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# The Impact of COVID-19 on Black Farmers in South Africa

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# Introduction

This study was part of an IDRC supported three country study (SA, Ghana, Tanzania) led by PLAAS at UWC with other academic and civils society partners.

This presentation is based on an article published in Agrekon focused on the impact of Covid-19 on black farmers

(<https://doi.org/10.1080/03031853.2021.1971097>)

Study ran from September 2020 to May 2021. 40 black, small- to medium-scale fresh produce farmers. Qualitative, not quantitative approach.

Less than 50 hectares, market orientated, all selling produce

NDP and others have identified this type of farmers as having high potential for agrarian reform and job creation.

# South Africa

Massive Inequality, Unemployment, Food insecurity before Covid.

Half the population can't afford a balanced diet.

Concentration of ownership in the food system from land and agriculture through to retailing. Limited success in land reforms.

But, last year saw great harvest, record exports and economic growth in agriculture. But, who benefits?

The big corporations "can immunize themselves from cost pressures" (James Hodge, Chief Economist Competition Commission).

Most black farmers start with less: land, capital, market access, etc...

# The farmers

From Gauteng, Limpopo, Mpumalanga and KwaZulu Natal

22 women, 18 men

Aged 23 to 70 years

**Table 1.** Farmers' ages and years of experience.

Ages	Number of farmers
35 and under	13
36–60	18
Over 60	9
Years since started farming	Number of farmers
5 or less	21
6–10	6
11–20	10
more than 20	3

# **The farms – Land, Labour, Production, Inputs, Markets**

## **Land**

5 using less than 0.25ha

23 using 0.25 to 5ha

8 using 5 to 10ha

4 using more than 10ha (less than 50ha)

23 on communal land

6 on agripark land

5 bought private land

4 renting land (2 of these rent from land reform beneficiaries)

1 land restitution beneficiary

1 urban roof top

## **Labour**

Own labour

22 had permanent workers

22 had temporary workers (different overlapping group)

7 had ten or more permanent workers

## **Inputs**

Purchasing (from typical agric suppliers) seeds, seedlings, fertiliser, pesticides, herbicides, packaging materials, and using tools from hand hoes to tractors.

Those in agriparks get some from govt

Some buy from hawkers and other farmers (seedlings, manure) also online

Electricity important input (irrigation, cold rooms)

## **Production**

Mostly conventional

All with some form of irrigation

Many using tunnels and shade cloth

2 organic farming

14 don't use chemical fertilizers, rely on manure and composting

## **Markets**

35 sell to 'informal' market, local sales, street traders, bakkie traders. This includes some of the biggest. Better prices, paid in cash, no transport costs.

22 sell to municipal markets

12 sell to supermarkets (11 direct to local stores. 1 to distribution centre)

