have been learned from the questionnaire and it requires additional work. The questionnaire should be simpler in its questions to make it understandable for the project manager. To accomplish this need, the framing of the closed questions are such that they should seek either a ‘yes’ or ‘no’ or ‘don’t know’ answer. This would make the capturing of the data more simple. The rating process can thus be done and managed by relatively inexperienced officials.

A benchmark should be developed for future projects. Questions regarding mentoring should be rephrased, more questions should be asked on mentoring and whether the beneficiaries think that it would contribute to their success. The questionnaire should

also expand on information regarding human capital; (although some of this was included in the socio-economic questionnaire, information should be retrieved regarding the project managers' capacity and his/her eagerness to farm) and should capture general information on the CASP funding received..

In the future, co-operation between the interviewer and extension officers should be improved. Generally extension officers have more knowledge about the project than the project mangers. Meetings should be scheduled only if the extension officer can be at the interview.

An easier method of completing the financial statements would be to complete this while on the farm by means of a detailed information check. This means that a more intense interview would take place with the project manager in completing his inventory, budgets and statements.

B.7.2 Recommendations for the improving of CASP projects

Agriculture could be the means of fighting poverty and unemployment, experienced by many South Africans. If poverty is to be eventually eradicated, intensification of agriculture must be both ecologically and economically sustainable for the future. The goal is to ensure universal accessibility to stable supplies of adequate nutritional food requirements that have been produced in an environmentally sustainable manner. The creation of employment opportunities and markets for agricultural products are also important in the overall effort to alleviate poverty. It is therefore important that the success of the CASP projects be improved. This section tries to identify the most important things that must be done to achieve this. Furthermore, in Section D (on page 209) an overview is given of the main findings which have been linked to recommendations for the improvement of CASP projects.

B.7.2.1 Institutional environment

The greatest challenges in unlocking the opportunities towards creating an enabling environment do not lie in the CASP projects, but in the institutional framework that is in place to attend to their needs.

While many development opportunities are being offered to the CASP beneficiaries to assist them, the main part of getting development efforts successful is to get the environment right. The institutional setup should be such that it allows for good departmental administration, interdepartmental co-operation, co-operation between the national, provincial and local government structures and a participatory approach to development and involvement of the private sector and Non Government Organizations (NGOs).

The success of any integrated development programme depends on the level and nature of the various institutional arrangements in the province and the direction provided by these arrangements. When rural development programmes and agricultural projects are formulated, a number of institutional arrangements should be in place. These could include the following:

- There should be a clear understanding as to which department or institution is the lead institution with regard to a specific project or rural development in general. This will ensure co-ordination.
- Since rural development includes the various areas of government such as education, health, social works, etc. it is important that there is some form of co-ordination.
- Harmonising all intervention strategies to ensure similarity in target and mode of implementation.

B.7.2.2 Infrastructure

The government has the responsibility to maintain and upgrade all roads. The condition of roads should be prioritised according to economic growth. The transport network in and between the more urban areas and the major towns are kept in general good conditions. In the more metropolitan areas of Bloemfontein, the road networks are of high standard. The areas where roads are not satisfactory are in the most rural and poorly developed areas. The utilisation and expansion of the railway network should also be investigated.

Water and electricity supply is one of the first indicators of successful development. Government should create partnerships with local communities and farmers to provide water and electricity. In the case of irrigation water availability, the government should stimulate formation of water users associations on farming areas dependent on irrigation water, or areas with potential for irrigation. Market infrastructure such as collection points or transport in general should be installed where the need arises. The necessary linkages with markets must then also be made.

B.7.2.3 Human Capacity Development

Lack of technical and managerial skills were found to be serious obstacles in almost all of the CASP projects. From the indications given at the several meetings and sessions held in this respect, this situation seems to be at the root of the poor service delivery performance observed in virtually all parts of the area. It was also observed that little skills transfer regarding financial management was taking place to the CASP farmers.

In terms of the modality for delivering the aforementioned training and education, a number of alternatives should be considered. In keeping with the vision of rural and agricultural development, a participatory partnership should be implemented to allow for the simultaneous strengthening of the development process and the provision of farmer training and support in various aspects of agricultural production and marketing. A comprehensive action plan is essential, featuring an interactive action learning and research process. The primary target group in respect of the agricultural training and educational intervention should be the emerging farmers. While in a broad context education and training involve changing human behaviour and is therefore crucial in economic growth, especially agricultural growth, the objectives of agricultural training at this level should be to raise agricultural productivity, the standard of living of the rural population, and thus farmers, and rural welfare within the province and the country.

B.7.2.3.1 Training in Management and Financial Skills

The CASP beneficiaries mostly have a lack of skills in the managerial and financial areas. This will lead to their downfall if no action is taken. There is not adequate and specific on site training for these emerging farmers, nor are there enough mentorship

programmes. Job and training opportunities should be given to emerging farmers and further education can be developed at Grootfontein Agricultural Development Institute (GADI). Research will examine constraints faced by recently settled farmers, including the impact of working capital, practical skills, mentorship, market access, etc. The training of small-scale and emerging farmers will be tailored to the findings of research and not based on pre-conceived notions of the major constraints of South African or "black" agriculture.

B.7.2.3.2 Health Status

The emphasis on health matters derives from the fact that good health and education are prerequisites for the development of human capacity to drive national efforts to lead society out of poverty and other manifestations of underdevelopment.

There is a shortage of primary health infrastructure in the province especially in the rural areas. In addition to this, qualified health personnel are not readily accessible for obvious reasons; in general, well-qualified health professionals choose to work in areas with the right quality and quantity of facilities that will optimise their effectiveness.

This is not only an issue of the physical intervention of building health centres and hospitals. These structures must be staffed adequately and also equipped to deliver the required services. Drugs and medicine must be made more affordable for low income earners; this could help strengthen the health infrastructure of the district. In the case of HIV and AIDS, while it is recognized that individual responsibility is critical, there is no denying the importance of effective and well-functioning mechanisms for information dissemination and on-going, even if informal, education and enlightenment of the general population to create awareness about the broader implications of certain individual choices and actions. The public goods aspects of this intervention can therefore not be overlooked and all future strategies must prioritise this element.

Related to the aforegoing are public enlightenment campaigns that address basic nutritional standards and lifestyles that impact directly or indirectly on health status. Such messages enjoin every person to take care of his/her own life, and undertake

measures to protect and manage daily life in a way that enhances the immune system and prevents one type of infection or another, as well as helping to manage disease conditions when they cannot be prevented. At the same time, strategies that enhance the income generating capacities of the population and put more cash in the pockets of the people will make a significant contribution to their abilities to fight diseases and take more positive steps to improve their general well-being.

B.7.2.4 Entrepreneurship Development

Apart from the human resources aspects elaborated above, one area that policy makers continue to agonise about is the lack of entrepreneurship in the country. In its most functional definition, entrepreneurship stands for the capacity for innovation, investment and expansion in new markets, products and techniques.

Motivating entrepreneurship in farming and other productive sectors is key to attaining rapid transformation in the society through evoking the inherent tendency of human beings to derive benefits from actions to which he or she has invested effort in one form or another. It is important to inculcate in the population the necessity for everybody to initiate change and not always wait for the government to do so. Farming entrepreneurs must identify and undertake ventures, organise them, raise capital to finance the farming practices and assume all or a major portion of the risk. In this sense, entrepreneurship is the engine that drives the economic life of society and leads to for economic growth as we know it.

B.7.2.5 Market access

There are, or can be, several groups of actors or stakeholders, who can contribute to the CASP beneficiaries market access. Relevant examples are:

- Group action of smallholders; founding, for example, a co-operative grading and packing station
- Value chain members (e.g. retail chains) that want to secure their procurement of agricultural products. They prefer large-scale suppliers who can deliver supplies characterised by high volumes of high quality, but, can smallholders be included?

- A sector body may represent common interests by taking initiatives to develop market segments or niche markets.
- Government incentives (e.g. regulations, start-up subsidies)
- Special interest or pressure groups such as the National Consumers Union (SANCU), public authorities (e.g. AgriBEE scorecard) or threats from the environment, for example, political developments in a neighbouring country (e.g. Zimbabwe).
- Research institutes focusing on smallholder empowerment and their access to, or inclusion in markets.
- Non Government Organisations
- The role of agricultural economists should be one of providing research capacity and knowledge transfers in relation to linking smallholders to markets and assist in improving sound financial management.

B.7.2.6 Mentorship

Compared to established commercial farmers, many of the CASP beneficiaries lack farm resources such as land, market access and credit and management abilities. They operate below competitive levels, probably because they lack experience and were confined to subsistence operation for a long period. Their constraints include inadequate technology and lack of entrepreneurial skills, marketing infrastructure and information. These farmers are not competitive in the agricultural input market because the adoption of insect-resistant white maize varieties by these farmers is constrained because they cannot afford the cost of the seeds.

In addition, most of these farmers lack knowledge relating to the implementation of; 1) production strategies, such as forward pricing of outputs, diversification of enterprises and land rental, 2) marketing strategies, such as the development of new markets, timing of access to markets, hedging of future contracts, forward contracting and spread of sales throughout the year, and 3) financial strategies, such as maintaining costs and credit reserves to meet unexpected cash flow difficulties, maintaining financial stability, etc.

Also, questionable ethics and values and low levels of management capacity reported

among emerging farmers influence their business practices, making it impossible for them to establish agricultural co-operatives among themselves; such co-operatives are a viable means of sharing risk in an industry that is characterised by risk and uncertainty.

One feasible institutional arrangement by which the economic reform efforts of the South African government could be complemented is the mentorship programme. However, a number of problems may prevent such mentorship programmes from occurring voluntarily as envisaged by the role-players.

Firstly, most of the government's strategies as embedded in the BEE framework, especially the AgriBEE schemes, are perceived by civil society to exclude and discriminate against commercial white farmers. Secondly, the perception that agriculture is becoming less profitable, while debt and insecurity are increasing and transformation is slow, may discourage emerging farmers from exploiting the mentorship of experienced colleagues in the industry. Thirdly, the perception that established agriculture is dominated by a racial group is detrimental to the potential of mentorship alliances. Related to this is an exaggerated sense of the threat of marginalisation and neglect among established farmers. This problem is evident in the stereotype that certain racial groups may not make good farmers.

However, despite these threats to the potential of a successful mentorship programme among South African farmers, prospects for success abound. These can be seen in the strengths of South African commercial farmers. Their many years of experience are worth exploiting in developing the skills of emerging farmers.

Concerted efforts have been made by private stakeholders, banks, NAFU and business groups to work towards a mentorship programme between the two types of farmers. Furthermore, the government is positive towards reform and minority political parties have indicated their willingness to join the government in the reconstruction of the nation. The government has identified a skills shortage in the agricultural sector and is in the process of promoting mentorship programmes, specifically by means of the National Skills Development Strategy 2005-2010 and the AgriBEE framework.

Though the situation in South Africa is complex, there have been a few cases of black workers and white managers sharing property and jointly managing farms. Some black settlers have also retained white farmers as managers after land transfer. Some commercial banks are in the process of requiring mentorship between an experienced commercial farmer and emerging farmers as a prerequisite for crop insurance and credit services to emerging farmers, as a means of reducing risk. Specifically, the Land Bank's Social Discount Product promises commercial farmers lower interest rates on borrowing if they become involved in mentorship programmes.

These events can be seen as signs of future success, not only in land reform but also the success and sustainability of its impact in South Africa. Trends and opportunities could be investigated and further promoted by support for new farmers from institutions, government and public-private-partnership (PPP). This could also hasten land reform.

This study examined the involvement of mentors on CASP projects and found it to be low. Knowledge and consensus currently tend to be lacking among Free State farmers about the objectives, implementation and rewards for mentorship.

To enhance this mentorship alliance, a number of frameworks could be explored to provide enabling environments and forums for this type of alliance. This could encourage relationships and collaboration between established and emerging farmers, thereby creating spontaneous and market-driven mentoring relationships.

This kind of environment and forum will enable emerging and established farmers to identify themselves and their need for mentorship. This identification will specifically address the needs of emerging farmers by utilising appropriate mentors, thereby making the objectives of the mentorship programme comprehensive. This will also eliminate problems for the government and role-players in identifying the right mentor for the right emerging farmer. Identification between mentors and emerging farmers could also give rise to a market-determined reward system for mentorship, encouraging both types of farmers to commit themselves to the mentorship alliance. If there is a reward for mentors

proportional to the demand for, and supply of, such mentorship, this could lead to measurable progress in mentorship programmes, which in turn could translate to progress in reform.

Enabling environments and forums for identification between farmers and for fair play of market forces could be created by the three main role-players, namely Agri-SA, NAFU and the Department of Agriculture. Other stakeholders and groups, including NGOs, CBOs and the media could also create enabling environments, such as enterprise-specific intra- and inter-co-operatives, unions and associations, farm exhibitions, seminars and workshops, as mentioned above, which could help bring South African farmers together. The forums should avoid discrimination, and producers or traders associations that are multi-racial and multi-cultural should be encouraged. The FSDoA should not interfere in projects without understanding the process of farming enterprises.

It is very important that trust exist between the project members and the mentors. Therefore, a successful mentorship programme needs not only social and moral imperatives but also an economic imperative. Farmers' confidence in the South African farm industry must also be maintained. The government needs to work at maintaining this confidence, and established commercial farmers at finding a good position, in this transformation process.

South Africa's previous agricultural economy was characterised by high efficiency but a lack of equity. The present government's efforts could lead to 'equity of possession' i.e. land acquisition, which may reduce regional and national economic efficiencies. However, extending equity beyond this 'equity of possession' to incorporate equity of efficiency development, i.e. equity of productivity between farm types, will increase both regional and national economic efficiencies. This in turn may increase business rivalry and formalised contractual alliances, which will further improve efficiency. When this stage is reached, any shock to the national economic efficiency should hopefully not stem from equity or political issues but from macro-economic variables which will increase efficiency.

B.7.2.7 Management of commonages

There is a lack of capacity or willingness on the part of municipalities to manage the commonages according to DLA Commonage policy and the guidelines contained in the Commonage Manual. This has resulted in commonages deteriorating into an open access resource and infrastructure on the land being allowed to run down.

The effective management of municipal commonage can contribute to land reform, food security, local economic development and sustainable natural resource use. Commonage land is, in many towns, the only natural resource available to poor communities.

Municipalities need assistance with establishing viable commonage management systems; such systems need to be based on the voluntary and committed participation of the users.

Many people look to commonage as a basis for eking out a livelihood in the towns. This has resulted in severe pressure on commonage land. In such a context, the concept of carrying capacity is controversial. Some commonage users are suspicious that the principle of carrying capacity is enforced by government to justify racially-based motives for keeping them away from pastures. The CASP beneficiaries interviewed raised the point that they already have more livestock than the land that has been allocated to them is able to support. They argue that the real problem is not too much livestock, but too little land (Atkinson, 2004).

For many municipalities, the transition to pro-poor commonage use has caused a great increase in their management responsibilities. The difficulties of dealing with large and complex groups of farmers who can often not afford infrastructure maintenance, or who have little incentive to limit their stock numbers, or who have a poorly developed response to institutional rules, have placed a heavy burden on the shoulders of overworked municipal officials. Agricultural extension is a function of the provincial departments of agriculture, which have their own difficulties with regard to shortages of

funding and staff. What is needed is a realistic and practical approach to supporting municipalities in their approach to commonage management.

Despite the difficulties, municipal commonage remains a valuable asset for development. In many small towns, it is by far the greatest developmental asset for the poor, and often makes an important contribution to household food security. Furthermore, many township residents are, in fact, erstwhile farm workers, who have some experience and skill with cultivation of stock-farming.

The creation of sustainable commonage management systems is only one of numerous issues concerning rural livelihoods. Rural poverty in South Africa is intensifying, leading to dysfunctional urbanisation patterns. Rural livelihoods will require innovative and mutually supportive strategies using academic resources, public funding, and appropriate government policies and programmes. It needs to be output-oriented, practical, relevant, and meaningful to rural communities.

For this reason, the issue of commonage management offers a useful arena for social and natural scientists to come to grips with the lived experience and local knowledge base of commonage users. This should be done rapidly and urgently. The political pressure for land reform is mounting, and is likely to have catastrophic results if not addressed soon.

Atkinson (2004) argues that commonage can transcend survivalist or subsistence production, and can be used as a "stepping stone" for emergent farmers to access their own land parcels. Finally, Atkinson argues that, if commonage is to become a key part in a "step-up" strategy of land reform, then appropriately sized land parcels should be made available for commonage users, to enable them to "exit" from commonage use and invest in smallholdings or small farms.

B.7.2.8 Agricultural risk

Many of the projects indicated to be unsuccessful were not so because of poor management, but as a result of economic factors. Agricultural prices tend to fluctuate with some commodities being more vulnerable than others. When choosing CASP

projects to be financed, the Department of Agriculture should consider the risk factors, i.e. how will poor weather conditions and low prices affect this project. In instances where the impact is high and where the projects will not be able to survive after a shock, these projects should either be discarded or alternative ways to alleviate the impact of the risk factor should be found. Linkages with existing agribusinesses as outgrowers may be an example of a solution.

B.7.2.9 Optimal use of resources

During the survey it became clear that on some projects the best land is leased often at below market rents. This normally happens because the beneficiaries either do not have the implements to work their fields or they do not have the required experience.

Ways should be found to assist these farmers to either be able to make the best use of their land themselves or to be able to form partnerships with commercial farmers.

B.7.2.10 The use of Non Farm Income

The use of non farm income to get started in agriculture is quite common. In a country like the USA more than half of the farmers are part time. The survey has shown that many of the projects would not have succeeded if it was not for the non farm income of some of the beneficiaries.

Although this can be regarded as good, it may disguise the fact that many of the projects are not viable. It is important that the viability of the projects from a financial point of view be determined before a project is started. Assisting the project with non farm income until it can stand on its own legs makes sense.

B.7.2.11 Structure of project in terms of beneficiaries

On many of the projects some beneficiaries are inactive although their names still appear as beneficiaries. It has been mentioned that some of these people come to the projects to claim some of the proceeds when something is sold and that this creates conflict.

The Department of Agriculture should assist the different projects on how to handle absent beneficiaries. Training on group dynamics should also be a prerequisite.

B.7.3 Overview of failed and unsuccessful projects per local municipality

Table 23 gives an overview of all the projects classified as unsuccessful and failed per local municipality. In the second column a ratio is given which depicts the number of failed projects in relationship with the total number of projects in that region. Recommendations are also provided.

Table 23: Recommendation for failed and unsuccessful projects per local municipality

Municipality	Ratio of failed projects	Failed projects	Recommendations
Fezile Dabi			
Mafube	1/1	Mabohloki	Condition of the road should be improved. Water and electricity need to be connected. The roofs on the broiler shed need to be fixed.
Metsi Maholo	2/4	Bophelo ke Matla	Transportation is needed for the beneficiaries Electricity cables and water pipes need to be re-installed. Seeds should be provided. The office needs to be built.
		Mokoena Family trust	Electricity should be connected. Improvement scheme for dairy production
Ngwathe	5/10	Modikue Trust	Water availability needs to be improved Reason for the current state of affairs must be determined. Restocking the broilers sheds.
		Olifant Trust	Restocking with pigs Mentoring and training is required
		Metsimaholo Communal property Trust	Investment in an irrigation system. Development of a management plan
		South African Free State Farm	Explore demand for eggs in current market. Maintenance of farm infrastructure should be improved. Diversification of the project through recapitalisation of the dairy enterprise. Training on beef cattle management Solution for the beneficiaries who want to rejoin the project need to be found
		Hydroponics project Temong, Parys	The uncertainty about the status of the land needs to be resolved before anything else is undertaken. An in-depth investigation on the failure needs to be conducted. Full recapitalisation or termination of the project are the only two options.

Moqhaka	0/2		
Lejweleputswa			
Tokologo	3/3	Wesselsbron Trust	Conflict between beneficiaries need to be resolved. Technical and management training should be provided since land is not used optimally.
		Mokwena Family Trust	Training should be provided on management practices and bookkeeping. Arable farming activities needs to be developed on the 92 ha. available land. Income generated for leasing out land should not be the sole source. Livestock farming activities should be expanded.
		Siyabonga Trust	The water availability and a stock watering system should be improved. Involvement of beneficiaries should be improved. The herd size needs to be expanded
Tswelopele	5/6	Piccanini	Assess whether the required total recapitalisation of the project is viable. Conflict between beneficiaries needs to be resolved
		Lewane Farm	Land bank confiscated all assets on the farm, either total recapitalisation or termination remain the only options.
		Phahameng Farmers Association	Total recapitalisation or termination remain the only options. Skill development is needed Provision of necessary implements Most beneficiaries have left, so an incentive needs to be created to make them rejoin or project or project must be terminated.
		Makgakajane	Total recapitalisation or termination remains the only options. Training on financial management and other skills is required. Additional equipment and implements are needed to produce optimally
		Tikwe	Project hasn't really started yet, infrastructure is currently being built. Implements and tractors need to be provided. Training on irrigation farming is required.
Nala	2/6	Thusanong Trust	Planter needs to be delivered, which has been delayed for four years. Funds for inputs need to be provided. Training should be provided.

		Kopano Beef Master	Overgrazing should be tackled. A breeding programme should be put in place. Leasing out the land should not be the only source of income. The conflict needs to be managed. Strict mentoring is required
Matjhabeng	18/19	Sandvet	Start-up capital and management initiative is needed Co-operation with extension officer should be improved. No investment in infrastructure and implements are needed. Training and mentoring should be provided.
		Lechabile Dairy	No investment in dairy machinery and implements needed. Debt on never used irrigation equipment should be resolved. Project implemented half way, so final stage should be kick-started. Management should be improved. Agreement in terms of implementation and responsibilities has to be reached between the DOA and the beneficiaries. Training is needed
		Ithabeleng Layer	Allegations of corruption by the DoA need to be investigated. Some input and equipment needs to be replaced. The beneficiaries must receive training in financial management.
		Boiteko Peanuts	Project too small to be viable, so enlargement is essential. Supply needs to be expanded. Beneficiaries should work on a continuous basis. Termination is the second option.
		Multi Layer Trading	Relationship with extension officer needs to improve Debt problem needs to be resolved. Additional investment, training and mentoring will put the project on the right track.
		Tswelopele Broiler	The project has not started yet. The DOA is blamed for not taking action and being incompetent, this needs to be resolved. The beneficiaries need proper training and mentoring before they receive any further inputs and before the project actually starts.

		Letsoha Trust	Agricultural activities should provide sufficient income to repay loans. Training in management and technical operations should be provided. Dependence on off farm income is too high.
		Marumo Trust	Beneficiaries are preoccupied with other business activities. The problem of overgrazing should be tackled. CASP funding was not yet provided. Focus on veld management, bookkeeping and enterprise practices.
		Mopereo	New project in its initial phase. More inputs are needed. Training and mentoring is needed.
		Chabane Trust	New project in its initial phase. More inputs are needed. Training and monitoring needed.
		Reakopanya	Project is in its start-up phase. More inputs required. Mentoring and training is needed
		Molelengoane Trust	Land should be much better utilised. Mentorship is needed.
		Sinsonke Trust	Project is in start-up phase. Start-up capital is needed for faster progress. Mentoring and management training is needed.
		Zim Trust	New project in its initial phase, nothing happening so far. More inputs needed. More CASP funding needed for farm infrastructure (fencing)
		Mokolutlo	Farm size should be made viable for cattle farming. No activity at present, which should change. Skills of current beneficiaries are sufficient.
		Skosana Trust	New project in its initial phase. More inputs and capital is required to start the project. Mentoring and training needed.
		Kgothule	Project is struggling to get started. CASP implementation needs to speed up. Training needed.

		Sechaba Trust	No CASP funding received so far, this needs to be sorted out. Inputs and implements are needed to get started. The beneficiaries do need some extensive training on farm management and farming practices
Masilanyana	3/6	Moalasi	Management skills are absent and therefore need to be established. Mentoring and training is needed.
		Impala Trading CC	Poor management should be improved. Assets need to be better maintained. Mentoring and financial assistance is needed. The general condition of the farm is good so producing should not be a problem.
		Marematlou Trust	More beneficiaries should be involved. Transport problem needs to be tackled. Large investments for expansion are needed. Partnerships with commercial farmers need to be built. Implements for crop farming are needed.
Motheo			
Mangaung	3/7	Thusonao Association	The problem of overgrazing needs to be tackled. More land should be acquired.
		Riverside	More cash flow should be generated. Implements are in poor condition and need to be replaced. Transport problem needs to be resolved. More livestock is needed.
		Lesedi la Bophelo	No activities Full recapitalisation or terminations of the project are the only two options.
Mantsopa	0/4		
Naledi	0/1		

Thabo Mafutsanyane			
Setsoto	-		
Maluti a Phofung	6/8	Qwa Qwa hydroponics	Project is not operational. The project site should be reassessed Termination of the project is one of the options.
		Seloane Spitskop water reticulation	Debt at Land bank needs to be resolved. Farming operation should be intensified.
		Maluti diaries	Project is not making progress. The problem of livestock theft should be resolved. Negligence on the side of the Local Municipality caused a considerable amount of expensive feeds to disappear from the premises. Lack of commitment from beneficiaries should be tackled since they have their own farms to take care of. Operational management structure should be revised.
		114 Qwa Qwa (overall)	Livestock needs to be provided. CASP funding needed for additional infrastructure Mentorship needed.
		114 QwaQwa (unsuccessful farmer)	
		114 QwaQwa (average farmer)	
Nketoana	1/3	Itumeleng cc	Management needs to be improved. Internal conflict needs to be resolved and the group should be restructured. Training on management practices, group dynamics and record keeping is required.
Phumelela	0/2		
Dihlabeng	1/3	Nyambose and Motsima farming	Economies of scale should be improved Liabilities should be reduced. Implements need to be replaced Additional land is required

Xhariep			
Letsemeng	5/7	Qala Botjha Botjha Stock Farming	Project collapsed last year, investigation needed. Overgrazing is a problem that should be tackled. Implements need upgrading. Exposing small farmers to risky enterprises like pig farming must be reconsidered.
		Medupe Trust	Financial and management training should be provided.
		Matchabela Trust	Beneficiaries should be more involved. Training on Bookkeeping training and monitoring is needed. Meetings need to be held to avoid conflict.
		Dashe Trust	Leasing out land should be avoided to ensure sustainability since it is valuable land under irrigation. Support could be provided in the form of implements. Mentoring and training on irrigation might be needed.
		Vukani Ma Afrika	More beneficiaries need to be actively involved. Land under pivots should be used. Records need to be kept. Conflict needs to be resolved. Allegations of corruption need to be investigated. Beneficiaries are not committed or motivated. Second business plan needs to be finished a.s.a.p.
Kopanong	2/4	Olifant Trust (Xhariep)	Leasing out land should be avoided to ensure sustainability. No progress made, livestock is needed. More land needed in order to expand number of cattle (leased land) Management training needed
		Mnembe Trust	More land is needed as farmer depends on communal land.
Mohakare	1/3	Ntlangeni	Management needs to be improved. Project has not really started yet. Training and management skill development is needed. There is a lack of interest as no one is actually staying on the farm.

C. REFLECTIONS FROM BENEFICIARIES

C1. Introduction

This section is based on a quality-of-life questionnaire completed by 304 beneficiaries of CASP projects. Bearing in mind the expected outcomes of CASP the analysis of beneficiary responses will provide insight into the following aspects:

- The degree of community involvement, ownerships and conflict.
- The percentage of beneficiaries from the previously disadvantaged group.
- Reflections on household food security.
- Reflections from beneficiaries in terms of long-term sustainability and economic viability.
- The ability of the projects to generate employment opportunities to project beneficiaries.

More specifically the report deals with the following aspects mentioned in the terms of reference:

- To identify failed projects and the main reasons for project failures from the perspective of the beneficiaries.
- To determine the general impact of projects on the quality of life of involved beneficiaries.
- To determine the impact of projects on the economies of the immediate community in which they are located.
- To determine the overall impact of CASP funding in the province.

In order to discuss the above aspects this section has a specific structure. It starts off with a detailed discussion of the methodology; this is followed by a biographical profile of respondents which is pivotal in order to understand some of the other aspects touched on later in the report. Next, basic migration information of the beneficiaries is assessed in detail, such as where respondents resided before joining the project, the year in which they started their participation in the project and where they are currently residing. In section 5 both their existing agricultural experience and interest are tested. Section 6 considers income, expenditure and assets. Due consideration is given to income

structure, to comparing income before and after the project, to expenditure priorities and to access to durable goods. This section also goes into detail to identify the critical success factors that influence income to beneficiaries. Section 7 focuses in detail on food security and the factors influencing it. The next section is a comparison between the living environments of CASP beneficiaries prior to participation in the project and current realities. A distinction is drawn between beneficiaries residing in town and on-farm beneficiaries. This section is followed by a detailed discussion of the questions asked regarding quality of life. A number of variables, as well as the inherent reasons for the assessment of quality of life, are analysed in detail. Section 10 discusses the basic project information in respect of number of beneficiaries, conflict and beneficiaries' perceptions with regard to the quality of training. Section 11 categorises projects into four groups in terms of their overall impact on the quality of life of beneficiaries, namely, limited or negative impact, below-average impact, above-average impact and significant impact. The final section provides the conclusions in respect of the responses of the beneficiaries.

C2. Methodology

As already mentioned 304 questionnaires were completed with CASP beneficiaries. The Questionnaire is attached as Annexure C1, and the Training Manual for fieldworkers is attached as Annexure C2. Fieldworkers were trained thoroughly and a pilot survey was completed. The following procedure was followed in respect of the identification of beneficiaries:

1) Fieldworkers had to ensure that at least three beneficiaries would attend the session when an appointment was made with the project manager.
2) If only three beneficiaries were available for interviews, the fieldworker had to interview the three who were available.
3) If more than three beneficiaries were available, the following guidelines had to be applied:
    - First, a female respondent whose birthday was closest to 1 January had to be interviewed.

