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REPUBLIC OF SOUTH AFRICA

AGRICULTURAL MANAGEMENT

COURSE MATERIAL



AGRICULTURAL RESEARCH COUNCIL

ARC • LNR
Excellence in Research and Development

Course Material- Agricultural Management

This course material has been developed by the Agricultural Research Council in collaboration with the Department of Basic Education for Agricultural Sciences subject advisors and teachers .This material supplements information available in Grade 12 Agricultural Sciences textbooks.

Teachers are requested to use this material in conjunction with:

- Agricultural Sciences subject statement (DoE, 2003)
- Subject Assessment Guidelines for Agricultural Sciences(DoE, 2008)
- Learning Programme Guidelines : Agricultural Sciences(DoE, 2008)

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1. LAND REFORM

1.1 Introduction

Land is an important factor of production providing the basis for plant and animal life. From a social perspective land forms a basis for human shelter in the form of housing. According to the motivational theory, land forms part of safety needs, one of the lower level needs, which, if not met could hamper other high level needs. Of a total 1.2 million km^2 land area, only 14% was set aside for blacks who make >80% of population. This skewed distribution was a result of various policies ranging from dispossession, land rights and the establishment of Bantustands. The land reform process is therefore multipronged to address this complex problem. The land reform objectives address dispossession, equitable access and ownership. This session addresses these aspects from an agricultural perspective. It must be noted that land is used for other purposes such as housing and recreation. Access to land is cited by the United Nations as one of the factors that can hamper the ability of countries to achieve the millennium development goals.

1.2 Land reform programme and legislation

The implementation of the land reform programme started immediately after the achievement of democracy. The land policy focuses on redistribution, land restitution and land tenure. The aim of redistribution is to provide disadvantaged and poor communities access to land for both residential and productive purposes in both urban and rural areas. Land restitution covers cases of forced removal that took place after 1913 while land tenure reform reviews land policy administration and legislation to improve tenure security and accommodate different forms of tenure.

1.3. Discussion framework

Land redistribution pilot programme was implemented in 1994 in the form of a Settlement Land Acquisition Grant (SLAG), until 1999/2000. Slag entitled individual members to R16000 cash grant to form a group to purchase and develop land. The Slag programme benefited just over 55000 people on 484 projects and was characterized by both successes and challenges. Some empowerment projects were reported in the Western Cape wine farms where farm workers were allocated land to produce from and access available market. This was part of equity schemes. One of the early challenges emanated from governance. The Communal property association Act was passed in 1996 to facilitate governance providing a framework or establishment of legal entities. This also applies to restitution projects.

In general, Slag's weakness was a lack of comprehensive support. Most projects failed because of lack of funds, infrastructure and/ training **(Case study1).** The Department of Agriculture was at the same time developing programmes to enhance agrarian reform and improve access. The white

paper on agriculture and BATAT were produced by 1996. Issues of access to various services and support were highlighted as priority. In 2001 a sector strategy was produced to build a united sector while facilitating access and maintaining competitiveness and sustainable management of resources. Another key output was the development of an integrated food security strategy. Food security is an important subject, which is often viewed out of context with economic growth **(Discussion 1)**: *How do we understand food security?* Slag was reviewed in 2000 after which the land reform for agricultural development was introduced.

1.4 Land Re-distribution for Agricultural Development (LRAD)

LRAD was introduced in 2001 with a larger grant and a broader objective. LRAD adopted a focus to establish viable agriculture on all forms of land occupied by disadvantaged communities. Of note is a rural development perspective to support safety net project to achieve household food security. Within its constraints LRAD offered a more comprehensive approach to land reform. During its implementation challenges such as access to market and finance still continued but there was an emergence of improved integration between support services. DoA introduced CASP and MAFISA.

However, little was achieved in terms of rate of land transfer. By the end of Slag only 1.2% of land was transferred and the transfer only reached 3% by 2006. This seems to be part of the reasons for introduction of LARP, an important part of the 24 Ape programme. One of the weaknesses of LRAD is the high failure of projects and the lack of production on some. DoA established a chief directorate for pre and post settlement support and now a dedicated chief directorate for implementing LARP. As part of the LARP, government developed a proactive land acquisition strategy (PLAS) aimed at acquiring land to meet the demand for redistribution. Another intervention has been the development of the land expropriation bill. In a nut shell land redistribution is journey. Part of accelerating land reform has been the introduction of the land appropriation bill in 2007.

1.5 Land restitution

This is a redress programme administered through land commission under the Restitution of Land Rights Act of 1994. Approximately 79696 land claims were lodged before the deadline of December 1998 and 97% of them were settled by end of 2007. This programme is also a culprit for low productivity. Land claims are also blamed for their impact on affected commercial farms as farmers have to halt investments in fixed capital. Restitution farms are being revived especially those that collapsed after transfer. Some farms were focusing on export. This could be a complex problem.

We have observed sudden collapse of farms after transfer in both restitution and redistribution mainly because the previous owner terminates market contract. Are there other alternatives?

1.6 Land tenure reform (http://land.pwv.gov.za)

A number of innovative actions were introduced since 1994. One of the early reform actions was to ensure security of tenure for farm workers and labour tenants.

- **Land Reform Act 3 of 1996:** protecting the rights of labour tenants who live and grow crops or graze livestock on farms, they cannot be evicted without an order from the court, nor if they are over 65 years.
- **Extension of Security of Tenure Act 62 of 1997:** this protects the tenure of farm workers and people living in rural areas, including their rights to live on the land and the guidelines for other rights such as receiving visitors, access to water, health, education and so forth. The Act also spells out the rights of owners, and protect against arbitrary evictions.
- **Prevention of Illegal Occupation of Land Act of 1998:** This act puts in place procedures for the eviction of illegal occupants and prohibits illegal occupations
- Communal Land Rights Act, 2004 to improve the Land Tenure system in communal areas.

CASE STUDY 1.

A BEEF PROJECT COLLAPSES

A community of over fifty families living on and adjacent to a cattle farm get Slag to embark on joint venture with farm owner on 50% equity. The remaining balance of the grant is R200000 meant for purchasing livestock, which is paid into the account of the joint venture. Some members divert the grant to the partner's account for the building of houses. There is no money for production and the 50 families remain without income while the partner has moved to a neighbouring town and established a new business. Government cannot provide another grant and the project halts. What is the lesson?.

DISCUSSION 1

Food security

What is meant by food security? What is the difference between food security and food sufficiency? At what level is food security more accurately measured? How can individuals and households meet their food security needs?

DISCUSSION 2

LRAD

The SLAG programme ended in 2000, and the Land Redistribution for Agricultural Development (LRAD) was introduced later that year. Its major difference from SLAG was that beneficiaries do not have to be poor to apply for the minimum of R20 000 land grant, and those who have more savings and can raise bigger loans to finance their farms qualify for larger grants.

Objectives of LRAD

- To help previously disadvantaged people (Blacks, Coloureds, Indians) to become effective farmers on their own land
- To help black and poor people in rural areas to improve their living standard by enabling them to access and use land productively.
- To decongest overcrowded former homeland areas
- To expand opportunities for women and youth in rural areas

How does LRAD work?

