

The Effect of the Recapitalisation and Development Programme on Agricultural Production of Land Reform Beneficiaries in the Eastern Cape Province of South Africa

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ABSTRACT

Access to land is a key part of socio-economic development in South Africa. It can be used as a way of rectifying the injustices of the past and lessening the severity of poverty among beneficiaries. To address the issue of land reform, the Recapitalisation and Development Programme (RECAP) was introduced in 2009. The main objectives of this programme are to increase production, guarantee food security, create employment opportunities within the agricultural sector, and graduate small farmers into commercial farmers. This study aimed to analyse the impact of RECAP on land reform projects, focusing on agricultural production in the Eastern Cape. Both primary and secondary data were used in the study, collected through farm/project visits. The results indicated that the programme has made progress towards improving agricultural production on land reform projects since its inception of RECAP. Through RECAP intervention, land reform beneficiaries gained technical skills.

Keywords: RECAP, Land Reform, Eastern Cape, Agricultural Production, Technical Skills

1. INTRODUCTION

Due to the apartheid discriminatory practices that resulted in land being taken away from black people, South Africa is still facing an imbalance in land ownership after twenty-seven years of

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democracy. Several items of legislation were used to dispossess black people of their land, and the most significant one was the Native Land Act of 1913 (Boudreaux, 2010).

South Africa's democratic government has seen land reform as important to correcting historical injustices, fostering fairness in asset ownership and access to opportunities, and rebuilding sustainable livelihoods in rural and urban areas since its founding in 1994. The African National Congress articulated this concept (ANC, 1992). The program's main aim was to correct past inequalities while improving its beneficiaries' socio-economic status (Department of Land Affairs, 1997).

The main objectives of the land reform programme are to provide previously disadvantaged people access to agricultural land to improve their livelihoods, food security, and quality of life. South Africa's land reform is divided into three sub-programmes, namely: land tenure reform, which aims to secure people's right to hold land; redistribution, which uses land acquisition grants to assist previously disadvantaged people in buying land; and restitution, which involves restoring land that was taken away because of apartheid practices back to rightful owners (Department of Land Affairs, 1997).

Land is one of the most basic needs in rural areas, as many people depend on access to land for their social and economic survival. According to FAO (2008), securing access to land is important in improving rural people's livelihood and food security. Therefore, correcting the inequality of land distribution is key to ensuring food security. According to Thiesenhusen (1989), land reform may lead to a decrease in agricultural production initially because of the drastic change in the production structure. However, in the long run, land reform can increase agricultural production, improving the socio-economic position of the beneficiaries. Growth in agricultural production can reduce food prices and increase employment rates and opportunities in rural areas. For land reform to positively impact the livelihood of the beneficiaries, the land concerned must be used productively. Land reform programmes have been implemented to alleviate poverty in countries like China, Cuba, India, Malaysia, the Philippines, and South Korea. There was a link between poverty reduction and two kinds of land reform legislation in India between 1958 to 1992 (Besley & Burgess, 2000; Borrás, Saturnino & McKinley 2006; Gordocillo, Escueta, Penalba & Javier, 2003; Lim & Anthony, 2003).

Anseeuw and Mathebula (2005), in their study of the evaluation of South Africa's restitution and redistribution programmes, pointed out that most land reform projects have failed or are experiencing hardships, resulting in the reversal of the land reform objectives. Successful land reform projects can increase agricultural productivity, alleviating poverty and enhancing food security. However, much more than land is needed to improve the socio-economic status of beneficiaries. For instance, appropriate financial services are essential in rural areas to guarantee sustainable development. To ensure that the land reform policy achieves its intended goal, input purchase, investments in resettlement, technical advice, and other investments are crucial, and land only makes up a minor portion of the overall costs (Thomas & Van den Brink, 2006).

Since several land reform farms were unproductive, the Department of Rural Development and Land Reform (DRDLR) saw it fit to introduce the Recapitalisation and Development Programme (RECAP) in 2009. The main objectives of this programme are to increase production, guarantee food security, create employment opportunities within the agricultural sector and graduate small farmers into commercial farmers (DRDLR, 2012).