- Next, a male beneficiary whose birthday was closest to 1 January had to be interviewed
- The final interview had to be with a female respondent whose birthday was closest to 1 January.

4) If three beneficiaries were not available, the contact details of at least five beneficiaries had to be collected, and the procedure explained in point Three above had to be followed.
5) The intention was to interview only one beneficiary per household.

A number of problems were experienced during the fieldwork:

- Despite appointments having been made, beneficiaries were not always available.
- This meant that these beneficiaries had to be contacted telephonically. This was a cumbersome process, and appointments made for telephone interviews were also not always kept.
- Five projects were "non-existent", the beneficiaries either no longer being available or being untraceable.
- In some cases beneficiaries were direct family members which made the intention not to interview more than one person per household practically impossible.
- A small percentage of the respondents who were contacted could not provide any information, because they had no information on the project.

C3. Biographical overview of respondents and their households

This section considers various demographic indicators of the beneficiaries sampled in order to ascertain the composition of the projects. Indicators that are analysed include gender, household size and family composition, disability, highest level of education, age, the percentage of the household employed on the farm, and the PDI status of the beneficiaries. Some of these indicators will also be compared among the different districts. The overall aim of this section is to provide a profile of CASP beneficiaries and their households, which will be used as background for other sections of this report.

C3.1 Gender of beneficiaries and of total household

It should be borne in mind that the methodology required fieldworkers to sample three beneficiaries per project. In cases where more than three beneficiaries were available to be interviewed on the project, the first beneficiary had to be female, the second male and the third female.[4] The sampling process thus to some extent favoured females. Despite this form of purposeful sampling, the actual number of male beneficiaries interviewed nevertheless still outnumbered the female beneficiaries (see Table C3.1).

Table C3.1: Gender of beneficiaries in CASP Project, 2007

Gender	n[5]	%
Male	171	56.3
Female	133	43.7
Total	304	100.0

From Table C3.1 above it is visible that most (56.3%) of the beneficiaries interviewed were male, while 43.7% were females. It could well be expected that, if a random sampling approach had been used, the percentage of females would have been lower. In Table C3.2 the focus shifts to gender composition of households related to CASP beneficiaries.

Table C3.2: Gender composition of CASP beneficiary households, 2007

Gender	n	%
Male	592	47.2
Female	661	52.8
Total	1,253	100.0

The percentage of females (52.8%) is directly in line with the general gender distribution of the black population of the Free State, where 52.1% of the population were female in 2001.[6]

[4] The Department of Agriculture took the decision to use this principle in respect of sampling.
[5] Refer to the number of respondents
[6] Statistics South Africa, 2003: Census 2001, Tshwane

C3.2 Family size and composition

This section considers two aspects, namely household size and household composition. Table C3.3 below gives an overview of the household size of the respondents.

Table C3.3: Household size of beneficiaries, 2007

Household size	N	%
1	15	4.9
2	46	15.1
3	65	21.3
4	55	18.0
5	60	19.7
6	40	13.1
7	11	3.6
8	5	1.6
9	6	2.0
10	1	0.3
11	1	0.3
Total	305	100.0
Average household size	4.1	

Table C3.3 above clearly indicates an average household size among the respondents of 4.1. This is slightly higher than the average for the black population of the Free State of 3.6 people per household.[7] It should be noted that household size generally declined in South Africa between the 1996 and 2001 censuses. Two main reasons are usually provided in this respect, namely grant access (such as housing subsidies)[8] and an overall process of modernisation. The fact that the beneficiaries have larger households should be related to two facts: they are mostly active in the primary sector, and in rural parts of the Free State. No substantial difference was discerned in respect of the household sizes of male and female respondents. Approximately 20% of the beneficiary households consisted of only two people, while only 7.8% of households were larger than six people. Future analysis of household size should provide an indication of the extent to which the CASP projects manage to address aspects of poverty and wealth creation.

[7] Statistics South Africa, 2003: Census 2001, Tshwane.
[8] Napier, M., 2005: Core housing and subsidies in South Africa; addressing the unintended outcomes, World Congress on Housing, Transforming housing environments through design, Pretoria.

Household composition usually provides an indication of the number of extended families present, which in turns reflect on the vulnerability of poorer households (see Table C3.4).

Table C3.4: How household members are related to respondents, 2007

Relation to respondent	N	%
Respondent	303	24.2
Husband / wife / partner	199	15.9
Child	461	36.8
Parent	63	5.0
Grandparent	14	1.1
Grandchild	56	4.5
Other relative	142	11.3
Non-relative	15	1.2
Total	1,253	100.0

Table C3.4 above shows that nearly a quarter (24.2%) of household members were the respondents themselves. This correlates roughly with the average household size of 4.1 (see Table C3.3). Only 15.9% of the members of the households consisted of people in the 'Husband/wife/partner' category. This possibly indicates a high rate of single-headed households in the cases where respondents were also the heads of households. A further 23.1% of household members were not part of a nuclear family (including parent, grandparent, grandchild, other relative and non-relative). Owing to the fact that the above table reflects the relationship of the household members to a respondent - who quite often is not the head of the household - comparison with the black population of the Free State is not advised.

C3.3 Profile of disability

The ability of development projects such as CASP to reach disabled beneficiaries is high on government's agenda. The basic principle is to integrate disabled people into society as "normal" people, and not to create a different institutional response in respect of disability. Table C3.5 provides a profile of disability of CASP beneficiaries.

Table C3.5: Disability profile of beneficiaries, 2007

Disability?	N	%
Yes	16	5.3
No	287	94.7
Total	303	100.0

Table C3.5 reveals that 5.3% of respondents were disabled. Although this is somewhat lower than the average of 7% in the Free State[9], it nevertheless suggests a concerted effort to include disabled people into the CASP projects. Unfortunately, the questionnaire did not require an indication of the nature of the disability. Yet, 8.5% of household indicated that someone in the household was accessing a disability grant at the time of the interviews. Overall, 2.4% of individuals recorded during the interviews were accessing a disability grant.

C3.4 Highest level of education

This section reports on the levels education of CASP beneficiaries and their households.

Table C3.6: Highest level of education of beneficiaries, 2007

Highest level of education	N	%
None	32	10.6
Some Primary	91	30.0
Some Secondary	94	31.0
Grade 12	64	21.1
Degree	22	7.3
Total	303	100

Table C3.6 reflects the highest level of education achieved by the respondents. Most of the beneficiaries (31%) had some secondary education, while 30% of the beneficiaries had some primary education. Fewer than one-third of the respondents (28.4%) had a Grade 12 or a degree. Direct comparison with the black population of the Free State is not possible in that the age distribution is not the same as the general population. Direct comparisons between the highest level of education achieved by the total household, and the black population of the Free State is however possible. Table C3.7 provides an overview of the levels of education of all household members of CASP beneficiaries.

[9] Statistics South Africa, 2003: Census 2001, Tshwane.

Table C3.7: Highest level of education of household members, 2007

Highest level of education	N	%
None	173	13.8
Some Primary	382	30.6
Some Secondary	388	31.0
Grade 12	238	19.0
Degree	69	5.5
Total	1,250	100.0

From Table C3.7 it is visible that most of the household members (31%) had some secondary education, while 30.6% had some primary education. This is five percentage points less in each case than the black population of the Free State in 2001.[10] The household members were also less likely to have no schooling, with 13.8% during the survey indicating this particular response versus 15.5% for the black population of the Free State during the 2001 census.[11] Despite these statistics describing poorer levels of educational attainment, household members were more likely to have finished Grade 12, 19% versus 11.8%[12] for the black population of the Free State, or to have finished a degree, 5.5% versus 0.6%.[13] However, care should be taken with this data because six years has elapsed between the census and survey data, which could account for some improvement in the general population which would in turn impact on the education level of the household members.

C3.5 Age

This section considers the age distribution both of beneficiaries and of all household members related to these beneficiaries. Table C3.8 provides an overview of the age distribution of beneficiaries of the CASP projects.

[10] Statistics South Africa, 2003: Census 2001, Tshwane.
[11] Statistics South Africa, 2003: Census 2001, Tshwane.
[12] Statistics South Africa, 2003: Census 2001, Tshwane.
[13] Statistics South Africa, 2003: Census 2001, Tshwane.

Table C3.8: Age distribution of beneficiaries, 2007

Age category	N	%
<20	1	0.3
20-24	17	5.6
25-29	24	8.0
30-34	28	9.3
35-39	26	8.6
40-44	30	10.0
45-49	42	14.0
50-54	30	10.0
55-59	40	13.3
60-64	24	8.0
65-69	21	7.0
70-74	10	3.3
75-79	4	1.3
80-84	3	1.0
85+	1	0.3
Total	301	100.0

Table C3.8 reveals that most of the beneficiaries (14%) were in the "45-49 years of age" category, with 13.3% being aged between 55 and 59 years of age. A distinct group was discernible in the 40-59 age group, which constitutes 47.2% of the beneficiaries. The reduction in numbers after age 60 can be explained by the fact that these individuals can now access a grant. However, the low proportion of beneficiaries between the ages of eighteen and 39 is worrisome in that it possibly indicates an inability to draw/maintain a new generation of farmers to the projects. When these figures are compared with the numbers of the heads of household in the black population of the Free State, the decided lack of younger members is confirmed. In the Free State most heads of household fall in the 35 to 39 years category[14] (significantly younger than the 45 to 49 years of age of the beneficiaries). Furthermore, 50.8% of the heads of household of the black population of the Free State are aged between 30 and 49 years (while for the beneficiaries this cluster was much older, ranging between 40 and 59).[15] The average age for beneficiaries was 47.2 years, compared with the average age of 43.6 years of heads of households for the black population group in the Free State.[16] The age structure of the households of beneficiaries is reflected in Table C3.9 below.

[14] Statistics South Africa, 2003: Census 2001, Tshwane
[15] Statistics South Africa, 2003: Census 2001, Tshwane
[16] Statistics South Africa, 2003: Census 2001, Tshwane

Table C3.9: Age distribution of household members, 2007

Age category	N	%
00-04	67	5.4
05-09	106	8.6
10-14	132	10.7
15-19	128	10.3
20-24	141	11.4
25-29	104	8.4
30-34	77	6.2
35-39	61	4.9
40-44	62	5.0
45-49	69	5.6
50-54	65	5.3
55-59	91	7.4
60-64	56	4.5
65-69	43	3.5
70-74	20	1.6
75-79	7	0.6
80-84	7	0.6
85+	2	0.2
Total	1,238	100.0

The age distribution of the entire household was also slightly older than was the case with the black population of the Free State in 2001. The average age for all household members was 31.4 years. The comparative figure for the Free State in the 2001 census was 26.4 years.[17] The largest proportion of individuals (11.4%) fell within the twenty to 24 category for the sample, while for the black population of the Free State, 11.5% was recorded in the ten to fourteen years category and also in the fifteen to nineteen years of age category.[18] Furthermore, 10.9% of the sample were 60 years or older, while only 6.4% of the black population of the Free State were of a similar age, and while 31.7% of the black population had been younger than fifteen in 2001[19], only 24.6% were of a similar age in the 2007 sample.

The question arises why these trends are present. The following may have contributed to the above trends:

[17] Statistics South Africa, 2003: Census 2001, Tshwane
[18] Statistics South Africa, 2003: Census 2001, Tshwane
[19] Statistics South Africa, 2003: Census 2001, Tshwane

- In an age of information technology, involvement in a primary economic sector is probably not high on the agenda of younger people. The same trend could well be expected in the age composition of the white population group involved in agriculture. In fact, other surveys in the mining sector (also part of the primary sector) have indicated a considerable increase in the average age of mine workers.[20]
- It might well be that the income generated through agriculture is not appealing enough to the younger generation.

C3.6 Percentage of household members employed on the project

This section reflects briefly on the number of household members per household who are involved in the respective CASP projects (see Table C3.10).

Table C3.10: Percentage of household employed on the project, 2007

Category	N	%
1. Household members aged fifteen and under	329	26.6
2. Households with one member working on the project	162	52.9
3. Households with two members working on the project	79	25.8
4. Households with three or more members working on the project[21]	47	16.3
5. Household members who are children (in relation to the respondent), older than fifteen and working on the project	58	23.1

Table C3.10 reveals that most of households (52.9%) had one member employed on the project (it should also however be noted that 5.9% of households had no members employed on the project). Furthermore, in 25.8% of households there were two members employed on the project, and in a further 16.3% of households three or more members were employed. In the cases where a member of the household was a child (or grandchild) of the respondent and was older than fifteen years of age, only 23.1% were employed on the project. This meant that only one out of four working age children of CASP beneficiaries were employed on the project at the time of the survey.

[20] Marais, L., and Venter, A., Hating the compound, but … Mineworker housing needs in post-apartheid South Africa, *Africa Insight* , Vol. 36, No 1, 53-62

[21] The difference between numbers 2, 3 and 4 and 100% relates to the % of households who had no members working on the project (5.9%)

C3.7 PDI Status

One of the criteria in respect of CASP relates to the fact that all beneficiaries should be previously disadvantaged individuals. The survey confirmed that all beneficiaries fell into this group.

C3.8 District profile

This section provides a brief overview of some of the main attributes of the various districts in the Free State (see Table C3.11).

Table C3.11: District profile of projects

District	Fezile Dabi	Lejweleputswa	Motheo	Thabo Mafutsanyana	Xhariep	Total
Number of projects[22]	17	44	11	13	18	103
Number of projects in 2005/2006 budget	4	8	3	4	14	33
Number of projects in 2006/2007 budget	13	20	8	13	14	68
Total investment 2005/06 (R 000 000)	1. 4	1. 2	1.7	1.2	1.5	8.0
Total investment 2006/07 (R 000 000)	2.3	1.7	3.6	2 .0	8.4	18.0
Average investment 2005/06 (R 000 000)	0.4	0.2	0.9	0.3	0.1	0.5
Average investment 2006/07 (R 000 000)	0.2	0.09	0.5	0.2	0.6	0.4
Average age	42.4	47.8	43.3	49.1	51.7	47.2
Gender ratio: % female	62.0	42.1	59.4	40.1	17.2	43.7
Educational attainment profile: % Grade 12 and above	38.1	27.3	37.5	15.6	23.4	24.5
Disability status: % disabled	8.1	3.2	6.3	8.9	4.3	5.3
% of project before 2004	0	33.6	69.7	0	47.5	29.3
Percentage of projects with three or fewer members	2.0	7.9	24.2	11.9	4.2	8.7

Table C3.11 reveals a marked divergence in respect of projects in the five district municipalities. In terms of the number of projects in each district, it is evident that Lejweleputswa District Municipality had by far the most projects (at 44 projects, it had

[22] Refers only to projects where beneficiaries were available for interviews

more than double the projects of the next two highest districts), with Motheo having the least projects, at eleven. Motheo was also the district with the highest share of members coming from previous Department of Agriculture projects, while Fezile Dabi and Thabo Mafutsanyana had no members who indicated that they had joined before 2004.

In the 2005/2006 financial year, all of the districts received more or less equal amounts. However, each of the districts did not distribute these amounts among an equal number of projects. This led to substantial differences in the average investment per project between the districts. Motheo received the highest average investment per project at R872 942.29, while the other districts ranged between R355 663.68 (for Fezile Dabi) and R127 806.70 (for Xhariep) average investment per project.

In the 2006/2007 financial year, the amounts allocated to the districts varied. Motheo (with the least number of projects) received the second highest total investment at R3 566 333.87, following Xhariep (with the second highest number of projects) at R8 432 976.64, and well ahead of Lejweleputswa (with the highest number of projects) at R1 755 298.16. This translated into an average investment per project with Xhariep leading with an average investment of R602 355.47, followed by Motheo at R445 791.73 and with Lejweleputswa trailing at R92 384.11 invested per project.

Large differences also existed in the various indicators relevant to the beneficiaries. The average age of beneficiaries ranged from 42.4 years for Fezile Dabi, to 51.7 years for Xhariep. Motheo also had a relatively lower average age (43.3 years), while Lejweleputswa and Thabo Mafutsanyana had high average ages (47.8 years and 49.1 years respectively). This indicates that the high average age of beneficiaries alluded to in Table C3.8 is limited to certain districts.

In terms of gender distribution, very significant differences also occurred: Fezile Dabi and Motheo had very high percentages of female beneficiaries (62% and 59.4% females respectively), while Xhariep had an alarmingly low level, at 17% of beneficiaries indicated as being female. The percentages of female beneficiaries in Lejweleputswa and

Thabo Mafutsanyana were in line with the gender distribution of the heads of household of the black population of the Free State.

For the column on the educational profile, the results were recoded into two categories: below Grade 12, and Grade 12 and higher. Once again Fezile Dabi and Motheo led the field, with 38% and 37.5% of beneficiaries having Grade 12 or higher. Thabo Mafutsanyana, with 15.6% of beneficiaries with Grade 12 or higher, lagged behind.

In the disability profile, the relatively low level of engagement of people with disabilities (see Table C3.5) was a decidedly localised problem. Lejweleputswa and Xhariep had the lowest levels (3.2% and 4.3% respectively) of beneficiaries with disabilities. While Motheo (6.3%) approached the average of 7% for the black population of the Free State, Fezile Dabi and Thabo Mafutsanyana exceeded it (8% and 8.9% respectively).

Finally, with regard to the number of beneficiaries, Motheo has the largest percentage of projects with three or fewer than three project members (24.2%), followed by Thabo Mafutsanyana with 11.9%.

C4. Household migration

This section discusses basic migration to the project. The following aspects are discussed:

- The year in which the beneficiaries joined the project
- The nature of their settlement prior to joining the project
- The nature of their current settlement in relation to the project location
- The distance between the project farm and the nearest urban settlement

C4.1 When did they join the project?

This question regarding when they joined the project created some confusion among respondents. Many did not make a clear distinction between CASP and previous projects by the Department of Agriculture (such as LRAD), or between joining the farming unit and joining CASP. Hence, some respondents indicated a starting date before the activities of CASP commenced in 2004.

Table C4.1: Year in which respondents joined project, 2007

Year joined	N	%
Before 2004	86	29.3
2004	93	31.6
2005	37	12.6
2006	66	22.4
Up to March 2007	12	4.1
Total	294	100.0

When one looks at the distribution of responses (see Table C4.1 above), one sees that most of the respondents (31.6%) indicated 2004 as the date of inception. This is followed by 29.3% who said 'before 2004'. From this one can reasonably assume that approximately 60.9% of the respondents had already been part of the projects by the Department of Agriculture or had joined CASP soon after its inception as they indicated joining before 2004 or at the start of CASP in 2004. An upsurge in the number of new beneficiaries was noted during 2006, with 22.4% of the respondents having joined that year, up from 12.6% of respondents having joined the previous year. Since members could only join CASP up to March 2007, the low number of beneficiaries joining in 2007 is understandable and not comparable to previous years.

C4.2 Place of residence before joining the project

In order to trace the historical location of beneficiaries they were asked in a closed question where they had been located prior to joining the project (Table C4.2 provides the responses in respect of the various options given to beneficiaries).

Table C4.2: Place of residence before joining the project, 2007

Area of residence	N	%
On this farm	41	13.5
On a farm elsewhere	29	9.5
In a town / city close by (less than 50 km away)	195	64.1
In a town / city farther away (more than 50 km away)	36	11.8
Elsewhere	3	1.0
Total	304	100.0

The results from Table C4.2 suggest that 13.5% of the beneficiaries had resided on the farm on which the project is currently active prior to joining the CASP Project. A further

9.5% had also lived on a farm, but on another farm elsewhere. This probably means that approximately 23% of beneficiaries had already direct agricultural experience prior to joining the CASP Project. Conversely, 75.9% of the respondents had lived in a town before joining the project. In most respects there were no differences between males and females except that male beneficiaries were more likely than female beneficiaries to have resided on a farm elsewhere, while females where more likely to have resided in a town farther away.

When the place of residence is cross-tabulated with the year of joining the project, some patterns emerge. Those who joined the project in 2004 or before 2004 were significantly less likely to have lived on the project farm before joining the project than those who joined later. However, those who joined before 2004 were more likely to have resided on a farm elsewhere, while those who joined in 2004 were more likely to have resided in a town farther away than those who joined in later years. Over time, the percentage of members who came from a town closer than 50 km away increased from 61.2% for those who joined the project before 2004, to 75% for those who joined the project in 2007. Table C4.13 gives some indication of the main towns from which beneficiaries originated.

Table C4.3: Town of residence before joining the project, 2007

Town	N	%
Welkom	37	15.7
Bloemfontein (& Botshabelo)	21	8.9
Phuthaditjhaba	12	5.1
Sasolburg	12	5.1
Other Free State towns	152	64.7
Other towns	1	0.4
Total	235	100

From Table C4.3 below it is evident that of those who lived in a town before joining the project, 15.7% came from Welkom, 8.9% came from Bloemfontein or Botshabelo, and 5.1% came from both Phuthaditjhaba and Sasolburg. The rest of the respondents came from other Free State towns and a single case came from beyond the borders of the Free State (Johannesburg).

C4.3 Current place of residence

Having considered the location of the beneficiaries prior to the CASP project, the focus now shifts to a discussion of their current place of residence (see Table C4.4).

Table C4.4: Current place of residence, 2007

Place of residence	N	%
In a town near the project	180	59.2
On the project farm	84	27.6
Elsewhere	40	13.2
Total	304	100.0

An assessment of the above table should make allowances for the fact that a significant percentage of the projects under review are commonage-based projects. Consequently, the respondents will always settle in towns. Despite the above reality, only 27.6% of the beneficiaries resided on farms, while nearly 60% resided in the nearest town. A number of factors contribute to the above situation:

- As will be indicated later in the report, the overall living conditions as reported during the survey were much better in the urban areas than on the farms (see Section 8).
- In general, urban areas also generally provide much better access to social services such as health and educational services (see also Section 8).
- It might well be expected that the social capital in the urban areas is significantly more than on farms.

It will be indicated later in the report that despite the above reality those beneficiaries who stayed on farms managed to generate significantly more income from the CASP projects than did those residents residing elsewhere (see Section 6). Although this could well be an indication of higher levels of commitment to the CASP Project in order to create well-being, it should also be borne in mind that a significant percentage of the beneficiaries who were staying on farms resided there or on other farms prior to the project. In addition to commitment, this might well be related to agricultural experience (see also Section 6). In fact, the survey results indicated that 80% of the beneficiaries who had resided on a farm prior to the CASP Project were still residing on a farm at the

time of the survey. Comparatively, only 9% of the beneficiaries residing in urban areas had resided on a farm before joining the CASP Project.

C4.4 Travelling times to the project farm

Those beneficiaries who did not reside on the farm were asked to indicate how long they took to walk, cycle and be conveyed to the farm. Those who lived farther away from the farm were also asked to indicate times spent walking and cycling. This was not done consistently. It was thus decided to omit from the calculation of averages those who indicated spending more than two hours of travelling time using these two modes as these large figures (up to ten hours in three cases) distorted the mean. The time spent travelling to the project by vehicle was, however, left unchanged to account for those who lived farther away.

The average time spent walking to the project farm from their home - if they did not live on the project farm - was 47.2 minutes. The responses ranged between one response of three minutes and eleven responses of two hours. Approximately 23% of those who indicated a walking time of two hours or less said they lived thirty minutes' walk from the project farm, and 22.1% indicated living one hour's walk away. Ten of the 96 responses indicated times of more than two hours, and were excluded from calculations.

Beneficiaries who did not live on the project farm, lived an average of 39 minutes travel by bicycle away. The responses range from two indications of five minutes to four indications of two hours. Twenty percent of those who indicated a cycling time of two hours or less, said that they lived a thirty-minute cycling distance away, and 16.7% indicated a time of fifteen minutes. Six of the 36 responses indicated travelling times of more than two hours. These were again excluded from calculations.

On average, beneficiaries not residing on the project farm lived 43.3 minutes away from the project by vehicle. However, fourteen beneficiaries (9.4%) indicated living more than two hours' drive from the project. Another thirty (20.1%) indicated that they lived between one and two hours' drive away, while 16.8% indicated living fifteen minutes

away by car, and 16.7% indicated living thirty minutes away by car. When asked whether they have consider moving to the farm in the near future, 76.7% of the beneficiaries who had indicated that they did not live on the farm, said that they have considered moving to the project farm (see Table C4.5 below).

Table C4.5: Opting for moving to the project farm

Considered moving onto the farm?	N	%
Yes	168	76.7
No	51	23.3
Total	219	100.0

Despite this intention further evidence later in the report suggests that it is unlikely that beneficiaries will move to the farms.

C5. Agricultural experience and interest

Beneficiaries were asked a range of questions relating to their agricultural experience prior to joining the project. One question further required beneficiaries to indicate whether they wanted their children to become involve in the project.

C5.1 Agricultural experience

In a closed question respondents were requested to reflect on their agricultural experience (see Figure C5.1).

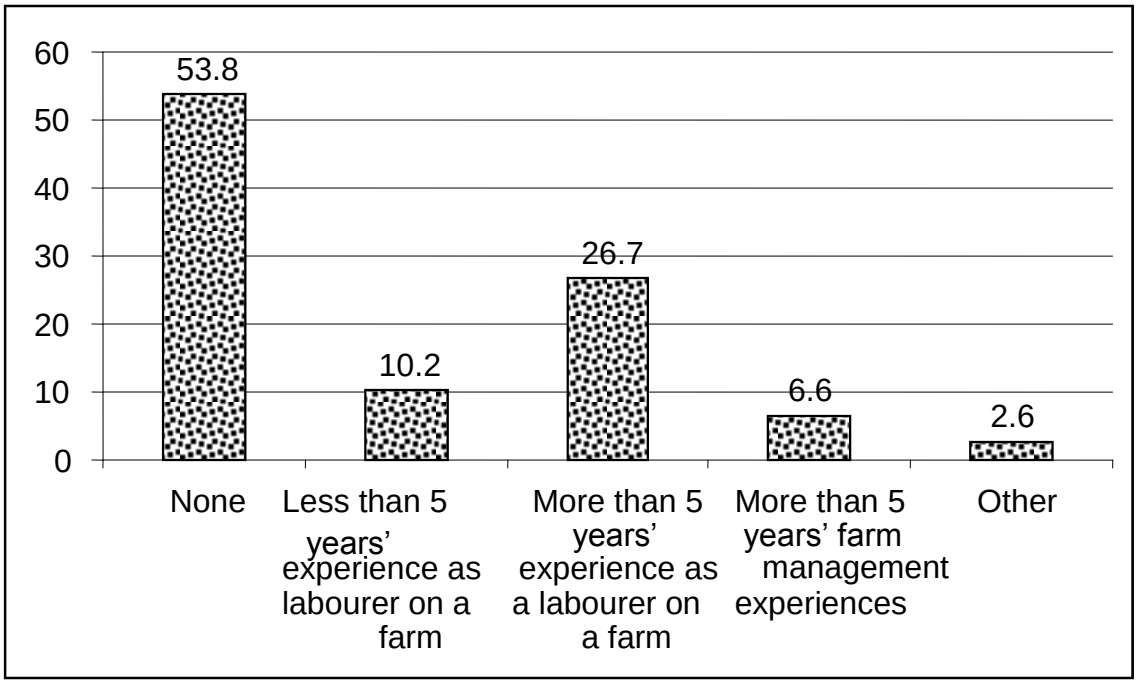

Figure C5.1: Agricultural experience before joining the project, 2007

Most of the beneficiaries (53.8%) had no agricultural experience before joining the project. Of those with agricultural experience, most had more than five years of experience as a labourer (26.7%), 10.2% had less than five years' experience, while only 6.6% had management experience. The "other" category included a range of responses, from responses that the beneficiary had owned a farm before to having lived in a rural area.

When the results of Figure C5.1 were cross-tabulated with gender it became clear that women had significantly less agricultural experience than men. Nearly 70% of women had no agricultural experience compared with 41.3% of men. In addition, 37.8% of men had more than five years' experience as a farm labourer, while only 12.4% of women had had similar experience. Interestingly, women were only just behind men in management experience, with 5.4% for women versus 7.6% for men.

In terms of age, the older the beneficiaries the more experience they had. Beneficiaries aged between fifteen and 34 were significantly more likely to have no experience (67.1% versus 51.2% for beneficiaries aged between 35 and 59, and 45.2% for beneficiaries aged

above 59 years). The older age categories brought significant increases in those with five or more years of experience as a farm labourer (30.4% for adults and 37.1% for the elderly versus only 8.6% for youths).

When the form of experience was cross-tabulated with what year the beneficiary joined the project, only two significant patterns arose: those beneficiaries who joined before 2004 were significantly more likely to have management experience (15.1% of those who joined before 2004 had management experience, while the same cohort ranged between 3.2% and 0% for the other years). In fact, thirteen of the twenty beneficiaries with management experience joined before 2004. In addition, those beneficiaries who joined in 2007 were less likely to have no experience though more likely to have five or more years of experience as a farm labourer. However, given the relatively few beneficiaries who joined during 2007 (see Table C4.1), care should be taken in interpreting this.

C5.2 Interest in Agriculture

Having considered agricultural experience the above section, the focus now turns to the levels of interest expressed by beneficiaries. Three sets of questions were asked in this respect:

- Indicate your level of interest in agriculture as a sector in which you would like to be economically active.
- Indicate your willingness to participate in the project when you were first asked to submit your details for an application.
- If you have children, would you expect them to be involved in farming in the future?

Table C5.1 reflects the responses in respect of beneficiaries' general interest in agriculture.

