



RESEARCH REPORT 2019/20

*Smallholder
Market Access
Research Unit*

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“
The agriculture and food supply sector is an essential sector that will remain operational during the lockdown
- Thoko Didiza
#ThankTheFarmer

#LoveRSAgriculture

📍 536 Francis Baard Street, Meintjiesplein Building, Block A, 4th Floor, Arcadia, 0007

📞 Private Bag X935, Pretoria, 0001 ☎ +27(0) 12 341 1115

✉ info@namc.co.za 🌐 www.namc.co.za/initiatives/branding-sa-agriculture/



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For more information, contact:



Prof Victor Mmbengwa,
Manager: Smallholder Market Access,
Marketing and Economic Research Centre (MERC)
Email: VMmbengwa@namc.co.za
Postal address: NAMC, Private Bag X 935, Pretoria, 0001
Tell: 012 341 1115

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1. INTRODUCTION



This report provides a snapshot of the projects and research output which is aligned to the NAMC's strategic objective of increasing market access for all participants. The purpose of the report is to give highlights of the projects and research outputs produced by Smallholder Access Research Unit during 2019/20 financial year. Hence, it is divided into two broad sections – that is: the research projects and Research outputs.



2. RESEARCH PROJECTS UNDERTAKEN



2.1. The Smallholder Market Access Tracker (SMAT)

The SMAT is a dashboard tool that is used as a measure of progress towards achievement of “market access for all participants” and in particular, market access for smallholder farmers in South Africa. The construction of the SMAT tool commenced in 2016/17 where the first pilot was conducted in potatoes. A second pilot was then conducted on beef in 2017/18. These pilots culminated to a citrus baseline in 2018/19. This financial year (2019/20) the focus is on the Poultry (Broiler) sector. The process is overseen by a group of representatives selected from various agricultural stakeholders in South Africa (referred to as reference group).

The SMAT tool is made of indicators whose data is sourced primarily through a survey that is specifically designed to collect primary data on smallholder market access. The indicators were identified using some key market access variables gathered from empirical research and are the heart of the SMAT tool, and could have either positive, negative or neutral effect on the smallholder farmers’ likelihood to access the market. They are categorized into two group. The first group tracks the progress from the supply perspective (farmers’ perspective) and is referred to as A2 indicators. The second group tracks the progress from the demand side (market’s perspective) and is referred to as B1 indicators. These indicators are meant to inform the policymakers of the situation per industry tracked thereby enabling the formation and continuation of more effective programmes or interventions towards the achievement of market access. The information is presented in the form of dashboard analysis.

Summary of the smallholder broiler baseline findings and recommendations

The SMAT established that the majority (56%) of the sampled smallholder broiler farmers are females and the average age of these farmers is 52 years, which is above the youth category. However, it is encouraging to know that about 74% of the farmers have obtained

high school certificate and tertiary education which would make it easier for them to collect and process information to make informed decisions. Although they have access to land, ownership for these farmers is still a challenge which limits their ability to secure a loan from the formal financial institutions. The cost of feed is the highest cost of production. Farmers rely heavily on the local market, which offers a higher price relative to other markets. There is a general lack of access to slaughter and storage facilities which limits the farmers’ ability to supply other marketing channels such as the institutional, retail, restaurant, and processors. Farmers do not have agriculture insurance due to affordability and lack of information. The challenges, opportunities and strengths mentioned above, coupled with industry analysis that revealed that smallholder farmers’ participation in the entire broiler value chain is limited mainly to participation at primary production and at the end as consumers and the fact that, although the consumption of poultry is highest relative to other meat, producers’ prices are the lowest led to the following recommendations.

It was recommended that the South African Poultry Association must focus more on transforming the broiler value chain and organizing workshops for farmers to interact with agriculture insurance providers. The government, among other things, must ensure ownership of land, prioritize smallholder farmers in the institutional market, monitor the funding for farmers to measure the impact and establish models to operationalize the existing poultry abattoirs and provide mobile abattoirs in the interim. The farmers are also urged to guard themselves against exploitation by other farmers in the co-ops.

Way forward

The report will be made available on the NAMC website once it has been approved by the Reference Group. This will be coupled by policy briefs and stakeholder engagements to facilitate action towards the recommendations made.