- Applicants (individuals or groups) identify land s/he or they wish to buy. Applicants must be:
    - previously disadvantaged (Black, Coloured or Indian),
    - must be serious about agricultural production, and
    - must have the ambition to make a success of their farming operations.
- The applicant(s) must approach the Department of Land Affairs for a grant.
- To qualify for a minimum grant of R20 000, the applicant(s) must make an input of R5 000. The applicant's contribution can be in kind (livestock, machinery), cash or labour. Successful farmers who want to expand may apply for further grants, but the total may not exceed R100 000
- Local officers from the Department of Land Affairs will help the applicant with buying her/his land and with the legal requirements.
- Once the farm is in operation, the extension officers from the Department of Agriculture will be available to advise the farmer/s.

In addition to individual grants to buy farms or land for agriculture, the following types of projects can also be catered for:

- Food-safety-net projects: communities may use the grant to get land to produce food or livestock for household food security. This can be done on an individual or group basis.
- Equity schemes: individuals can apply for the grant to buy into an agricultural enterprise as owners and co-workers.

- Commercial agricultural ventures: participants can apply for the grant and combine it with loans from normal banks.
- Agriculture in communal areas: many people living in communal areas already have access to communal land, but may not have the means to make use of the land for productive use. People in these areas can also apply for the grant to make investments on the land such as infrastructure or land improvements. The grant can therefore be used:
    - to buy land
    - to make improvements to the land or add infrastructure (e.g. irrigation)
    - for short-term expenses, e.g. stock, seeds, machinery

Communal Land Bill/Act: This was finalised in 2004, and gives people living on 'tribal communal' land security of tenure. This is done through the introduction of administrative procedures to ensure communities living on the land are involved in decisions about development and selling of communal land.

The target for the programme is to ensure the redistribution of 30% of agricultural land to blacks by 2014.

2. AGRIBEE CHARTER

2.1 Discussion framework

Economic transformation is guided by the Broad Based Black Economic Empowerment Strategy (2203) and the Broad Based Economic Empowerment Act (2003), which is administered by the Department of Trade and Industry (DTI). DTI sets codes of good practice for sectors which are adopted as charter by respective sector to commit members of the sector to certain transformation objectives and targets. The charter also includes a scorecard for monitoring transformation

(Discussion 3). The AgriBee charter was launched in December 2008. The wine industry has some example of AgriBee **(Case study 2-7)**.

2.2 Indicative AgriBEE SCORECARD

The gazetting of a Transformation Charter in terms of Section 12 of the Act evidences the commitment by all stakeholders to promote BEE in the applicable sector. Section 12 Transformation Charters are not binding upon organs of state or public entities and as such, these entities will apply the Generic Scorecard in their interactions with the agricultural sector until such time as Sector Codes have been gazetted in terms of Section 9 of the B-BBEE Act.

The Indicative AgriBEE Scorecard should be regarded as an indication of what is likely to be included in possible, future Sector Codes for agriculture , but these Codes will be adapted to meet industry needs and to be aligned with the final version of the Generic Codes of Good Practice as published by the Department of Trade and Industry.

Measurement Principles:

- A Measured Enterprise's score for a particular indicator is calculated by dividing the enterprise's actual contribution (as described by the relevant indicator) by the corresponding target
- The result is multiplied by the corresponding indicator weighting points to obtain a score for that indicator
- Where the enterprise attains a score in excess of the indicator weighting points, the enterprise shall only be entitled to the corresponding weighting points
- The score for an element is the sum of indicator scores under that element
- A Measured Enterprise's overall BEE score out of 100 will determine its BEE status and
- BEE procurement recognition

Targets contained in the Indicative AgriBEE Scorecard are based on those contained in the final version of Phase I of the Codes of Good Practice and those contained in the draft Phase II Codes of 20 December 2005, as well as on stakeholder inputs, comments and recommendations. Where no substantive reasons for deviation from targets contained in the Codes of Good Practice was put forward by stakeholders, targets have largely remained aligned with those contained in the abovementioned versions of the Codes. However, it should be noted that targets contained in Phase II of the Codes are subject to change, following a public commentary process. In this regard, the AgriBEE charter will align its targets to those contained in the final version of Phase II of the Codes, except where justification for deviation can be adequately provided on the basis of sound economic rationale and/ or sector development needs as part of the sector code development process.

ELEMENT	Weighting	Indicator Category	Indicator	Indicator Weighting Points	TARGET
Ownership	20%	Voting rights	Exercisable Voting Rights in the eEnterprise in the hands of black people	3	30%
			Exercisable Voting Rights in the enterprise in the hands of black women	2	10%
		Economic interest	Economic Interest in the enterprise to which black people are entitled	3	30%
			Economic Interest in the Enterprise to which black women are entitled	2	10%
			Economic Interest in the Enterprise to which black employees are entitled	2	10%
		Realisation	Ownership fulfilment	1	No Restrictions

		points	Net Equity Interest Achieved accordingly: 10% of the Target (Year 1) 20% of the Target (Year 2)40% of the Target (Year 3-4) 60% of the Target (Year 5-6) 80% of the Target (Year 7-8) 100% of the Target (Year 9-10)	7	30%
		Bonus points	Involvement in the ownership of the Enterprise of black new entrants; black Deemed Participants of Broad-Based Ownership Schemes; or black Participants in Co-operatives	3	Bonus per each level of 5%
		Bonus points	Contibution to achieving above 30% land transfer	5	Bonus point per each percentage of land transferred above 30% of total land value
Management Control	10%	Board Participation	Percentage of exercisable Voting Rights held by Members of the Board who are black people to the total of all Voting Rights exercised by all members of the Board	3	50%
			Executive Members of the board who are black people	1	50%

			executive Members of the board who are black women		25%

		Top Management Participation	Percentage that Senior Top Management who are black people constitute of the total number of Senior Top Management	2	40%
			Percentage that Senior Top Management who are black women constitute of the total number of Senior Top Management	1	20%
			Percentage that Other Top Management who are black people constitute of the total number of Other Top Management	1	40%
			Percentage that Other Top Management who are black women constitute of the total number of Other Top Management	1	20%
		Bonus Points	Percentage that black people who are Independent Non-executive Board Members constitue of the total number of Independent Non-executive Board Members	1	40%

Employment Equity	10%		Black people with disabilities employed in by the Measured Enterprise as a percentage of all full-time employees	2	2%
			Black people employed by the Measured Enterprise at Senior Management level as a percentage of employees at Senior Management level	2	60%
			Black women employed by the Measured Enterprise at Senior Management level as a percentage of employees at Senior Management level	2	30%

			Black people employed by the Measured Enterprise at Professionally Qualified, Experienced Specialist and Mid-management level as a percentage of employees at Professionally Qualified, Experienced Specialist and Mid-management level	2	75%
			Black women employed by the Measured Enterprise at Professionally Qualified, Experienced Specialist and Mid-management level as a percentage of employees at Professionally Qualified, Experienced Specialist and Mid-management level	1	40%
			Black people employed by the Meausured Enterprise at Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents as a percentage of employees at Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents level	1	80%