Table C5.1: Beneficiaries' interest in agriculture, 2007

Level of interest	N	%
Very interested	242	79.6
Interested	54	17.8
Neutral	7	2.3
Not interested	1	0.3
Not interested at all	0	0.0
Total	304	100.0

Table C5.3 indicates that what the beneficiaries lacked in experience, they made up for in interest. More than 95% of beneficiaries (97.4%) indicated being either interested or very interested in agriculture. Only a single beneficiary (amounting to less than half a percent) confessed to not being interested in agriculture.

When the results from Table C5.2 are cross-tabulated with other variables the following patterns emerge: Women were significantly less likely than males to indicate being very interested (70.8% versus 86.1%) whilst being more likely to indicate only being interested (23.9% for females versus 13.4% for males). The same pattern emerged when comparing beneficiaries between sixteen and 34 years with the older groups. Approximately two-thirds of youths indicated being very interested. Although the percentage of youths who indicated that they were very interested was still significant, the percentage was however lower than the average. This probably confirms earlier suggestions about the problem of getting youths involved in Agriculture (see Section 3). A further 83.2% of the beneficiaries older than 34 years indicated being very interested, while 15.6% indicated being interested in agriculture. The levels of interest in agriculture across the years that the beneficiaries joined the project vary markedly, from 64.6% of beneficiaries who joined in 2006 indicating that they were very interested in agriculture, to 95.3% of beneficiaries who joined before 2004 indicating that they were very interested in agriculture.

Beneficiaries were also asked to rate their willingness to participate in the project when they were first asked to submit their details for an application (see Table C5.2 below).

Table C5.2: Beneficiaries' willingness to participate, 2007

Willingness to participate	N	%
Very high	230	75.7
High	65	21.4
Neutral	8	2.6
Very low	1	0.3
Total	304	100.0

Here, too, the percentage of those who indicated their levels of willingness as high or very high reached 97%. The same patterns emerge when beneficiaries' willingness to participate is cross-tabulated with other variables. Once again, women and the youth tended to be significantly less likely to indicate being very willing than did the males or the older categories, and more tended to be likely to indicate being willing, therefore respondents were also asked whether they had any expectations in respect of their children's involvement in the project. Overall, 95.7% returned positive responses in this respect. However, this response does not correlate with the actual levels of involvement of children older than fifteen. Table C3.10 above reflects that only 23% of the respondents indicated as children over the age of fifteen were actually employed on the project. Hence, Table C5.4 is more an indication of the parents' desires than of the actual involvement of their children.

The results from Table C5.4 were cross-tabulated with other variables. However, no significant differences were detected regarding gender, age or the year in which they joined the project.

C5.3 Reasons for joining the project

In a further question to determine the reason for participation in the CASP Project, beneficiaries were asked what had been the main reason for joining the project. Respondents were given four categories and they had to select the one that was most applicable to them (see Table C5.3).

Table C5.3: Beneficiaries' reason for joining the project, 2007

Options	N	%
I joined the project despite not having agricultural experience, but I was highly interested in the project.	133	43.8
I joined the project because I had agricultural experience and I was highly interested in farming.	112	36.8
I joined the project because I had no other economic alternative.	52	17.1
I was forced to join the project.	7	2.3
Total	304	100.0

Most of the beneficiaries (43.8%) indicated having joined the project as a result of high levels of interest even though they lacked experience. A further 36.8% indicated joining while having both the experience and interest. These figures correlate roughly with the levels of experience seen in Figure C5.1. Surprisingly, given the high levels of interest evident in previous sections, 17.1% indicated joining the project because they lacked economic alternatives rather than one of the two options related to high levels of interest. Unsurprisingly, and in correlation with the information received in Table C5.1 and Table C5.2, 2.3% of the beneficiaries indicated having been forced into the project.

The patterns of experience of women and youths, established when comparing Table C5.1 with these two variables, are once again emphasised when they are compared with the results of Table C5.5. Women and youths were less likely than males or the older age categories to indicate interest along with agricultural experience (27.9% of females and 31.4% of youths compared with 44.2% and 39.4% respectively), and more likely than their male and older counterparts to indicate interest despite having a lack of experience (49.2% for females and 48.6% for youths compared with 39% and 40.8% respectively). The relatively high level of experience among those who joined in 2007 is also emphasised here, with these beneficiaries being more likely to have joined because of both interest and experience (Care should be taken in that relatively few beneficiaries joined in 2007, thus rendering generalisation risky). No major differences were observed in the other two categories.

C6. Household income, expenditure and household assets

This section considers household income, expenditure and household assets. A number of methodological points should be noted before embarking on a detailed analysis. In order to determine household income, the following processes were followed:

- The income from grants was determined by acquiring information on the various grants and then multiplying the occurrence with the grant amount.
- Income derived from beyond grants or the project was determined by asking the beneficiary whether he/she had such income and what the specific amount was. It was thus possible to determine the precise average for income thus derived, yet it can well be assumed that this reported income could be an under-estimation of such income. The main reason for this assumption is that people usually under-estimate their income when asked specifically.
- The income from the project was determined by providing various income categories. The average income from the project can thus only be determined by taking the lower end, the middle or the upper end of the income categories and multiplying these with the number of respondents. It is only to be expected that income reported in this way might also be lower than reality. The main contributing reasons for such an assumption are the irregular fashion in which project income is likely to be paid out to beneficiaries, and a general trend towards under-estimation of project income because of serious problems encountered in respect of the project.
- The overall household income was also determined by providing various income cohorts. An average can once again only be determined by taking the lower end, the middle or the upper end of the income categories and multiplying this figure with the number of respondents. In this report the middle value between the two categories was used.

As income is seldom regular and is composed of various sources, it should generally be acknowledged that determining the precise income of households is no easy task. Despite the various methodological difficulties, this section aims to analyse income and

income sources, discuss household expenditure patterns and, finally, provide a discussion on household assets.

C6.1 Income prior to commencing with the project

In order to gain an understanding of whether project beneficiaries have improved their income by means of CASP investments, respondents were asked a number of questions in respect of their income and the nature of their employment before joining the CASP Project.

C6.1.1 Nature of employment

Table C6.1 provides an overview of the employment profile of beneficiaries before joining the CASP Project. The table makes specific reference to the difference in respect of when the beneficiaries joined the project, as well as to the gender differences.

Table C6.1: Employment profile of beneficiaries before joining the CASP Project

Employment categories	All beneficiaries		Joining 2004 or before[23]	Joining since 2005[24]	Males[25]	Female
	N	%	%	%	%	%
Employed full-time (formal)	113	37.3	44.4	25.4	47.6	24.4
Unemployed, looking for work	67	22.1	19.6	26.3	15.2	30.5
Employed part-time (formal)[26]	19	6.3	5.6	5.2	3.6	9.1
Unemployed, not looking for work	18	5.9	4.5	7.9	2.9	10.0
Student/learner	17	5.6	9.0	0.9	4.8	6.9
Employed (informal)	14	4.6	6.7	1.8	3.0	6.8
Other (specify):	55	18.2	10.2	32.5	22.9	12.3
Total	303	100.0	100.0	100.0	100.0	100.0

A number of observations should be made in respect of Table C6.1:

[23] Approximately 61% of the beneficiaries joined the project in 2004 and before.
[24] Approximately 39% of the beneficiaries joined the projects since 2005.
[25] Approximately 56% of the respondents were males and 44% females.
[26] There might be cases where the percentages for joining the project before 2004 and joining the project after 2004 do not correspond with the figure for all the beneficiaries. The reason is that less respondents answered the question in respect of when they joined the project.

- Overall, 37.3% of the respondents were employed full-time before joining the project. It is noteworthy that this percentage is higher for respondents who started their participation in 2004 or before (44.4%) than for respondents who joined since 2005 (25.4%). As can be expected more males (47.6%) than females (24.4%) were employed full-time before joining the project.
- Regarding the unemployment levels before the start of the project, 22.1% of the respondents said that they were "unemployed, looking for work". A slightly higher percentage of respondents who joined the project since 2005 (26.3%) were unemployed compared with the 19.6% of respondents who became involved in 2004 or before. A far larger percentage of females were also "unemployed, looking for work" before the start of the respective projects.
- It is noteworthy that 4.5% of the beneficiaries interviewed suggested that they were "unemployed, not looking for work" before joining the project. The percentage of respondents, joining projects in 2004 or before, who returned an identical response were 4.5% compared with 7.9% of respondents who started since 2005. Far more females (9.1%) than males (2.9%) also returned the same response. These results in respect of both the year that the respondents joined and the gender differences might be an indication that the post 2004-situation placed more stress on securing beneficiaries to participate. In turn, this could be related to the fact that the CASP grants became available.

The above situation should obviously be compared with the nature of income from the CASP projects and that of household income. It also serves as background to other aspects to be discussed later in this report.

C6.1.2 Income

The focus now shifts to the income of the beneficiaries prior to the CASP Project. Three important aspects are highlighted: the distribution of income, average income and the percentage of households with no income (see Table C6.2). The significance of these aspects lies in the fact that they should be compared with current household income and household income patterns.

Table C6.2: Household income of respondents prior to the project

Income category	N	%
No Income	24	7.9
R1 – R200	15	4.9
R201 – R400	29	9.5
R401 – R800	52	17.0
R801 – R1500	72	23.6
R1501 – R2000	27	8.9
R2001 – R3000	28	9.2
R3001 – R3500	7	2.3
R3501 – R4000	7	2.3
R4001 – R8000	35	11.5
R8001 – R16000	7	2.3
R16001 – R32000	2	0.7
Total	305	100.0
Average income as recorded		2074.07
Average income - considering inflation (current values - 2007)[27]		2652.53
Average per capita income		646.98

The following observations should be made in respect of Table C6.2:

- Nearly 8% of respondents recorded that their households had had no income prior to the CASP Project. It will be indicated in Section 6.2.4 that this percentage of households with no income dropped to 1% at the time of the survey. Obviously, the question can be asked whether this should be attributed to the impact of CASP or to improved access to government grants. This will be addressed later in Section 6.2.
- Approximately 39% of households had an income of less than R800 per month prior to their involvement in the CASP Project.
- The average income of households (adjusted for inflation) was recorded as R2652.53 per month. This means an average per capita income of R646.98 per month, which is significantly more than the international norm of US $1 per day for the poor.[28] It is even more than US $2 per day per person.

[27] The original amounts were adjusted for inflation. The final amount is expressed in terms of 2007 values.
[28] Internationally, the norm of US$1 per day is used as the bare minimum to survive on. Although this norm provides for international comparison, it should be noted that the volatility of the Rand against the Dollar causes this norm also to change with the exchange rate

The data in this section will be compared with data on current household income in Section 6.2.4.

C6.2 Current income

As already mentioned, four sources were used to determine current income, namely:

- Income from grants
- Income other than from grants or the project
- Income from the project
- Total household income

A distinction is made between three sets of data:

- The total data for the sample.
- The data for those households who reported no project income (49.3% of the beneficiaries did not report any income from the project).
- The data for households who reported project income.

Essentially the section shows that there are different income structures for households in these three groups.

C6.2.1 Income from grants

Three aspects are analysed in more detail in this section. First, the scale of access to grants is assessed; this is followed by a detailed overview of access to the various grants that beneficiaries and their households are able to access; finally, an estimate is made of the average amount derived from grants. Figure C6.1 indicates the percentage of households who are currently accessing grants.

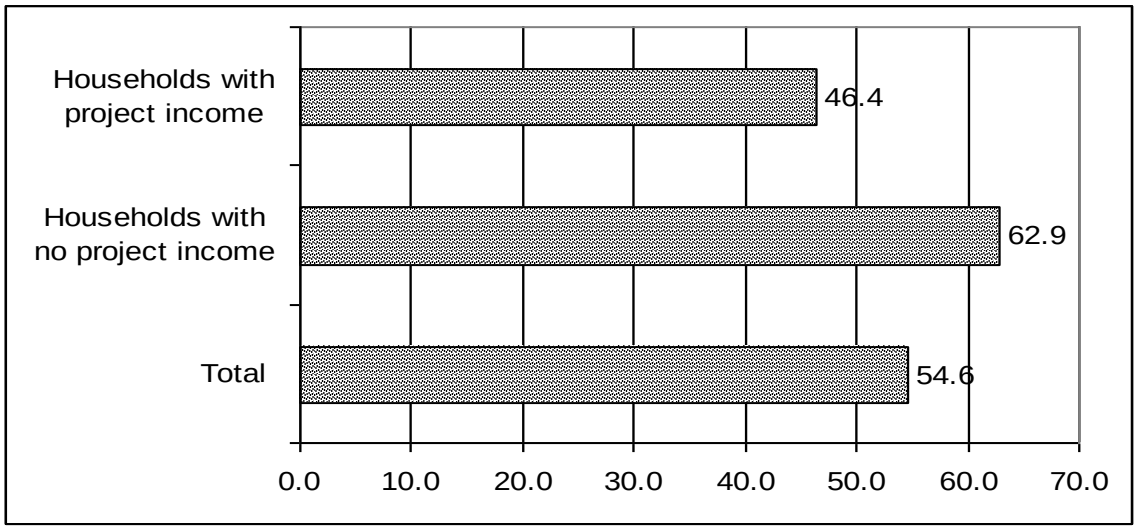

Figure C6.1: Percentage of households accessing grants, 2007/08

Overall, nearly 55% of households did access at least one grant at the time of the survey. Furthermore, a considerably higher percentage of households without project income (62.9%) accessed grants compared with the 46.4% of households who had project-related income. A couple of concluding remarks need to be made in respect of the above data:

- The high level of access to grants is an indication that the involvement of beneficiaries in their specific projects has not taken them out of income vulnerability.
- The fact that the data suggested that beneficiaries in projects with some project income were less dependent on grants might be an early indication that projects that do manage to be successful in generating income might reduce dependency of on the state poor households.
- The high levels of grant access in urban areas should also be related to the fact that the largest percentage of beneficiaries were residing in urban areas and not in the respective farms. In general, grant access is higher in urban areas than for people residing on commercial farms.[29] This is further confirmed by the fact that 48% of households residing on farms accessed grants compared with 59% of households residing in the nearest town.

[29] Atkinson, D., 2007: Going for broke: The fate of farm workers in arid South Africa, HSRC Publishers, Pretoria.

- Comparing the levels of grant access with similar levels in future might provide an indication of the degree to which CASP beneficiaries have experienced an increase or a decrease in respect of income vulnerability.

Table C6.3 provides an overview of income derived from various grants.

Table C6.3: Grant income profile for CASP beneficiaries, 2007

Type of grant	Grant value per month[30]	Average income per month	Number of households	% of households[31]	Number of individuals	% of all household members[32]
Foster care	620	32.41	9	2.9	16	1.3
Care dependency	870	34.11	12	3.9	12	1.0
Child support grant[33]	200	91.50	81	26.5	140	11.2
Disability grant	870	72.50	26	8.5	30	2.4
Old-age pension[34]	870	244.51	69	22.5	76	6.1
Workmen's compensation	1000	32.68	8	2.6	10	0.8
Unemployment insurance	1000	16.34	4	1.3	5	0.4
Other	180	1.17	2	0.6	2	0.2
Total		525.22			291	23.2

By far the largest percentage of grant income originated from old-age pensions, as 46.5% of grant income could be related to this grant, while 22.5% of households or 66.9% of eligible individuals had access to this grant[35]. Regarding access to the grant, a slightly higher percentage of households accessed the child support grant (26.5%). This amounts to 11.2% of the total population or, more importantly 45.9% of the children under the age of fourteen years.[36] Yet the grant income derived from this source constituted only 17.4%

[30] Grant values were confirmed with the Department of Social Development. Estimates were made for workmen's compensation and unemployment benefits. The category "Other" had two respondents referring to receiving a grant due to illness. The current value of this grant is R180 per month.
[31] No total was calculated for the percentage of households who accessed grants as one household might access more than one grant.
[32] Although a percentage was calculated for grant access in terms of the total population, it should be recognised that a very small percentage of individuals might in actual fact receive more than one grant.
[33] Applicable only to children younger than fourteen years
[34] This grant is applicable to females who are 60 years or older and to males who are 65 years and older.
[35] 57 females and 46 males were eligible for this grant.
[36] A total of 305 children were fourteen years or younger.

of total grants received. Table C6.1 also indicates that on average households earned R525.22 per month from the mentioned grants at the time of the survey.

In addition to the above information, the results of the survey revealed that, the lower the education of the head of household, the higher the levels of access to grants. For example, 70% of heads of households with no education had accessed a grant, compared with 40% for those with at least a Grade 12, and only 33% for those with a degree. This might be an indication that higher levels of education of beneficiaries bring more project income and less dependence on the state.

C6.2.2 Income from other sources other than either grants or the project

Respondents were asked whether they received income other than from grants or from the CASP Project. Overall, 46.2% returned affirmative responses. The average amount of income for beneficiaries who reported such income was R1 879.04. If this income is spread over all the households, the average drops to R835.13. Table C6.4 provides an overview of the average income per category for income derived from sources other than grants or from the project.

Table C6.4: The average income per subcategory for income other than either grants or project income, 2007

Categories of income	Average - total population		Average amount - households without project income		Average amount - households with project income	
	R	%[37]	R	%	R	%
Beneficiary has another job	3072.22	32.6	2284.38	26.6	4318.18	38.6
Family/friends elsewhere	726.00	7.2	880.00	9.6	595.00	4.8
A household member has another job	2500.00	38.3	2786.36	44.6	2229.41	30.8
Other	1296.51	21.9	1314.00	19.1	1381.30	25.8
Average for direct respondents	1898.13	100.0	1881.23	100.0	2018.63	100.0
Average for total households	835.13					

[37] Percentages in this table have been calculated from the total income generated by respondents for this category of income (income through means other than either the project or grants)

The following trends should be noted in respect of the above table:

- The largest share of other income came from either another job held by the beneficiary (32.6%), or one of the household members had another job (38.3%). Overall, 8.8% of the beneficiaries indicated that they were employed elsewhere, while 12.7% of the beneficiaries indicated that they had another household member in formal employment (not on the farm) at the time of the survey. Overall, it means that one in five households had at least one person formally employed outside agriculture.
- In cases where the households had no project income, the income generated by another household member (44.6%) became more important in terms of the proportional contribution, and the income from another job held by the beneficiary declined in proportional terms (26.6%). The comparable figures for households with project income were 30.8% and 38.6% and reflected the opposite trend.
- The proportional share of income from family and friends was also the highest in the case of beneficiaries who did not receive project income (9.6%), compared with 7.2% for the total population, and 4.8% for projects where beneficiaries received income from the project. Overall, 8.2% of respondents mentioned that they received money from family and friends elsewhere. Approximately 60% of the households who did receive money in this way had no income. This supports the importance of social networks in developing a social safety net for vulnerable people.

A number of contributing reasons should be mentioned in respect of the above trends:

- First, it suggests that project income is not enough and that beneficiaries thus regard it as sufficiently substantive to allow them to consider leaving their formal employment. In fact, the formal employment income is often (depending on the situation) nearly two times more than the project income.
- Having access to the project is thus beneficiaries' way to diversify their incomes and the sources of their livelihoods.
- The question that begs to be answered obviously is whether the above trends are necessarily negative. If one considers how many commercial farmers are not on their farms full-time, the above picture is not necessarily worrisome. In fact,

multiplicity of incomes has become the norm across income categories and should not be seen to be problematic.

C6.2.3 Income from the project

The focus in this section is on income generated from the CASP Project. Table C6.5 provides an overview of income per income category.

Table C6.5: Project income for CASP beneficiaries, 2007

Income	N	%	Cumulative %
No Income	151	49.7	49.7
R1 – R200	14	4.6	54.3
R201 – R400	24	7.9	62.2
R401 – R800	35	11.5	73.7
R801 – R1500	42	13.8	87.5
R1501 – R2000	11	3.6	91.1
R2001 – R3000	5	1.6	92.8
R3001 – R3500	3	1.0	93.8
R3501 – R4000	6	2.0	95.7
R4001 – R8000	7	2.3	98.0
R8001 – R16000	4	1.3	99.3
R16001 – R32000	2	0.7	100.0
Total	304	100	

Nearly 50% (49.7%) of households recorded no income from the CASP Project. Just more than three out of every five respondents recorded a household income from the project of less than R400 per month. The average household income generated from projects was calculated as R920.88 per month. If the average is considered for those households who have recorded income from the project only, the average was determined at R1829 per month – nearly twice as much as the overall average. Although this report does not deal with the agricultural viability of projects, the overall household income from these projects seems to be lower than one would expect – even for cases where the project income is significantly more than the average.

Next, it was important to consider individual income from these projects. The average individual income from the projects was R584.94 per month, which is lower than the minimum wage in the agricultural sector. Yet, this average included the nearly 50% of beneficiaries who did not receive any income. If this group is excluded, the average

monthly income was R1173.78, which corresponds favourable with the minimum wage in this sector. What it does however convey is that, in respect of income, project beneficiaries' situation is not much different from that of the average farm worker. Yet, one should not ignore the fact beneficiaries probably feel far more independent than one would expect farm workers to feel.

In addition to the above general information, the question is whether those households who were living in poverty prior to the CASP Project, managed to increase their income substantially. The following evidence comes from the survey:

- The average income for households who indicated that they had received no household income prior to the project was recorded as R369.76 per month.[38]
- Only nine of the 23 respondents (39.1%) with no household income prior to the project indicated that they were receiving project income for their household.
- The average income recorded for those households with project income was R833.33 per month. This amount is still less than the average for all households.
- If the same exercise is conducted for households earning less than R800 per month prior to joining the project, their average project income was R338.04 per month, and 45.4% managed to secure project income. The latter percentage is still lower than the average of 50.3%. The average monthly income of R338.04 from the project is also considerably lower than the average R920.88 monthly project income for all CASP beneficiaries.

In addition to the above assessment, a number of variables were also tested in respect of the average income and the distribution of income in the various income quartiles. Annexure C3 provides the detailed figures. The various aspects will be discussed in more detail below:

[38] Approximately 8% of households had no income prior to the CASP Project.

Demographic attributes:

Three structural demographic aspects are considered in this section, namely age, gender and level of education. The results of the survey revealed that the average project income for females was lower than that of males. This should not be seen directly in relation to gender, but rather in relation to the educational level difference between the two genders. The results in Annexure C3 suggest that beneficiaries with at least a Grade 12 qualification had approximately twice the average monthly income from the CASP projects. The fact that the females' qualifications were lower than those of males had thus played a crucial role.[39] Yet, there could also be other factors, such as the multiple roles of females in society, examples of which are childbearing, household responsibilities and the fact that a smaller percentage of females had been exposed to the world of work before joining the project.[40] There was no real indication in respect of age. The average incomes of those households older than the average age were slightly lower than those who were younger than the average age.[41]

Residing on or off the farm

The results of the survey showed that the project income for beneficiaries residing on the farm (R1551.49 per month) was considerably higher than for those not residing on the farm (R683.34 per month). Yet, it will be indicated later in the report that on-farm housing and settlement environments were decidedly not on a par with those in the towns, while the overall levels of satisfaction of on-farm beneficiaries were also lower than those of beneficiaries residing in urban areas. Despite this reality, on-farm settlement might be an indication of a larger degree of commitment to the farming environment. At the same time, being located on the farm might reduce the possibilities of either accessing a grant of or of earning other incomes.

[39] On average only 20% of females had a Grade 12 qualification, compared with 25% of males. Furthermore, only 8% of males had no education. compared with 12% of females.
[40] Only 24% of females were employed before joining the project, compared with 48% of males.
[41] The average age for beneficiaries was 47.

Prior experience

Prior experience was determined in two ways. First, beneficiaries were asked whether they had previous agricultural experience. Second, consideration was given to how much formal employment beneficiaries had prior to their involvement in the CASP Project. In both cases there was a marked correlation between prior experience and income. The following evidence is provided in this respect:

- The average income of respondents with formal employment experience prior to joining the CASP Project was R1132.07 per month, compared with R732.60 per month for respondents without similar experience. It seems as if experience from the working environment did play a role in project success, which, in turn, provided beneficiaries with project income.
- Previous agricultural experience was also pivotal in ensuring a larger average income from the project. The average monthly income for beneficiaries with such experience was R1120.75, compared with R725.11 for beneficiaries without such experience.

Number of beneficiaries and conflict

The results of the survey revealed that households with three or less then three beneficiaries had considerably higher incomes from the project than households with less than three beneficiaries. The average monthly income from the project for projects with three or less than three beneficiaries was R2025.25, compared with R1434.36 for projects with four to seven beneficiaries, and R496.46 for projects with more than seven beneficiaries. The number of beneficiaries should also be linked to the impact of conflict and the fact that beneficiaries had left some of the projects. There seems to be a distinct difference in the average household income from projects where no conflict was experienced (R1004.76 per month), projects with conflict but where the beneficiaries were of the opinion that the conflict had no impact on the project (R803.16 per month), and projects where conflict had serious impacts on the project (R234.39 per month) (Section 10 analyses aspects of project conflict in more detail). It seems that projects with larger numbers of beneficiaries had a larger degree of conflict, which directly impacted on the ability of the project to provide income to the households.

Managerial aspects

A couple of managerial aspects were considered, namely the number of meetings, the availability of budgets, whether approved project budgets existed, the availability of agricultural registers, the availability of business plans, and whether financial records were available. The following responses are provided below with regard to these aspects:

- A larger number of meetings did not show any correlation with higher levels of project income. In fact, there was an indication that fewer meetings resulted in a higher average income.
- There was some slight indication that where minutes of project meetings were available, the incomes of such households from the project were more than in cases where such minutes were not available.
- In projects where budgets were approved monthly, income from the project (R1069.67) was also significantly higher than in cases where they were not approved (R390.29).
- Projects in which financial records were available also, on average, paid larger sums of money to their beneficiaries (R1768.60 per month), compared with projects where these records were not available (R454.75 per month).
- The availability of a business plan played no role. This is probably an indication that business plans were inappropriate or were not used by either the project management or the Extension Officer of the Department of Agriculture.
- The availability of basic registers also seems to have played a role. In projects where such registers were available the average monthly income from the project was R1275.48, compared with R614.32 where these registers were not available.

The main managerial lesson from the above analysis is that managerial efficiency is more important than compliance. Furthermore, effective financial management aspects are probably the one factor that plays the most important role in ensuring income to beneficiaries.

Agricultural viability

During the assessment of the agricultural viability of projects, the project assessors had to judge the viability of the project. The average household income from projects identified as viable (R1566.22 per month) was considerably higher than for projects classified as unviable (R570.51 per month). Beneficiaries who had left the project since its initiation were a further indication of lack of viability. In cases where beneficiaries left, the average income was lower than in projects where beneficiaries did not leave.

Support and training

The statistics indicate that projects receiving departmental support, support from commercial farmers and support in respect of training had considerably lower incomes than projects where such support was not given. The following evidence in this respect was:

- In projects receiving departmental support, the project paid lower amounts of money to beneficiaries (R703.99 per month) compared with R1165.28 per month for projects where no support was available. This probably reflects negatively on the extension officers and the (lack of) value that they add. Yet, it is more likely to reflect on other structural aspects, such as the number of beneficiaries and the overall project viability.
- Where training was rated as being useful by a particular project manager, the average monthly income was R874.23. In cases where its usefulness was rated "average" or "not useful", the average project income was R1435.35 per month. This suggests that the training, even if it was experienced as useful by the beneficiaries, had only limited impact. It probably also suggests that other factors- the ability to apply the training, the way in which the project is structured (for example, the number of beneficiaries) and the way in which the training was delivered- probably also played a role.
- Projects involving commercial farmers had an average income of R462.24, compared with average incomes for beneficiaries of R1241.32 where commercial farmers were not involved. Although a number of factors may have contributed to this situation, it

is probably an indication of factors such as the number of beneficiaries and project viability, and of the fact that, at a certain level, beneficiaries do not need mentoring.

Whatever the reasons for the evidence provided above, it seems clear that the existing support structures (the Department, commercial farmers and training) were not instrumental in ensuring higher levels of income from the projects. These factors, together with the fact that business plans did not play a role, rather suggest the need for a rethink of agricultural support services.

Scale of investment

No clear indication could be obtained as to how much the Department of Agriculture had invested. The investment per project was determined by information provided by the Department of Agriculture and then linked to the average household income from projects. High investment meant above average investments, and low investments meant below average investments. The investments for 2005/06 and 2006/07 realised higher incomes for smaller investments, but the converse was true for 2006/07. The fact that no conclusion could be reached in respect of the size of investments on beneficiary income could well be associated with the fact that the data provided by the Department of Agriculture was neither always complete nor packaged to facilitate comparisons. Furthermore, as already suggested, other aspects could well have played a far larger role in this respect.

Location

It is evident that the monthly incomes from the CASP projects in Motheo (R2271.67) were considerably more than incomes from the other districts. The obvious question is whether this was the result of being closer to markets or whether other factors played a role. Although proximity to markets could well play a role, it was already indicated in Section 3 that the educational levels of beneficiaries in Motheo were higher than in other districts. Motheo also had a significantly larger percentage of projects which had three or fewer than three beneficiaries.

Legal status of enterprise

Solo enterprises received the largest average income from the project (R4871.78 per month). This amount was between four and ten times more than any other form of legal registration. It also confirms the finding that projects with fewer than three beneficiaries had a much higher average project income.

Type of farming

It seems that livestock generated the largest average income for beneficiaries (R1045 per month) compared with mixed farming (R1013 per month) and a low R175 for crop farming. This might well be attributable to there being lower overall agricultural risk in livestock, but also because livestock farming probably helps to maintain a steady cash flow compared with, for example, crop farming.

The above assessment of factors suggests that a range of factors played a role in determining income to beneficiaries from the respective projects. Table C6.6 summarises these aspects.