The programme not only provides support to land reform beneficiaries but also to emerging black farmers and farmers in communal areas. The funding provided under this programme replaces all previous forms of land reform grants. Mentorship, co-management and share equity are the core principles of the programme. Cousins (2013) pointed out that the programme has targeted about 1807 distressed farms.

Since the inception of the RECAP in 2010, the government has invested a total of R3.32 billion in recapitalising 1459 farms (DRDLR, 2014). The programme provides land reform beneficiaries and emerging farmers with wide-ranging support through the acquisition of mechanisation, entrepreneurial support, infrastructure development, market access, production inputs and integration into the value chain over five years (DRDLR, 2013).

Access to land is a key part of socio-economic development in South Africa. It can be used to rectify past injustice and lessen the severity of poverty among beneficiaries. Van Zyl, Kirsten, and Binswanger (1996) argue that the success of land reform in South Africa should be assessed against its ability to correct land inequality, upgrade livelihood, food security, rural employment creation, and enhance beneficiaries' quality of life. Datar, Sturm and Magnabosco

(2004) stated that the assessment of a programme is an elementary requirement for improving efficiency and performance. Since 1994, various programs have been developed and deployed for this purpose. After twenty-seven years of implementation, whether land reform beneficiaries contribute to RECAP objectives remains unanswered. This study opts to analyse the effect of RECAP of land reform beneficiaries on agricultural production (such as an increase in production) and to assess factors that can contribute positively or negatively to agricultural production. The results from this study could be helpful to policymakers in choosing appropriate approaches that could fulfil the intended objectives of RECAP.

2. OVERVIEW OF RECAPITALISATION AND DEVELOPMENT PROGRAMME

The Recapitalisation and Development Programme (RADP), hereafter abbreviated as RECAP, was launched in 2009 with the following objectives: (a) to increase agricultural production; (b) to guarantee food security; (c) to graduate small farmers into commercial farmers; (d) to create employment opportunities in the agricultural sector; and (e) to establish rural development monitors (rangers). The programme was designed to focus on struggling land reform farms acquired since 1994 that have received little or no support but have the potential to become successful if assisted. These distressed farms were supposed to receive technical and financial support from the government (Department of Rural Development and Land Reform). Two strategic interventions, namely, strategic partnership and mentorship, have been adopted under the RECAP to ensure the sustainability of assisted projects/farms.

Land reform is an important priority for the South African government and constitutes a critical component of the Comprehensive Rural Development Programme (CRDP). The land reform programme was intended to contribute to the CRDP's primary objective of deracialising the rural economy, ensuring democratic, equitable land allocation and sustainable production discipline for food security.

Although the land reform programme has succeeded in improving access to land and contributing to improved livelihood for beneficiaries, its sustainability has been questioned, both within and outside government circles. Some transferred farms have not reached the desired productivity levels, while others are not operational. It was partially because of the above that the Recapitalisation and Development Programme (RECAP) was implemented in 2010 (DRDLR, 2011a; DRDLR, 2012b).

2.1. Operation of RECAP

RECAP was designed to focus on land reform farms acquired since 1994 that have received little or no support but are potentially sustainable. These farms, considered distressed, are offered technical and financial support. About 1807 distressed farms have been targeted for recapitalisation and development by 2014. The number of farms recapitalised from the inception of RECAP up to June 2012 was 640 (across provinces). This is the universe from which the sample for the implementation evaluation was selected. According to DRDLR (2013b), 1269 farms had been recapitalised by the end of the 2012/13 financial year. Two strategic interventions have been adopted under RECAP to ensure the sustainability of land reform projects. These interventions are strategic partnership and mentorship.

RECAP funding has no ceiling regarding the amount of money an individual farmer should receive. Farmers qualify for any amount, but the grants are approved using a bankable farm business plan, and RECAP finances the business plan for a period of five years (DRDLR, 2014). RECAP beneficiaries access their funds for five years uninterruptedly, and farmers receive their tranche of money in percentages. In the first year, RECAP funds 100% of the farm business plan; in the second year, 80%; in the third year, 60%; in the fourth year, 40%; and in the fifth year, 20%. After that, RECAP funding of the farm business plan ceases (DRDLR, 2014).