Skills Development	20%	Skills Development Spend	Skills development spend on black employees as a percentage of Leviable Amount. (85% of spend focused on core and critical skills as defined by the relevant SETA).	6	2%
			Skills development spend on black women as a percentage of Leviable Amount (85% of spend focused on core and critical skills as defined by the relevant SETA).	2	0.93%
			Spend on black employees with disabilities as a percentage of Leviable Amount	1	0.2%
		Recognised Training Programmes	Number of black employees participating in training programmes that lead to recognised qualifications as percentage of total employees.	2	5%
			Number of black women participating in training programmes that lead to recognised qualifications as percentage of total employees	2	2.5%
			Number of people who are members of Black Designated Groups participating in training programmes that lead to recognised qualifications as percentage of total employees (The score in this element will be adjusted directly proportionate to the level of absorption of the participants in training programmes in the measured enterprise until a level of 80% absorption is attained)	1	1%
		Organisational Transformat	Existence of a comprehensive BEE strategy which is being implemented	Yes	1%
			Payment of skills development levy as well as claiming levy money	Yes	1%

		ion Index	Existence of a policy on non-discrimination widely publisedhed within the company and ongoing facilitation of external diversity management training	Yes	1%
			Compliance with relevant employment related legislation	Yes	1%
			Implementation of an effective human resource management plan	Yes	1%
			Existence of a program designed to give practical effect to the stated policies and programmes	Yes	1%
		Bonus points	Percentage of employees at ABET level 3	2	70%

Preferential Procurement	20%	Preferential Procurement Spend	BEE procurement spend from Suppliers based on the BEE procurement recognition system contained in section 5.5 of the Charter	15	50%
			BEE procurement spend from Qualifying Small Enterprises in accordance with the BEE procurement recognition system contained in section 5.5 of the Charter	4	15%
			BEE procurement spend from Exempted Micro Enterprises in accordance with the BEE procurement recognition system contained in section 5.5 of the Charter	1	5%
Enterprise Development	10%	Enterprise Development Spend	Cumulative contributions made by the Measured Entity to enterprise Development as a percentage of cumulative net profit after tax measured from the commencement / Inception Date to the date of measurement	10	2%
		Bonus Points	Enterprise development contributions that directly increase employment levels in preceding year	1	

			Lease of 20% of land or capital assets on a long term basis to black persons which meets the criteria of a qualifying transaction as outlined in paragraph 5.1.1.3	3	Lease longer than 10 years
Rural Development, Poverty Alleviation & CSI	10%	Corporate Social Investment Spend	Cumulative Rand value of corporate social investment contributions as a percentage of net profit after tax over five years measured from the commencement date of this Charter or the Inception Date until the date of measurement.	6	1.5%
		Land available to farm workers[1]	Land made available to farm workers measured from the commencement date of this Charter or the Inception Date until the date of measurement. [2]	4	10%
		Bonus Point	Corporate social investment contributions benefiting black people in rural communities or geographic areas identified in government's intergrated sustainable development programme and urban renewal programme	1	

CASE STUDY 2

FIRST BLACK FEMALE WINE-MAKER SERVES AS ROLE MODEL FOR SA'S YOUTH

(**www.sagoodnews.co.za)**

Thursday, 23 June 2005

Ntsiki Biyela is the new face of the wine industry and the first black female wine-maker in South Africa. She graduated two years ago from Stellenbosch University with a degree in viticulture and enology to become one of the country's first formally qualified black winemakers. Having grown up in Ulundi, a small village in KwaZulu-Natal, she initially knew nothing about wines and had never tasted it before. "I didn't like it at first," she admitted. She is now working at Stellekaya, a small winery specialising in boutique reds, and her first batch of wine is fermenting and will be ready for consumption in three years time.

After finishing High School in Ulundi, her first intention was to study chemical engineering. However, she didn't have any funding to study and South African Airways awarded her a bursary. "They paid for my tuition fees, my books, everything." While at university, she often struggled with the curriculum as it was taught in Afrikaans, a language she barely spoke. She succeeded regardless, using notes taken in English by a student who had already done the course and by investing lots of extra time.

Biyela is the protégé of Jabulani Ntshangase, a black South African who developed his love of wine while living in exile in the United States during apartheid. After Biyela graduated in 2003 she had little success in applying for jobs, and it was Ntshangase who advised her to apply for a job at Stellekaya. David Lello, her boss and owner of the cellar, says he is prepared to invest in Biyela. "She is far from home, but when we interviewed her, her passion for making wine was astounding. She has proved to be very hands-on, and she brings a lot of energy and excitement to our cellar."

Young, black and female, Biyela reflects the emerging new face of an industry that remains 99% white-owned, but is trying to shake off its stodgy image. Since the fall of apartheid, South African wine has gained an international reputation for quality, but critics say the industry has been slow to promote racial diversity. "Probably 95% of the skills base is white in this industry, and probably 95% of the unskilled labor is black," says Anzill Adams, who, as head of Louisvale Wines, is the industry's first nonwhite CEO, and a strong advocate for change.

In order to stay competitive internationally, the industry must address historic inequalities, Adams says. It is not a question of whether to transform, he says, but how. The industry stagnated during apartheid, when it was dominated by the Kooperatiewe Wijnbouwers Vereeniging van Zuid-Afrika (KWV), which set stringent quotas and tightly controlled production and distribution. Isolated by sanctions, South African producers were largely an insular bunch who made poor quality wines for local consumption. Confined to unfashionable varieties like Chenin Blanc, they missed the explosion

of New World wines such as Shiraz and Sauvignon Blanc from California, Australia and South America.

Over the past decade, South African wine production has increased sharply in terms of both quantity and quality, as the industry has repositioned itself for the global market. Emphasis has shifted to noble red varieties such as Cabernet, Shiraz, Merlot and Pinotage, and the world has responded favorably. South Africa's policy of Black Economic Empowerment (BEE) is a major force driving transformation in the industry. The country's mining and banking sectors have already adopted industry-wide charters that lay out a framework for increasing nonwhite participation and ownership.

At present, the process is voluntary, says Johan van Rooyen, CEO of the South African Wine and Brandy Company, an industry organization that is coordinating the process. A wine industry charter is currently being developed, which will include a scorecard by which companies measure their BEE credentials. However, change is spreading more rapidly to other areas of the industry: Wealthy black investors are buying shares in wineries, and business people are taking courses to learn about wines. Increasingly, wines are being marketed to a rapidly growing black middle class.

For the time being, Bileya feels at home at Stellekaya. “As a wine-maker, I am still a baby that has to grow,” she says. But one day she hopes to own her own estate, where she will make her own wine with her own grape

CASE STUDY 3

MEDIA RELEASE: Wine Council flexes muscles on social transformation in the wine industry

Wednesday, March 12, 2008 by MediaVision, on behalf of SA Wine Council

Social transformation in the South African wine industry received extra muscle last week when the SA Wine Industry Council accepted a set of directives that flowed from last year's Making Wine Work for All conference. During its recent board-meeting, the SA Wine Council, organisers of this conference, announced responsibilities and targets for social transformation in the wine industry

"The South African wine industry will take active responsibility for and support economic and social transformation in the wine industry through the application of the Wine Transformation Charter throughout the value chain and through the various directives that were agreed upon by representative industry players," said Prof. Kader Asmal, chairperson of the SA Wine Council. "Successful social transformation in the wine industry will be subject to mutual respect and cooperation of all parties involved: all participants in the wine industry, government institutions on national, provincial and local level, corporate- and private sector, organised labour, civil society and others.

"The South African wine industry recognises that broad-based change and social development are essential to move forward to a deracialised industry, whilst at the same time, remaining committed to sustainability and international competitiveness."

The Wine Industry Transformation Charter and Scorecard, adopted on 31 July 2007, will provide the strategic framework for the implementation of social responsibility in the South African wine industry. The focus and scope of activities will be directed by the following considerations. The Wine Council, through the activities of the Wine Industry Development Association (WIDA) will take the responsibility to lead, drive and coordinate agreed upon matters at request of the Council.