2.2. The Australian Centre for International Agricultural Research (ACIAR)

The NAMC is in a partnership with the Agriculture Research Council (ARC) and the University of New England (UNE) supported by the ACIAR to assist smallholder and emerging beef cattle farmers in South Africa to participate in high-value markets. The overall goal of the project is to improve the profitability of emerging and smallholder cattle farmers by developing cost-effective and environmentally-sustainable beef value chains that supply cattle that meet the specifications of high-value, free-range beef markets. This will be achieved by undertaking research to address the following objectives:

Objective 1:

To improve on-farm animal health, nutrition, management and breeding systems to enable smallholder farmers to cost-effectively deliver a year-round supply of high-value, free-range beef, whilst simultaneously improving their natural resource base. This involves training farmers in best-practice herd management, developing new farm management systems, undertaking on-farm participative action research to evaluate alternative systems and analysing project data to identify the factors with greatest impact on cow reproductive performance to improve cattle supply for the free-range brand.

Objective 2:

To improve the profitability of all sectors of the project's beef value chains through increased adoption of proven interventions by farmers and implementation of practices that create efficiencies and effectiveness across the entire value chains. This involves analysing the project's Behaviour Change, Value Chain and Women's Empowerment surveys to identify areas of improvement and design and evaluate customised strategies designed to increase adoption and overcome inequities.

Objective 3:

To develop scaling out strategies and guidelines that enable application of the project's results to other value chains. This involves a retrospective analysis of the project's decision-making processes to develop guidelines and recommendations for others wanting to link smallholder farmers to value chains in future.

The overall planned outcome is that by December 2021 at least 2 000 emerging and smallholder farm businesses will be, in a cost-effective and environmentally sustainable way, supplying cattle on a year-round basis to Cradock Abattoir and Cavalier Meats and achieving at least 70% compliance with Woolworths' high-value, free-range market specifications. Achieving the overall outcome will simultaneously improve the profitability and productivity of smallholder farmer businesses through higher prices for cattle meeting free-range specifications and improved on-farm production systems that increase animal performance and supply of cattle. The natural resource base will be maintained or improved through use of environmentally sustainable production systems. Business capacity of smallholder farmers and the capacity, knowledge and skills of the project's extension officers will be significantly enhanced by training provided by the project. The two commercial beef value chains will benefit from an improved supply of cattle meeting free-range market specifications. Scientific impact will be achieved through wider research use of new knowledge, practices, processes and technologies particularly relating to adoption and scale out and improved reproductive technologies that will have application in South Africa, Australia and other countries globally. With a growing but under-supplied free-range market, the opportunities to scale out the project's results to other value chains in South Africa and other African countries is considerable.

Summary of the activities

The project is still at a data collection stage. In the 2019/20 financial year, data was collected in the North West, Mpumalanga, Free State, Gauteng and Limpopo provinces. On the 7 – 8 November 2019, Professor Rene Villano from the University of New England, a partner in the project, offered training to the staff from the National Agricultural Marketing Council, the Agriculture Research Council and the former Department of Agriculture, Forestry and Fisheries on the introduction to Efficiency and Productivity Analysis.

2.3. GDARD Extension Project

The NAMC has signed an agreement with the Gauteng Department of Agriculture and Rural Development (GDARD) to conduct research that covers issues of extension services as catalyst for improved farm productivity in the Gauteng province of South Africa. The agreement spans for a period of 2 years – from 01 April 2019 – 31 March 2021. The research is funded by GDARD and the research output will be owned by the department.

Summary of the activities

The NAMC reports to GDARD on a quarterly basis through a project steering committee. In the 2019/20 financial year, a contract for the project was awarded to the NAMC and SLA was signed by the two entities. A project plan drafted by the NAMC was approved and a project manager from GDARD was appointed to work with the NAMC on a regular basis and be the link between the NAMC and GDARD, apart from the steering committee. The questionnaire for data collection was drafted by the NAMC before there was an interruption (Covid-19 virus outbreak) which led to the last steering committee meeting that was going to discuss the questionnaire being postponed.