Table C6.6: The role of various variables in determining project income for beneficiaries, 2007

Negative impact on project income	No clear indication that the factor is playing a role	Slightly positive relation to project income	Markedly positive relation to project impact
Female	Age	Males	Educational level of Grade 12 or higher
Joined 2004 or earlier	Number of meetings	Joined since 2005	Residing on the farm
Educational level lower than Grade 12	Scale of investment	Employment experience	Projects with fewer than three beneficiaries
Residing off-farm	Mixed farming	Approved budgets	Located in Motheo or Thabo Mofutsanyane
No employment experience	Support by the Department	No conflict present	Agricultural viability
Conflict	Training	Livestock farming	Solo enterprise
Projects with more than three beneficiaries	Support by commercial farmers	Previous farming experience	Good financial management
Located in Xhariep, Fezile Dabi			
Crop farming			
No farming experience			

C6.3 Total household income

The discussion of total household income considers three concepts, namely income distribution, average income, and the composition of household income. Table C6.7 provides an outline of income distribution in respect of household income.

Table C6.7: Total household income distribution of CASP beneficiaries, 2007

Income category	N	%
No Income	3	1.0
R1 – R200	7	2.3
R201 – R400	13	4.3
R401 – R800	21	7.0
R801 – R1500	89	29.8
R1501 – R2000	54	18.1
R2001 – R3000	39	13.0
R3001 – R3500	14	4.7
R3501 – R4000	12	4.0
R4001 – R8000	25	8.4
R8001 – R16000	13	4.3
R16001 – R32000	8	2.7
Above R32000	1	0.3
Total	299	100.0
Average income		3117.72

Although one needs to consider the role of inflation when the above table is compared with Table C6.2, a number of observations should be made in respect of current household income compared with that prior to joining the project:

- The percentage of households receiving no income prior to the CASP Project declined from 7.9% to 1% in 2007. As already noted that income from the CASP project was only responsible for about 40% of households who managed to surmount the fact that they had no income. The other 60% of households either obtained a grant or accessed some form of employment.
- The overall average income increased from R2652.53 (2007 values) to R3117.72. This represents an increase of 15% in the income of households and can be associated both with project income and an increase in social grants.

The focus now shifts to a more detailed assessment of household income. The assessment starts off with a discussion of total household income (see Figure C6.2) but then turns to present income for different scenarios.

The amounts for the income from grants, from the project, and the household income were not directly requested. Therefore, a number of methodological notes should accompany the figure below.

- Grant income was determined by multiplying the number of people accessing grants with the amount allocated for different grants.
- Project income and household income were determined by asking respondents to indicate these incomes by means of income categories.
- The latter two methodologies, although creating better responses, are problematic in that, as the categories become too big, so the accuracy deteriorates.
- In calculating the income, the household income was determined first.
- Next, the income from grants, other income and project income was calculated.
- These three incomes were subtracted from the total household income which then left a residual amount.

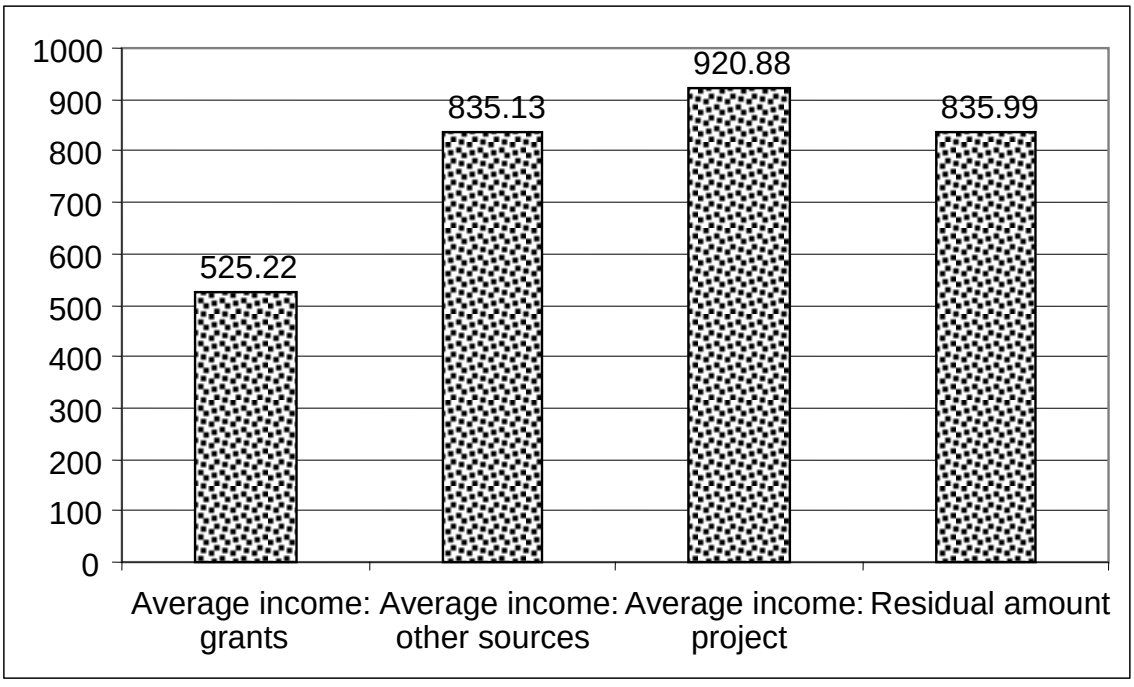

Figure C6.2 Income composition for all households, 2007

The high amount for the balance between the different incomes and the total household income should be ascribed to the methodological procedures and the fact that respondents usually underestimate income when asked directly about it. Therefore, it could well be that the income from other sources and the project income were under-represented. The assessment that is provided in Table C6.8 confirms that there was probably an under-representation of other income- something which is not uncommon in this particular technique.

The above table portrays a picture of multiple incomes for households. Yet, income from the CASP projects was just below 30% of total income. Were one not to consider the residual amount, this percentage would be about 40%. Grants contributed about 17% of household income. This percentage would be at about 23% should one ignore the residual amount in Figure C6.2. The other income sources varied between 27% and 37% of the total household income, with the former percentage including the residual amount and latter excluding it.

In order to analyse the composition of income in more detail different income scenarios were analysed in somewhat more depth. The following scenarios are presented below in Table C6.8:

- Scenario 1: Households with "other" income
- Scenario 2: Households without "other" income
- Scenario 3: Households with project income
- Scenario 4: Households without project income
- Scenario 5: Households with project and other income
- Scenario 6: Households earning less than R800 per month from the project
- Scenario 7: Households earning more than R800 per month from the project
- Scenario 8: Households earning less than R800 per month

Table C6.8: Income composition for various scenarios, 2007

Scenarios	Grant income		Other income		Project income		Residual amount	Total household income	Adjusted household income
	R	%	R	%	R	%	R	R	R
1. Households with other income	478.91	14.8	1879.04	58.1	874.5	27.1	183.74	3416.19	3232.45
2. Households without other income	574.53	37.3	0.00	0.0	966.83	62.7	1375.47	2916.83	1541.36
3. Households with project income	416.07	10.0	1918.00	46.1	1829.91	43.9	-322.04	3841.94	4163.98
4. Households without project income	633.98	25.6	1847.00	74.4	0	0.0	-112.12	2368.86	2480.98
5. Households with project and other income	429.67	10.0	1918.00	44.7	1946.47	45.3	107.16	4401.3	4294.14
6. Households earning less than R800 per month from the project	612.58	24.3	1776.00	70.5	132.31	5.2	-184.55	2336.34	2520.89
7. Households earning more than R800 per month from the project	295.00	5.2	2229.00	39.4	3129.25	55.4	-396.51	5256.74	5653.25
8. Households earning less than R800 per month	246.36	33.4	379.00	51.4	111.56	15.1	n/a	736.92	736.92

Before embarking on a more detailed discussion of the trends and patterns in the above table, a number of methodological aspects should be highlighted. The following important aspects should be noted:

- The earlier assumption that respondents under declared "other" income seems to be valid. Scenario Two is a profile of income where respondents suggested that they had no "other" income. The residual amount in this case is the largest, suggesting that there was a major under-representation of this form of income.
- The average income amount for households earning less than R800 per month was determined by adding the grants, other income and project income together, and not by using the average in the database. The main reason is that the average in the database was determined by income categories and ill represents reality.

The following main trends and patterns should be noted with regard to Table C6.8:

- Between 10% and 38% of the income represented in the above table came from grants. The proportional contribution of grants is higher in the cases of households without "other" income (37.3%) and where households earn less than R800 per month (33.4%). Yet, households earning less than R800 per month did have the lowest income in Rand value from grants.
- Project income varied between 15% and 63% of income. In the case of households earning less than R800 per month, project income contributed only 15.1% of the total income. Considering the fact that R800 per month is probably very close to the US $1 per day (4.1 persons per household), the main reason for the poverty of these households is related to the fact that these households, on average, earn R111 per month from the project. Should the projects be structured better and be viable, much can be done to lift people in these household from poverty. Households where no "other" income was available, had the largest percentage contribution towards their income coming from project income (62.7%).
- The proportional contribution of "other" income was between 0% (Scenario Four) and 74% for beneficiaries with no project income.
- The above statistics portray a picture in which grant income contributes approximately 20% of all income, while projects contribute between 30%-40%, and "other" income between 40% and 50% of income. These patterns suggest that that project income is seen as an additional income and probably in many cases plays a role to lift beneficiaries (who do receive project income) from their vulnerability. Once again it should be noted that part-time agricultural involvement and multiple incomes are themselves not problematic and are moreover common among high-income households.

Household income was, finally, also compared with the same variable with which project income was prepared. The results are reflected in Annexure C4. This section will not entertain a detailed discussion of the issues at stake, but one comment should be made. Although the project beneficiaries who joined after 2004 had higher project incomes than those who joined in 2004 or earlier, their household incomes were about 15% less than

the household incomes of beneficiaries who joined prior to 2005. This is probably an indication that a larger percentage of beneficiaries who commented their participation in 2005 or later were residing on farms and were more dependent on agricultural income. This is confirmed by the statistics: 29% of the respondents who settled since 2005 settled on farms compared with 23% of the respondents who started their participation in 2004 or earlier.

C6.4 Comparing current household income with household income prior to joining the project

This section compares the average incomes of households prior to the CASP Project and the average at the time of the survey. The intention is to identify the factors that were linked to the largest degree of improvement in respect of household income (see Table C6.9).

Table C6.9: Variables influencing household income

Variables	Prior to joining CASP	Currently	Percentage change
Male respondents	2894	3486	20.5
Female respondent	2314	2607	12.7
On-farm respondents	3069	3773	22.9
In town near project	2447	2778	13.5
Projects with three or fewer than three beneficiaries	5197	5502	5.9
Xhariep	1679	2012	19.8
Motheo	3254	5961	83.2
Lejweleputswa	2845	3051	7.2
Fezile Dabi	1797	2171	20.8
Thabo Mafutsanyana	2643	2547	-3.6
No education	1513	1777	17.4
Some primary education	1904	2293	20.4
Some secondary education	2635	2400	-8.9
Grade 12	4169	5266	26.3
Degree	6049	9074	50.0
Project viability	2834	3626	21.8

The one factor displaying the largest percentage of change, was whether the project was rated viable or not. This confirms the importance of good business plans and the ability to implement them accordingly. The other two prominent factors were location in Motheo and having had a degree. Obviously, these two factors are interrelated.

C6.5 Changing patterns of income and inequality

This section considers two aspects. First, the income before the project is compared with the current income. Second, the change in inequality between the lower and upper income groups is calculated.

C6.5.1 Change in income

Table 6.10 compared household income prior to the project (but adjusted for inflation) with the current income of households.

Table 6.10: Household income prior[42] to the project and currently, 2007

Income category	Before the project		Currently	
	N	%	N	%
No Income	23	7.8	3	1.0
R1 – R200	11	3.7	7	2.3
R201 – R400	25	8.5	13	4.4
R401 – R800	43	14.6	21	7.0
R801 – R1500	76	25.9	89	29.9
R1501 – R2000	12	4.1	54	18.1
R2001 – R3000	40	13.6	39	13.1
R3001 – R3500	4	1.4	14	4.7
R3501 – R4000	5	1.7	12	4.0
R4001 – R8000	44	15.0	25	8.4
R8001 – R16000	6	2.0	13	4.4
R16001 – R32000	5	1.7	8	2.7
Total	294	100.0	298	100.0

The following main comments should be made in respect of the above table:

- The percentage of households earning less than R800 per month has declined. Prior to the project 31.6% of households earned less than R800 per month. Currently, this percentage is 14.7%.

[42] Household income was adjusted for inflation and re-categorised for the purpose of this table.

- Households earning more than R8 000 per month have increased. Currently, 6.7% of the households earn more than R8 000 per month compared with 3.7% of households prior to the project.

Overall, there seems to be a decrease in the percentage of people earning less than R800 per month. The question is whether this is due to the impact of CASP or social grants. As already argued earlier, the evidence suggests that grant income has contributed extensively to the trend.

C6.5.2 Change in inequality

In order to analyse changes in income inequality, the following process was followed:

- Income quartiles were determined for household income prior to the project (but adjusted for inflation) and for current household income.
- The middle income quartiles (26%-74%) were combined and the lower and upper income quartiles were used separately.
- The total income generated by each of these three groups was calculated.
- To quantify the change in levels of inequality between three income groups, standard scores (Z scores) were utilised. The following formula was used:

$$Z = \frac{x - \bar{x}}{\sigma}$$

$\bar{x}$ = The average of raw numbers

x = specific raw number

σ = standard deviation

- These Z scores indicate the deviation of each of the three income quartiles from the average of all the scores (which is zero in all cases).

The closer the scores get to 0, the larger the degree of equality represented. The converse is true when the Z-scores are further away from 0. The emphasis is on the inequality between the lower and upper income quartiles, while the Z-scores for the two middle-income quartiles (26%-75%) are also provided. The analysis in this report lays the foundation for comparative work in the follow-up studies (see Figure 6.3).

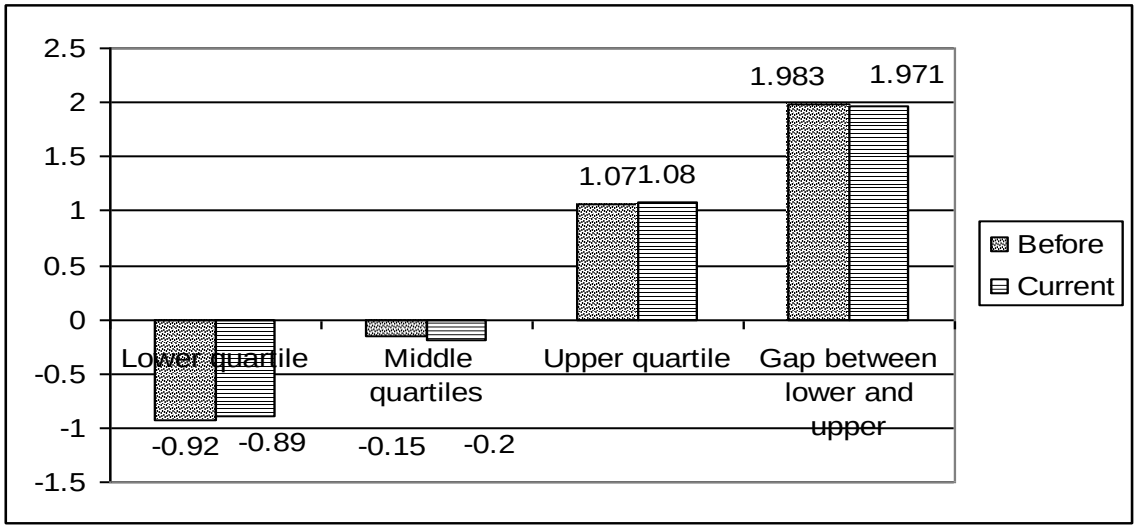

Figure 6.3: Changing income inequality before joining the project and currently

Overall, the gap in income inequality between the lower- and upper-income groups has decreased slightly from 1.983 to 1.971. The question is obviously whether this can be contributed to the role of CASP. The fact that the biggest change took place in the lower-income groups suggests that grants have probably played a more prominent role than CASP income. Earlier evidence in this report suggests that grant income probably contributed the most significant proportion.

C6.6 Expenditure patterns

Up to this moment the report considered issues of income and income poverty. Another way of assessing poverty is also to consider the expenditure patterns. In this section the expenditure patterns per item of the beneficiaries will be assessed in more detail. An important consideration in future assessments will be to evaluate changes in expenditure

patterns. For example, higher proportional expenditure on food might be an indication of increasing poverty. Table C6.11 provides an overview in this respect.

Table C6.11: Expenditure of CASP beneficiaries per item, 2007

Item	Number of people spending on this item	Percentage of total beneficiaries	Average for total households (R)	Average for households with expenditure on this item (R)	Total expenditure (R)	Percentage of total expenditure
Housing	49	16.1	49.25	301.55	14776.00	2.0
Housing (bond)	17	5.6	111.22	1,962.71	33366.00	4.5
Clothing	258	84.9	374.45	435.41	112336.00	15.3
Pre-school	34	11.2	14.25	125.74	4275.00	0.6
Primary school	48	15.8	25.67	160.41	7699.59	1.0
Secondary school	52	17.1	52.60	303.46	15780.04	2.2
Tertiary training	20	6.6	135.03	2,025.50	40510.00	5.5
Rates	80	26.3	33.07	124.03	9922.00	1.4
Water and electricity	237	78.0	188.85	239.05	56654.00	7.7
Pay back a loan	36	11.8	171.55	1,429.56	51464.00	7.0
Health care	102	33.6	74.35	218.68	22305.00	3.0
Paraffin	138	45.4	130.36	283.39	39107.50	5.3
Alcohol	63	20.7	25.89	123.28	7766.50	1.1
Smoking	82	27.0	26.20	95.85	7860.00	1.1
Food	296	97.4	601.63	609.76	180490.00	24.6
Transport	195	64.1	274.33	422.05	82299.75	11.2
Telephone	84	27.6	56.62	202.20	16984.80	2.3
Support to family	35	11.5	53.00	454.29	15900.15	2.2
Entertainment	33	10.9	29.77	270.61	8930.13	1.2
Other	6	2.0	16.81	840.67	5044.02	0.7
Total			2444.90		733470.48	100.0

* Allowing for no responses from some respondents, 300 was taken as the total number of respondents

A number of comments should be made in respect of the above table:

- As expected, food was the item on which most respondents spent money. Yet, food only contributed to one-quarter of all the expenditure listed above. This is an indication that food security was not a problem among the households, which will be confirmed in the section on food security (see Section 7). Furthermore, the 25% being spent was probably already an indication that production for own consumption did take place. In general, households spending in excess of 50% of their total expenditure on food are usually seen as being vulnerable in respect of food security.
- The item reflecting the second highest priority was clothing which constituted 15% of all expenditure.

- Expenditure on transport was somewhat higher than the international urban norm of 10% and could well be within a norm for rural populations. It was also the third highest expenditure priority for the CASP beneficiaries.
- Rates, water and electricity were all within the international norm of approximately 10%. However, one should note that this percentage might be higher for urban residents and lower for the on-farm residents. At the same time, it should also be noted that 5.5% of expenditure was directed towards paraffin.

Future studies should assess and compare the proportional contribution of the various items and the change in expenditure priorities. However, it would be important to gain an indication of proportions of expenditure on the key priorities for a selected number of items under three variables (see Figure C6.4).

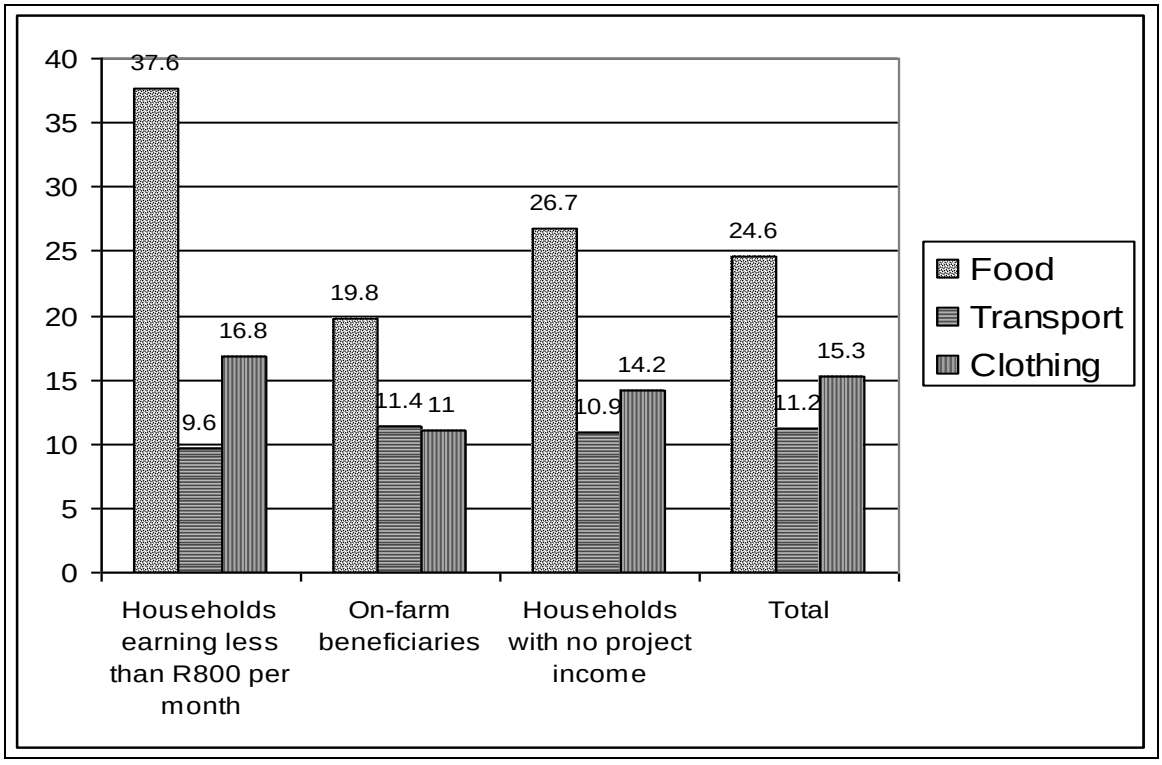

Figure C6.4: Percentage of total expenditure on selected items for selected variables, 2007

Although expenditure on food was considerably higher for households earning less than R800 per month (37.6%), it was still not close to 50% of the total expenditure. In fact,

households who did not register any project income (26.7%) expended only marginally more than the average for the sample (24.6%). It should also be noted that expenditure on food for on-farm beneficiaries was less, thereby confirming earlier suggestions that some production is for own consumption. Expenditure on transport remained more or less static at 11%, with on-farm residents spending slightly more (11.4%) on this item than the 11.2% for the total sample.

C6.7 Location of expenditure

The terms of reference required the researchers to determine the local economic development impact of the CASP projects. However, developing tools to measure this accurately is no easy task, no information being available for the situation prior to the CASP projects. For example, there is no information on the location of expenditure of previous farmers located on the farm. Furthermore, it should be noted that respondents were asked to indicate the location where most of the expenditure on a specific item was taking place. Methodologically this means that 51% of expenditure would in the analysis mean 100% of expenditure.

It has already been noted that the CASP beneficiaries in the sample generated expenditure in the economy of over R7.3 million per month. Yet, one should acknowledge that approximately 30-40% (with 40% being used for the rest of the calculations) of this amount was derived from the CASP projects, which means that a monthly amount of R2.92 million per month can be related to the CASP Project. At the same time, as approximately 20% of the initial 1711 beneficiaries have left, this leaves approximately 1368 beneficiaries. Considering that the sample was 4.5 times smaller than the actual beneficiaries, means that the R2.92 million had to be multiplied by 4.5. This equalled a month expenditure of R13.1 million that can be related to CASP-related activities. The annual estimate was calculated at R157 million. Yet, the location of these expenditures should be determined. Figure C6.5 provides an overview of the proportion spent in relation to the nearest town.

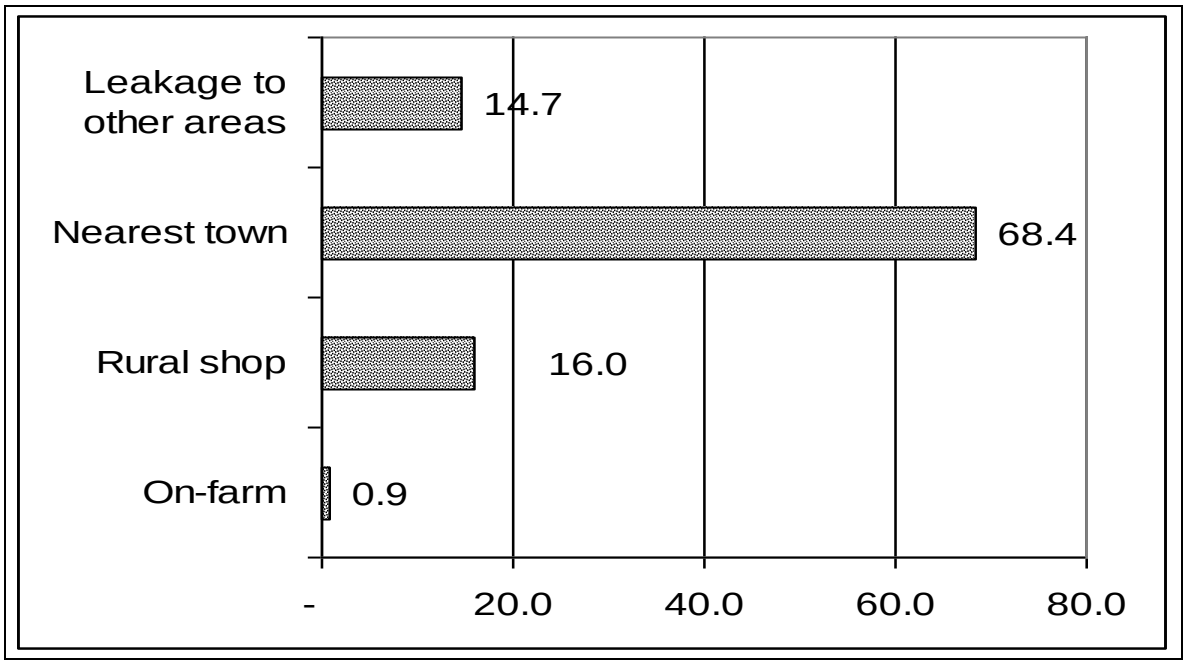

Figure C6.5: Location of expenditure in relation to the nearest urban area, 2007

The above figure suggests that approximately 85% of expenditure took place on the farm, at a rural shop or in the nearest town. Only about 15% was leaked to larger urban areas. It could well be expected that this degree of leakage might have been higher in respect of the previous farmers – although the scale of income (on which no information exists) should also be taken into consideration. Annexure C5 provides the total amount of expenditure per town in the Free State.

C6.8 Household assets

As already pointed out, income is not always an effective mechanism for measuring poverty over time. A question on durable goods was thus included to remedy this shortcoming. Figure C6.6 provides an overview of access to such goods for the sample, but also considers on-farm beneficiaries and beneficiaries without project income.

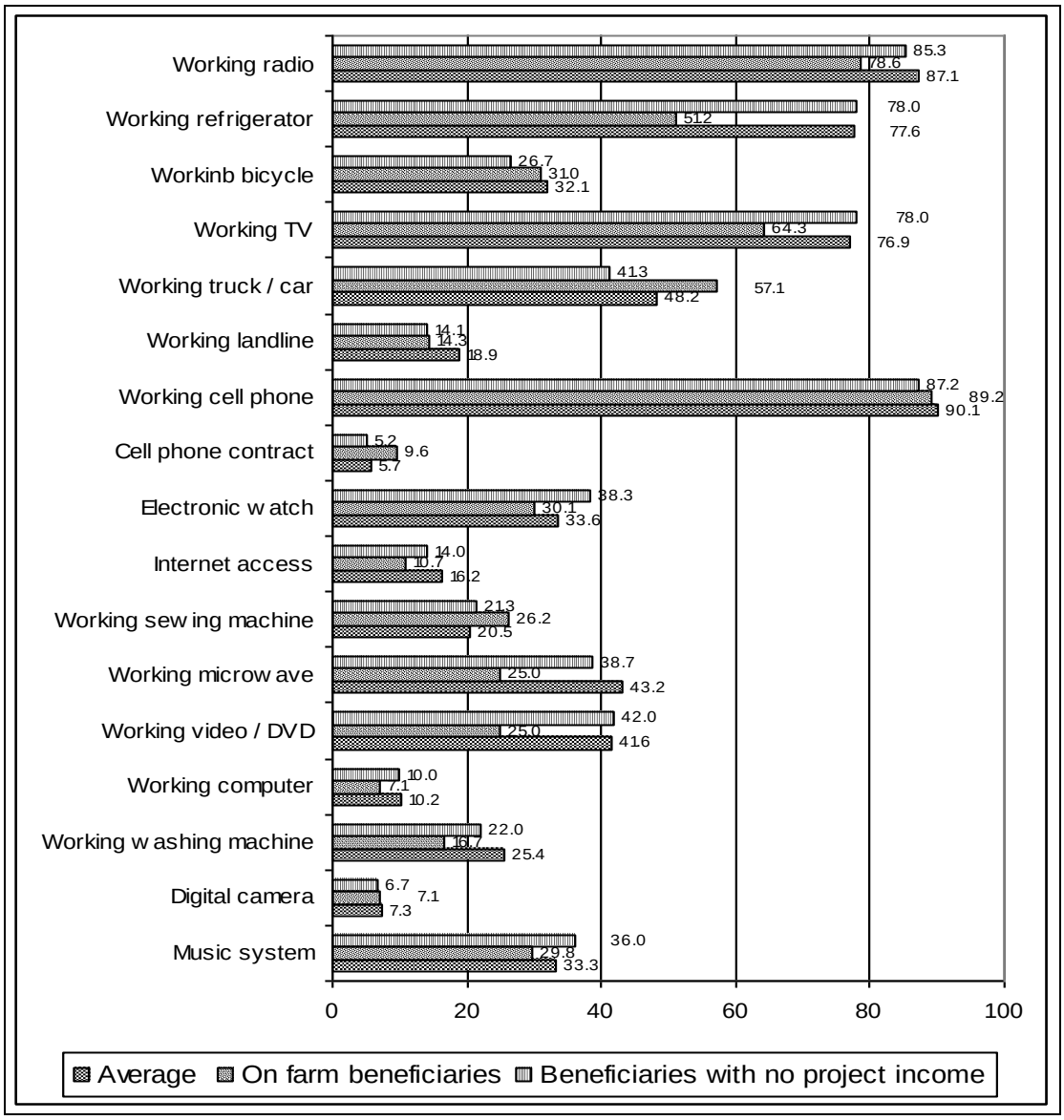

Figure C6.6: Access to durable goods, 2007

The two items for which the largest percentage of access was reported were cellular phones (90%) and radios (87%). The lowest percentage of access was reported in respect of a cellular phone contract and a digital camera. It is significant that access to durable goods for on-farm beneficiaries was generally lower than the average. Interestingly enough, access to durable goods for beneficiaries with no project income was virtually the same as the average for the sample as a whole.

