



Subsistence livestock farmers should be understood of who they are, not what practitioners think they ought to be:

A case of selected farmers in Alfred Nzo and Amathole District Municipalities of the Eastern Cape Province

MR. LINDIKAYA MYEKI

OUTLINE

- Brief Background
- The status of communal livestock sector
- Data collection approach
- How are these farmers looking?
- Conclusion

BACKGROUND: LIVESTOCK SECTOR IN SOUTH AFRICA

- 69 percent of South Africa's land size is suitable for livestock (cattle, sheep and goats) production (McDermott *et al*, 2010).
- Livestock is the largest agric sector in terms of its contribution to country's GDP (excl subsistence farming).
- Main market channels (DAFF, 2002);
 - **Auction**
 - **Carcass grade**
 - **Informal markets**
- Small scale farmers (serving informal markets) Vs Large commercial (servicing formal markets).

BACKGROUND: LIVESTOCK SECTOR IN SOUTH AFRICA

- 45% marketed through informal markets vs. 55% through formal markets (Van Zyl *et al*, undated).
- *The area of concern in this study is informal markets.*
- Characterized by direct selling to consumers (DAFF, 2002).
- Buying decision of cattle focuses on:
 - Older oxen,
 - Bigger, and
 - Fat.
- Small-scale farmers largely serve the informal markets (Costales *et al* , 2007).

WHAT IS THE STATUS: THROUGH THE EYES OF PRACTITIONERS – ARE THESE RIGHT?

- Rangelands in communal areas is argued to be vastly overstocked and on the brink of ecological collapse (it's been idilling all along).
 - Free rider problem inherent in communal systems, and
 - It is argued further that there are no incentives to manage grazing resources.
- There are more males than female.
- Calving rate is negligebly low,
- Off-take (to the market) is negligible - well under 10% of total herd size per annum, and consequently these production systems are wasteful in terms of their use of scarce grazing resources.
- Livestock production techniques in the communal sector are backward and exhibit little or no regard for scientific production techniques.

“It is a capital mistake to theorize before you have all the evidence. It biases the judgment”

Sherlock Holmes.



DATA COLLECTION APPROACH

- There was no predefined way of getting the sampled farmers.
- The sampling technique involved combining farmers at one place and interviewing them (all those who were present) individually.
- Farmers own cattle, sheep, goats and poultry .
- The total sampled respondents were 25 farmers (13 Alfred Nzo and 12 Amathole).



NB: The questionnaire had approximately 93 variables. Each variable of the collected data was given a suitable numerical code for the purposes of easy processing and analysis. The Microsoft excel was used to process the data, producing bar graphs and cross tabulations.

HOW ARE THESE FARMERS LOOKING?

Age and Experience

- Confirms the argument that farmers are aging (Salleh *et al*, 2009).
- The average age of these farmers is 63 and 65 year respectively.
- Correlation between age and experience.
- Majority have an experience of between 10-15 years.

Age group	Alfred Nzo	Amathole
40-50	3	3
51-60	4	4
61-70	4	3
< 70	2	2
Experience	Alfred Nzo	Amathole
> 5 yrs	0	0
6-10 yrs	2	0
10-15 yrs	4	5
16-29 yrs	2	3
< 30	5	4

HOUSEHOLD HEAD, LABOUR, OCCUPATION AND EDUCATION

- Respondents- all household head.
- The household head determines, the level of family engagement in the agricultural activities of the family.
- Confirms that agriculture has lower education group (Bahaman et al (2008; Salleh et al, 2009 and Hayrol et al 2009).
- The farmers use both family and hired labour. This is inline with the argument that small scale farmers are labour intensive.
- The majority is employed In Alfred Nzo and Self employed in Amathole.