2.2. Land Reform in South Africa

Land reform has been implemented in post-apartheid South Africa through three main programs: a) land tenure reform (which aims to secure and protect the land rights of farm workers, farm dwellers, and other vulnerable groups); b) land restitution (which aims to restore or compensate people who were forcibly removed from their land after 1913); and c) land redistribution (which focuses on addressing inequalities in land ownership created by land dispossession and forced removals during colonial and apartheid eras). As previously stated, the goals of these reforms include resolving land ownership inequalities, decreasing poverty through productive land use, and contributing to economic growth by producing income and jobs. In recent years, land reform goals have been connected to a broader agenda of rural development, which includes land reform and agrarian transformation. Land reform and agricultural transformation are seen as critical to creating "vibrant, equitable, and sustainable

rural communities" under the Comprehensive Rural Development Program (CRDP) (DRDLR, 2009).

2.3. Conceptual Framework

The conceptual framework relates the important factors contributing to the level of agricultural production on land reform projects beneficiaries benefiting from RECAP.

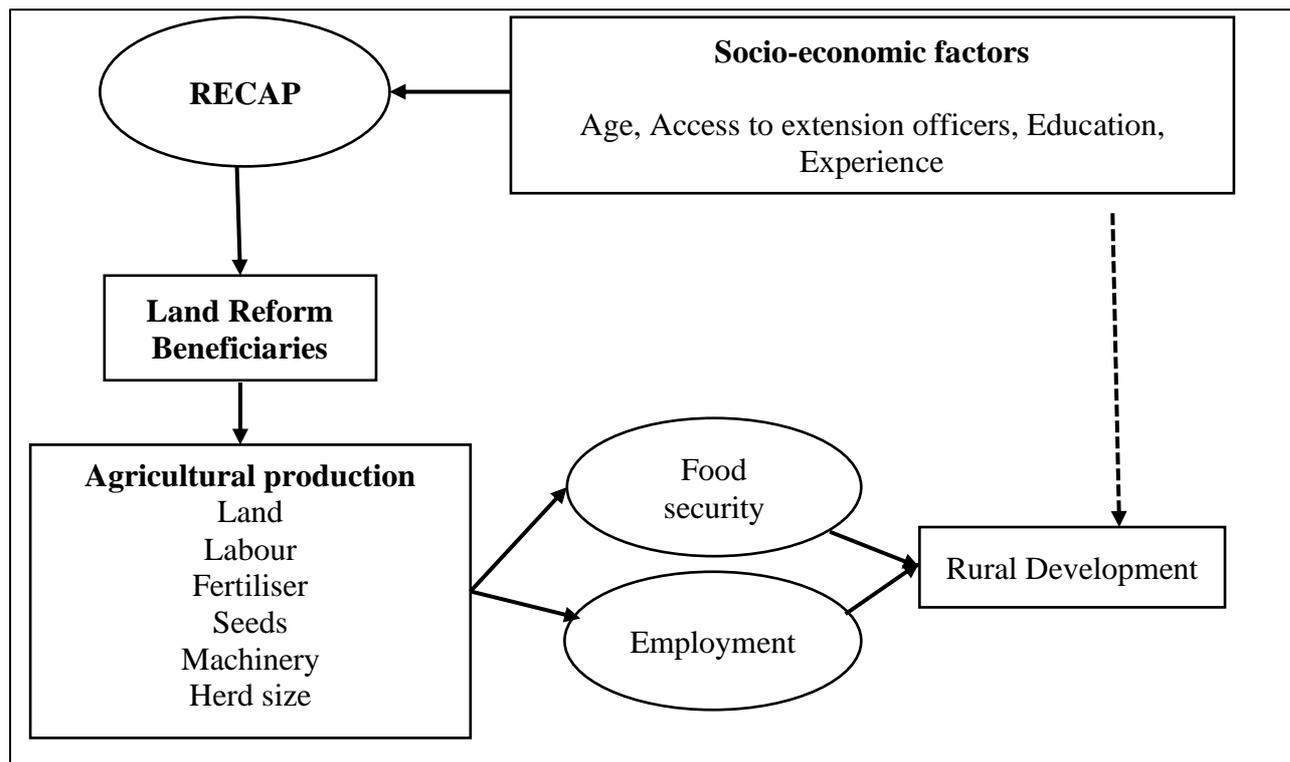


FIGURE 1: Conceptual Framework

3. METHODS AND PROCEDURES

This study used secondary data obtained from RECAP and the Department of Rural Development and Land Reform (DRDLR) survey beneficiaries in six provinces of South Africa in 2016, and the Eastern Cape Province was part of the six provinces of the survey. The data were collected using a cross-sectional survey conducted in the Eastern Cape, Free State, Gauteng, Kwa-Zulu Natal, Limpopo, and Northwest on behalf of the Department of Performance Monitoring and Evaluation (DPME) by Business Enterprises of the University of Pretoria. A structured questionnaire was administered to the land reform beneficiaries through RECAP to collect the data. This study is limited to four districts municipalities of the Eastern

Cape Province: Amathole, Cacadu, OR Tambo and Joe Gqabi (previously Ukhahlamba) districts; nine out of fourteen land reform beneficiaries from RECAP were used.

3.1. Data Collection Procedure

The respondents/stakeholders were classified into various categories, depending on their roles and responsibilities, and a different data collection instrument was used for each category. The categories and types of data collection instruments were as follows (Business Enterprise, 2013).

- ✓ Project/farm management: A structured questionnaire was administered to the management (beneficiaries) of the farms/projects.