C7. Food security

Improved national and household food security is one of the expected outcomes of CASP. This section considers the current status of household food security. First, there is a general overview of these trends, followed by the assessment of a number of aspects that could have played a role in respect of food security.

C7.1 General overview

In order to ascertain the level of food security, a series of questions were asked, with each successive question indicating a more severe case of food insecurity than the preceding question. The first question asked about a subjective instance of worry, while the next three looked at adjustments to the type of food eaten. These were followed by two questions on adjustments to the amount of food, while the last three indicated severe cases of not having food in the house. The respondents had to indicate how often they had experienced these situations in the last month. They either indicated never, rarely (once or twice), sometimes (three to ten times), or often (more than ten times). Obviously, it is pivotal that these aspects should be compared in future in order to gain a longitudinal understanding of changing trends. The results are summarised in Table C7.1.

Table C7.1: Experience of food insecurity by beneficiaries, 2007

Nature of insecurity	Never		Rarely		Sometimes		Often		Total	
	N	%	N	%	N	%	N	%	N	%
Worry about food?	95	31.5	94	31.1	69	22.8	44	14.6	302	100
Not able to eat the kinds of foods preferred?	83	27.5	88	29.1	98	32.5	33	10.9	302	100
Ate just a few kinds of food day after day?	98	32.5	92	30.5	84	27.8	28	9.3	302	100
Ate food they preferred not to eat?	91	30.1	89	29.5	99	32.8	23	7.6	302	100
Ate a smaller meal than needed?	108	35.9	103	34.2	67	22.3	23	7.6	301	100
Ate fewer meals in a day?	117	38.9	116	38.5	52	17.3	16	5.3	301	100
No food at all in household?	220	73.3	53	17.7	19	6.3	8	2.7	300	100
Went to bed hungry at night?	241	79.8	37	12.3	20	6.6	4	1.3	302	100
Went a whole day without eating anything?	237	78.5	41	13.6	19	6.3	5	1.7	302	100

There generally seems to be a tendency to have less frequent instances of the more severe forms of food insecurity. For example, only 31.5% of beneficiaries indicated never having worried about food in the last month, while 78.5% indicated never having gone a whole day without having had anything to eat in the last month. A significant shift occurs between those categories where respondents make an adjustment for a shortage of food and where respondents have no food at all. Approximately 39% of beneficiaries indicated never having eaten fewer meals in the last month, and 38.5% indicated having rarely (once or twice in the last month) eaten fewer meals. In contrast, 73.3% of respondents indicated never having been without food in the house in the last month, and 17.7 indicated having had no food in the house once or twice in the last month.

Considering that at the very least a project should allow for subsistence farming, these figures are quite high. The shift between changing the amount of food consumed and having a total lack of food seems to indicate that, in most projects at least, the basic amounts of food needed can be supplied, even if variety and quantity are lacking. To summarise: the less severe forms of food insecurity (worry, adjusting kinds of food or amount of food) are relatively common; less common- though still quite high- are those households who experienced the more severe forms of food insecurity (having no food at all.)

C7.2 Specific aspects in respect of food security

An overview of the overall situation in respect of food security, having been provided, the question is whether significant differences occur amongst different groups of beneficiaries. In order to do this analysis, a decision was taken to use the following methodological approach:

- Only three of the questions posed in respect of food security were used: Did you worry about food, eat a smaller meal than needed or go a whole day without eating anything?
- The “sometimes” and “often” categories were combined.
- A set of variables were then tested against the norm.

Table C7.2: Food security for selected variable and questions, 2007

Variables	1. Worry about food	2. Ate a smaller meal than needed?	3. Went a whole day without eating	Norm for sample
Males	46.0	50.0	66.7	56.3
Females	54.0	50.0	33.3	53.8
Younger than 35	23.3	28.9	26.3	23.2
Older than 60	19.2	13.6	26.4	20.9
No education	18.8	14.6	16.7	13.8
Some primary education	33.9	34.8	50.0	30.6
Some secondary education	28.6	29.2	25.0	31.0
Grade 12 or more	18.8	21.4	8.4	24.5
Disabled	7.1	8.9	4.2	5.3
Unemployed and looking for work before joining the project	20.4	18.9	16.7	22.1
No household income before joining the project	7.1	12.2	12.5	7.9
Household were receiving a grant	57.5	57.8	50.0	55
Households who received income other than grant or project	37.2	33.7	20.8	46.2
Households who were receiving no income from the project.	52.2	44.9	54.2	49.7
Current place of residence – on farm	32.7	33.3	45.8	27.6
Current place of residence – in towns	57.5	58.9	50.0	59.2

With regard to the above data, the following aspects should be mentioned:

- Variables that tested constantly above the norm (meaning higher levels of food insecurity for this variable) across the three questions were: beneficiaries that were younger than 35 years; beneficiaries with no education or only primary education; and, beneficiaries residing on the farm. The result that beneficiaries who were residing on farms experienced higher levels of food insecurity is significant in that as this group also indicated higher levels of project income. The relative remoteness of on-farm residents in respect of accessing food in case of shortages, as well as the higher levels of dependence on the farm for income and food, were probably all contributing in this respect. In fact, this remoteness could well lead to lower levels of grant access when there was an increase in food insecurity. On-farm residents had proportionally smaller access to grants – only 48% of the respondents accessed grants in comparison with 59% of the urban beneficiaries.
- Variables that tested consistently below the norm (meaning higher levels of food security) were having some secondary education, educational levels of Grade 12 and

more, being unemployed and looking for work prior to the project, and households who received multiple incomes (another income, other than a grant or project income, and beneficiaries residing in towns).

- Variables in terms of which there was an increase in the levels of food insecurity through the three questions were: being male; only having some primary education; no household income prior to the CASP Project; and, beneficiaries residing on farms.
- The role of grants also requires comment. Both in those households receiving grants and those being disabled, there was a trend of higher-than-average food insecurity in respect of questions One and Two. Yet, their response to Question Three reflected a lower level of food insecurity for those accessing grants and being disabled. One explanation for this trend lies in the fact that the grant manages to minimise real levels of food security.

C8. Change in the living environments of project beneficiaries

Several questions were asked specifically with the goal of comparing living conditions before and after joining the project. It should be borne in mind that in Section 6 some consideration was given to the matter of changing incomes. In this section, attention is devoted to the place of residence, type of housing structure, form of sanitation, form of access to water and forms of energy available. Although these numbers do not account for the increases or the decreases of the individual households, it does give a general idea as to the current situation after the influence brought to bear by the project. Questions further were also asked about their access both to schooling and health services, as well as the biggest benefits and problems of the project, and about their immediate needs.

C8.1 Type of house

Table C8.1 provides the profile of the changing nature of the house in which beneficiaries resided prior to the project and where they were residing at the time of the survey in 2007.

Table C8.1: Changes in the housing structures of beneficiaries, 2007

Type of structure	Before joining the project		Nov/Dec 2007	
	N	%	N	%
Formal house on a separate stand	227	75.2	244	81.1
Room in house	2	0.7	3	1.0
Shack on own stand	32	10.6	16	5.3
Backyard shack	4	1.3	2	0.7
Traditional dwelling	19	6.3	16	5.3
Other	18	6.0	20	6.6
Total	302	100.0	301	100.0

From the data in Table C8.1 it would appear that there was a 5.9 percentage point increase in the percentage of beneficiaries who lived in a formal house after joining the project, while there was 5.3 percentage point decrease in the percentage of beneficiaries who resided in a shack on a separate stand. There was very little change in the other categories. This does indicate a marginal improvement in the quality of the housing structure of the project beneficiaries. The "other" category consisted of some respondents indicating that they were living on the farm or renting a house – without indicating what type of structure they were now inhabiting.

Section 4 already hinted that on-farm living conditions were worse than living conditions in the urban areas. Comparing the housing conditions of on-farm residents with those of beneficiaries residing in urban areas confirmed the earlier assumption. Those beneficiaries who indicated that they were currently residing on the project farm were less likely to be living in a formal house at that specific moment than those living in town (63.1% and 87.6% respectively) and more likely to be living in a traditional house (16.7% versus 0.6%) or other structure.

C8.2 Type of sanitation

The changes that occurred in respect of levels of sanitation access are reflected in Table C8.2 below.

Table C8.2: Change in the type of sanitation to which beneficiaries have access, 2007

Type of sanitation	Before joining the project		Nov/Dec 2007	
	N	%	N	%
Fully waterborne flush toilet	174	57.4	214	72.5
Septic tank	51	16.8	16	5.4
Ventilated pit latrine	21	6.9	15	5.1
Basic pit latrine	20	6.6	19	6.4
Chemical toilet	15	5.0	8	2.7
None	22	7.3	23	7.8
Total	303	100.0	295	100.0

Table C8.2 above shows a significant increase in the percentage of beneficiaries who had access to fully waterborne sanitation (an increase of 15.1%). There is also a corresponding decrease in cases of a septic tank – down from 16.8% of beneficiaries before joining the project to 5.4% of beneficiaries at the time of the survey. There was very little change in the other categories. This indicates a marginal improvement in the type of sanitation available to beneficiaries. The fact that most of the residents had resided in towns at the time of the survey facilitated the provision of such infrastructure.

Those individuals who indicated that they were currently living on the project farm were almost half as likely as those living in a nearby town to have fully waterborne sanitation at the moment (44.6% and 82.6% respectively), and several times as likely to have a basic pit latrine (18.1% versus 1.2%), or no sanitation at all (20.5% versus 3.5%).

C8.3 Access to water

The results of the survey also showed increases in respect of access to water (Table C8.3).

Table C8.3: Change in the type of access to water available to beneficiaries, 2007

Type of access to water	Before joining the project		Nov/Dec 2007	
	N	%	N	%
Piped water in dwelling	126	44.1	136	46.9
Ground tanks next to the house	8	2.8	13	4.5
On-site taps (taps in the yard only)	101	35.3	110	37.9
Street taps (within 200m of house)	18	6.3	7	2.4
Street taps farther than 200m away	10	3.5	2	0.7
Borehole / rainwater tank / well	18	6.3	18	6.2
Dam / river / stream / spring	5	1.7	4	1.4
Total	286	100.0	290	100.0

Table C8.3 shows that the change in access to water is more diffuse than was the case with housing and sanitation. There was a 2.8% increase in beneficiaries with access to piped water in the dwelling, a 2.6 percentage point increase in the use of taps in the yard, and a 1.7 percentage point increase in the use of ground tanks. Consequently, most of the other categories showed declines. Overall, this indicates only a very slight improvement in water access.

Those beneficiaries who indicated that they were currently residing on the project farm were half as likely to have piped water in the house at the moment as those living in a nearby town (26.6% and 52.6% respectively), and virtually all cases of boreholes were on the farm (a single exception was encountered in the "Elsewhere" category) and accounted for a significant share of water provision on the farms (21.5%).

C8.4 Energy sources used

Questions in respect of the source of energy required the beneficiaries to indicate the source of energy used for cooking, lighting and heating. An assessment of the change in the source of energy is a useful indicator of changing patterns of poverty and health. Table C8.4 provides an overview of energy use in respect of cooking.

Table C8.4: Change in the energy source used by beneficiaries for cooking, 2007

Energy source used for cooking	Before joining the project		Nov/Dec 2007	
	N	%	N	%
Electricity	182	67.2	187	67.8
Gas	18	6.6	19	6.9
Paraffin	44	16.2	44	15.9
Wood	14	5.2	17	6.2
Coal	12	4.4	9	3.3
Candles	1	0.4	0	0.0
Total	271	100.0	276	100.0

Table C8.4 shows that virtually no change came about in energy use for cooking. Those beneficiaries who indicated that they were currently residing on the project farm were half as likely as those living in a nearby town to be using electricity for cooking at the moment (38.2% and 78.3% respectively) and were the almost exclusive users of wood. The changing trends in respect of energy use for lighting are reflected in Table C8.5.

Table C8.5: Change in the energy source used by beneficiaries for lighting, 2007

Energy source used for lighting	Before joining the project		Nov/Dec 2007	
	N	%	N	%
Electricity	206	74.1	216	77.1
Gas	2	0.7	1	0.4
Paraffin	4	1.4	6	2.1
Coal	3	1.1	2	0.7
Dung	1	0.4	1	0.4
Candles	62	22.3	54	19.3
Total	278	100.0	280	100.0

Table C8.5 reveals an only marginal improvement in respect of the energy source used by beneficiaries for cooking. There was a 3% decrease in the use of candles among beneficiaries, this corresponding with a 3% increase in the use of electricity. There were also minor decreases in the use of coal and gas, and a minor increase in the use of paraffin.

Those beneficiaries who indicated that they were currently residing on the project farm were almost a third as likely as those currently living in a nearby town to be using electricity for lighting (35.4% and 92% respectively). Candles were the major source of

lighting for those residing on the project farm (54.4%). Table C8.6 provides an overview of the sources of energy used for heating.

Table C8.6: Changes in the energy sources used by beneficiaries for heating, 2007

Energy source used for heating	Before joining the project		Nov/Dec 2007	
	N	%	N	%
Electricity	158	64.2	167	66.8
Gas	6	2.4	4	1.6
Paraffin	37	15.0	32	12.8
Wood	24	9.8	25	10.0
Coal	10	4.1	8	3.2
Dung	2	0.8	1	0.4
Candles	2	0.8	4	1.6
None	7	2.8	9	3.6
Total	246	100.0	250	100.0

The pattern of virtually no change to minimal change in energy-use patterns is maintained in Table C8.6. A minor increase of 2.6% occurred for electricity, with a corresponding drop of 2.2% for paraffin, while the other sources fluctuate with changes of less than one percentage point.

Those beneficiaries who indicated that they were currently residing on the project farm, were significantly less likely at the moment to be using electricity for lighting than those living in a nearby town (48.3% and 73.2% respectively), and almost eight times as likely to be using wood (31% versus 3.9%).

C8.5 Access to schools

Beneficiaries were asked whether there were any members of their household who were of school age (six to fifteen years) and currently not attending school. Three beneficiaries admitted that they had children of school age who did not attend school. When asked what the reason for this was, two stated that the children were currently working. Both these households earned a household income of between R800 and R1500, while living on the project farm. The third household, living in Bloemfontein, earned a household income of between R4000 and R8000. Four beneficiaries chose to exercise their right not to answer this question, which might well be an indication that they did not want to be exposed in this respect. Of these, three households did have

children of school age and all had a total household income of above R1500 per month. Two of the three lived in Bloemfontein and the third lived on the project farm.

The fact that 99% of beneficiaries indicated that they either had no children of school age or that these children were in school indicates that, there generally appeared to be no barriers to school attendance. The results of this table, however, need to be interpreted in light of strong social opinion on primary school attendance and child labour, that can adversely affect truthful reporting.

C8.6 Access to health services

This section considers access to health care for CASP beneficiaries. Four specific aspects are assessed in further detail:

- Frequency of health-care access (see Table C8.7)
- Ease of access
- Nature and location of access

Table C8.7: Frequency with which beneficiaries' accessed health-care, 2007

Frequency of health-care access?	N	%
Weekly	8	2.6
At least twice a month	25	8.3
At least once a month	61	20.2
Occasionally	104	34.4
Never	104	34.4
Total	302	100.0

Table C8.8 reveals that most of the beneficiaries either never needed to access health care (34.4%) or had to do so only occasionally (34.4%). A large proportion (20.2%) did however have to access it on a monthly basis, and 10.9% had to access health care more than twice a month. In addition, respondents were asked whether they had household members who needed to access monthly medicine from a clinic/hospital, or whether they had a household member who had to access home-based care on a daily basis. Nearly one-third of the respondents said that they needed to access medicine at the clinic/ hospital, and 2.9% of the beneficiaries said that they did have someone who required home-based care. Overall, it seems that 8.1% of all the household members required

weekly medicine, and 0.7% of the household members required home-based care at the time of the survey.

Next, respondents were asked how easy it was to access health-care facilities. Figure C8.1 summarises their responses.

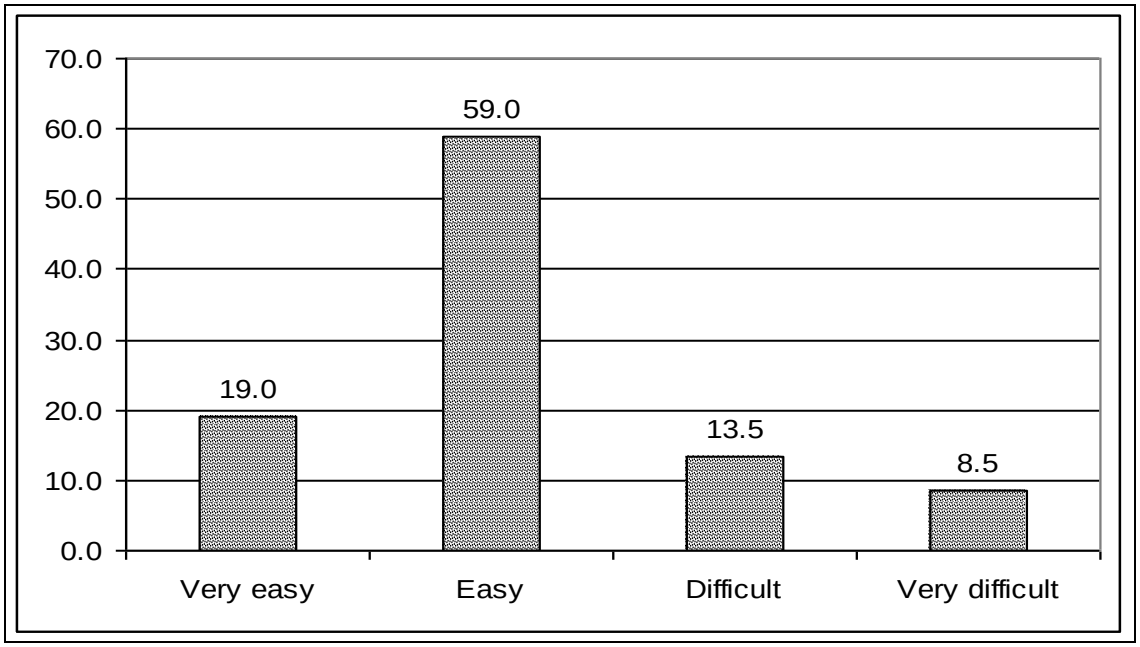

Figure C8.1: Ease with which beneficiaries' accessed health care, 2007

From Figure C8.1 it is obvious that most beneficiaries (78%) found access to health care either easy or very easy. Only 22% found it difficult or very difficult to access health care.

Those beneficiaries who indicated that they were currently located on the project farm were less likely than those living in a nearby town to rate their ease of access to health care as being easy (40.7% and 67% respectively), and three or four times more likely to give a rating of either difficult (27.1% versus 8.7%) or very difficult (16.9% versus 4.3%).

Table C8.8 reflect the nature and location of medical care for beneficiaries.

Table C8.8: Type and place of access to health-care accessed by beneficiaries, 2007

Type of medical care	On farm		Somewhere in the rural area		Nearest town		Other town further away		Other		Total	
	N	%	N	%	N	%	N	%	N	%	n	%
Home-based care	4	8.7	12	26.1	20	43.5	9	19.6	1	2.2	46	100
Traditional healer	2	3.1	11	17.2	17	26.6	26	40.6	8	12.5	64	100
Medical practitioner	0	0	7	5.4	62	47.7	57	43.8	4	3.1	130	100
Static clinic	2	1.4	37	26.4	76	54.3	25	17.9	0	0	140	100
Mobile clinic	7	13.2	19	35.8	25	47.2	2	3.8	0	0	53	100
Hospital	0	0	7	9.7	36	50.0	29	40.3	0	0	72	100
Dentist	1	1.8	8	14.5	27	49.1	19	34.5	0	0	55	100

Table C8.10 gives a summary of the types of health care the beneficiaries accessed, and of where they accessed healthcare. The type of health care accessed most frequently was a clinic (static), with 140 beneficiaries having indicated they had accessed this type of health care during the last year. This was closely followed by 130 beneficiaries who indicated that they visited a medical practitioner. Visits to the clinic (static) were most likely to be in the nearest town (54.3% of cases). Access to medical practitioners was split, with 47.7% of beneficiaries having visits in the nearest town, and 43.8% having visits in another town farther away.

Access to any type of health-care provision on the farm was rare, with only the mobile clinic receiving more than ten percent of the visits on the farm. In the rural areas, mobile clinics again made a strong showing, with 35.8% of visits to a mobile clinic being received here. More than a quarter of home-based care and visits to a static clinic also occurred in rural areas.

In general, the nearest town was the most common venue for accessing health care, with all types but one (traditional healers) receiving more than forty percent of their visits there. Traditional healers, medical practitioners and hospitals also received more than forty percent of their visits in other towns farther away.

Although provision of health care on farms was rare and relatively rare in rural areas, eighty percent of the most common form of health-care provision, in the form of static clinics, occurred either in rural areas or the nearest town. In addition, with the exception

of traditional healers, most such visits to any type of health-care practitioner occurred no farther away than the nearest town.

C9. Quality of life

One of the aims of the project- stipulated in the terms of reference- is to determine the general impact of projects on the quality of living of the beneficiaries involved. In order to ascertain the quality of life of beneficiaries the latter were asked to rate their satisfaction with a range of aspects pertaining to quality of life on a five-point scale, both currently, as well as before joining the project. The change from the situation before the project to the current situation was also monitored by looking at the individual beneficiaries and noting whether the rating deteriorated, stayed the same or improved. This section is divided into three subsections. First, a number of specific aspects are tested. Second, an assessment is conducted of the overall level of satisfaction, and, third, the section considers overall change in the financial position of the respondents. Data such as this only becomes meaningful during follow-up studies and it is therefore essential to repeat these tools at least every two years.

C9.1 Specific aspects in relation to quality of life

This section considers the levels of satisfaction in respect of the following aspects:

- The amount of money the respondent has available personally
- The amount of free time the respondent has available
- The family life of the beneficiary
- The standard of living of the beneficiaries
- Household income
- Health of the beneficiary
- Surrounding area where they reside

Amount of money available

Respondents were asked to indicate their levels of satisfaction with the amount of money available to them personally. They had to indicate these levels of satisfaction for two time periods: that prior to their participation in the project; and, at the time of the survey.

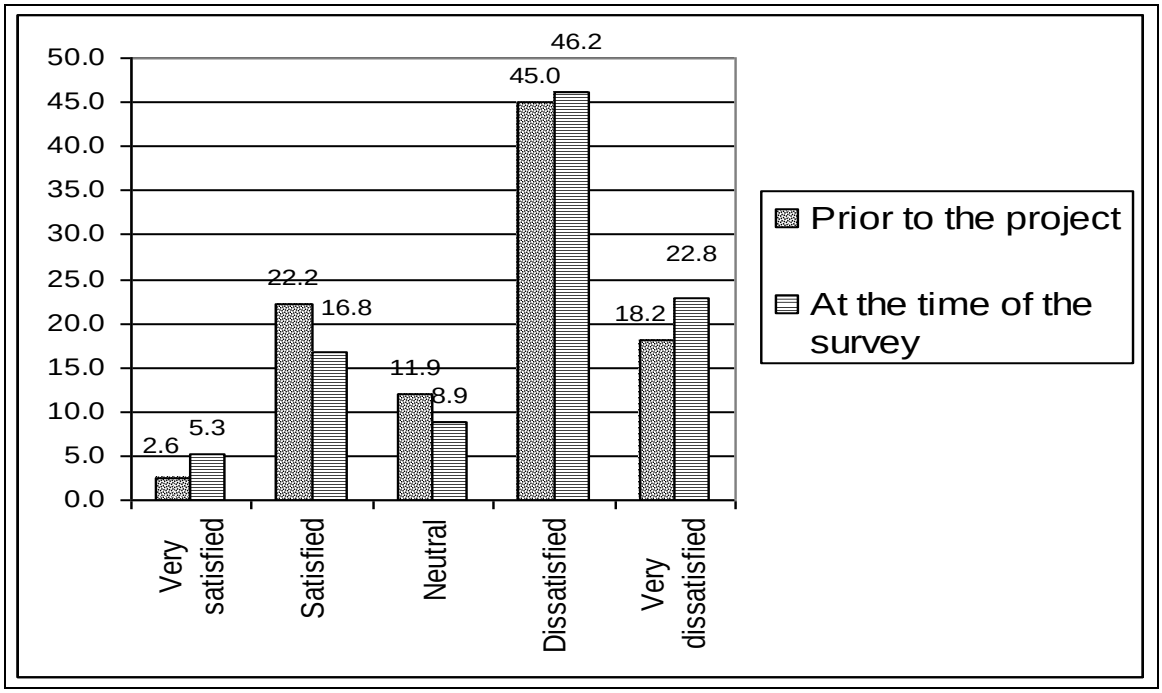

Figure C9.1: Change in levels of satisfaction with the amount of money available to beneficiaries personally, 2007

Overall, not much change occurred. Interestingly enough, while the very satisfied category did see some growth (2.7 percentage points), the general trend saw decreases in the percentage of those who were satisfied (5.4 percentage points) or neutral (3 percentage points), and increases in the percentage of those who were dissatisfied (1.2 percentage points) or very dissatisfied (4.6 percentage points). The fact that nearly 25% of the respondents were very dissatisfied and that dissatisfaction was on the increase, should be a matter of concern.

The overall rating in respect of the Likert scale revealed that there was an overall decline in satisfaction with regard to the amount of money the respondents had available prior to the project and at the time of the survey. The scale rating prior to participation in the

project was 2.46 compared with 2.36 at the time of the survey.[43] This means that the average level of satisfaction falls between dissatisfied and neutral.

In considering the actual change that occurred among beneficiaries, a number of points should be noted. There were high and varied levels of change among beneficiaries, with 17.9% having reduced their rating and 16.6% having improved theirs. The net result, however, is a change of four beneficiaries towards deterioration. Nearly two-thirds of respondents did not change their level of satisfaction for "before joining the project" compared with the rating "at the time of the survey".

Amount of free time

The beneficiaries were requested to state their level of satisfaction with regard to the amount of free time they had available. Figure C9.2 reflects the answers of the respondents in respect of their situation prior to their participation in the CASP Project and how they evaluated their situation at the time of the survey.

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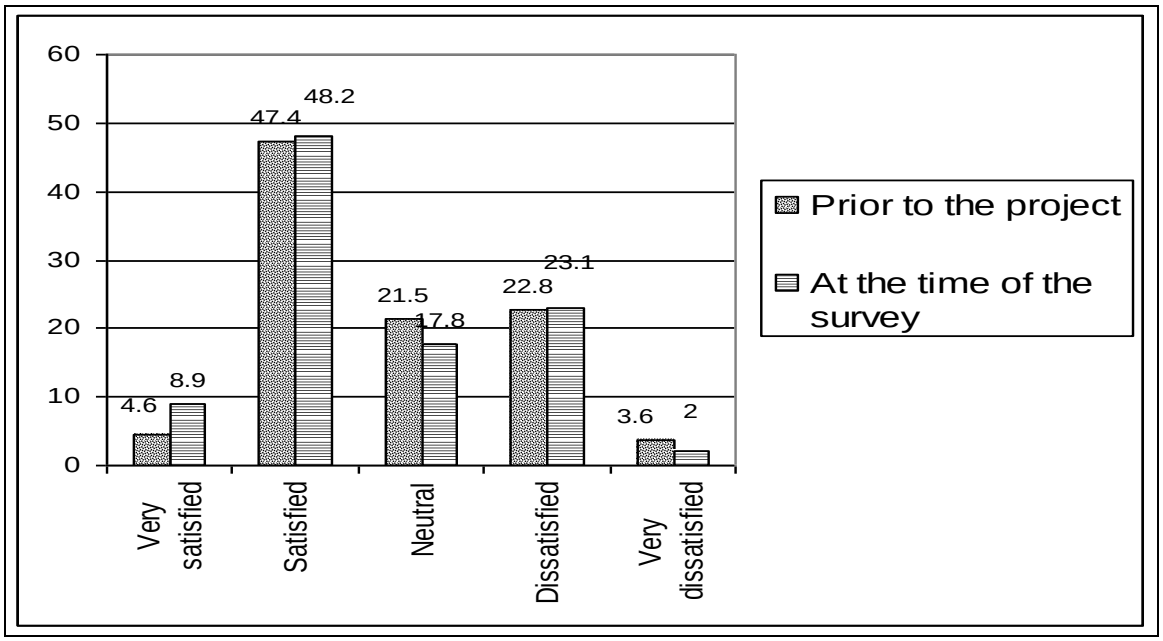

Figure C9.2: Change in levels of satisfaction with amount of time available to beneficiaries to do the things they wanted to do, 2007

[43] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1.