Education	Alfred Nzo	Amathole
Primary	7	10
Junior	3	2
High school	2	0
Post matric	1	0
Labour	Alfred Nzo	Amathole
Family	2	9
Hired	1	2
Both	10	1
Occupation	Alfred Nzo	Amathole
Employed	5	1
Unemployed	4	5
Self employed	4	6

REASONS FOR KEEPING LIVESTOCK (OBJECTIVE FUNCTION)

Objective function	Alfred Nzo	Amathole
Wealth storage	2	7
Savings	1	0
Draught power	0	0
Milk production	0	0
Sales for cash	4	0
All	6	5

- ❑ The majority of farmers at Amathole keep livestock for wealth storage—sometimes these farmers rarely sell their livestock.
- ❑ Farmers also keep livestock for various reasons – this finding is inline with the argument of Musemwa *et al* 2008; Montshwe *et al*, 2006; Dovie *et al*, 2006 and Kepe *et al* 2002, that small scale farmers keep livestock for wealth storage, savings, milk production, draught power, sales for cash, transport, foot mats, musical instruments and others.

LIVESTOCK NUMBERS AND GENDER

Livestock Numbers	Alfred Nzo		Amathole	
	Total	Average	Total	Average
Cattle	206	17	118	11
Sheep	682	57	354	39
Goats	275	23	198	22

LIVESTOCK NUMBERS ACCORDING TO GENDER

Study area	Cattle		Sheep		Goats	
	Male	female	Male	Female	Male	Female
Alfred Nzo	51	128	106	602	49	161
Amathole	47	56	67	293	51	152

Farmers own more sheep than other animals.

Although there is an argument that there are more male animals than female, the case has found the other way round.

DISTANCE TRAVELLED AND EXPENDITURE

Averages	Alfred Nzo	Amathole
Distance to dipping tank (km)	4	6
Distance to grazing land (km)	3	3
Distance to markets (km)	61	38
Money spent on maize (R/month)	2 370	430
Money spend on ploughing (R/season)	3 680	1 490

Long distances – high transportation costs.

A large proportion of income would be spend on ploughing in the absence of livestock – Dovie *et al* (2006) draught powers is very useful in times of financial constraints and delays in securing the tractor for ploughing.

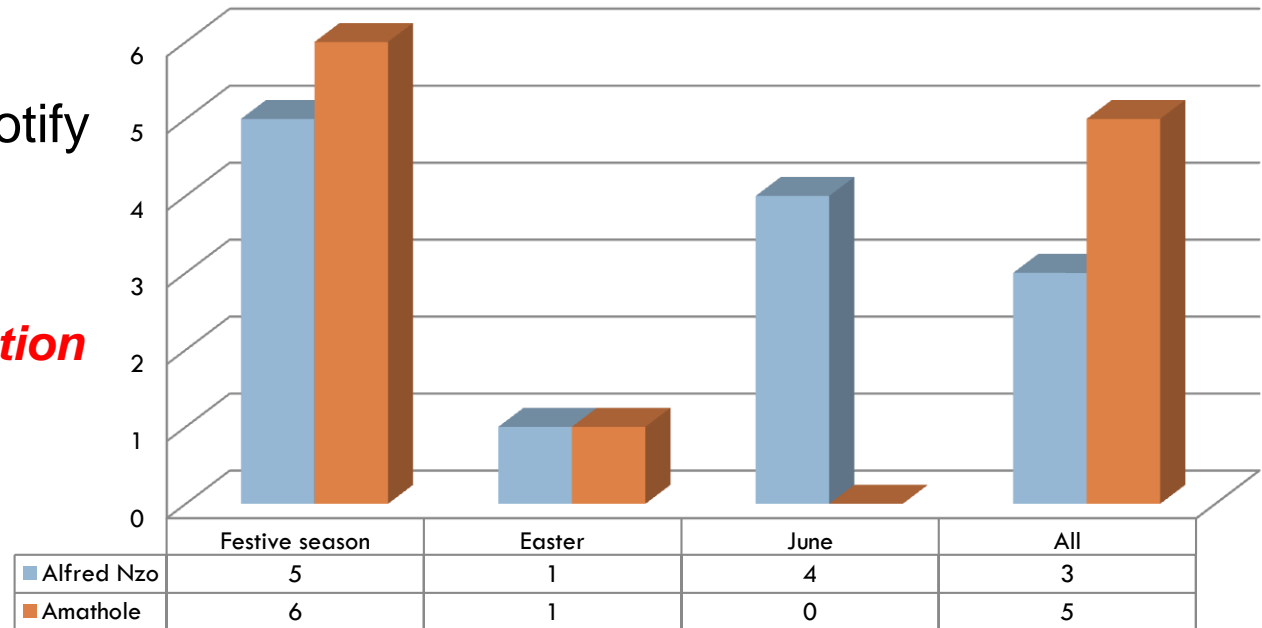
large income would be spent on maize purchases in the absences of livestock.