- ✓ Focus Groups (beneficiaries other than project managers): A checklist was used in cases where there were other beneficiaries in addition to the project manager.
- ✓ Strategic partners and mentors: Interviews with strategic partners and mentors were conducted using a checklist.
- ✓ Project officers: DRDLR officials responsible for RECAP project facilitation and coordination with strategic partners and mentors were interviewed using a checklist.
- ✓ Provincial leadership (provincial government officials): A checklist was used for interviews with DRDLR provincial managers (Directors and Deputy Directors) responsible for land reform and RECAP.
- ✓ National leadership (national government officials): A DRDLR official (Director) at the national level responsible for RECAP was interviewed using a checklist.

3.2. Project Selection

Stratified sampling and purposive sampling were used to select the projects and respondents.

The following criteria were identified for choosing the projects:

- ✓ Geographic distribution to ensure that regional climatic variations are taken into consideration, and both urban and rural areas are included.
- ✓ Type of enterprise to ensure that both livestock and crop projects are included.
- ✓ Size of the project to ensure that small and large projects are included in the sample.
- ✓ Stage of the project to ensure that projects in all stages (planning, implementation, and production) are included.
- ✓ Type of land reform program (SLAG, LRAD, SPLAG, PLAS, Commonage, and Restitution).

TABLE 1: Land Reform Projects Selected in the Eastern Cape

District Municipality	Project Name	Area	Strategic Partner/Mentor	Enterprise
Amathole	Jojo Farming	Rural	University of Fort Hare	Poultry
	Portion 4 of Montra Farm	Urban	Farmer	Tomatoes
	Siyavuselela Agricultural Cooperative	Urban	Farmer	Tomatoes
Cacadu	Kommando Kraal	Rural	Bono (Pty) Ltd	Citrus (oranges)
	Nebraska	Rural	Bono (Pty) Ltd	Citrus (oranges)
Joe Gqabi	Lanflo Project	Rural	Imbumba Beef Production (Pty) Ltd	Beef cattle, sheep
	Malibuye Farmers Trust	Rural	Imbumba Beef Production (Pty) Ltd	Beef cattle, sheep
	Vezemafa CPA	Rural	Imbumba Beef Production (Pty) Ltd	Beef cattle, sheep
OR Tambo	Magwa Tea Cooperative	Rural	None	Tea

Source: Author's own (2021)

4. RESULTS AND DISCUSSIONS

The study's objective was to analyse the impact of RECAP on the agricultural production of land reform beneficiaries. Through RECAP intervention, land reform beneficiaries gained technical skills in cattle, sheep, citrus, tomatoes, and tea. The provincial government officials in the Eastern Cape believe that RECAP beneficiaries have thrived in having their products integrated into the value chain. Since the inception of RECAP in the Eastern Cape, about 188 projects benefited, 3 380 beneficiaries, 125 farmers were trained, and approximately R427 million was spent (DRDLR, 2015).