The results in Figure C9.2 portray high levels of satisfaction with the amount of time available for personal activities both before joining the project (47.4%) and at the time of the survey (48.2%). High levels of dissatisfaction were also reported both prior to participation in the project (22.8%) and after joining the project (23.1%). The percentage of individuals reporting to be very satisfied increased by 4.3 percentage points, whilst the percentage of individuals reporting to be neutral or very dissatisfied declined (3.7 percentage points and 1.6 percentage points respectively). Overall, the Likert scale represents an increase from 3.26 before participation in the project, to 3.39 at the time of the survey.[44] This means that the average response lay between being neutral and being satisfied.

Looking at the change among individual changes, one sees a mild rate of improvement, with 13.9% of beneficiaries indicating an improvement and only 8.3% indicating deterioration. A net improvement of seventeen beneficiaries was recorded during the survey.

Family life

The next question required the beneficiaries to reflect on their levels of satisfaction in respect of family life (see Figure C9.3)

[44] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1.

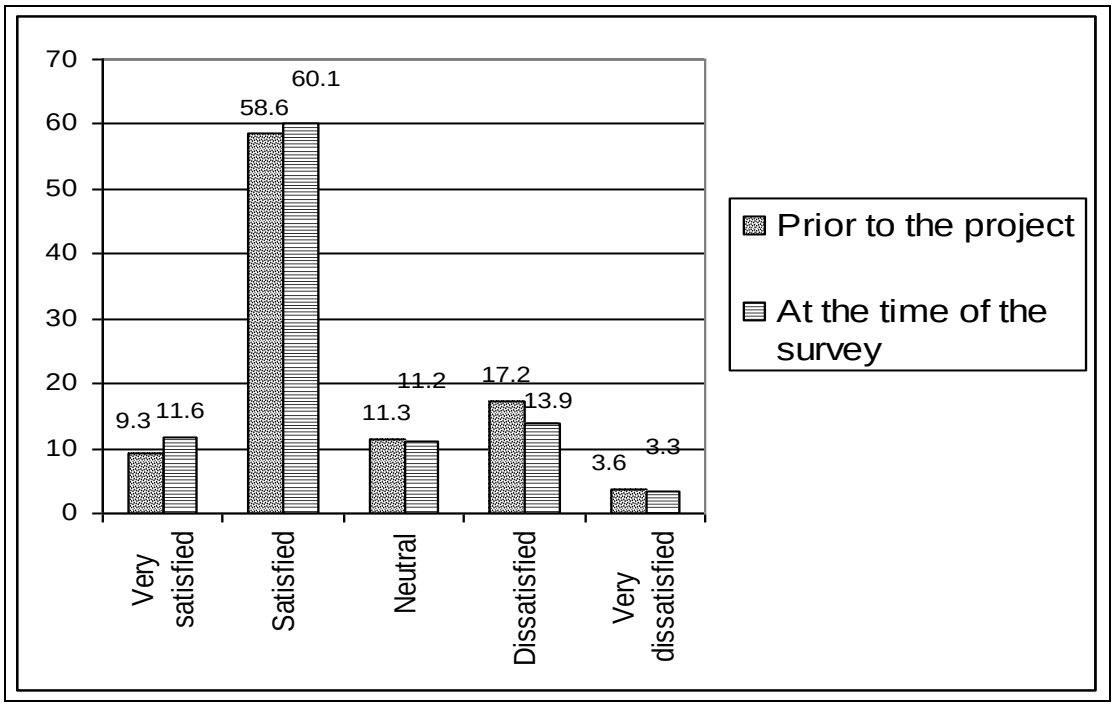

Figure C9.3: Change in the beneficiaries' levels of satisfaction with family life, 2007

Figure C9.3 shows that the ratings of quality of family life also increased slightly. Overall, 13.9% indicated an improvement in their family life, while only 4.3% indicated deterioration. This resulted in a net improvement of 29 respondents. These improvements were from a relatively strong base, with 58.6% of beneficiaries indicating that they had been satisfied with family life before joining the project and only 17.2% indicating that they had been dissatisfied with family life before joining the project.

The overall Likert-scale rating for this question was 3.53 prior to the CASP Project. At the time of the survey the rating increased to 3.63.[45]

Standard of living of beneficiaries

Figure C9.4 reflects the responses in respect of the levels of satisfaction with the standard of living of the CASP beneficiaries

[45] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1

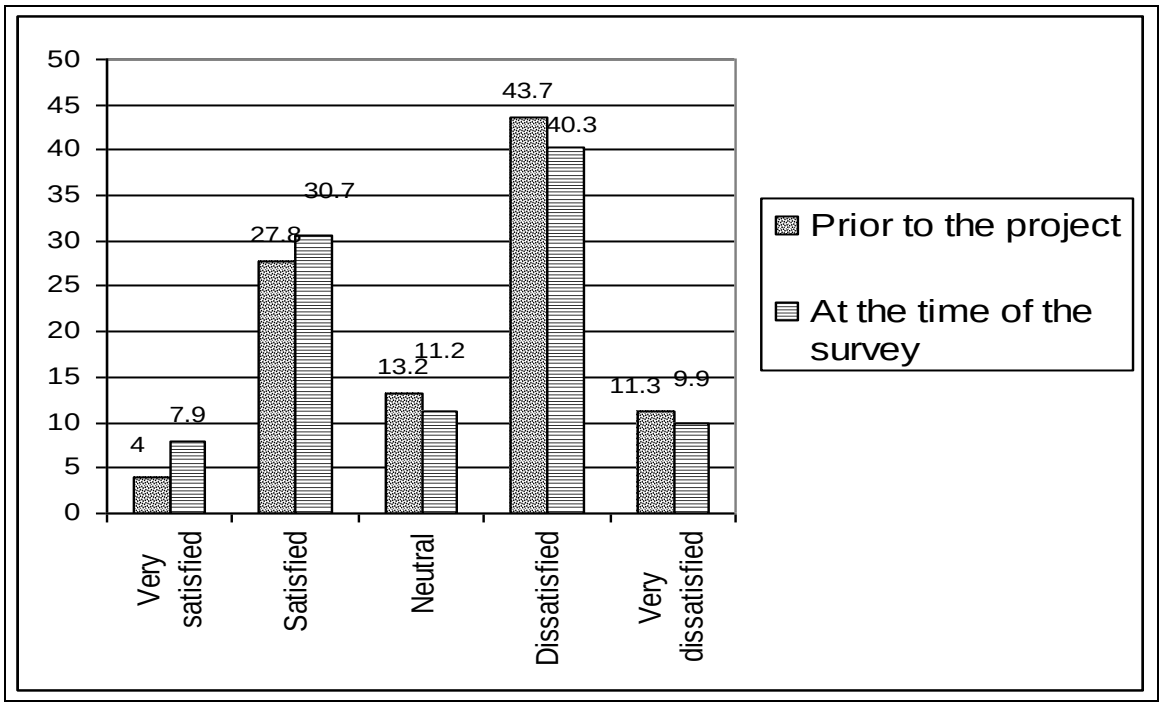

Figure C9.4: Change in levels of satisfaction with standard of living of beneficiaries, 2007

The general distribution, however, still shows a split with 30.7% indicating satisfaction with their standard of living (up from 27.8% indicating satisfaction before joining the project) and a majority (of 40.3%) indicating dissatisfaction with their standard of living (down from a 43.7% indication of dissatisfaction before joining the project). Overall, 13.9% of beneficiaries also showed an improvement in their standard of living, while 6% showed deterioration.

In respect of the Likert-scale ratings there was an improvement. The rating before joining the project was 2.70 compared with 2.86 at the time of the survey.[46] Improvement in respect of the overall standard of living should be seen against the background of improved living conditions as analysed in Section 8. Yet, it should also be acknowledged that these improved living conditions were mostly relevant to CASP beneficiaries who were not residing on the project farm.

[46] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1

Household income

In the first question in this section respondents were asked about their level of satisfaction in respect of their individual income. This question considers the respondent's level of satisfaction with regard to family income (see Figure C9.5).

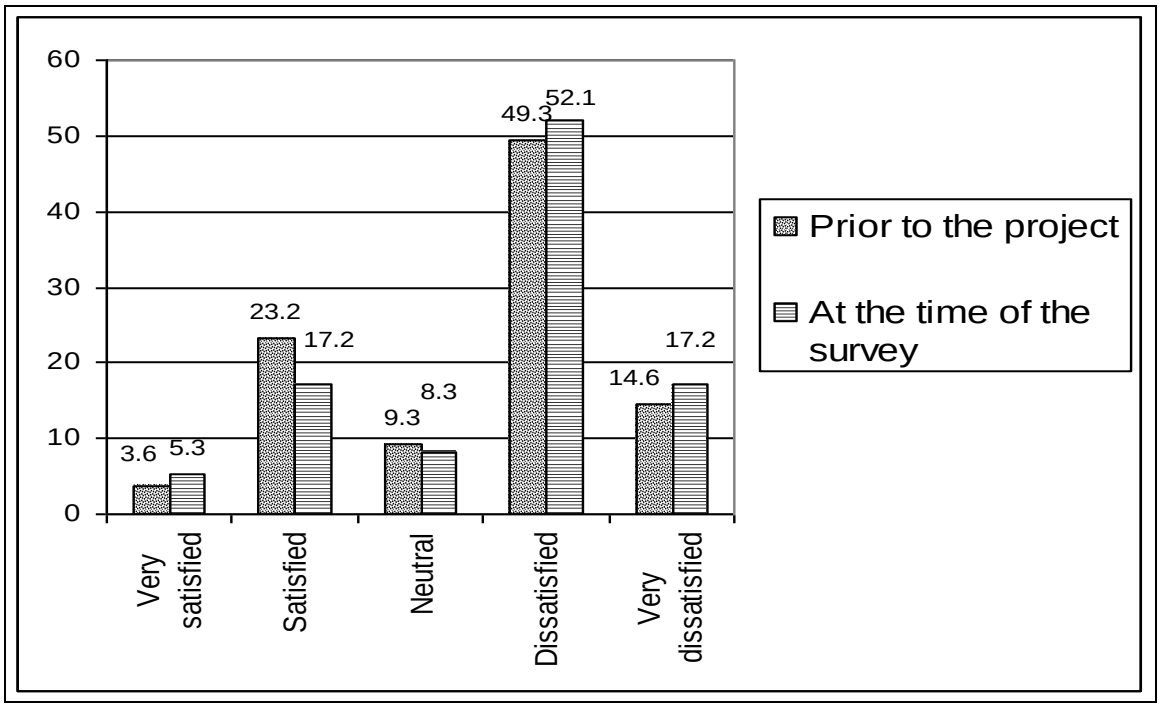

Figure C9.5: Change in beneficiaries' levels of satisfaction with household income, 2007

Generally, levels of satisfaction with the household income before joining the project was low (49.3% indicated being dissatisfied). This however deteriorated further (with 52.1% indicating dissatisfaction at the time of the survey) (see Figure C9.5). Those who were satisfied decreased from 23.2% of the beneficiaries before joining the project, to 17.2% of beneficiaries at the time of the survey. Curiously, the percentage of beneficiaries who were very satisfied increased (by 1.7 percentage points) despite the general decrease, a trend that was also observed in Figure C9.1 that dealt with a closely related theme (the amount of money available to them). Although 16.9% of beneficiaries showed deterioration in their rating, 13.2% showed an improvement.

The Likert-scale comparison of before and after the project also shows a decline. The average level of satisfaction prior to joining the project was 2.52, compared with 2.41 at

the time of the survey.[47] These levels of satisfaction largely correspond to the reflections of satisfaction with regard to individual income – 2.46 and 2.36 respectively. The fact that household satisfaction levels were slightly higher than individual income should be noted. Furthermore, the decline (prior to *versus* at the time of the survey) in respect of individual income was 0.11 percentage points while it was only 0.10 percentage points in respect of household income.

How beneficiaries spend their free time

An earlier question required beneficiaries to indicate how much time they had in which to do what they would like to do. In this section the levels of satisfaction are tested in respect of the level of satisfaction with regard to how respondents spend their free time.

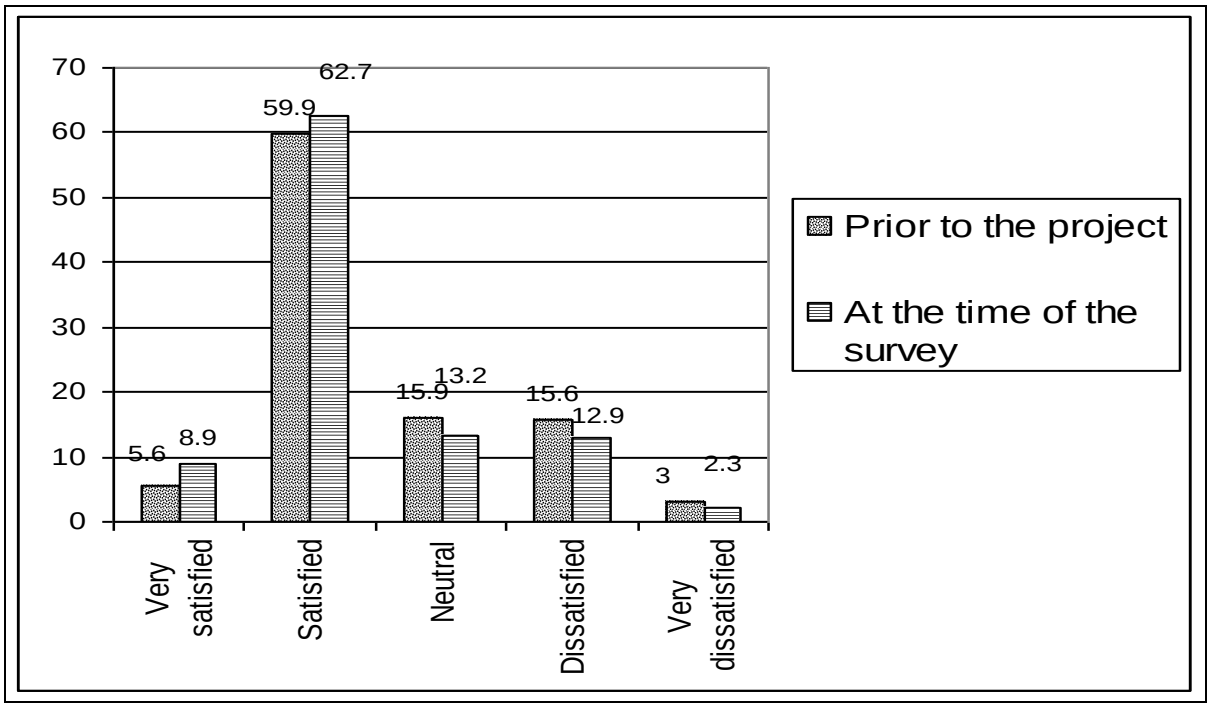

Figure C9.6: Change in levels of satisfaction with the way beneficiaries spend their free time, 2007

Figure C9.6 reveals that, generally, the levels of satisfaction with free time were high. Nearly three in every five (59.9%) beneficiaries indicated satisfaction with their free time

[47] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1

before joining the project, and 62.7% indicated satisfaction with their free time at the time of the survey. In general, there was also a slight improvement, with 11.9% of beneficiaries showing an improvement in their rating of free time, while 5% showed deterioration. The result was a net improvement of 6.9 percentage points.

The overall Likert scale indicated an improvement from 3.50 prior to the CASP Project, to 3.63 at the time of the survey.[48] These levels of satisfaction were even higher than the levels for the amount of free time beneficiaries had (reflected upon earlier in this section). This means that the overall level of satisfaction for this question lies closer to being satisfied than to being neutral.

Health

Figure C9.7 reflects the levels of satisfaction of beneficiaries with their health.

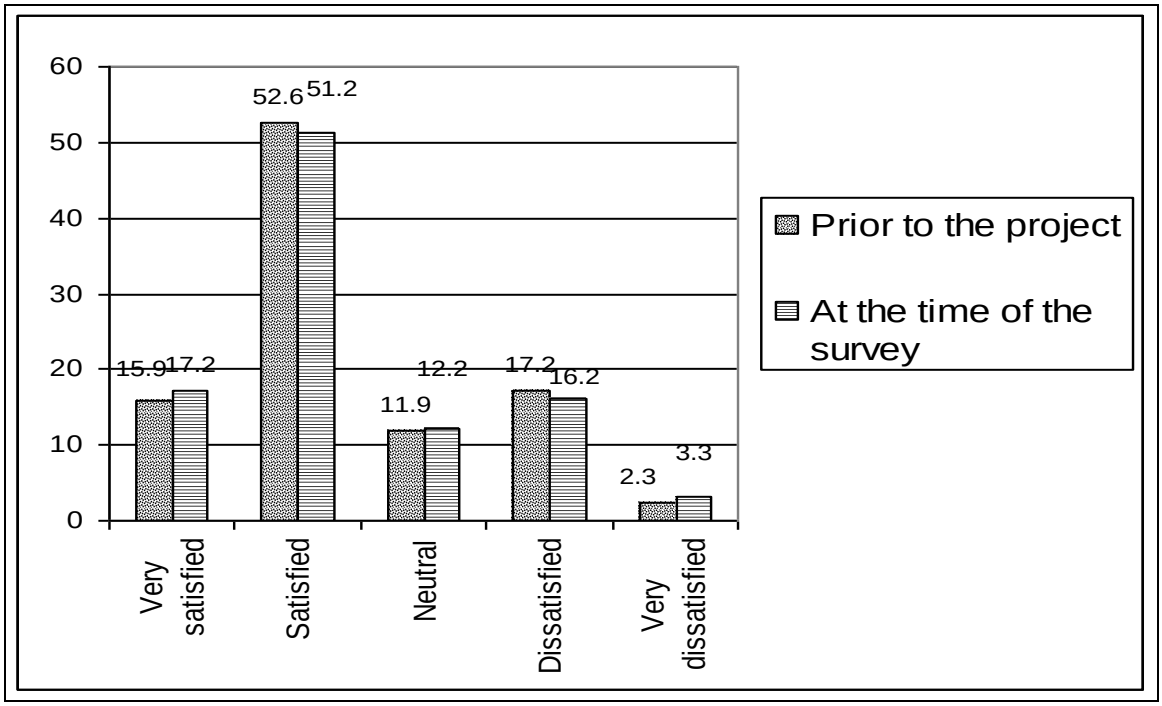

Figure C9.7: Change in the levels of satisfaction of beneficiaries with health of beneficiaries during the last year, 2007

[48] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1

The levels of satisfaction with health remain high (see Figure C9.7). Overall, 68.5% of beneficiaries indicated being satisfied or very satisfied with their health before joining the project, while 68.3% indicated being satisfied or very satisfied at the time of the survey. There was virtually no change, with all categories changing by less than 1.5 percentage points. However, 8.3% of beneficiaries showed an improvement in their rating of their health, while 3.6% showed deterioration in this regard. In respect of the Likert scale assessment, the levels of satisfaction remained constant at 3.63.[49]

The vicinity in which beneficiaries live

Next respondents were requested to reflect on their levels of satisfaction in respect of the vicinity in which they live (see Figure C9.8).

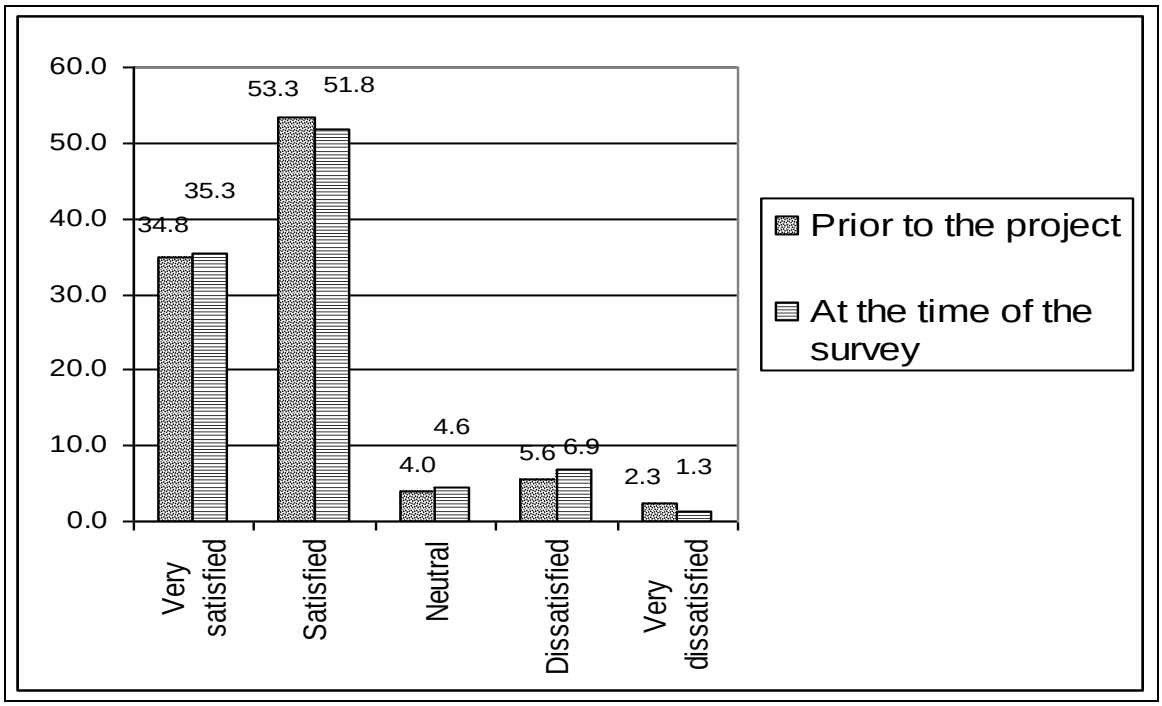

Figure C9.8: Change in levels of satisfaction with the vicinity in which beneficiaries live, 2007

Of all the indicators of quality of life, beneficiaries' satisfaction with the vicinity in which they lived was the highest (see Figure C9.8). Both before joining the project, and also at the time of the survey more than fifty percent indicated being satisfied with their

[49] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1

vicinity. Nearly 35% (34.8%) indicated being very satisfied before joining the project, and 35.3% indicated being very satisfied at the time of the survey. Virtually no change occurred, with only 3.3% of beneficiaries showing an improvement and 2.6% a deterioration. This lack of change in the way respondents view the vicinity in which they live was also visible in the fact that the Likert-scale calculations showed a constant rating of 4.13 for both conditions.[50] This was also the highest rating given by the respondents. Yet, nearly 80% of urban beneficiaries indicated that they would like to settle on the respective farm. Bearing in mind both these results and the fact that living conditions in urban areas are considerably better than on the farms it seems unlikely that beneficiaries will resettle on the farms

Synthesis

In conclusion, a number of points should be noted in respect of the above analysis. The two questions in respect of income (individual income and household income) showed decreasing levels of satisfaction. Yet, all the other questions recorded either an increase or remained the same. Their might well be an indication that, despite declining levels of satisfaction in respect of income, the nature of involvement in the projects created some kind of independence.

C9.2 Overall satisfaction with life

In addition to the above questions, respondents were asked how satisfied they were when everything was taken into consideration. Once again the question made provision for an answer of their level of satisfaction both prior to the project and at the time of the survey. Furthermore, respondents were also required to provide reasons for their response in respect of this question.

[50] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1

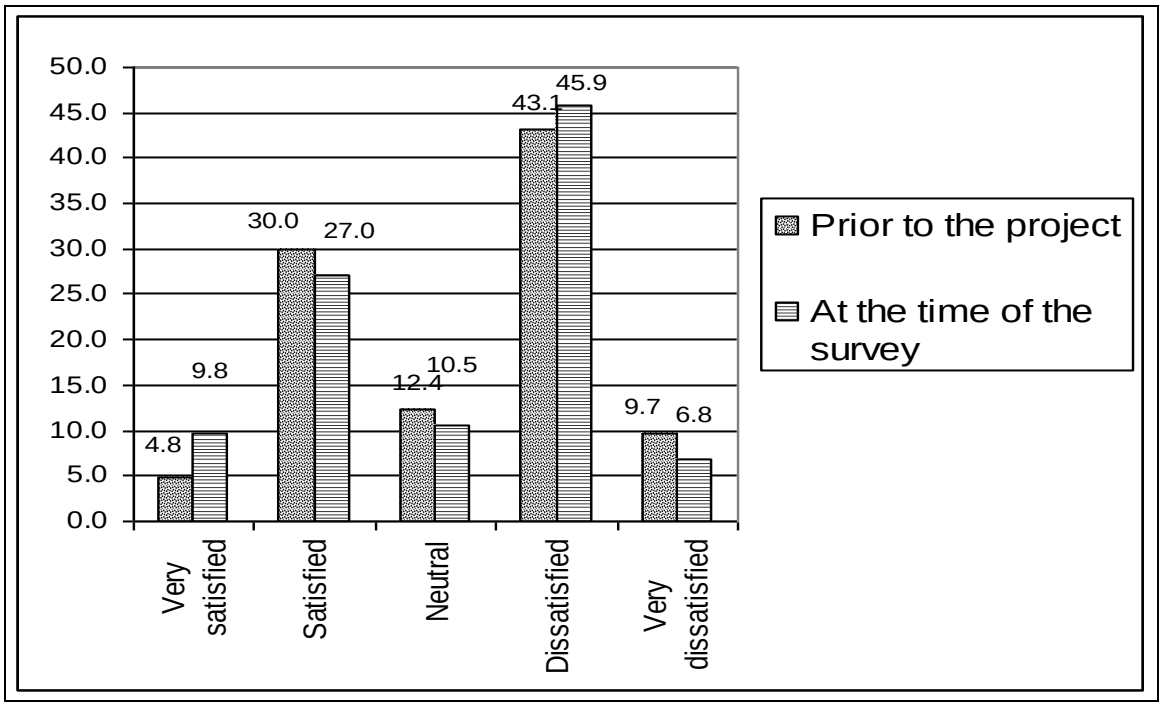

Figure C9.9: Change in level of satisfaction with life, 2007

The opinions of beneficiaries were divided on this question. Approximately 43% indicated being dissatisfied before joining the project, and 45.9% were dissatisfied at the time of the survey (an increase of 2.8%) while 30% indicated being satisfied before joining the project, but only 27% indicated being satisfied at the time of the survey. This division is also reflected in the percentage of beneficiaries who showed change. Overall, 25.3% showed an improvement between their rating of how satisfied they were before joining the project and their rating of how satisfied they were at the time of the survey, while 23% showed a deterioration in the level of satisfaction.

The abovementioned are particularly high levels of change when one considers that, in the previous eight tables- of which this table could be considered a summary- the average number of beneficiaries showing an improvement in their ratings of levels of satisfaction was only 11.9%, while an average of 8.1% showed deterioration. Possible reasons for this discrepancy could be that another important factor was not considered in the first eight tables, and thus beneficiaries found it hard to pinpoint the source of their satisfaction/dissatisfaction, or that some of these factors were weighted more heavily than

others and that beneficiaries consequently resorted to using the general index as a substitute?

Regarding the rating in terms of the Likert-scale, there was an overall improvement from 2.66 before joining the project, to 2.81 at the time of the survey.[51] So, overall, there had been a marginal improvement in the levels of satisfaction of CASP beneficiaries since joining the project. Yet, the overall levels of satisfaction were not even at the 50% point of the Likert-scale (Three). The fact that the same improving trend was not discernible in respect of specific questions of income should be noted.

Regarding the results portrayed above, the question is: What particular variables play a role in the levels of satisfaction? Figure C9.10 provides an overview of the Likert-scale averages for selected variables.

