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Beinart, William

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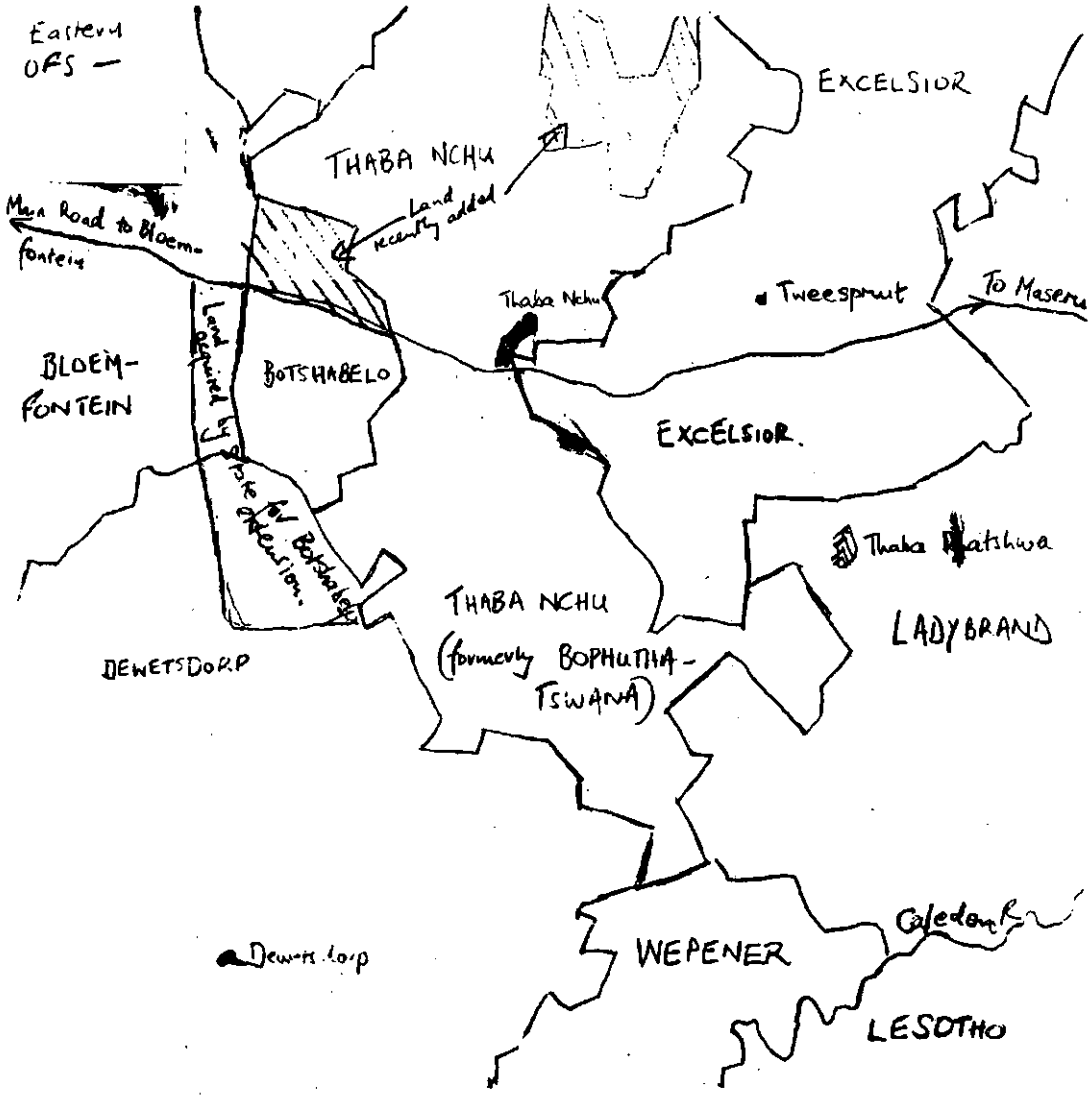
UNIVERSITY OF THE WITWATERSRAND

HISTORY WORKSHOP

FARMERS' STRATEGIES AND THEIR IMPLICATIONS FOR LAND REFORM IN THE ORANGE FREE STATE

William Beinart
Department of Historical Studies
University of Bristol

AFRICANA



ROUGH MAP of RESEARCH AREA.