3 direct to restaurants and hotels

Also sales to local chops. Most use a combination of markets

# JFPM







Street and bakkie traders, a key market



# **Covid-19 Impacts - General**

Lockdowns

Street traders stopped

Limits on movement

Permit requirements

Loss of jobs and incomes

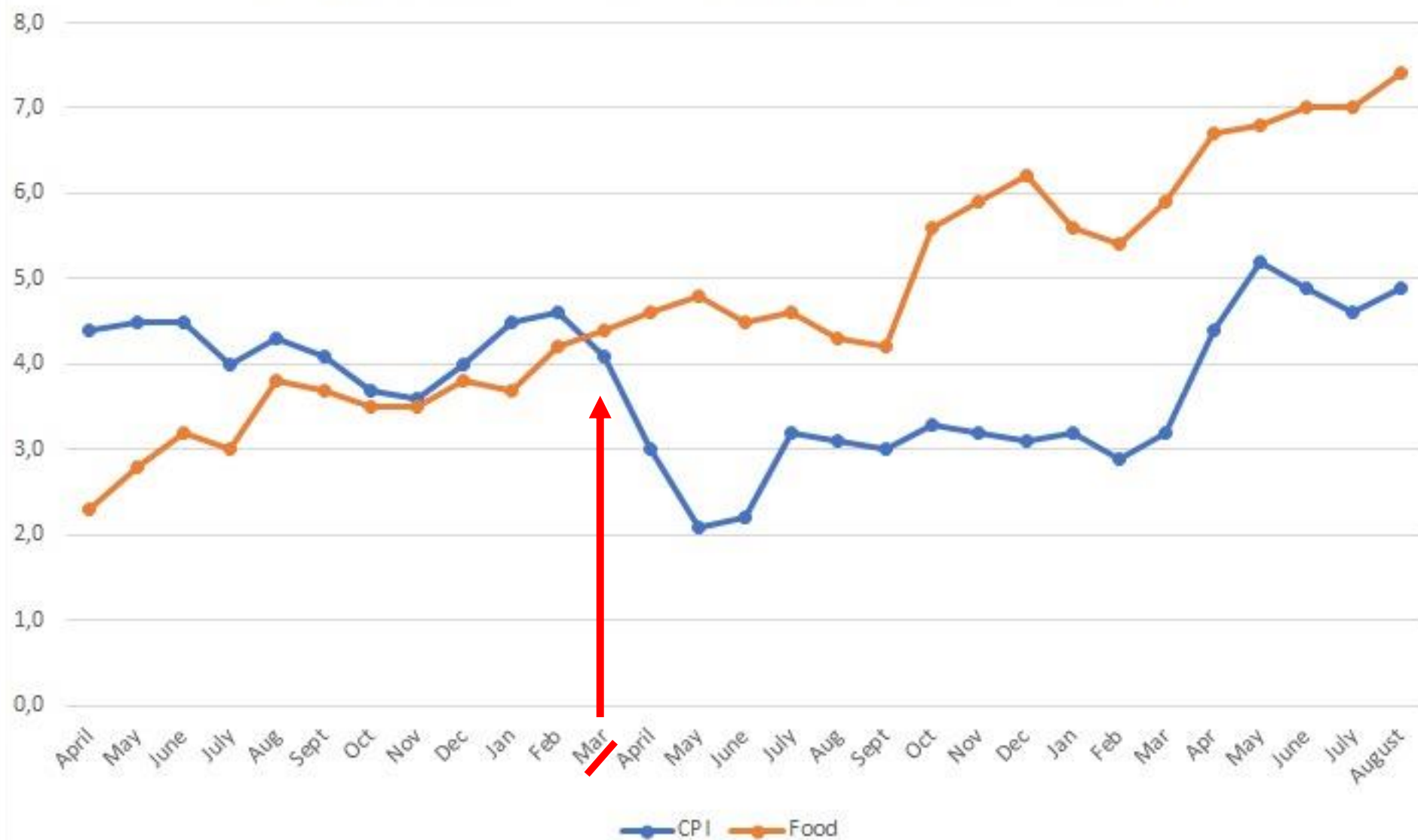
Economic slow down

Food price increases

Some gained, some lost

# Food prices vs core inflation

Food price inflation versus CPI (urban) - April 2019-Aug 2021





## The immunized corporate system

- Record exports of wine and citrus
- 98.5% increase in maize exports
- Profits up for many food companies and supermarkets
- Tiger brands (biggest food company in SA), Shoprite (biggest supermarket group):
  - Tiger Brands grains revenue increased by 10% to R7,5 billion. Price increase 14%, volume decline of 4%.
  - Tiger Brands Milling and Baking increased revenue by 6%. Price increase of 12%, volume decline of 6%.
  - Earnings per share up 126% (6 months to end Mar 2021 vs 6 months to end Mar 2020)
  - Shoprite profits in SA supermarkets up 12.6% (6 months to end Dec 2020 vs 6 months to end 2019) 17.2% for year to end June 2021. Increased their margins



## Example, key fresh produce

Produce	<i>Farmer gets</i>	JFPM	Retail Price	Difference Rand	Difference %	<i>Street Trader +/-</i>
Tomatoes	<i>R7.24</i>	R8.28	R20.52	R12.24	159%	<i>R12.00</i>
Onions	<i>R3.77</i>	R4.30	R16.80	R12.50	294%	<i>R6.77</i>
Potatoes	<i>R3.96</i>	R4.53	R14.42	R9.89	244%	<i>R6.85</i>
<b>Tomatoes, April 2021</b>	<i>13,75</i>	R15.71	R30.79	R15.08	96%	<i>R15.52</i>

Average prices wholesale at municipal market and retail for 12 months from April 2020 to March 2021

Farmer gets the sale price in wholesale market less 12.5% commissions. Has to pay transport and all else.

Street trader prices from limited sample in Ivory Park, a low income residential area.





Municipal markets  
Joburg R7.8bn National R17bn annually  
Around 50% to 60% of sales are to “informal”  
traders.  
A paper on street traders coming soon.