Major social issues that will be addressed are:

Responsible Alcohol Use: The SA Wine Council will promote the responsible consumption of wine products. WIDA, Wines of South Africa (WOSA) and The Association for Responsible Alcohol use (ARA) will take a direct interest in this matter with a coordinated plan of action to be prepared for the approval by the Wine Council.

Rural development and poverty alleviation: The "Rural Development and Poverty Alleviation" component of the Wine Charter will direct and support programmes and activities in the winelands and provide the framework for monitoring progress.

Security of tenure: The Wine Council considers security of tenure and matters related to farm evictions important in securing growth and stability in the winelands. A humane approach should be followed to direct these sensitive matters.

Sectoral determination and employment conditions: WIDA will take coordinating responsibility to interact with all relevant institutions and in consultation with the Wine Council. The improvement in the quality of life of farm workers, as a most vulnerable community in the wine industry, must be viewed as an important development indicator.

An official structure to focus on and provide better protection for casual workers is to be considered, and labour brokers are to be officially informed about the legislation regarding labour conditions on farm workers and the protection of casual workers.

Land: Land reform is incorporated in the Wine Transformation Charter and is viewed as an important element of transformation and social stability in the winelands. The following activities will be attended to:

Land reform targets: The SA Wine Council supports the government's land reform targets and emphasizes the necessity of productive cooperation between all parties involved: farmers, cellars,

- trade, labour, government, civil society and beneficiaries and increase the effectiveness.
- Land purchases and streamlined administration: The National Department of Land Affairs will be requested to step-up land purchases and transfers, reduce bureaucratic time-lines and to streamline the administrative processes regarding land acquisition and transfers i.e. their response to land reform project proposals put to them, approval and implementation of projects, etc.
- Mentorship: Wine industry mentorship be directed to assist economically viable farmer settlement on new transferred land (the extension of the current National Department of Agriculture Mentorship Programme in the wine industry and coordinated by WIDA will be considered).
- Database: A reliable database of all land reform projects within the wine industry to be compiled in cooperation with the provincial governments.
- Operational land reform models and support: New operational models for agricultural land transfers and ownership be developed to promote more rapid access and equity in land ownership e.g. land settlement schemes, equity schemes, crop/profit sharing and ownership to

farm workers. Consider in particular models to give access to farm land through land rental agreements and economically viable from sizes.

- Funding: Funding institutions should be engaged to develop new funding systems to facilitate land acquisition and agricultural development and agribusiness processing in the wine industry.

Prof Asmal says that the SA Wine Council had now reached the stage where it was in a position to actively address social transformation, one of the millstones still dangling around the neck of the wine industry.

"Having agreed on what must be done in the Wine Transformation Charter and at last year's Making Wine Work for All Conference, we will now be ensuring that these issues are addressed through WIDA, a business unit of the Wine Council, with tangible results being non-negotiable."

CASE STUDIES 4-7

CapeWine Acquisition Capital

Delivering BEE equity transactions in the SA wine industry

BEE IN THE SA WINE INDUSTRY (www.cwacapita.com)

4 May 2009 3:29:19 PM

Black Economic Empowerment

Underlying the formal framework of Black Economic Empowerment in contemporary South Africa – the Broad-Based Black Economic Empowerment Act, 53 of 2003, the Department of Trade and Industry's BEE codes of good practice, and the charters formulated by the various industries – is the conviction that a more representative and equitable ownership structure is a prerequisite for the sustained growth of the South African economy over the medium and longer term.

Broad-based black economic empowerment is a primary goal of the current SA government, is a clear imperative in the contemporary SA economy and society, and enjoys widespread support in the local business community. BEE is likely to remain a major driving force affecting all players in the SA economy into the foreseeable future.

SA wine industry

South Africa is the world's 9th largest wine producer, responsible for just under 3% of global wine production, with total annual production in excess of 700 million litres, of which just less than 40%, more than 250 million litres, is exported.

With a total of more than 100,000 ha under vines, more than 4,400 primary producers, and more than 560 cellars, gross industry output in 2005 was valued at R18 billion.

SA wine industry: key facts and figures	
Date first grapes crushed to make wine	2.2.1659
Number of vines	305,009,754
Hectares under vineyard	100,207 ha
Grapes crushed	1,312,184 tons
Wine produced	1,016 million litres
Percentage of total world production	2.7%
Global ranking as producing country	9
Producers' income	R 2,791 million
Domestic sales	370 million litres
Exports	268 million litres
Exports as percentage of wine production	38.5%
Number of primary wine producers	4,406
Number of primary wine producers producing less than 100 tons	2,034
Number of wine cellars which crush grapes	561
Estimated state revenue from local sales of wine products	R 2,331 million

Source: SAWIS 2005 *South African Wine Industry Statistics*

BEE in the SA wine industry

The wine industry is no exception in the drive to black economic empowerment. The Wine-BEE Charter and Industry Scorecard is currently in its 7th draft and is due for completion in the course of 2006.

To date, however, only limited steps have been taken towards BEE in the SA wine industry. These notably include KWV's sale of a 25,1% stake to Phetogo Investments, the 30% BEE component of Anglo American Farms', Boschendal transaction and, Distell's R869 million transaction to enable a BEE consortium to acquire a 15% stake in its holding company. The number of black-owned estates, joint ventures, housing and social developments, and BEE brands in the industry remains small.

There can be little doubt that as the wine industry completes the formalisation of its BEE goals and commitments, pressure will mount for demonstrable and meaningful BEE to be seen to be delivered in the wine industry.

BEE in the SA wine industry: challenges

BEE in the wine industry occurs against a challenging background. Firstly the industry currently faces extremely demanding trading conditions, caused mainly by global and local oversupply and a strong local currency.

To be meaningful and successful, a BEE transaction should not only take into account these trading conditions, but also the structure of the industry, which includes large numbers of relatively small and often family-owned businesses.

In addition, unlike the case in many other industries where black partners may be in a position to add value to a business by assisting in securing contracts from clients – such as the state – to whom black ownership is a stated purchase consideration, the wine industry tends to be highly market-driven and competitive, and the producer's ownership structure mostly of little relevance to buyers.

3. AGRICULTURAL MANAGEMENT

3.1 Discussion framework

The management of the agricultural system has undergone significant changes over the past few decades. Until 1996, South Africa had control boards, which controlled commodity prices and thereby regulated outputs and to some extent enhanced global competitiveness. It must be noted that in the old political order black farmers were excluded from this benefit. With the abolition of control boards, South African farmers face tougher competition from international farmers who are subsidized by their respective governments. This put additional demand on the management and technological skills of South African farmers who continually have to seek cost effective means of reducing costs to compete cheaper imports. The debate about farm subsidies form part of the crucial discussion items at the World Trade Organization (WTO). In the meantime South African agriculture has to develop innovative ways of increasing its competitiveness. To this end several improvement programmes are in place to improve research support to the sector. The agricultural sector strategy is one of the mechanisms for achieving this goal.

Furthermore, the envisaged new policy on rural development and land and agricultural reform will put impetus on the development of both management and technological solutions to address poverty and under development in the country. In its current form the land reform programme has also provided new dimension to agricultural management. In an effort to increase access to the sector, the number of farmers will increase while the size of farms will decrease. Currently there approximately 45000 commercial farmers in the country. This number will increase with land reform posing a new demand for productivity and intensive land use. The other dimension is the collective ownership of land and farms, which will demand new business models for operating farms. Institutions such as cooperatives will become more important in the management of agriculture. The sizes of farms and agricultural operations will demand a small and medium enterprise approach to support farmers. With this intensive use of resources, efforts will be required to integrate farmers into total value chains of commodities allowing agro-processing activities to occur at farmers' localities and thereby stimulating rural development. The new agricultural era requires entrepreneurs to operate farms and agricultural entities

At farm or enterprise level, entrepreneurs need to be familiar with all functions of management. Currently, planning appears to be an area requiring attention **(Discussion 4)**..