LIVESTOCK SALES

Type of livestock	Alfred Nzo		Amathole	
	<i>Bought</i>	<i>Sold</i>	<i>Bought</i>	<i>Sold</i>
Oxen	1	19	0	0
Bull	0	0	0	0
Cows	0	6	0	0
Heifers (Cattle)	1	3	2	9
Ewe (Sheep)	0	23	4	0
Wether (Sheep)	0	23	6	10
Ram	0	0	0	0
Ewe (Goat)	0	13	4	0
Doe	0	0	2	0
Wether (Goat)	0	11	10	3

DEMAND AND SELLING FREQUENCY

- Irregular demand
- Main ways to notify people
 - **Announcements**
 - **Verbal communication**



□ Cattle are sold once in a year.

□ The small stock (sheep and goats) are sold twice and throughout the year. This confirms the studies of Dovie *et al* (2006) that sheep and goats are sold for short and medium term income.

BUYER'S CHARACTERISTICS

Livestock type & characteristics		Alfred Nzo	Amathole
Cattle	Body size	10	4
	Age	0	0
	Both	3	8
Sheep	Body size	10	3
	Age	0	0
	Both	3	9
Goat	Body size	5	3
	Age	0	0
	Both	0	1
	Colour	8	8

- The buyers in the informal markets look for older animals – body size (muscle and fat).
- Age (measured by number of teeth in small stock).
- Colour is very crucial on goats especially in a case of slaughtering for ancestors.

PRICES AND DETERMINANTS

Type of Livestock	Alfred Nzo	Amathole
	Average price (R)	Average price (R)
Oxen	<u>7 900</u>	7 300
Heifer	5 000	<u>5 400</u>
Cow	5 040	<u>5 500</u>
Ewe (sheep)	<u>700</u>	560
Ram	<u>1 000</u>	860
Wether (Sheep)	1 045	1 011
Ewe (Goat)	<u>780</u>	570
Doe	800	1 400
Wether (Goat)	1 100	<u>1 500</u>
Roaster	57	55
Hen	62	63
Capon	85	<u>100</u>

CONT: PRICES AND DETERMINANTS

- The study has found that the price of livestock is inconsistent among the farmers regardless of the type of livestock.
- There is no standard or exact uniform price for all farmers. Each farmer charges his own price.
- The price determinants include amongst others veterinary costs, feed costs, shepparding costs, body size, age (measured by number of teeth in the case of small stock), colour (especially for goats).

RISK AND CHALLENGES

Risk transfer	Alfred Nzo	Amathole
When money has been paid	10	8
When an animals arrives at buyer's place	3	4

- The farmers in both areas have been found to be practicing direct selling. This simple means that the buyer pays on spot or deposits the money to the bank account of seller.
- Once the money has been paid the risk are transferred to the buyer. This means that the buyer has to organize transport for the animal. This type of transport includes amongst others trucks, driving an animal by foot, driving an animal by horses.
- The mode of transport that the buyer may choose to use depends on the distance to the destination and the time when a buyer needs to slaughter that particular animal.

CONT: RISK AND CHALLENGES

Alfred Nzo	Amathole
Theft	Wild animals
Veterinary costs	Diseases
Diseases	Feed costs
Drought	Veterinary costs
Feed costs	Theft
Overgrazing	Overgrazing
Overstocking	Veld degradation
Veld degradation	Drought
Fencing	Overstocking
Wild animals	Fencing

❑ The risk and uncertainty occurs because of external (factors beyond farmers control) and internal (factors that can be controlled).

CONCLUSION

- Subsistence livestock farmers are making money out of their livestock- since there no marketing agents or brokers.
- Livestock informal markets are different from formal markets.
- These farmers use the same breeding stock for years- livestock purchases are rare. Hence there are more female than males.
- Prices are inconsistent among the sellers.
- Although these farmers have not receive an kind of relief from the previous drought of 1983 and 1993, including the current challenge they are more persistent in their farming business.

Thank you



Questions
are
guaranteed in
life;
Answers
aren't.