# Covid-19 Impacts

## Land

2 women farmers lost use of school land

With farmers deeper in debt and some stopping production, there is risk of losing land

## Labour

Disruptions to workers travel to farms

Demands for more money

Workers not returning

Deaths (at least 2 due to Covid) and sickness disrupting

9 farmers reduced the number of employees

# Covid-19 Impacts cont...

## Inputs

Price increases and some inputs not available for periods of time

Small-scale black farmers not prioritized for available supplies

International fertilizer and other input prices increased substantially

Urea and Mono-Ammonium Phosphate up 26.2% and 21.7%

## Production

Input and labour disruptions combined with loss of markets led 21 farmers to reduce or stop their production. 6 (5 w 1m) stopped completely for some time

6 started producing new crops (3 for local markets, 3 going for high value)

Not easy to switch crops (e.g. to ginger and other highly priced crops)

3 started growing own seedlings. Some used more manure, reduced fertilizer use



# Covid-19 Impacts cont...

## Markets

Biggest negative impact was on markets. Reduced demand, downward pressure on prices

Local markets affected by lockdown that stopped street traders and bakkie traders. Then loss of jobs and incomes among customers (poorest hit hardest)

Events, restaurants and hotels closed and then very limited in operations

7 farmers started or increased local and 'informal' sector sales

Some farmers had been selling to the NSNP (school feeding), but it stopped

# Covid-19 Impacts cont...

**Women** lost out more. Less resources to start with? Women's role at home?

"I stayed at home with no income, I had to look after my husband and three children."

**Anxiety** and uncertainty is hard to measure, but clearly impacted farmers and their decisions

"let's give it another month, so that is how we are operating now, just give it one more month to see what happens."

**Non-Covid 'normal' struggles** of farming; floods, dry spells, frost, broken irrigation systems. All combined with additional Covid issues

Farmers lost incomes, some faced real hardship, some dug into savings, others got deeper in debt.

"there is less money, we are not eating like we used to."

Impact on workers and customers

Outcomes	Reduced savings/wealth. Higher debts. Discouraged farmers and prospective farmers			
	Reduced income			29 <sup>n</sup>
	Reduced production			21 <sup>n</sup>
	Lost crops or stock			15 <sup>n</sup>
	Reduced number of employees			9 <sup>n</sup>
	Stopped production (temporarily)			6 <sup>n</sup>
The results of these for farm operations	Production costs and challenges		Reduced demand for produce	
Direct impacts experienced	Increased input prices	12 <sup>n</sup>	Less sales	27 <sup>n</sup>
	Disruption to supply of inputs	10 <sup>n</sup>	Lower prices	9 <sup>n</sup>
	Disruption to labour	10 <sup>n</sup>		
	Covid-19 related deaths of workers or relatives	10 <sup>n</sup>		
	Increased theft	3 <sup>n</sup>		
	Agricultural advisors not visiting	2 <sup>n</sup>		
	Travel disruptions affecting markets and production (10 <sup>n</sup> )			
	Uncertainty and anxiety			
	<sup>n</sup> total number of research participants 40 <sup>n</sup>			

## **Government assistance**

Only 4 got government Covid-19 assistance, a few got other non-Covid assistance.

Support not well aligned with needs

Vouchers for inputs with limited purchasing options

Does input support make sense if main challenge is markets?

Presidential employment stimulus initiative (PESI) for agriculture and land reform. Budget R1million. Beneficiaries 57,613 (target 74,626. 176,000 applied). Most got around R5,000

Government in regular contact with commercial farmer unions and agribusiness. Less connected to reality of most black farmers





Ben (a black farmer), produces on 8 hectares that he rents. Employs 9 full time workers. Sells only to women street traders. Kept prices low during Covid as customers can't afford. Reduced profits, but kept producing and supplying affordable food



## Least affected and adaptation

Farmer least affected grows variety of produce on land in communal area. Two workers. Low input costs as uses manure from local livestock keepers. Sells locally and to women street traders

Adaptation efforts involved diversifying produce and markets and increasing autonomy

Autonomy

Diversity

Agroecology or moves in that direction



Positive macro-picture of agriculture hides differences and negative impacts on smaller scale black farmers

Few black farmers well resourced to weather the storms of Covid

Risks from indebtedness and loss of hope

Govt interventions not well aligned to farmers operations and needs

Need for more holistic support, better informed by nature of black farmers operations and the networks they are part of

Recognize and build on what farmers are doing, their successes and ways of working. Recognize their contribution to employment, local food systems and food accessibility

Build more autonomy with sustainable farming systems, explore agroecology

Importance of local markets and municipal markets

Right to trade, create public markets for small scale traders

Right to land for small-scale black farmers who are producing





**Thank You**



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