Discussion 4

Discussion 4a.

A farmer produces maize on 100ha and use short term loans from the bank annually which he repays after harvest. The bank processes applications loans for the following production season in August of the preceding year. After a good harvest in July 2006, the farmer gets good revenue because of high maize price and buys a new luxury car. He realizes in September that he will need a new loan for the new production season. He sends in an application, which is only granted in January 2007 and he is only able to finish planting in February. What are the possible results of this action? Which management function is this?

Discussion 4b.

A farmer applies for a production loan in time but gets only 50% of the required amount. He implements his production as planned. What are the possible consequences?

CASE STUDY 8

South Africa: report reveals dire conditions facing farm workers www.wsws.org

By our South African correspondent
2 October 2003

A report, recently released by the South African Human Rights Commission (SAHRC), has highlighted the appalling conditions faced by South African farm workers.

The report was the result of an inquiry launched by the SAHRC in June 2001, in response to an increasing number of reports of brutality towards farm workers, execrable working and living conditions on farms, child labour practices and the ongoing murder of farmers.

The terms of reference for the inquiry included investigating the incidence of human rights violations in farming communities since 1998; tenancy conditions; safety and security; economic and social rights and the underlying causes of human rights violations. Public hearings were held in all of South Africa's provinces, providing an opportunity for farm dwellers to give evidence to the Commission.

The finalised report was eventually released in late August and paints a grim picture of the South African countryside: brutal living and working conditions, frequent evictions and physical assaults characterise the lives of many farm workers.

Historical background

The historical background to the deplorable conditions endured by South African farm workers lies generally in South Africa's history of colonial conquest and dispossession of indigenous people, but more particularly in the 1913 Natives Land Act. This piece of legislation outlawed the ownership of land by blacks in areas designated for white ownership. Essentially, it solidified the distribution of land that emerged from the era of colonial wars against indigenous tribes and polities. It further sought to roll back black ownership of land in certain areas. The outcome was that 87 percent of land became white owned, whilst blacks were relegated to the remaining 13 percent.

The advent of the Natives Land Act provoked protest and resistance amongst its victims. Sol T Plaatje, one of the founding members of the South African Native National Congress, the forerunner of the African National Congress, wrote eloquently about the effect of the Native Land Act on black South Africans accurately characterising it as "class legislation".

Preceding the Natives Land Act, large numbers of black people occupied ostensibly "white" farmland, often with the approval of the owner. This was at a time when many farmers were unable to cultivate or use the entire extent of their land due to lack of capital. Sharecropping arrangements with black families who possessed draught animals, ploughs and labour became commonplace, especially in grain producing areas. In some districts, black sharecroppers outstripped white farmers in grain production.

Whilst sharecropping was essential to the survival of poorer farmers, more prosperous farmers agitated incessantly for an end to "squatting" on white farms. Numerous petitions, complaining about the "idleness" of black squatters who refused to enter the wage labour market were directed to the government of the day.

The Natives Land Act tipped power in favour of white farmers, enabling them to either evict black communities living on their land, or to force more onerous conditions upon them. Thus sharecroppers were pushed down a sliding scale of tenure security, becoming labour tenants (where labour is provided to the farmer in return for being allowed to remain on the land) and eventually, farm workers. Amendments to the original Act, aimed at outlawing sharecropping and labour tenancy, were only partially successful, as undercapitalised farmers continued to rely on such arrangements.

In the 1960s, the remnants of sharecropping were extinguished when the state came to play a more active role in white agriculture, extending generous subsidies and loans to white farmers. In poorer areas, this enabled landowners to end sharecropping arrangements, perceived by the state bureaucracy as a humiliating concession to blacks. Labour tenancy, despite being outlawed, survived in pockets in KwaZulu-Natal and Mpumalanga till this day.

A substantial portion of the farm-worker community in South Africa is comprised of the descendants of people who may have occupied and farmed white-owned land in a relatively independent manner. However, there is also a large rural proletariat comprised of impoverished and landless people from the ex-Bantustans. Increasing numbers of illegal foreign workers from states neighbouring South Africa now comprise a substantial portion of the seasonal labour force in provinces such as Limpopo and Mpumalanga.

Tenure security

On South African farms the right to reside in a dwelling on a farm is usually linked to the labour contract between the farm owner and the worker. When a worker is fired or employment is terminated in some way, the right to reside in the dwelling is also terminated.

According to the SAHRC report, an estimated 1.4 million people were evicted from farms in South Africa between 1950 and 1980. In 1997 the South African government promulgated the Extension of Security of Tenure Act (ESTA), aimed at protecting occupants of rural land from arbitrary evictions.

However, ESTA does not bring anything new to the scene. It essentially consolidates a number of elements of common law which regulate the process whereby evictions take place. Except in cases where aged farm workers have dwelt on a particular farm for 20 years or longer, it does not prevent evictions, but merely ensures that an eviction carries the imprimatur of the court. Nevertheless, the Commission found that ESTA provisions are generally not applied, and unlawful evictions continue to be the order of the day.

Farm owners circumvent ESTA in a number of ways, including threatening and victimising workers in an attempt to force them to leave, cutting off electricity and water supplies or acting in other ways to make conditions intolerable for the worker and his family. Demolition of farm worker dwellings and compelling workers to sign agreements stating that they will leave the farm are some of the methods employed by farm owners.

Changes in farming practices in some regions, especially the shift from livestock to game farming in the more arid parts of the country, has resulted in increased numbers of evictions. The Commission heard evidence from people who, after living and working on a particular farm for more than 40 years, were summarily evicted after the farm changed hands and the new owner converted its operations to game farming.

Labour conditions today

Although legal protection has been extended to farm workers' labour rights, the Commission found that generally, there is widespread non-compliance with labour law.

Extremely low wages, long hours, dangerous working conditions, victimisation of trade-union members, child labour practices, use of the tot system (whereby workers are given alcohol as a component of their wages) and the use of illegal immigrants were amongst the violations found by the Commission.

It was also clear that the protection afforded to farm workers by the Department of Labour is hopelessly inadequate. Currently there are only 800 labour inspectors for all workplaces in South Africa but alone there are some 70,000 farms in the country. Thus, working conditions tend not to be regulated by law, but by the interests of the landowner.

Farm workers receive the lowest wages of any sector in the country. A minimum wage for farm workers has been proposed, but this has been strenuously opposed by farm owner organisations. Wages vary from R800 per month to as little as R60 per month.

In Free State Province, the Commission heard reports of workers working from 5.30 to 18.30, Mondays to Saturdays, for R350 per month (about £30). Non-compliance with working hours, including no overtime payment for public holidays was so widespread throughout the country, that it appeared to be the norm.

Illegal farm workers, mostly from Mozambique and Zimbabwe are subject to extreme abuse and exploitation. In many cases, farm owners will hire “illegals” to perform certain work, and will have them deported without paying them. Violence against illegal workers goes mostly unreported.