[51] The scale ratings were as follows: very satisfied = 5; satisfied = 4; neutral = 3. dissatisfied = 2; very dissatisfied = 1

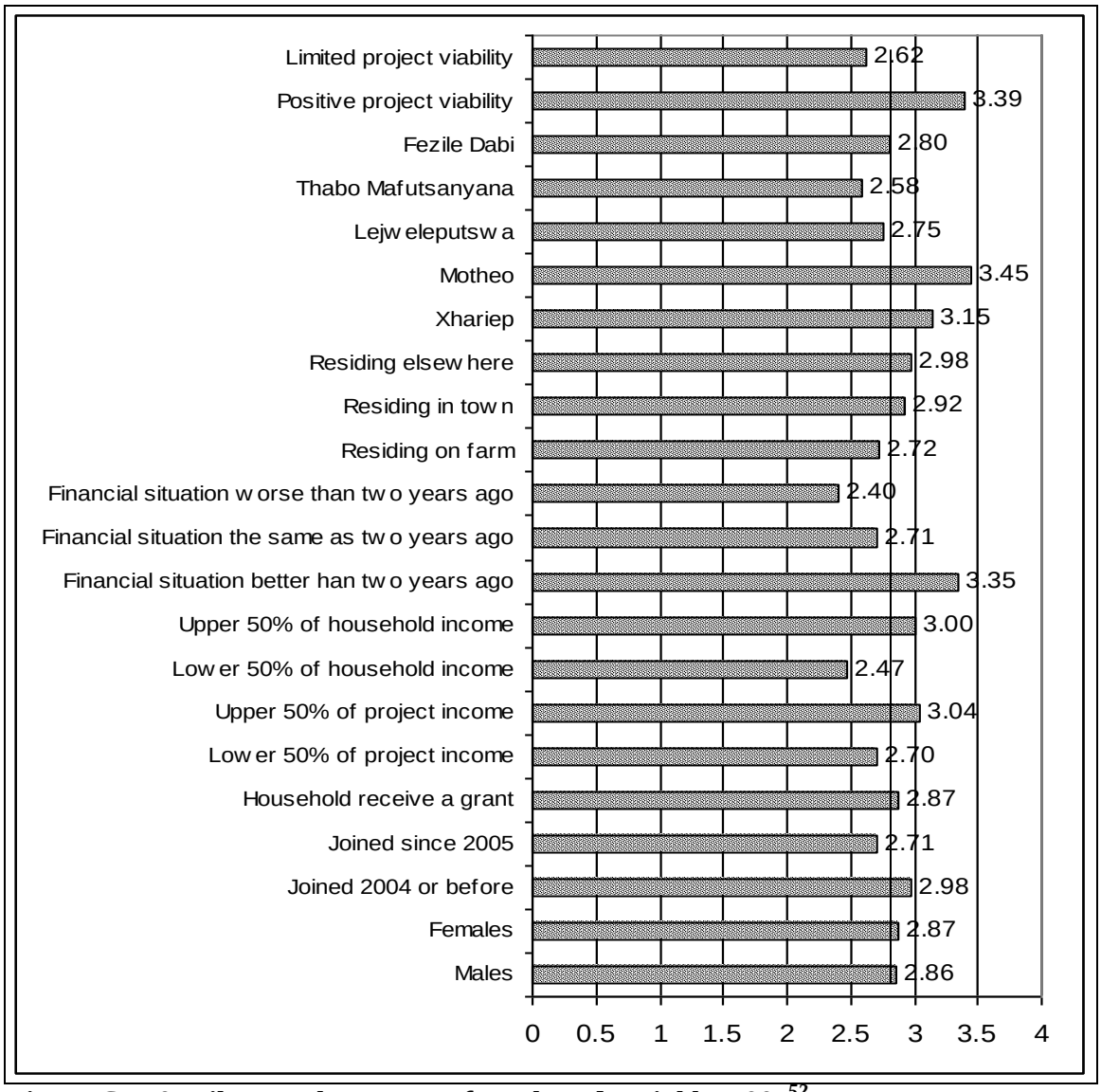

Figure C9.10: Likert-scale averages for selected variable, 2007[52]

There seems to be a significant link between income and the overall levels of satisfaction of respondents. The highest level of satisfaction was reported for Motheo District where the project income was also the highest (see Section 6). The second highest level of satisfaction was reported for projects that were rated viable from an agricultural point of view. The third highest level of satisfaction returned was for respondents who rated their financial situation as being better than two years before (3.35). There was also a declining trend with respondents who rated their situation as being the same as two years

[52] If the averages of two variables do not equate to the overall average, it means that the respondents who indicated this response were probably fewer than those who responded to the question on satisfaction as a whole (see, for example, gender).

before (2.71), and respondents who rated their financial situation as being worse than two years before (2.4). This relationship between levels of satisfaction was also confirmed with the results of household income and income from the project. The beneficiaries with project income in the upper 50% rated their levels of satisfaction at 3.04 compared with 2.70 for respondents in the lower 50% of project income. The comparative figures for household income were 3.00 and 2.47. Another factor (already argued thoroughly in Section 6) related to income that should be mentioned was the role played by when precisely respondents joined the project. It was already indicated that beneficiaries who started their participation in the project in 2004, or before that time, managed to secure larger amounts of money from the respective projects- and consequently also had higher levels of satisfaction as indicated in Figure C9.10.

The two variables which seem to be inconsistent with the above trends are the levels of satisfaction of on-farm beneficiaries and the levels of satisfaction in respect of the year that beneficiaries joined. In section 6 it was already indicated that on-farm respondents and respondents who have joined since 2005 earned significantly higher incomes from the projects, yet their levels of satisfaction were considerably lower than the average levels of satisfaction in respect of the Likert scale. A few reasons probably contributed to this response from on-farm respondents:

- The availability of multiple incomes for on-farm respondents was lower. It was already indicated in Section 6 that the levels of grant access for on-farm residents were lower than were those for respondents residing in urban areas. The levels of access to a second income also seemed to be lower – only 31% of on-farm residents had a second income compared with 48% of urban dwellers and with 75% of dwellers residing elsewhere.
- The overall living conditions on the project farms were poorer than those of urban dwellers.
- Significantly more beneficiaries who have joined since 2005 are residing on farms (lower levels of satisfaction) compared to beneficiaries who have joined in 2004 or earlier.

Factors that played no role or a very small role in respect of the levels of satisfaction were gender and whether any members of the household were receiving grants at the time of the survey.

In addition, respondents were asked to give a reason for whatever levels of satisfaction they experienced. These open questions were coded according to main themes and the themes that were addressed more than eleven times were specified in the table below while all those specified fewer times were bunched together in an 'Other' category. Table C9.1 is split into the positive responses (why respondents felt satisfied or very satisfied) and negative responses (why respondents felt dissatisfied or very dissatisfied).

Table C9.1: Reasons given by beneficiaries for levels of satisfaction at the time of the survey, 2007

Negative reasons (dissatisfied and very dissatisfied)	N	%	Positive reasons (satisfied and very satisfied)	N	%
Negative- Financial issues	91	38.2	Positive- Financial issues	24	15.9
Negative- Ability to meet needs	32	13.4	Positive- Ability to meet needs	31	20.5
Negative- Employment	23	9.7			0.0
		0.0	Positive- General	23	15.2
Negative- Benefits from project	16	6.7			0.0
Negative- Goal achievement	14	5.9			0.0
Negative- Project status	14	5.9			0.0
Negative- Other	48	20.2	Positive- Other	73	48.3
Total	238	100.0	Total	151	100.0

When asked why they had returned a response of dissatisfied or very dissatisfied at the time of the survey, 38.2% of the respondents said that their financial situation at the time had been problematic. These negative financial issues were followed by reasons such as their inability to meet their needs (13.4%), a lack of employment (9.7%), negative benefits from the project (6.7%), failure to achieve their goals (5.9%), and the poor status of the project (5.9%). The negative "Other" category (20.2%) included references to: problems in family life or health and stress (ten responses each), lack of basic services and housing or generally negative statements (six responses each), the continued need for personal investment in the project, or the lack of support received (four responses each), a lack of education (three responses), the hard work that was required (two responses), problems with the group, the inability to support themselves (being dependent on family)

or events beyond their control (one response each). Typical responses given in this regard were:

- "Because things are very expensive and we cannot afford them."
- "Have no money and no work."
- "I cannot achieve what I desire because of the lack of money."
- "I have not got sufficient income to support my family."
- "I am always working, and there is no profit in this project."
- "I am very poor and constantly sick."
- "I am not satisfied because I have to take some money from my pocket to help with the farm needs."
- "I can't reach my expectations."
- "I don't have time for my family and I am working hard in this project, but there is no income."
- "I had a job and I was healthy before."
- "I need a job. The project does not make money."
- "I would like to have my own farm."
- "Lack of money and I cannot care for the kids."
- "No stable income."
- "We have not benefitted from the project."

Regarding the reasons for being satisfied or very satisfied, positive financial reasons comprised nearly 16% of these responses. The positive aspect of their ability to meet their needs received 20.5% of the responses. The positive "Other" category included references to benefiting from the project or family life (eleven responses each), employment from the project or elsewhere (ten responses), the current condition of the project (nine responses), their ability to work for themselves and support themselves (eight responses), their good health (six responses), their own hard work to achieve success (five responses), the achievement of their educational or personal and career goals (four responses each), the grants received (three responses), the basic services and housing received or positive events beyond their control (one response each). Typical responses were:

- “I am able to achieve anything I wish for.”
- “After getting the project my life improved. I am able to live off the project.”
- “Because I am doing what I like.”
- “Because I can do some of the things I like.”
- “Because I have good income for looking after my family.”
- “… and pension money helped me a lot.”
- “Even if I don’t have a job I can still eat.”
- “Good income and our project.”
- “I am making more money in the project.”
- “I am doing what I always wanted to do in my career.”
- “I am very satisfied because we are having good income.”
- “I can buy things that I need.”
- “I can eat and drink every day.”
- “I get a grant.”
- “I have a good job.”
- “I have accepted my condition.” (health related)
- “I help myself. No-one can help me.”
- “I like working on the project and I have more side jobs.”
- “I never go to bed hungry.”
- “No stress about money.”
- “I am feeling free…”
- “The project is doing well.”
- “Yes, because I am working very hard for my family.”

The above responses require one more detailed comment. There seems to be an indication that farming has fulfilled a life-long “dream” of a high level of independence for some of the respondents. Their level of satisfaction derives from having fulfilled this dream rather than from income-related aspects. This might, together with selective increase in income, be the main reason for an improvement in overall levels of satisfaction compared with the situation before the CASP Project.

Financial issues seemed to be the only aspect of quality of life that showed net deterioration when considering the difference in beneficiaries' ratings before joining the project and those done at the time of the survey. It was also consistently rated as one of the top themes of responses given when asked for the reason for the assigned rating (see Table C9.1). It is thus justified to scrutinise the beneficiaries' ratings of and expectations concerning their financial situation in more detail. First, beneficiaries were asked to rate their current financial situation compared with their financial situation two years before.

C9.3 Change in the financial situation compared with two years before

In this process beneficiaries had to indicate whether their financial situation was now better, the same or worse (see Table C9.2).

Table C9.2: Comparison by beneficiaries of current financial situation compared with two years before, 2007

Current financial situation	N	%
Better than two years before	114	37.6
Same as two years before	105	34.7
Worse than two years before	84	27.7
Total	303	100.0

Earlier in this section, beneficiaries rated their satisfaction with their income at the time of the survey lower than they rated their satisfaction with their income before joining the project. In Table C9.2, 37.6% indicated that their current financial situation was better than it had been two years before, while 27.7% deemed it to be worse, and 34.7% considered it to be unchanged. These differences can only be explained when one takes into account the fact that 60% of beneficiaries joined the project more than two years before. This means that in this question beneficiaries were comparing their current financial situation with their financial situation earlier on in the project. Although a general improvement compared with two years before was noted (a more pronounced improvement than in the case of previous comparisons of respondents' financial situation in Table C9.5), the beneficiaries remained divided in their evaluation of the project's effects. Still, more than 62% of respondents did not experience any improvement in respect of their financial situation. In addition to the above evaluation, respondents were

requested to provide reasons for their responses. An overview of these reasons is given in Table C9.3 below.

Table C9.3: Reasons given by beneficiaries for comparison with two years ago, 2007

Reasons for "better than two years ago"	**N**	**%**
Better income	40	32.0
Employment	20	16.0
Benefits from project	19	15.2
Other	46	36.8
Total	125	100.0
Reasons for "worse than two years ago"	**N**	**%**
Lower levels of income	33	33.7
Inability to meet basic needs	15	15.3
Unemployment	14	14.3
Other	36	36.7
Total	98	100.0

Income was again the main reason given for their rating in both cases where a positive (32% of positive reasons) as well as a negative (33.7% of negative reasons) evaluation was given. Employment was the next most common positive reason given, with 16% of the positive reason being attributed to it, while unemployment, with a 14.3% share of the reasons, ranked third among the negative reasons. In the case of a positive evaluation, the beneficiary had either found employment in the last two years or was now employed on the project; in the case of the negative evaluations the beneficiary had either lost employment or given up more lucrative employment for the project. The inability to meet their needs was given as the next highest reason among the negative reasons (15.3%). In third place among the positive reasons were the general benefits derived from the project (whether these were monetary or in kind was generally not specified)

All the themes that received less than fourteen responses were placed in the "Other" category. The "Other" category for positive comparisons included references to generally positive statements (seven responses), their ability to meet their needs (six responses), the ability to expand their business or the growth of their project (5 responses each), the fact that they were self-employed or their quality of life (four responses each), their personal and career goals, experience gained from the project or their savings (three responses each), the grants they received, their family life or unforeseen events (two

responses each). Typical positive responses regarding why respondents' deemed their financial situation to have improved when compared with two years before were:

- "At least I have R800 per month – rather than nothing."
- "Because I am working with my family on the project, so anything is fine."
- "Because I can see where I am going with my life."
- "Because of the extra income."
- "Because of the project."
- "Have my own land."
- "I am my own boss."
- "I can say because of this project."
- "I have a side job."
- "Our project is doing good."
- "The grant supplies some of my needs."

Although a number of reasons are indicative of viable projects, it also seems that the idea of multiple incomes (grants and others) and also the fact that people feel more independent ("I am my own boss"; "Have my own land"), also had a role to play in the improvement in respect of income. In fact, 51% of the respondents with an alternative income (not grants) indicated that their financial situation had improved compared with two years before. Comparatively, only one-third of respondents without such income suggested that they were better off than two years before. At the same time it also seems as if project income played a significant role in respect of whether respondents felt they were better or worse off compared with two years before. For example, 70% of the respondents who said that they had no project income, responded that they were worse off.

The "Other" category for negative comparisons included references to the use of personal funds for the project (eight responses), generally negative statements or unforeseen events (seven responses each), the lack of benefits from the project (five responses), their inability to support themselves (three responses), their quality of life or the needs of the

project (two responses each), promises that never materialised or problems with the project management (one response each).

C9.4 Considering the future

Having determined respondents' current levels of satisfaction and their financial situation in comparison with two years before, our focus shifted to what respondents would expect in the future (Table C9.4).

Table C9.4: Expectation of beneficiaries regarding their future financial situation, 2007

Future financial situation	N	%
Better in five years' time	237	78.2
Same as is now	58	19.1
Worse in five years' time	8	2.6
Total	303	100.0

Generally, they were extremely hopeful (78.2% said things would be better in five years' time) (see Table C9.4). Yet, while reading through their reasons for their expectations (see Table C9.5), one unfortunately occasionally got the impression that this was due to unrealistic optimism or the imperative that "I don't want to be poor" (to quote one beneficiary's response), or was conditionally stated, rather than to objective indications that things would improve.

Table C9.5: Reasons given by beneficiaries for their expectations of future financial situation, 2007

Reasons for positive expectations	N	%
Project/business is going to be a success/make a profit	97	39.6
Conditional- success of project/more profit/income/money	33	13.5
Going to work hard	29	11.8
Conditional- help from outside/government/other people	26	10.6
Conditional- procure resources/funds/land	12	4.9
Other	48	19.6
Total	245	100.0

Nearly 40% (39.6%) provided reasons to the effect that the projects would succeed in the coming five years. However, in only a few of these cases did the beneficiaries state that they were already seeing actual signs of improvement. Reasons accompanied by some

condition were frequent and three of these made the top five responses in Table C9.13. The most popular conditionally stated reason was that things would improve in the next five years *if* the project were to succeed (13.5%). This was followed by the need for support from inside or beyond the project, including from government (10.6%), and the need for resources including cash, implements or land (4.9%). A further 11.8% of the respondents indicated that they believed things would improve financially in the next five years because they were working hard to achieve this (the only endogenous factor if you discount the inputs to the project's success).

The "Other" category included references to generally positive statements or conditional statements related to employment (nine responses each), their intentions to start looking for employment (seven responses), their improved fiscal ability (six responses), the imperative that they do not want to be poor, or conditional statements related to the weather (three responses each), their improved skills or expectations of help from a family member (two responses each), the imperative that otherwise they would have to sell the farm, the conditional statement related to the provision of water, the fact that they had stock, or the fact that they were there living with their families (one response each).

Only eight beneficiaries gave reasons why they expected their financial situation to be worse in five years' time. These where either generally negative (three responses) such as that they could not see how things were going to improve, or reasons aimed specifically at the shortcomings of the project (another three responses).

C9.5 Biggest benefit

Respondents were asked to indicate the main benefits of the project. Figure C9.6 provides an overview in this respect.

Table C9.6: Main benefit derived from the project by beneficiaries, 2007

Main benefit derived from project	N	%
None	141	45.0
Employment, job, income, food	105	33.5
Knowledge, experience, training	26	8.3
Farming, own stock, facilities, implements	15	4.8
Future, shares, own the farm	10	3.2
Improve quality of life	6	1.9
Own business, self-employed, family business	5	1.6
State funding	3	1.0
Sense of community- provide community, support from community	2	0.6
Total	313	100.0

Responding to the question as to what the main benefit derived from the project was, 45% of beneficiaries took pains to state that the project held no benefit for them (see Table C9.6 above). This percentage corresponds well with the fact that just below 50% of the beneficiaries said that their household received no income from the project. A further 33.5% indicated that the biggest benefit to be derived from the project was a livelihood: employment, income and food. These two categories then account for 78.6% of the responses to this question.

The other 31.4% are distributed among seven categories, the most common being that they received knowledge, experience and training. The least-sited benefit was a sense of community, with one respondent indicating that it is a benefit to provide for the needs of the community and another citing the support received from the community as a benefit.

C9.6 Biggest problem

In addition to the question regarding the biggest advantage, respondents were also asked to name the biggest problem in relation to the CASP Project (see Table C9.7).

Table C9.7: Biggest problem connected with the project, according to the beneficiaries, 2007

Biggest connected with project	N	%
Lack of	345	69.3
Farming implements, tractor, equipment	*112*	*22.5*
Water	*44*	*8.8*
Electricity	*42*	*8.4*
Fencing	*28*	*5.6*
Livestock	*26*	*5.2*
Facilities, store room, abattoir	*19*	*3.8*
Transport/trucks	*19*	*3.8*
Land	*15*	*3.0*
House/services	*12*	*2.4*
Feed	*11*	*2.2*
Other	*17*	*3.4*
Money/income/profit	72	14.5
Issues with project management	15	3.0
Issues with authorities	12	2.4
Issues with project members	10	2.0
Lack of communication	9	1.8
Crime, theft, misappropriation	9	1.8
Issues beyond anyone's control	9	1.8
Other	17	3.4
Total	498	100.0

From Table 8.11 it is evident that 69.3% of responses pointed to some form of equipment or infrastructure that was lacking and which constituted a major problem *vis à vis* the project, with the most common being farming implements (e.g. tractors). The "Other" category of items lacking, included references to a dam (six responses), seeds or irrigation equipment (four responses each), diesel (two responses) and a letter of title (one response).

The second most common problem identified by beneficiaries included cash flow, income or the lack of profits (to be distinguished from problems with loan repayments) (14.5% of responses). Issues with project management (either the individuals or the process; precisely which was not always distinguishable) received three percent of the responses. Issues with the authorities, including laws that led to subdivision, the Department of Agriculture as well as the municipality (it was not specified whether this was the local or the district municipality) accounted for 2.4% of the responses. Personal issues with other project members accounted for two percent of the responses. This

problem was followed by a lack of communication, crime or misappropriation (the perpetrator or victim was not always distinguishable) and issues beyond anyone's control (such as drought and stock deaths) with 1.8% or responses each.

The general "Other" consisted of responses making reference to bad roads (four responses), the lack of a veterinarian and of stock medicine or projects not completed by contractors (two responses), and a single response of someone wanting an own farm. Three individuals also stated that they do not know what the projects' greatest problem was.

C9.7 Immediate needs

Finally, respondents were asked what their immediate needs were. Table C9.8 reflects the relevant responses.

Table C9.8: Immediate needs of CASP beneficiaries, 2007

Immediate needs	N	%
Farming implements, tractor, equipment	133	24.7
Money/income/profit	71	13.2
Livestock	57	10.6
Water	51	9.5
Electricity	44	8.2
Transport/trucks	40	7.4
Facilities, store room, abattoir	27	5.0
Fencing	20	3.7
Land	20	3.7
Seeds	14	2.6
Other items	20	3.7
Government-related needs	9	1.7
Management-related needs	6	1.1
Roads/infrastructure	6	1.1
Other	19	3.5
Total	538	100.0

When asked what their immediate needs were, nearly a quarter of the responses (24.7%) returned were dedicated to farming implements and equipment. This was followed by money lying at 13.2% (note that in the cases where beneficiaries indicated, for example, that they needed "money for implements", this was encoded as "farming implements" and not as "money") and livestock lying at 10.6%.

The "Other" category consisted of all those themes that tallied less than six responses and included references to the themes of training (five responses), veterinarian services and medicine (three responses), security from theft and wanting an own farm (two responses each), or the completion of the contractors' projects. One beneficiary also indicated that there were no immediate needs, while five indicated that they didn't know what the immediate need was.

C10. Project-related information

This section will cover the general experience of beneficiaries regarding certain aspects of the projects. These aspects include the number of beneficiaries at start-up, the number and quality of the meetings held, management of the budget, conflict, member turnover and training.

C10.1 Number of beneficiaries

Respondents were asked to estimate how many beneficiaries there had been when they joined the project. The results are summarise in Table C10.1 below.

Table C10.1: Number of beneficiaries at the start of the project, 2007

Number of beneficiaries	N	%
1-10	187	62.3
1	*2*	*0.7*
2	*8*	*2.7*
3	*16*	*5.3*
4	*19*	*6.3*
5	*23*	*7.7*
6	*19*	*6.3*
7	*28*	*9.3*
8	*20*	*6.7*
9	*4*	*1.3*
10	*48*	*16.0*
11-20	40	13.3
21-30	26	8.7
31-40	26	8.7
More than 40	21	7.0
Total	300	100.0
Average	15.7	
Total number of beneficiaries (109 projects)	1711	

Most of the beneficiaries (62.3%) reported there being ten or fewer beneficiaries when they joined the project. Only 8.7% of the beneficiaries indicated that they had been fewer than three beneficiaries at the start of the project; 13.3% of beneficiaries reported eleven to twenty beneficiaries, while only seven percent reported more than forty members when they themselves had joined. Of those who reported more than forty, the highest number was 78. The average size of the projects was 15.7.

C10.2 Management-related aspects

Respondents were asked to indicate the frequency of project meetings (see Table C10.2).

Table C10.2: Frequency of beneficiary meetings (per annum), 2007

Number of meetings	N	%
Never	43	14.3
One meeting	15	5.0
Two meetings	15	5.0
Three meetings	7	2.3
Four meetings	32	10.6
Five meetings	3	1.0
Six meetings	16	5.3
More than six meetings	170	56.5
Total	301	100.0

Table C10.2 indicates that 56.5% of beneficiaries reported that more than six meetings had been held during the last year. This is quite high. However, 14.3% of beneficiaries reported no meetings had been held during the last year. Yet, as the managerial effectiveness should go beyond compliance in respect of the number of meetings held, the next question required respondents to reflect on whether the minutes were available of these meetings (see Table C10.3).

Table C10.3: Documentation of beneficiary meetings, 2007

Are minutes available?	N	%
None of the meetings	68	24.2
Some of the meetings	61	21.7
Most of the meetings	48	17.1
All of the meetings	104	37.0
Total	281	100.0

The acceptable number of meetings held, was, however, not supported by thorough documentation, with only 37% of the beneficiaries indicating that minutes were available for all the meetings. Nearly a quarter (24.2%) indicated that no minutes were available for any of the meetings, and 21.7% indicated that minutes were available for only some of the meetings. In a follow-up question respondents were asked whether these meetings added value. Approximately 80% of the respondents were of the opinion that this had indeed been the case. Some of the reasons forwarded for these meetings not adding value were:

- They did not assist in generating income (25%)
- There were no meetings (22.1%)
- Not all members are committed (13.2%).
- Lack of implementation (8.8%).
- The remainder constitute a combination of other reasons. These responses included references to a lack of things like communication, consensus, direction, goal attainment or employment in the project, or to problems in connection with budget allocations, exclusion of certain members from decision-making, mismanagement by government/the Department of Agriculture or time constraints.

A significant percentage (76.3%) of the respondents confirmed that a budget had been approved for the previous financial year (2006/07).

C10.3 Conflict

Conflict amongst group members could potentially hamper the effectiveness of projects. Figure C19.1 provides an overview of the nature of the conflict experienced by the beneficiaries.

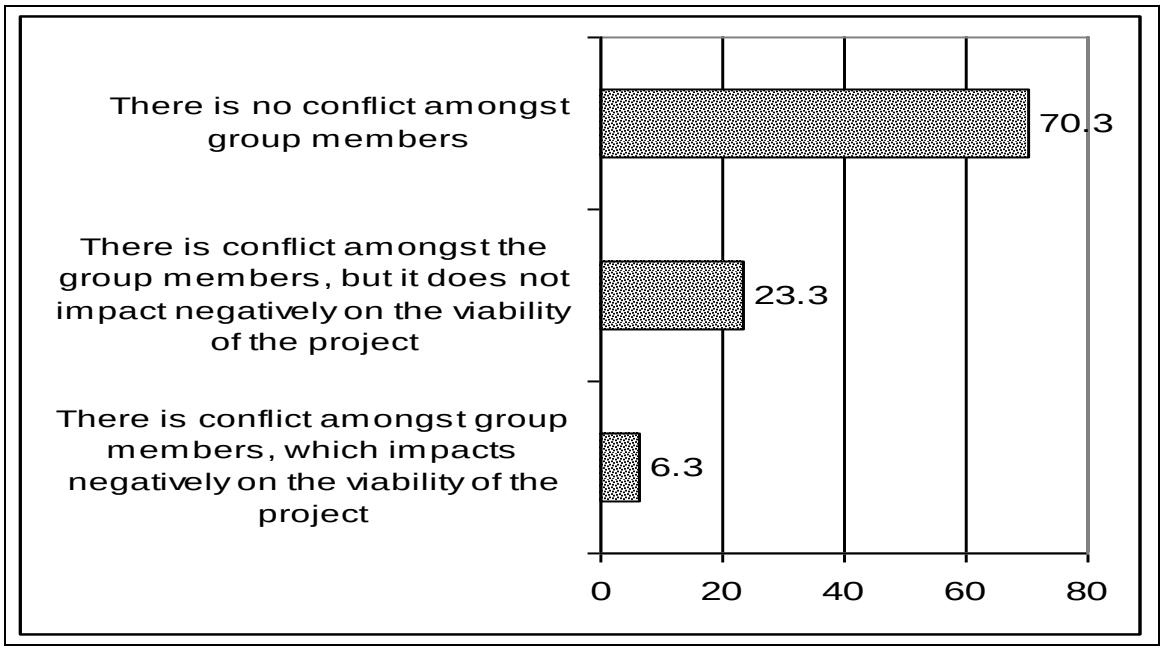

Figure C10.1: Beneficiaries' evaluation of conflict in the project, 2007

More than 70% (70.3%) of beneficiaries indicated that there had been no conflict among group members. Of those who indicated that there had indeed been conflict, the majority (23.3% of beneficiaries who returned responses) indicated that the conflict had not impacted negatively on the viability of the project. Only 6.3% of the respondents suggested that the conflict was such that it impacted negatively on the viability of the specific project.

The reasons for the conflict - as identified by the beneficiaries - are summarised in Table C10.4 below. Note that, as multiple reasons could be given, the total number of reasons specified once again added up to more than 89 beneficiaries who indicated that there had been conflict. .

Table C10.4: Reasons given by beneficiaries for conflict, 2007

Reasons for conflict	N	%
Mismanagement of funds	27	28.4
Perceived lack of commitment/laziness/support/ tardiness	19	20.0
Misunderstanding/miscommunication	14	14.7
Other	35	36.8
Total	95	100.0

The top reasons given for conflict among beneficiaries seem to be related to the mismanagement of funds by those responsible for such funds (28.4%). These include money that, in the beneficiaries' view, was either not allocated according to inputs or misappropriated. This was followed by a perceived lack of commitment, and by the tardiness or 'laziness' of other project members or their lack of support. General misunderstandings or miscommunications also reached the top three reasons given.

The 'Other' category included all cases with fewer than fourteen mentions, and included personality clashes or personal issues (seven cases), the unequal distribution of work (some seemed to contributing a larger share), lack of consensus among members, issues relating to group formation (some who left wanted to return), general issues with project management, leadership issues, the allocation of the physical resources, internal theft, and two cases naming jealousy as the main cause.

Regarding the presence of conflict, respondents were requested to indicate how they were managing such conflict (see Table C10.5).

Table C10.5: Ways in which beneficiaries managed conflict, 2007

Method of conflict management	N	%
Talk it out/ hold a meeting	47	53.4
Nothing we can do/ nothing changed/ don't manage it	15	17.0
Call on authority	15	17.0
Vote	5	5.7
Disciplinary committee/system	3	3.4
New committee	2	2.3
Leave	1	1.1
Total	88	100.0

Table C10.9 is a summary of the ways in which beneficiaries managed the conflict. Most of the beneficiaries (53.4%) indicated that in their project they managed conflict by holding a meeting and/or talking it out. A further 17% of beneficiaries indicated that they did not manage conflict, and another 17% indicated that they appealed some or other higher authority; these included the Department of Agriculture (extension officers). Less common methods included voting (5.7%), some disciplinary system (3.4%), while the

more extreme methods include electing a new committee (2.3%) or voting with the feet and leaving the project (1 case).

C10.4 Have beneficiaries left the project?

The nature of conflict (see Section 10.3), as well as the large percentage of projects that did not render any income (see Section 6), might well result in project members leaving the project. Nearly two in every five respondents (39.7%) indicated that they were aware of beneficiaries who had left the project. Although a question was asked in respect of the number of beneficiaries who left, it was impossible to calculate precisely how many had done so, the main reason being that, in many cases, more than one beneficiary was interviewed per project and it could well be that the numbers reflected the same individual. It seems that one could estimate that about 20% of the beneficiaries have left the projects.

The perceived reasons why these members left the project are explored in Table C10.6 below.