It is crucial to look at the development before RECAP was implemented and compare them with the production development after the implementation of RECAP to study the impact of RECAP on the production level. The agricultural production level of the sampled projects before and after RECAP are shown in Figure 2. The results indicate crop and livestock (herd size) production has increased from the acquisition of farms to the present. The results suggest that crop (measured in hectares under production) and livestock (herd size or the number of livestock) production increased significantly after RECAP was applied.

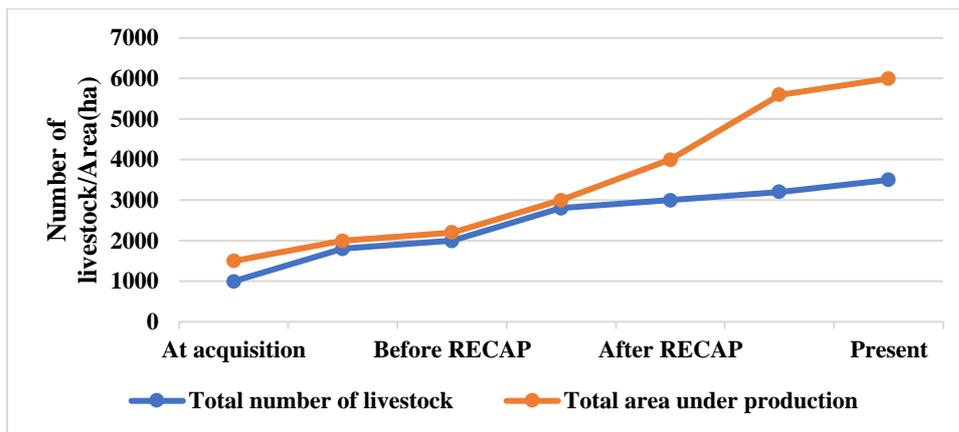


FIGURE 2: Agricultural Production on RECAP Farms from Acquisition to Present (Source: Business Enterprises, 2016)

Figure 3 shows the growth numbers in livestock on RECAP beneficiaries of land reform in the Eastern Cape. The number of livestock numbers showed an increasing trend since the acquisition of the farm, and the increase in herd size continued after the acquisition. The graph indicates that after the programme was implemented, there was an upward trend in the herd size of livestock, showing that RECAP has added to the existing herd size of beneficiaries in the province.

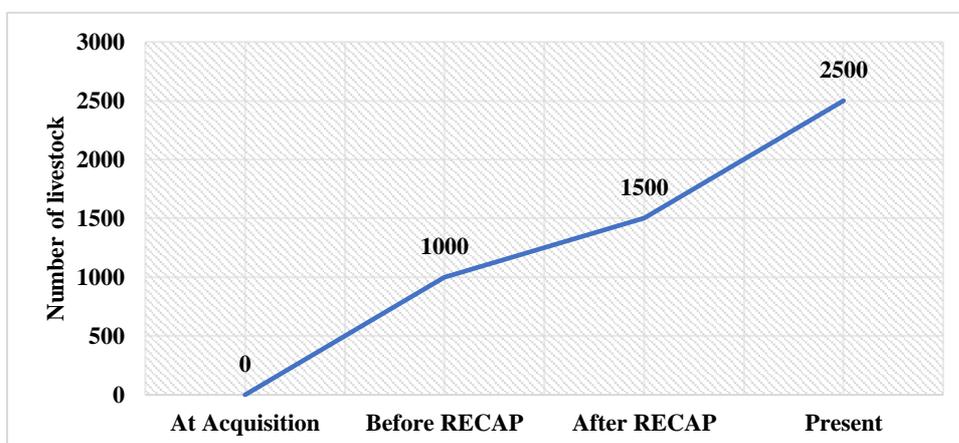


FIGURE 3: Growth in Livestock Numbers on RECAP Farms (Source: Business Enterprise, 2016)

Figure 4 depicts the area under crop production on RECAP beneficiaries. The results indicate that crop production was stagnating before acquisition in the province. The RECAP has addressed the growth resulting in an increased area under crop production after the programme was introduced. Since then, the Eastern Cape Province has experienced a sharp increase in area size under crop production.