Incidences involving the use of the tot system, whereby workers either receive part of their wages in alcohol or are given alcohol as an “incentive” to work harder, were also reported to the Commission. The system rarely appears in its most blatant form where workers are given alcohol to drink during the day, but more often appears in the guise where workers are given a bottle of wine at the end of each day and the cost is deducted from their wages.

The most enduring legacy of the once widely prevalent tot system is the widespread abuse of alcohol in farming communities. In the Western Cape, it is estimated that alcohol abuse accounts for up to 60 percent of violent incidents resulting in trauma.

Foetal alcohol syndrome (FAS) is another manifestation of the high levels of alcoholism amongst farm workers. Studies undertaken in 1996/7 in the Wellington area of the Western Cape indicate FAS incidence at 45 per 1,000 live births. When the research was repeated some three years later, the incidence had gone up to 67 per 1,000. This is compared to an incidence of less than one per 1,000 live births in the developed world.

Violence against farm workers

Numerous cases of violence against farm workers were reported to the Commission. In Limpopo Province, assaults against farm workers seem to be common practice, rather than the exception.

This is accompanied by a very low rate of conviction of perpetrators. Many assaults go unreported as farm workers do not have much faith in the police; some even fearing retribution from farm owners after learning that workers have laid charges against them.

In a case reported to the Commission in Limpopo Province a worker was shot at by a farmer, the bullet grazing his head. When he went to the local police station, they refused to assist him in obtaining medical care. After taking care of this himself, the police did nothing to obtain the medical statement. The prosecutor declined to prosecute the case due to lack of evidence.

In other cases, the police have directly assisted farmers in evicting workers.

The main perpetrators of violence seem to be individual farmers, commandos and private security groups. The most notorious of these is the vigilante group, Mapogo a Mathamaga, operating in Limpopo and Mpumalanga Provinces, which includes former members of the Rhodesian army and Koevoet in its membership. Mapogo members have been linked to a number of murders of farm workers.

The general modus operandi of vigilante groups such as Mapogo is to abduct suspects, torture them to extract confessions, before executing them.

Farm owners have also been subject to violent attacks, mostly by criminal gangs who target farm homesteads because of their relative isolation. In some cases farm workers may provide information and other assistance, but there is no direct evidence upholding the claim of farm owners that they are being deliberately targeted in an attempt to drive them off the land. Farm-owner unions generally reject any notion of a link between the appalling conditions on their farms and the frequency of attacks.

SAHRC's conclusions

The SAHRC takes a "human rights approach" to the shocking conditions experienced by farm workers, and advocates the formation of a "Farming Community Forum" where farm dwellers, farm owners and government can "confront each other on an equal basis to resolve issues that impede the enjoyment of rights in rural communities."

They continue, stating “[a] common understanding of a rights-based approach needs to be promoted in this forum.” This is a rather meek and watered down reaction to the appalling catalogue of horrors contained in the report, amounting to an acknowledgement that the Commission, despite being a constitutionally established body, is organically incapable of defending the rights it so proudly proclaims.

The bitter lives of farm workers in South Africa, nearly a decade after the first democratic elections, is a grave indictment of the ANC government’s failure to provide a “better life for all”. Even the very limited reforms aimed at farm workers do not seem to have been implemented, and generally, have not changed the relationship between farm owners and workers.

Essentially, the status quo in the countryside is indistinguishable from that under apartheid. Without making radical inroads into property relations in South Africa’s rural areas, farm workers will continue to remain the most oppressed and most exploited sector of the South African working class.

4. IMPACT OF HIV/AIDS ON AGRICULTURE

CASE STUDY 9

20010301

Business Day

HIV/AIDS will have a "profound effect" on agriculture, mainly subsistence farming, in terms of crop production, labour and delivery, research has found.

HIV/AIDS will have a "profound effect" on agriculture mainly subsistence farming in terms of crop production, labour and delivery, research has found.

The research, conducted by the Centre for International Agricultural Marketing and Development in Bloemfontein, found that "the deaths of families on the farms and the potential number of AIDS orphans on the land will require special and creative solutions".

A report, The Impact of HIV/AIDS on Agriculture, released last weekend, said that households previously self-sufficient in terms of food through
subsistence farming would find themselves producing less due to a lack of labour.
"New forms of community housing and community agriculture should be developed and steps taken to ensure that the ongoing production of edible foodstuffs is replaced with quick-yielding cash crops."

The report further said that there was an "urgent need" to address a lack of adequate information on the prevalence of HIV/AIDS in SA.
"Lack of adequate information was the major constraint in the formulation of this report."

A survey detailing the effect on small-scale farming households, commercial farms and farming villages would have to be done before the overall impact on the sector could be determined and a mitigation strategy set up.
Available statistics should be made more area-specific and differentiate between urban and rural occurrence of the disease at national and provincial levels. "There is a need for a study to map the effects of the HIV/AIDS epidemic
in the various communities," the report said. "Such a study would provide the agriculture department with information that is clearly lacking in several areas, such as the living conditions of farm workers and the farming systems that are losing the most workers to HIV/AIDS. This would show the impact of the epidemic on both the farmer and the farm workers' livelihoods."

Some of the measures proposed to limit the impact of the epidemic included a greater role in planning new production

strategies by farm co-operatives and labour-pooling schemes. It is understood that the agriculture department has also done a study on
the effects of the disease on the sector, but the final document has not yet been completed.

(Source: Business Day, 26/02/01)

5. IMPACT OF HIV AIDS ON LAND REFORM PROGRAMME

Zamokuhle Zwane

Paper presented at the SARPN conference on
Land Reform and Poverty Alleviation in Southern Africa
Pretoria
4th and 5th June 2001

INTRODUCTION

The main aim of this paper is to start a debate on HIV AIDS with relation to land reform in the context of rural development. A number of examples will be used to try stimulating debates around this topic. Most of the examples will be related to South Africa since I have a better understanding of the South Africa situation in both contexts. I will not talk much about the land reform projects as a whole and the science of HIV and AIDS. Understanding the two (HIV AIDS and land reform) will be important as a base for discussion. What is also important to note is that this paper is meant to start a debate around how HIV AIDS impacts negatively on the land reform programme? A number of studies have been carried out in other parts of Africa looking into the impact of HIV AIDS on livelihood projects more especially agriculture. I will draw from some of these studies in addressing the impact HIV has on land reform.
This paper will then try and answer the following questions:

- What are the implications of HIV/AIDS for the country's land reform programme?
- What interventions can land reform organisations make to minimize or eradicate these implications?

Examples will be used to better illustrate and answer these question more appropriately.

ABOUT HIV AIDS

HIV AIDS is a disease currently without cure. HIV can be transmitted from one person to another person through unprotected sex with a person already infected with the virus. HIV can also be transmitted through parental, contaminated syringes and contaminated blood. Once the virus is transmitted to once body it will start destroying the immune system. The body will no longer be in a position to resist new infection from other illnesses. As a result a person fall prey to a number of illnesses commonly know as Opportunistic Infections, which they would normally, be resistant.

A person with HIV can leave about 10 years without showing that he or she is infected. Globally there are about 36.1 million people living with the HIV AIDS. About 95% live in the developing countries. It is also estimated that in Sub-Sahara Africa there are about 25.3 million people infected with the virus. It clearly shows that there is an urgent need to address HIV AIDS at all levels.