Table C10.6: Perceived reasons for leaving the project, 2007

Reasons for leaving	N	%
Didn't make enough money	33	24.8
Found employment elsewhere	20	15.0
Unhappy/dissatisfied with project/potential of project	15	11.3
Death	14	10.5
Don't know	10	7.5
Other	41	30.8
Total	133	100.0

Nearly a quarter of the beneficiaries (24.8%) who gave a reason, indicated that they believed these members had left because of a lack of income (see Table C10.6 above). Closely related to this, 15% of beneficiaries who gave a reason indicated that these members left because they had found employment elsewhere, the majority of whom did so because there was insufficient income (in which case the reason would be tallied in both this category and the previous one on income). A further 11.3% indicated that the member was unhappy with the future of the project, experienced problems with the

project, or expected too much, while 10.5% of beneficiaries who gave a reason said that the member(s) in question had died. A further 7.5% left for no known reason.

All responses tallying less than ten responses were grouped in the "Other" category, and these included reasons related to family problems, personal character flaws (of the member who left), a general mention of theft (although who the perpetrator and who the victim was, was not mentioned), that they just broke involvement with the project or sold their stock, that they were unhappy because of the project management, a change in the agricultural law led to their leaving, that they joined another project, or simply that they had no discernible reason.

The beneficiaries were then asked whether they had considered leaving the project. One in five respondents said that they had. The reasons for their answers are reviewed in Table C10.7 below, while the reasons why respondents were not considering leaving are also outlined.

Table C10.7: Reasons for considering/not considering leaving the project, 2007

Reasons for considering leaving	**N**	**%**
Not enough income	16	25.4
Answer inconsistent with previous response/incoherent	9	14.3
Disagreements/conflict/problems with management	9	14.3
Becomes despondent with project/progress/size/losses	8	12.7
It's a struggle/very hard work	7	11.1
Other	14	22.2
Total	63	100.0
Reasons for not considering leaving	**N**	**%**
Expecting success/ believe in project/ see progress/ opportunity	73	27.8
Interested in/passionate about/love farming/project	59	22.4
Provides income/employment/livelihood/home/food	34	12.9
Committed to project	27	10.3
For families/ improves life	21	8.0
Satisfied/ OK/ no problems	19	7.2
No alternative/ too old for anything else/ can't get job	15	5.7
Other	15	5.7
Total	263	100.0

The common theme of income was once again repeated as a top scorer. One quarter (25.4%) of the reasons for considering leaving the project were related to the lack of

income form the project. Closely related to this, 12.9% of the reasons given for not considering leaving the project were related to the broad theme that it provided income, employment or food.

The most common reasons given for not considering leaving the project were related to the expectation, conviction, or seeing indications that, the project would be successful in the future (27.8%). This is followed by beneficiaries' declaration that they were interested in or passionate about either farming or the project (22.4%). A further 10.3% indicated that their commitment to or investment in the project prevented them from considering leaving the project. Approximately 8.0% indicated that they were staying in the hope that it would improve their lives and that of their families. Moreover, 7.2% indicated that, in general, they had no reason to leave, and 5.7% indicated that they were staying as they had no alternatives. The 'Other' category consists of all other responses that tallied less than fifteen similar responses and included references to the fact that the project requires hard work and perseverance to succeed (hence they would stay), that they would stay provided that they receive more assistance (six cases amounting to 2.3%), and a single response that was not consistent with the respondent's previous response.

Interestingly enough, 14.3% of beneficiaries indicated that their reason for considering leaving the project was disagreements, conflict or problems regarding the management of the project. A further 12.7% of beneficiaries who considered leaving the project would do so because they had lost hope that the project would succeed or had become despondent due to losses. Just more than 11% (11.1%) indicated reasons related to the hard work and struggle involved in the project for which there was often little or no financial reward. A further 14.3% gave reasons inconsistent with their previous responses. The 'Other' category consisted of all the other responses that tallied less than seven similar responses. These responses included references to the lack of support received (four similar responses), beneficiaries' inability to contribute, or the lack of available work, the need to find employment (related to lack of income), those wanting to start their own project and single responses mentioning their inability to keep up with the

pace (age), the seasonality of success, and an incoherent reply that "some who left want to come back"

C10.5 Evaluation of the training

This section evaluates the training from the perspective of the beneficiaries. Nearly 70% of the beneficiaries (68.3%) attended agricultural related training (see Table C10.8).

Table C10.8: Type of training received by beneficiaries, 2007

Type of training received	N	%
Animal care/management/farming & grazing/range management	88	32.4
Plant care/management/farming	48	17.6
General business - management/budgeting/marketing/bookkeeping/project management/group dynamics skills	41	15.1
Mechanical & maintenance, fencing, windmill & tractor repairs	39	14.3
General farming, farm management/farmer development/farming workshop/skill for all	39	14.3
Other specific training, hydroponics, organics, sewing, shearing	9	3.3
Fire fighting	7	2.6
Cannot remember	1	0.4
Total	272	100.0

Most of the beneficiaries who received training (32.4%) had received some form of training related to livestock management. This category included references to animal care, cattle or sheep farming and range management. The second most common form of training was related to crop management (17.6%). Responses included references to plant care, and made mention of specific varieties such as maize or sunflowers. General business skills (15.1%) came third and covered areas such as marketing, bookkeeping and general management skills. Mechanical and maintenance training (covering fencing and windmill and tractor repair) was tied for fourth place with general farming skills (this category contained a wide array of farm training that could not be classified under more specific themes, as well as themes related to farming such as farmer development, "farming workshop" and farm management), each with 14.3%. There were nine cases where very specific skills were taught such as hydroponics, organics, shearing and sewing and seven cases mentioned fire fighting. One respondent indicated that he could not remember what training he had received.

It has already been indicated that the fact that respondents had undergone training had no impact on project income. In fact, the project income for projects where beneficiaries attended training was lower than for projects where beneficiaries did not attend training. This leads to two probable conclusions:

- Those with some experience and viable enterprises did not value the training and therefore did not attend.
- The impact of training on the remaining members was virtually nil, as nearly 50% of the projects did not generate any income for the beneficiaries.

Despite these conclusions, it is important to consider the beneficiaries' opinions concerning the advantages of the training (see Table C10.9).

Table C10.9: Beneficiaries' opinions / concerns related to the training, 2007

Biggest advantage of training	**N**	**%**
Knowledge, training	58	26.1
Animal-specific	55	24.8
Plant-specific	30	13.5
Farming skills –general	27	12.2
Business skills	22	9.9
Mechanical skills	21	9.5
Improve self/position/employability	8	3.6
Nothing	1	0.5
Total	222	100.0

More than a quarter of the advantages provided (26.1%) indicated broadly that the main benefit was the knowledge/skills that they received from the training - without mentioning any specific skills. Close to a quarter (24.8%) of the advantages mentioned related to animal-specific skills, while 13.5% related to the plant-specific acquired. The general category of farming skills (12.2%) was the fourth most frequently mentioned, closely followed by business skills (9.9%) and mechanical skills (9.5%). A further 3.6% indicated that the main advantage of the training was that they had improved their skills and employability. One beneficiary indicated that there had been no advantage to the training and that what they had been teaching he already knew.

Most of the beneficiaries specifically indicated that there had been no disadvantage to the training. Six however indicated that they had had problems with transportation related to the training sessions; five indicated that they had been unable to implement what they had learned; two indicated that they had thought the people who trained them were going to supply them with stock; one mentioned the lack of a certificate as a problem; another said that not enough business skills were included; and, another said the training had been a waste of time.

Beneficiaries were also asked whether they knew of anybody who had taken another job after receiving the training. Only seventeen beneficiaries (5.7%) indicated that they knew of such persons. When asked how many such people they were aware of, fifty percent indicated they knew of only one or two such individuals. One each indicated five, nine, ten and twelve individuals, and three beneficiaries indicated that they knew of thirty such individuals, while two merely indicated "many".

The respondents were further asked if they knew for whom these individuals were now working; three each indicated a bank, or that they opened their own project or various other employers. Another one indicated that the individual worked for a commercial farmer. From this one can assume that there is only a limited market for the skills acquired during the training process or that these skills are not transferable beyond the project.

C11. Socio-economic ranking of projects

A rating system, using the information gained from the questionnaires, was developed to allows comparison of the various projects in order to ascertain which had been more effective in improving the lives of the beneficiaries.

C11.1 Overview of the rating system

The main index of the rating system consists of four sub-indices, contributing in varying weight to the final index. These four sub-indices are Income and Assets (accounting for 60 of the final 120 marks), Food security (accounting for twenty of the final 120 marks), Physical and living environment (accounting for twenty of the final 120 marks) and

Quality of life (accounting for twenty of the final 120 marks). These four sub indices are summarised in Table 11.1 below and will be discussed in this section.

Table C11.1: Overview of index composition

Sub-index	Measures	Question number in questionnaire	Total raw score	Weight
Income and assets	Household income from project	C3	13	**60**
	Individual income from project	C3 / A1	13	
	Change in income (accounting for inflation)	C4 – B4	12	
	Percentage assets	C5	10	
Food security	Nine questions on food security	E1	36	**20**
Physical and living environment	Change in housing	F2	3	**20**
	Change in sanitation	F3	3	
	Change in water access	F4	3	
	Change in energy source used for cooking	F5	3	
	Change in energy source used for lighting	F5	3	
	Change in energy source used for heating	F5	3	
Quality of life	Change in general evaluation of quality of life	G1	24	**20**
	Change in overall evaluation of quality of life	G2	3	
	Financial situation compared to two years ago	G3	3	
Final index				120
Final score allocated				100

C11.1.1 Income and assets

The sub-index, Income and assets, consisted of four measures, all with the same weight. The first accounted for the income from the project received by the household, with a mark allocated according to the categories. Where no income was received from the project a One was scored, while an income of between R1 and R200 received a score of Two. This continued through the categories ending with those earning more than R3.2000 from the project receiving the highest score of Thirteen. The score out of a possible thirteen was converted to a score out of Fifteen.

The second measure divided the income from the project by the number of people employed on the project. The categories were then assigned as in the previous measure. The score out of thirteen was converted to a score out of Fifteen.

The third measure accounted for the change in household income from that prior to joining the project, income to the current. The value in the middle of each income category before joining the project was taken, adjusted to account for inflation, and then subtracted from the value in the middle of each current income category. The difference was divided into categories and scored accordingly. Where the income had decreased a Zero was scored, where it was unchanged, a One was scored, where it had increased by less than R100, a Two was scored and so on up to a score of Twelve, where the increase was more than R1000. The score out of Twelve was converted to a score out of Fifteen.

The final measure of this sub-index accounted for the assets available to the household. The total percentage of items on the list that the household had at its disposal was divided into categories and scored accordingly. Where beneficiaries had access to less than ten percent of these items, a One was scored, and so on up to a score of Ten for 91% to 100% of the items on the list. The score out of Ten was converted to a score out of Fifteen.

The scores out of Fifteen for each measure were then added.

C11.1.2 Food security

Each question on food security was scored from One to Four according to the response. A score of One for "never experienced in the last month" up to a score of Four for "often experienced in the last month". The scores were added for each project and converted to a score out of Twenty.

C11.1.3 Physical and living environment

The ratings given by the beneficiaries for housing, sanitation, water access and the energy sources used at the moment for cooking, lighting and heating were compared with the ratings assigned to these items before joining the project. Improvement met with a score of Three, an unchanged situation met with a score of Two while deterioration met with a score of One. The scores were added, and the resulting score out of Eighteen was converted to a score out of Twenty.

C11.1.4 Quality of life

The ratings assigned by beneficiaries for quality of life at the moment were compared with the ratings assigned for quality of life before joining the project. Improvement met with a score of Three; an unchanged situation met with a score of Two; and deterioration met with a score of One. The scores were added and the resulting score out of Thirty was converted to a score out of Twenty.

The average scores achieved by the beneficiaries who were sampled were taken as the project's score for each of the sub-indices. The scores of the sub-indices were added to calculate the final score.

C11.2 Final rating of projects

Each project was scored out of a possible 100.[53] The projects were then divided into four groups according to their impact on the projects:

- Limited or negative impact
- Below-average impact
- Above-average impact
- significant impact

The following methodology was employed to arrive at the above categorisation:

- The average score was determined.
- The standard deviation was determined.
- Limited or negative projects were projects that scored less than the average minus the standard deviation.
- Below-average projects scored less than the average. but more than the average minus the standard deviation.
- Above-average projects scored more than the average, but less than the average plus the standard deviation.

[53] It should be noted that this is not a percentage score but a raw score where 100 would be the maximum. The nature of the score is such that 0 would not be the minimum.

- Projects with significant impact scored more than the average plus the standard deviation.

Annexure C6 lists all projects and their respective scores. Table 11.2 provides a list of projects per category. Obviously, this information was also utilised to develop the overall categorisation of the projects contained in Section B.

Table C11.2: Project categorisation

Limited or negative impact	Below-average impact	Above-average impact	Significant impact
Bophelo ke Matla	Nyambose and Motsima	Impala Trust	Molelengoane Trust
Thusanang Trust	Diyatalawa	Itabeleng Layer Project	Dikgomo Society
Sasolburg Hydroponics	Thaba Nchu Wool	Lema-U-Vune	Khothule Trust
SA Farming Project	QwaQwa Hydroponics	Mphatlalatsone Layer	Pax
Skosana Trust	Sisonke Trust	Chabane Trust	Monare Trust
Steynsrus Project	Leratong	Vukani Tsohang (Trompsburg Commonage)	Medupe Trust
Magakajane	Multilayer Trading	Thamahano Meroheng	Dondolo Trust Association
Siyabonga Trust	Maramatlou Project	Sherengane	Waya Waya
Lewane	Itumeleng CC	Matabatho	Setshego Farming Trust
Piccanin	Ikemeleng Trust	Mosia Trust	Basotho Lechabile
Reakopanya Trust	Van Reenen & Swinburne	Metsimaholo	Oppermans
Mokwena Trust	Tikwe Farming	Modikoe Farming Project	Tuloane Trust
Seloane	Mopereo Trust	Rouxville Commonage	
	Maluti Dairy	Mokolutlo Trust	
	Machabela Trust	Lesedi La Bophelo	
	Boiketo	Jacobsdal Combination Project	
	Lechabile Dairy Co.	Sechaba Trust	
	Kopano Ke Matla	Mmembe Trust	
	Heelgoed	Thusano Association	
	Mokoena Family Trust	Kamohelo Chickens	
	Ncaseka Project	QwaQwa 114	
	Phahameng Farmers Association	Dashe Trust	
	Mashaeng Poultry Project	Olifant Trust	
	Ntlengeni Trust	Thakamakgowa Dairy	
	Glenross Farm	Waterfort Farm Trust	
	Dankbard Piggery	Woodbridge Fattening Unit	
	Matlakeng CC	Wonderkop	

	Itekeng Poultry Enterprise	Vukanima Africa	
	Temong Hydroponics	Tswelopele Trust	
	Ventersburg Commonage	Mmabahloki Integrated Agri Project	
	Bethany Communal P.A.	Kopano Beef Masters	
	Boitumelo Vineyard Project		
	Tswelopele		
	Sawukazi Family Trust		
	Zim Trust		
	Riverside Trust		
	Moalusi Trust		
	Letsoha Trust		
	Olifant Trust		
	Marumo Trust		
	Sithole Farming Project		
	Rebohile Poultry		
	Thitopoho		
	Wesselsbron Trust		

Overall, this means that fourteen (13.4%) of projects have had a limited or negative impact on the lives of the beneficiaries. A further 43 projects (41.3%) have shown below-average impacts, while 31 (29.8%) were categorised as having above-average impacts and sixteen (15.3) were categorised as projects with significant impacts.

12. Conclusion

The introduction outlined the specific aspects in the terms of reference that this section of the report considered to be important. These aspects were:

- To identify failed projects and the main reasons for project failures from the perspective of the beneficiaries;
- To determine the general impact of projects on the quality of life of the beneficiaries involved in the project;
- To determine the impact of projects on the economies of the immediate communities in which they are located;
- To determine the overall impact of CASP funding in the province;

In addition, one of the specific outcomes of the CASP projects is to ensure household food security. Although the above aspects have been discussed at length in the earlier sections of the report, a number of final concluding comments need to be made in this respect. Yet, before each of these aspects is discussed in more detail, it should be noted that considering these aspects as either positive or negative is no easy task in that the overall messages have been mixed.

Household food security

Household food security does not seem to be under pressure for two reasons. First, extreme cases of lack of food security were limited. Second, the share of food as a percentage of total expenditure was in the vicinity of 25%. It should also be noted that social grants play an instrumental role in preventing food-security problems. Variables which seem to have contributed to a larger degree of food insecurity were: being a youth; having only primary or no education; and, being located on a farm.

Failed projects and reasons for failure and success

This part of the report did not consider failed projects, but projects with limited impact on the lives of people were however identified (see Section 11). The reasons for success and failure were only determined by considering the outcomes in respect of beneficiaries' lives. The following reasons contributed to positive outcomes in projects:

- Higher levels of education among beneficiaries
- On-farm residence
- Projects with three or fewer than three beneficiaries
- Agricultural viability of projects
- Legal status: individual enterprise
- Good financial management
- Being located in Motheo or Thabo Mafutsanyana
- Being male beneficiaries
- Having had previous employment experience
- Having had agricultural experience
- Projects where no conflict was present

- Livestock farming
- Having joined the project since 2005

The following reasons contributed to negative or no outcomes in projects:

- Being female
- Having joined the project before 2005.
- Levels of educational lower than Grade 12
- Projects with more than three beneficiaries
- Projects where conflict is prevailing
- Crop farming
- Located in Xhariep and Lejweleputswa
- Beneficiaries who did not have prior experience
- Support by the Department of Agriculture
- Training sponsored by the Department of Agriculture

General impact on quality of life and ability to generate employment

A couple of important points should be made in respect of the general quality of life:

- Multiple incomes are common. Project income, on average, only contributes to between 30% - 40% of household income.
- There is a direct relationship between income and the way beneficiaries rate their levels of satisfaction. Higher levels of project and household income have also resulted in higher levels of satisfaction with quality of life.
- There has also been a marginal increase (from prior to the project, to the current rating) in the overall rating of levels of satisfaction with life, even if the overall rating is still fairly negative (between a rating of neutral and dissatisfaction).
- Furthermore, levels of satisfaction in respect of the money available to the respondents and to the household have declined since respondents' joining the project.
- Average household income is approximately 20% more than prior to the project.

- The percentage of households earning no income dropped from just below 8% to 1%, but only 40% of this decline can, however, be associated with the CASP projects. This can to a large degree be attributed to grant income and access to income from beyond the project.
- Access to a better settlement (living environment) has improved slightly in comparison with the situation prior to the project.
- Although on-farm residents have higher project incomes, their household incomes, their levels of satisfaction and their basic access to infrastructure are lower than those households residing in town.
- The average income of individuals is below the minimum wage for farm workers. Yet, should income be considered for those households that do receive income, the average wage matches the minimum wage for farm workers.
- Another positive impact, difficult to quantify, yet permeating the qualitative comments, relates to the fact that some beneficiaries did experience increased levels of independence in that they were involved in their own project.

The overall assessment is that the CASP projects suggest a marginal improvement in quality of life. Yet, as this improvement is directly related to income from the project, this suggests that longer-term sustainability in respect of agriculture will significantly influence this reality.

Impact on local communities and the overall impact of CASP

Overall, the CASP projects have contributed approximately 40% of expenditure by beneficiaries per annum. The largest percentage (85%) of this amount was spent in close proximity to the nearest town while some leakage to large urban areas (15% of total expenditure) has occurred. There can be now doubt that CASP projects played a significant role in generating income for lower-income households, but the evidence also suggests that for half of the projects no income was generated.

D. RECOMMENDATIONS TO IMPROVE CASP PROJECTS IN THE FREE STATE PROVINCE

D1. Recommendations to improve CASP projects in the Free State Province

Items	Main findings/problems	Recommendations
Business plans	• Project business plans are often constructed without proper consultation of all role players. It seems as though the business plans are merely drafted to get the grants. • A large percentage of the business plans are incomplete and a significant percentage (25%) of the business plans were not available • Some business plans do not make sense. They were mainly developed to comply with the requirement to have a business plan • Many projects are not implemented according to the original plan • There are major deviations from original business plans • Beneficiaries are not aware of the content of their business plans • Only a small number of the business plans were updated if there were changes in the project.	• The establishment of a Business plan office at the FSDoA is crucial • Business plans should be comprehensive information documents to be used by the project management and a good evaluation process needs to be in place • Business plans should contain proper risk analysis and also risk expectations over the longer run, especially regarding potential farm income generation. • It is important that beneficiaries are conversed with the business plan • All business plans must be approved by the Agricultural Economics section of the DoA • Extension officers should be trained in business plan development • Before CASP funding is approved to the beneficiaries the FSDoA should verify that the contributions promised by the beneficiaries are in place. • An appropriate risk assessment must be done for each business plan before it is approved.

Availability of markets	• Transport to get products to markets is a general problem. Most beneficiaries do not have their own vehicles and transport cost is very high. • The members of projects do not search for markets actively	• Market infrastructure such as collection points or transport in general should be introduced by the DoA where the need arises. The necessary linkages with markets must then also be established • Future land acquisitions for land reform should be in close proximity to towns • Market information is pivotal. Small scale farmers need to know what to produce to access markets. They also need to know where, when and how to sell their products.
Extension officers	• Beneficiaries receive limited support from extension officers who are often young or newly employed. • A large percentage of extension officers lack basic agricultural knowledge. They lack the appropriate agricultural background, they do not have specific enterprise knowledge, they provide inappropriate information/advice to beneficiaries. • There is no significant link between the project income derived by beneficiaries and the support provided by the Department • The commitment of the extension officers on the projects is often questionable.	• It is important that the DoA have extension systems that should be able to supply farmers with adequate marketing information, but due to the lack of knowledge this is not succeeding, indicating that Agricultural Economists should be more involved from the beginning of the project • Training of officers through formal college education and in the in-service context is crucial. • A proposed strategy of implementing the "Agricultural Knowledge Triangle", whereby research, extension and higher education are combined as one comprehensive package tied to systematic mentorship of small-scale and emerging farmers until they are able to stand on their feet is necessary.

Inputs	• The lack of inputs and the high costs associated with these inputs prohibits many projects from using the correct amount of inputs. • Beneficiaries have limited knowledge on how much of a specific input must be applied • Beneficiaries often do not have the funds to buy inputs. • Inputs are unaffordable, which causes farmers to become self sufficient with their inputs. Low quality inputs are then used leading to low yields. • Acquiring new and technologically improved inputs can be difficult for small-scale commercial farmers.	• The DoA has a very important role to play in making inputs available, providing the right advice and in training the beneficiaries on the right application and usage of the inputs. • The CASP funding should be more directed to a production system approach. Providing production inputs should be accompanied by providing the appropriate equipment and training.
Livestock	• Beneficiaries' quality of livestock is poor due to limited genetic improvement • Beneficiaries have limited funds for veterinary costs due to high costs; they also have limited knowledge regarding animal diseases. • Overgrazing of veldt and minimal use of feed supplementation is a common problem	• Ensure that extension officers can provide support in this respect • Linkages with commercial farmers are of immense importance, they could support the emerging farmers with good genetic material through lending their bulls/rams.

Crops	• Beneficiaries have limited skills to use the machinery which is provided by CASP • Beneficiaries have restricted knowledge of production processes and irrigation methods • Multiple ownership of implements/machinery cause plantings/harvesting to be postponed until the necessary equipment is available. • Given the high costs of agrochemical inputs, poor farmers tend to rely on internal inputs (manure, fallow, cover crops) with lower yields.	• When beneficiaries receive assistance in the form of machinery etc, proper training must be supplied to ensure that the beneficiaries know how to use the equipment they received.
Ownership / legal status	• Trusts are not always viable as they often consist of too many beneficiaries, which often leads to conflict. • 52% of all the CASP projects are trusts while 14% are close corporations. • Many of the project chairpersons (31%) do not understand the legal status of their entity. • Beneficiaries which were sole owners had the highest average income.	• The requirement of the funding provided often forces people to work together to get hold of the funding. The revision of the criteria to allow smaller groups and even individuals to benefit must be considered.
Beneficiaries	• Allegations have been made of beneficiaries that were created only to receive the funding. • On most of the projects surveyed there are too many beneficiaries • The beneficiaries have limited experience and knowledge of agriculture • The education level of the beneficiaries came out as an important determinant of whether a beneficiary will succeed or not.	• Beneficiary education at the outset is necessary to address the unrealistic expectations of beneficiaries

Quality of available infrastructure	• Overall, the quality of infrastructure is average despite CASP's main focus on this aspect. • The application an approval system for infrastructure is not well-organised. As a result of this inappropriate infrastructure is often provided to the projects. • Poor infrastructure such as fencing, stock watering systems and electricity makes it difficult for poor farmers to utilise the farm optimally and in a sustainable way.	• The Department of Agriculture needs to ensure that their house is in order. It was often indicated that there has been considerable delay in the response from CASP. It was also said that promises are made and not followed up. The DoA needs to make sure that they have the necessary management structures to ensure implementation and follow through.
Financial factors	• Beneficiaries have limited experience and knowledge on how to access credit • Beneficiaries are asking for items or capital that is not part of the aims and objectives of CASP • Although beneficiaries got exposed to different types of management training and indicated the usefulness thereof, very few can read the financial accounts of their appointed bookkeepers • There also appears to be a lack of understanding of the importance of bookkeeping.	• Training on management issues pertaining to financial issues is vitally important. • Most of the projects could do with proper mentoring, where the mentor can especially assist with the financial management of the project.
Selection criteria	• The way in which beneficiaries are selected for the projects must take the blame for the failure of many of the projects. • There is a great difference between projects in terms of experience, skills, training background, group size, etc. These factors may be considered as selection criteria • Some project failures occur when the selection process lead to a mismatch of beneficiary groups and the type of farming ventures chosen for them • Often too many beneficiaries are assigned to a	• Select less beneficiaries per project • Select beneficiaries with higher levels of education • Select beneficiaries with agricultural related experience

	specific project. Projects with three or less beneficiaries have the highest average project income. • Educational level has a direct impact on project income • Agricultural experience has a direct impact on project income	
Selection of type of projects	• The type of project envisaged is not always the right project for the resources available e.g. Lechabile dairy has infrastructure for crop farming but the business plan was approved for dairy farming. • Livestock has a direct impact on project income	• The DoA should mainly consider enterprises which is not of high risk. • Crop farming should only be approved in cases where production inputs can be accessed.
On-farm vs. in town residents	• On farm beneficiaries receive higher income from projects but sacrifice in terms of quality of life • It is unlikely that urban beneficiaries will settle on farms despite a desire to do that.	• Proximity of settlement to farm should be an important criterion when projects are established.
Multiplicity of income sources	• Project income only contribute to 30%-40% of household income • Some beneficiaries feel that others are not contributing but still demand a share of the profits	• It should be acknowledged that beneficiaries make use of more than one income stream as a survival strategy. • The obligations and privileges of all beneficiaries should be contractually specified from the outset.
Optimal use of land	• Many of the beneficiaries lease their best land to commercial farmers below market values	• Extension officers should be able to provide extensive support in this respect

Conflict management	• 30% of beneficiaries experienced conflict • 23% of the project chairpersons were experiencing significant levels of internal conflict. Some of the beneficiaries are not willing to work but still claim a share of the income. The biggest reason for conflict is the lack of beneficiary involvement on the projects. Conflict was identified as a significant factor contributing to dysfunctional projects.	• Extension officers should be trained in conflict management • The obligations and privileges of all beneficiaries should be contractually specified at the outset to prevent conflict in the day to day management
Agriculture viability and beneficiary income	• Where projects were rated as agriculturally viable the average income of beneficiaries was significantly higher than those projects that were not rated as viable	• It is important that the DoA does not set the beneficiaries up for failure when they introduce them to a specific project. The DoA must make sure that the project has a reasonable chance of success.

Financial status	• The lack of knowledge in accounting matters is one of the major reasons beneficiaries are failing to keep proper financial records. Most project managers only came to know about their financial problems long after the damage had been done. • 45% of projects have an income statement, 35% have balance sheets and 36% cash flow statements. Only 18% of the projects are compiling enterprise budgets, the rest stated that they do not know the actual profit/loss from their various enterprises. • A large section of the projects had no records available and indicated that the projects are not making a profit	• Before the approval of a project, the project should have been registered as a legal entity and have a bank account • Financial education should be provided to beneficiaries before starting the project • Beneficiaries should be identified and trained in bookkeeping.

Stakeholder support	• Stakeholder support takes place on an ad hoc basis
	• Many of the problems on the projects can best be addressed if local support is available.
	• The municipalities and their LED officials do not contribute much to the CASP projects. The FSDoA, on the other hand, plays the most important role. The FSDoA supported the projects mostly through advice and training
	• 42% of the beneficiaries are members of National African Farmers Union (NAFU).
	• 42% of the projects have mentors in the form of commercial farmers.
	• Land Bank plays a relative small role, with 28% of emerging farmers having loans with the Land Bank.
		• Stakeholder support should be formalised and better organised.
		• Participation by local authorities is a determining factor in fulfilling emerging farmer's objectives. They also play a vital role in educating beneficiaries to promote sustainable development. Emphasis should be focussed on this issue.
		• Concerted efforts need to be made by private stakeholders, banks, NAFU and business groups to promote the use of mentors on the projects.
		• There are, or can be, several groups of actors or stakeholders who can contribute to the CASP beneficiaries. They are as follows.
		  • Government incentives (e.g. regulations, start-up subsidies)
		  • Group action of smallholders founding, for example, a co-operative grading & packing station
		  • Research institutes focusing on smallholder empowerment and their access to, or inclusion in, markets.