Farmers' strategies and their implications for land reform in the Orange Free State

WILLIAM BEINART

It is possible to conjure a wide variety of future agricultural scenarios in South Africa. But new policies should be developed only with close attention to what exists and what is feasible. Analysis of the potential for land reform should remain sensitive to local ecological and economic conditions and to the current strategies of both farmers and the dispossessed. Rural life remains insecure for many people. Farmworkers are particularly vulnerable at present and might become more so in a phase of rapid reform and uncertainty. Although the most carefully planned strategy of reform might be undermined by the sheer demand for land or informal reoccupations, the aims of restitution, justice and redistribution should be tempered by the equally difficult demands of production.

Drawing on material from a local research project in the Orange Free State (OFS), done jointly with Colin Murray, this article concentrates on three issues: patterns of land ownership; farming strategies; and land availability. The position of farmworkers and those who have recently moved off farms, as well as the potential for new patterns of occupation will be addressed in subsequent project papers (Murray, 1993)

The Context

Interviews were conducted in 1993 in four areas around Thaba Nchu in the eastern OFS: Tweespruit (a section of Excelsior district and the neighbouring part of Ladybrand); the northern sections of Dewetsdorp district; Thaba Nchu district itself; and

parts of Wepener. Much of this land used to be in the old Thaba Nchu magisterial district before it was shrunk to be incorporated into the Bophuthatswana homeland. Thaba Nchu was the only district in the OFS which historically had a mix of white- and black-owned farms in private tenure (Murray, 1992) and there is still some black privately-owned land in the Thaba Nchu section of Bophuthatswana. Most of the farmland investigated is owned by whites. But agrarian and social relationships in the area are deeply influenced by the proximity of large black settlements like Thaba Nchu itself and Botshabelo, the rural town which was to become part of Qwaqwa but escaped this fate. Parts of Wepener and Ladybrand districts border on Lesotho. Many farms in the zone are therefore close to the interface between white-owned and black-occupied areas.

The zone straddles a rough line at which the crop producing areas of the northern and eastern highveld merge into the pastoral southern OFS. All districts retain mixed farming characteristics and this was more general a few decades ago. But in Dewetsdorp and Wepener the farms are mainly, though by no means exclusively, stock farms while crop-farming, especially of wheat, is more dominant around Tweespruit. Some of Thaba Nchu itself is suitable for crops. Rainfall is about 24-26 inches in the cropping area but falls slowly to the south and west where soils also tend to become poorer.

In contrast to much of the rest of the Afrikaans-dominated rural OFS, there is a significant number of English-speakers in Tweespruit and to a lesser extent in parts of Ladybrand and Wepener. Most are descendants of settlers who moved in after the South African War (Murray 1992; Keegan 1987). Ladybrand and Wepener also attracted English-speakers because of their position as trading centres on the periphery of Lesotho. A number of Tweespruit farmers come from United Party backgrounds and some now lean towards the Democrats or even the ANC. When Nelson

Mandela sought an opportunity to address farmworkers in the OFS during the election campaign, he came to Jevington farm in Tweespruit (Land Update, April, 1994). The largely Afrikaans-speaking Dewetsdorp, by contrast, has a Conservative Party MP and is a well-known centre of far right views.