ABOUT LAND REFORM IN SOUTH AFRICA

"Land," notes the White Paper on South African Land Policy "is a finite resource that binds altogether in a common destiny." For this reason, a land reform policy that contributes to reconstruction and development "must deal effectively with:

- The injustices of racially based land dispossession of the past.
- The need for a more equitable distribution of land ownership.
- The need for land reform to reduce poverty and contribute to economic growth
- Security of tenure for all, and A "Land," notes the White Paper on South African Land Policy "is a finite resource that binds altogether in a common destiny." For this reason, a land reform policy that contributes to reconstruction and development "must deal effectively with:
- The injustices of racially based land dispossession of the past.
- The need for a more equitable distribution of land ownership.
- The need for land reform to reduce poverty and contribute to economic growth.
- Security of tenure for all, and
- A system of land management which will support sustainable land use patternsand rapid land release for development."

The purpose of the government's land reform policy is therefore to redress the injustices of apartheid and past inbalances, foster national reconciliation and stability, underpin economic growth and improve household welfare and alleviates poverty. Based on these purposes, the land reform programme is divided into three component parts, namely, redistribution, restitution and tenure reform. The intention of redistribution is to make land for residential and productive purposes available to the poor, through the provision of a grant, in order to improve their livelihoods. The key purpose of restitution is to restore land to people dispossessed through legislated racism between 1913 and 1994. The tenure reform policy is incomplete in the White Paper but nevertheless takes its point of departure from Constitutional principles that oblige the government to secure the tenure of all people. Each of these land reform legs should contribute to the overall social and political purposes of land reform particularly the injustice of dispossession, equitable distribution of ownership as a basis for reconciliation and a reduction in household poverty system of land management which will support sustainable land use patterns and rapid land release for development.

The purpose of the government's land reform policy is therefore to redress the injustices of apartheid, foster national reconciliation and stability, underpin economic growth and improve household welfare and alleviates poverty. Based on these purposes, the land reform programme is divided into three component parts, namely,

i. Redistribution
ii. Restitution
iii. Tenure reform.

The intention of redistribution is to make land for residential and productive purposes available to the poor, through the provision of a grant, in order to improve their livelihoods.

The key purpose of restitution is to restore land to people dispossessed through legislated racism between 1913 and 1994. The tenure reform policy is incomplete in the White Paper but nevertheless takes its point of departure from Constitutional principles that oblige the government to secure the tenure of all people. Each of these land reform "legs" should contribute to the overall social and political purposes of land reform particularly the injustice of dispossession, equitable distribution of ownership as a basis for reconciliation and a reduction in household poverty Land ownership in South Africa and land development strongly reflect the past political and economic conditions of the apartheid era. Prior to 1994, 87% of the land in South Africa was healed by the minority (whites) and only 13% was healed by the majority (blacks). The land reform programme in South Africa aims to redress this legacy while contributing to national reconciliation, growth and development.

RURAL DEVELOPMENT AND HIV AIDS

The impact the epidemic has on rural development and livelihood cannot go unnoticed. AIDS affect the very same people that development is intended for. It therefore becomes a challenge for policy makers to ensure that all development programmes in rural communities integrate HIV AIDS in their planning. The causes and challenges of HIV are closely associated with wider challenges to development, such as poverty, food and livelihood insecurity, and gender inequality. In effect HIV AIDS tends to exacerbate existing development problems through its catalytic effects and systematic impact. HIV AIDS challenges are not exclusively related to HIV AIDS. Poverty and access to basic resources are one of the factors that exacerbate the epidemic. In addressing this it therefore becomes important to address the root courses and consequences of the wider challenges of rural development. Rather then developing a programme that deals only with HIV AIDS, bring in place a programme that will improve and bring value to lives of people. Land reform and security of tenure leads to development in rural communities. Very few people and investment industries will invest on land that has no ownership. Depriving people the right to own land is more like stopping development that can improve lives of many people.

COMPONENTS FOR A SUCCESSFUL LAND REFORM PROGRAMME

For every land reform programme to be successful and achieve its entire objectives there are three components that it need to meet. Failing to comply with these components will fault any land reform programme.

i. **Access to land:** Access to land is through legislation or policy and objectives of the land reform programme. The policy should enable people who have rights to access land exercise their rights. A land reform programme must enable landless or land needy people to access land.
ii. **Securing access to land**: The land reform programme policy should secure rights of people who have access to land. This must be integrated in to the policy. This component deals with issues relating to gender imbalances, land invasion. Lastly there could be situations that prevent an applicant to exercise his right to access land if these can be identified and are common they should be integrated into policy.
iii. **Capacity use land successful**: Once you have access to land the most important thing is to utilize that land for the benefit. This will include livelihood projects and subsistence farming. The policy should also address these aspects. The three components will be used to illustrate the relationship between HIV AIDS and land reform and how AIDS affect the implementation of a land reform programme. Two examples will be used to illustrate the how HIV can impact on a land reform programme. The first one will be on restitution and the second tenure reform <*labour tenant*>.

IMPACT OF HIV AIDS ON RESTITUTION

What is restitution: the purpose of the land restitution programme is to compensate or restore land to people dispossessed by racially discriminatory legislation or practices after 19 July 1913. Between 1994 and 31 December 1998 a total number of 54, 218 claims were lodged with the restitution commission. 20% of these claims were rural and 80% urban. To better illustrate the impact HIV AIDS may have on the restitution programme I will use a possible scenario.

The Thwala family once lived on plot 240. In 1965 they were forcibly removed from their land and re-allocated some 65 km away on plot D78. In 1997 Mr. Thwala died before lodging a claim for plot 240. Responding to a campaign by the department of land affairs Mrs. Thwala lodged a claim for in June 1998. In October 2000 an official from DLA informed her that her application for plot 240 was successful. The DLA official informed her that she has a number of options to take. One is land restoration and the other is compensation (monetary). A happy Mrs. Thwala returned to her family and informed them about the good new. The entire family was excited. Three days later Mrs. Thwala visited the DLA office to meet with the official from DLA. After a lengthy debate she informed the DLA official that the decision of her family was to take money <R45, 000.00>. The agreement was signed and money transferred to the Thwala family trust account.

Ask your self the following questions:

i. Why did the Thwala family take money?
ii. How does this affect the land reform programme to address past inequalities?
iii. Can this be linked to HIV AIDS?

As with the livelihood project it is not easy to draw a line and easily pickup an AIDS related case that has a direct impact on the development programme. Maybe the Thwala family has a person sick and HIV positive. The family decided to take the money and use it to pay medial bills and buy treatment. As much, as they want to go back to their ancestral land, what is more important to them right now is to save a life. The reality is that very few people will give true reason for taking monetary compensation and use it for paying medical bills. This can also not be ruled out as is likely to occur. The core business of a land reform programme for any country is to deliver land. Some NGO's working in the land sector have not really taken to the issues relating to HIV AIDS affecting their communities. They also use the same reasons HIV AIDS is not their core business. In turn they will adopt policies that support campaign for treatment and informing people in communities they work in about HIV AIDS.

How do you attempt to address such an issue into the land reform programme? What can be done in the land reform programme to inform officials about such cases? They are real and happen on a daily bases. Since HIV AIDS is not the core business of land reform programmes but HIV AIDS has an impact on the implementation of the programme. On the three components stated above the Thwala family have access to land but their access is not secured since they would rather save life a family members. The whole circle is not complete.

What we have to ask ourselves is how can a land reform programme address this insecurity? AIDS is common in land reform programmes and need to be integrated into land reform policy.