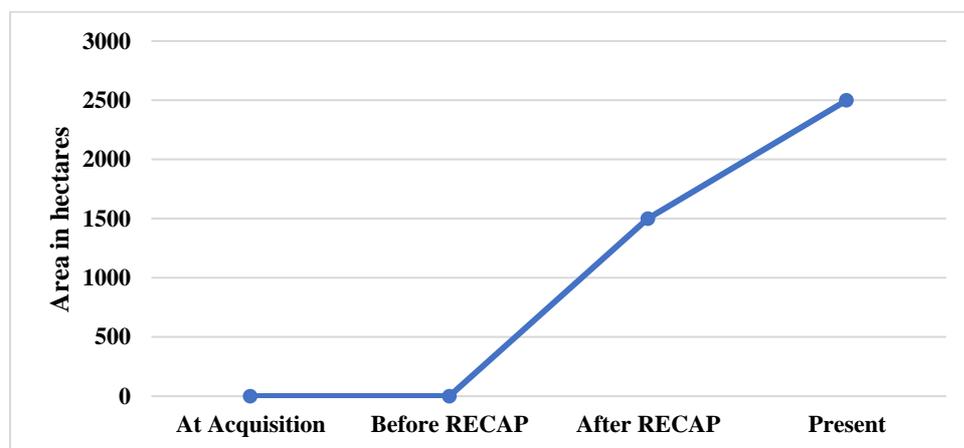


FIGURE 4: Growth in Area Under Crop Production (Source: Business Enterprise, 2016)

Figure 5 presents size information of the projects visited by RECAP beneficiaries. The results indicate that four projects' beneficiaries have between 51 to 100 hectares of land. In contrast, four project beneficiaries have projects sizes of 21-50, 101-500, 1001-5000, and 5000+ hectares, respectively.

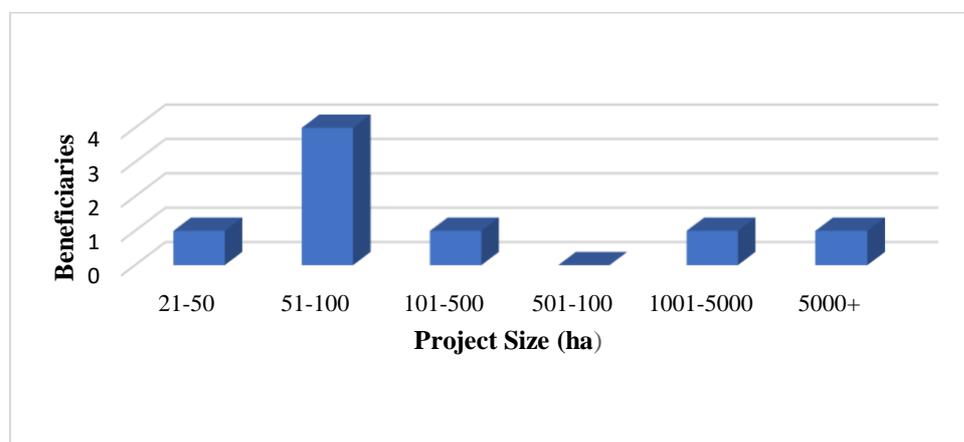


FIGURE 5: Size of Projects Visited in Hectares

Figure 6 shows the proportion of RECAP investment by enterprise. The results indicate that most RECAP beneficiaries through land reform are involved in livestock production (34%). Investment in citrus enterprise is 22%, followed by tomatoes enterprise (22%), poultry enterprise (11%), and tea enterprise (11%), respectively. This indicates that livestock production is the most common enterprise across the Eastern Cape Province.