2.4. AFRICAP

GCRF-AFRICAP is a four-year multi-stakeholder project funded by the United Kingdom government and advocated by the University of Leeds in collaboration with Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN). The aim of this project is to identify and implement evidence-based policy pathways to facilitate the development of sustainable, productivity, climate smart agricultural systems to meet food security and economic development needs through partnerships and capacity building across the UK and African organisations. This is done in a manner that supports countries to reduce poverty, hunger and malnutrition. The project is commissioned to undertake detailed work in four African countries, namely Malawi, South Africa, Tanzania and Zambia. In South Africa, the National Agricultural Marketing Council (NAMC) as the Node Hosting Institution for FANRPAN is responsible for the coordination and supervision of the implementation of the AFRICAP project, governed by the four main themes namely; farming systems, climate smart development

pathways, policy design and implementation, and training and capacity building.

The report was submitted to FANRPAN and there has been no subsequent engagements.

2.5. UN Women

On the 30th of April 2019, the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) signed a contract with the United Nations (UN) Women - South Africa Multi Country Office (SAMCO) to undertake a scoping and baseline study on the main areas of intervention of the UN Women SAMCO flagship programme on ‘Creating markets through affirmative procurement of women businesses in South Africa’. In South Africa, the NAMC as the Node Hosting Institution for FANRPAN is responsible for the coordination and supervision of the implementation of the AFRICAP projects, governed by the four main themes namely; farming systems, climate smart development pathways, policy design and implementation, and training and capacity building. Therefore, the NAMC conducted the scoping and baseline study in 5 district municipalities in Limpopo province and 5 district and metropolitan municipalities in the Free State province.

The report was submitted to FANRPAN and there has been no further engagements.

3. RESEARCH OUTPUT



Table 1: Research output of the Smallholder Market Access Research Unit

Authors	Topic	Conference/symposium/workshop/Journal
VM Mmbengwa, P Joubert & D Tustin	Evaluation of the effect of the entrepreneurial leadership factors in the smallholder farming sector in South Africa	Invited paper presented at the 6th African Conference of Agricultural Economists, September 23-26, 2019, Abuja, Nigeria
VM Mmbengwa, SD Cezula, P Chikwekwete, X Qin & K Rambau	Competitiveness of the CASP supported smallholder farming in Thabanchu region of free-state province in South Africa: a gender empowerment analysis	Gender & Behaviour, 17(2), 2019, 13064-13074
VM Mmbengwa, Rambau K, J Rakuambo, N Tempia & X Qin	Participation of Smallholder Farmers in Agro-Processing Industries: Implications for the Extension Services of Gauteng Province.	South African Journal of Agricultural Extension (2019)
Xiaoshun Qin, Taopeng Zhang & Victor M. Mmbengwa	The Advice of Provision and Circulation of Basic Agricultural Product Under 2019 Novel Coronavirus in China	Journal of Agricultural Science; Vol. 12, No. 5; 2020
TM Khoza, GM Senyolo, VM Mmbengwa and P Soundy	Socio-economic factors influencing smallholder farmers' decision to participate in agro-processing industry in Gauteng province, South Africa	Cogent Social Sciences (2019), 5: 1664193
T Mokoena, K Sotsha, S Ngqangweni, V Mmbengwa, K Rambau & E Nekhavhambe	Tracking Smallholder Market Access in South Africa	Agricultural Research Symposium (2019)
K Sotsha, S Ngqangweni, K Mosoma & X Ngetu	Increasing Market Access in the Red Meat Value Chain	Agricultural Research Symposium (2019)
K Sotsha, S Ngqangweni, T Khoza, O Tshitiza, K Rambau & V Mmbengwa	Comparing export market access and income received by male and female emerging citrus growers of South Africa	Poster presented at the 57th AEASA Conference, Bloemfontein Subsequently emanating into a paper that was accepted for publication into the SYLWAN Journal
L Myeki, T Mkhabela, S Ntombela & B Nyhodo	Malmquist Productivity Growth for South Africa's Table Grape Regions Using Panel Data, 2009-2017	Presented at the 57th AEASA Conference, Bloemfontein, Submitted to AFJARE.

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GET IN TOUCH

Prof Victor Mmbengwa,
Manager: Smallholder Market Access,
Marketing and Economic Research Centre
(MERC)

536 Francis Baard Street,
Meintjiesplein Building,
Block A, 4th Floor,
Arcadia, 0007

Private Bag X935, Pretoria, 0001



+27(0) 12 341 1115



VMmbengwa@namc.co.za



www.namc.co.za