IMPACT OF HIV AIDS ON TENURE REFORM <labour tenant>

Tenure reform refers to changes in the terms and conditions under which land is held, used and transferred. A fundamental goal of tenure reform is to provide people with tenure security. What is important to note in South Africa is the absence of a tenure policy. Under land tenure reform there is a Labour tenants Act. The aim of this act is to protect the rights of farm workers and labour tenants.

Farm workers are among the most marginalized, vulnerable and poor. Majority of these people rely on livestock and communal farming for living. Most labour tenants receive no income, they work in kind for right of residence and farming. Even though this practice is at a low scale it is still practiced.

What happens when the main household heads become ill <HIV positive> and fail to provide labour? The farmer <landowner> can evict the entire family since no one will be providing labour from that family. <*In terms of the Labour tenants act this is not allowed*> <***but this does not mean it does not***

happen>. The act protects every member of the family. In reality such things do happen and there is no reason to ignore them. The entire family will now be deprived of their rights to land. In this case this family will even fail to access land they are right fully entitled to. In this case the first step towards land reform is not even processed. This is one of cases that any land reform programme will not see and document. But it is a case that should have been addressed by the land reform programme had it been known. Two there will be a family that will have no access to land.

What can be done?

What this means is that it is important to integrate HIV AIDS in to land reform programme. Every development programme must include a component to deal with AIDS. AIDS is reality and no institution should ignore its existence. Some institutions want to shift responsibilities they can take in fighting the epidemic by saying that it is not their core business <health>. There is little that can be done to compel organisations do divert from their core business and address issues outside their scope. If a land reform programme is failing to meet its objective <address inequalities to land ownership> then that programme is good as not existing. Even worse when the problem areas can be identified and nothing is done to address them. Reason being that it falls outside the core business of land reform. The land reform programme must be flexible in connecting with other institutions that have better information and resources that impact negative in the implementation of its objective.

Land invasion is a common problem in the implementation of land reform. In dealing with this the policy requires the use of law enforcement agencies. Law enforcement is outside the scope of any land reform programme so is health and welfare. Why would it be difficult to integrate health and welfare into a land reform programme? In South Africa, the land reform programme does not talk about HIV AIDS. The only programme available is one that deal with staff and employees of the Department of Land affairs. As an agent responsible for land reform it has not committed it self to address HIV AIDS issues in the execution of its duties. Currently in South Africa the land reform programme does not integrate HIV AIDS into their business. If it does it is not stated.

The issues here are:

- How can the land reform programmes address HIV AIDS?
- And also why will it be important to address it?
- What should the policy say?

Land is a political issue. Addressing HIV AIDS requires a political commitment. In a state/ country where HIV AIDS is seen as a threat in the country's development and development projects all will be done to address HIV AIDS in a more urgent and profound manner. Where there is lack of political will, HIV AIDS will not be integrated into most development programmes.

If the epidemic is threatening the objectives of the land reform programme then it will be proper for policy makers to address it at policy level. Land invasion is a common problem and is addressed at policy level. Why is at so difficult to address HIV AIDS? Is it because there is no political will to do this? At this stage the impact may not be felt or even seen. In the next 10 years how many land programmes will deliver land and be able to fulfil the three components stated above. If a land reform programme fails to address landless problems it would have failed its mission. I strongly believe that addressing the question of access to land is not through monetary compensation but by giving people land that they are secured to live on and add value to their lives.

RECOMMENDATION

The recommendations are meant to unearth more information that can used to inform policy in dealing with HIV AIDS.

1. **Assessment studies**.

   i. **Conducts a situation analysis of the impact of HIV AIDS on land reform Programme:** This can be done through a study that will involve 3 communities in different countries. Followed by other studies in other countries learning from the lessons from the first studies. The entire study can take about 7 years to complete. Land transfers take long.

   ii. **Make HIV AIDS statistics available to all planners, not just the health Sector:** Every project must integrate HIV AIDS statistics in their planning. How can this be integrated into the land reform programmes?

   iii. **Involve key stakeholders in planning and research**: Land reform has a number of stakeholders including civil society organisations. All must come together and work on a plan to deal with HIV AIDS in the land reform. Linked to this, other institutions <health, welfare etc> must be part of this stakeholder planning and research team. Results that come from such studies will be easily accepted because every person would have participated.

2. Policy

   i. **Integrate HIV AIDS at policy level.**
   If land reform implementation is at risk due to HIV AIDS, what will be the immediate action by the land reform programme in addressing this issue? Policy should inform on this.

   ii. **Encourage donors to invest in fighting the spread of HIV AIDS.**
   This will assist in developing resources to fight the spread of HIV AIDS. The policy should address concerns of investor that if they invest in land reform their investment will be safe since HIV AIDS issues are taken care off.

3. Socio economic

i. ☐Include a budget line for HIV AIDS in all financial planning and plan for the development of improved social amenities on a progressive basis
ii. ☐Create a supportive, where possible for those infected and affected by HIV AIDS to help deal with the associated stress and to encourage those still productive.

CONCLUSION

This requires a re-thinking of policy, sound financial planning and a realistic look at the impact on viability and hence appropriate subsequent action. Serious attention to these issues could ensure that further rural development takes place and land reform can continue to contribute substantially to welfare and economy of countries and region.

6. RECORD KEEPING

CASE STUDY 10
Examples of production records for a beef enterprise (Power-point presentation)

7. AGRICULTURAL MARKETING

(www.marketingprofs.com)

The Marketing Mix - (The 5 P's of Marketing)

The major marketing management decisions can be classified in one of the following five categories:

The Marketing Mix-The 5 P's

- Product
- Price
- Place (distribution)
- Promotion
- People



These variables are known as the **marketing mix** or the **5 P's of marketing**. They are the variables that marketing managers can control in order to best satisfy customers in the target market. The firm attempts to generate a positive response in the target market by blending these five marketing mix variables in an optimal manner.

Product	**Price**	**Promotion**	**People**	**Place**
The product is the physical product or service offered to the consumer. In the case of physical products, it also refers to any services or conveniences that are part of the offering. Product	Pricing decisions should take into account profit margins and the probable pricing response of competitors. Pricing includes not only the list price, but also discounts,	Promotion decisions are those related to communicating and selling to potential consumers. Since these costs can be large in proportion to the product price, a	People decisions are those related to customer service. How do you want your workers to appear to your customers? There are a range of service profiles from service with	Place (or placement) decisions are those associated with channels of distribution that serve as the means for getting the product to the target customers. The distribution

decisions include aspects such as function, appearance, packaging, service, warranty, etc.	financing, and other options such as leasing.	break-even analysis should be performed when making promotion decisions. It is useful to know the value of a customer in order to determine whether additional customers are worth the cost of acquiring them. Promotion decisions involve advertising, public relations, media types, etc.	a smile - McDonald's, to classier Nordstroms, to plain rude - Ed Debevic's. The function of people to present an appearance, an attitude, etc.	system performs transactional, logistical, and facilitating functions. Distribution decisions include market coverage, channel member selection, logistics, and levels of service.

A Summary Table of the Marketing Mix

The following table summarizes the marketing mix decisions, including a list of some of the aspects of each of the 4Ps.

Summary of Marketing Mix Decisions

Product	People	Price	Place	Promotion
Functionality	Service	List price	Channel members	Advertising
Appearance	Appearance	Discounts	Channel motivation	Personal selling
Quality	Uniforms	Allowances	Market coverage	Public relations
Packaging	Attitude	Financing	Locations	Message
Brand		Leasing options	Logistics	Media
Warranty			Service levels	Budget
Service/Support				