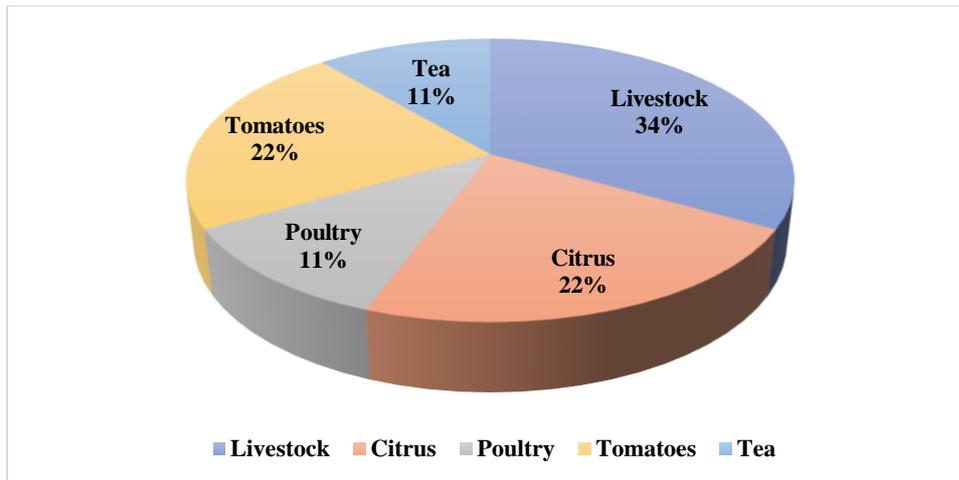


FIGURE 6: Proportion of RECAP Investment by Enterprise (Source: Business Enterprise, 2013)

Figure 7 below indicates the land reform sub-programme of RECAP projects. The results show that the majority (5) of land reform sub-programmes are through Land Redistribution for Agricultural Development (LRAD), followed by Proactive Land Acquisition Strategy (PLAS) (4). Settlement Land Acquisition Grant (SLAG) have two beneficiaries, while Irrigation (IRRIG) and Restitution distributed one each, respectively.

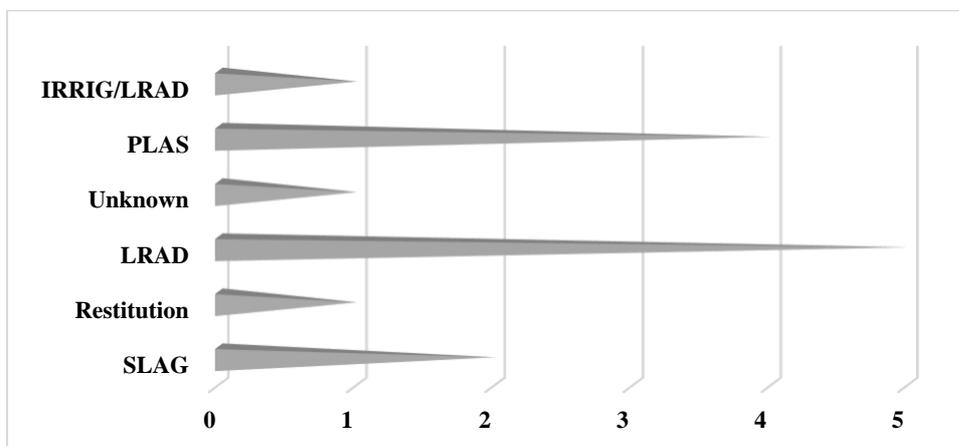


FIGURE 7: RECAP Projects by Land Reform Type

5. CONCLUSION AND RECOMMENDATIONS

The study's main objective was to analyse the effect of RECAP on the agricultural production of land reform beneficiaries in the Eastern Cape. The study focused on four districts: Amathole, Cacadu, OR Tambo and Joe Gqabi (previously Ukhahlamba). The descriptive results (graphs) illustrated that there are upward trends. Meaning that after RECAP was implemented on land reform projects, overall production in terms of the crop (area under production) and livestock production (herd size) has increased. The RECAP programme positively affected agricultural production for crop production (area under production) and livestock production (in terms of herd size). This means the RECAP programme has positively impacted the beneficiaries in the study areas. Livestock production was found to be the most common enterprise within the districts. The study recommends that more funding must be available for land reform beneficiaries to assist with food security and youth unemployment across the province.

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