The Conservative Party, the OFS Agricultural Union and the government Agriculture Department share the same building in Zastron Street, Bloemfontein. Research was conducted in the aftermath of Chris Hani's murder, when farm killings escalated and Peter Mokaba, leader of the ANC Youth League, reiterated his chant of 'Kill the Boer; Kill the farmer'. OFS farmers reacted with mass meetings and tough talk of civil war. Nevertheless, political positions have a certain fluidity, particularly within the Nationalist Party and it is intriguing to find a greater variety of views than might be expected. The growth of the Rural Foundation in this zone is one indicator; Dewetsdorp branch had 45 members, perhaps a quarter of farmers in the district. It aims to bring farmers and farmworkers together in order to improve the social awareness of the former and the skills and conditions of the latter, as well as rural services more generally. While it has a clearly paternalist ethos, the Foundation nevertheless confronts the question of social reform, if not yet land reform, directly.

Interviews were undertaken at a time when farmers were cautious about responding too freely to researchers interested in land matters. Nevertheless, discussions were possible with a considerable number of farmers, officials, NGOs such as the OFS Rural Committee and the Rural Foundation, farmworkers and recent migrants into small towns. These, together with sketchy statistics available for the area, enabled us to gain some overview of social changes.

Patterns of ownership and farming strategies

National figures suggest that the number of farming units owned by whites peaked at about 119,000 in the early 1950s and subsequently declined to about 60,000 in the early 1980s. Since the Act governing subdivision in 1970, it has been far more difficult to break up farms; market processes towards concentration received strong legislative reinforcement. By the late 1980s, government surveys and agricultural economists were suggesting that the number of farming units was creeping upwards again, particularly in the Transvaal, from about 60,000 to 67,000 farms (World Bank, 1993a: 30). It seems that while some farms were getting bigger, some were getting smaller and the number of part time farmers, especially closer to the urban centres, increased significantly. In the zone around Thaba Nchu, there was little evidence of an increase in the number of farming units; interviews suggested that the inverse trend continued, especially in the difficult early 1990s, when the number of white farmers seems to have declined markedly.(1)

There is a surprisingly high volume of farm land transactions registered at the Deeds Office in South Africa: around 300,000 in the 28 years up to 1991 or an average of more than 10,000 annually (World Bank, 1993a.; World Bank 1993b: 165). These included a disproportionate number of smaller pieces of land. The average piece bought and sold (c.270 ha) was a quarter of average farm size. About four per cent of the total farmland area has been transferred every year; an equivalent of more than the total area in the country has changed hands in the last 30 years. Many transactions must have consisted in farms passing by inheritance or transfer between generations within the same family. Nevertheless interviews tended to confirm a relatively high turnover of land, especially smaller pieces of land, outside such family transactions. This is potentially important for black purchasers and more generally for any market-led element in

land reform programmes.

Up to the present, the high turnover of farms has not resulted in easy access into the market for land. Relatively little land appears to have been bought by new farmers white or black. Indeed, it is important to stress the centrality of inheritance in the creation of the modern South African farming class. Every white farming family interviewed had inherited some land. Nationally there are many examples of wealthy individuals or corporations purchasing land, but corporate ownership was not a significant feature of the districts investigated where, according to government statistics, 80-90 per cent of farming units belonged to owner-occupiers in 1991 (Department of Agriculture, Glen).

It is useful to discuss farming strategies in relation to the size of farming units.(2) While there is no tight fit between patterns of farming and farm size, some loose relationship can be discerned. Clearly farm size must be related to ecology, soils and rainfall; crop farms can generate a larger value of production per hectare than stock farms. The average farming unit in the OFS is a little over 1,000 ha. but especially to the south of our study zone, in the pastoral areas, farms tend to be bigger. Department of Agriculture statistics for 1991 show average farming units in Excelsior at about 1,184 ha and in Wepener, 1,597 ha. Although Dewetsdorp is more pastoral than Excelsior, average units were 1,136 ha., probably because ownership in the district has historically been more dispersed. The neighbouring sheep-farming district of Reddersburg had average units of 1,620 ha., A Departmental survey of 46 farms in Excelsior found average units of 1,303 ha. (Coetzee and Heckroodt 1991). Sizes ranged from 88 to 3,680 ha. and 50 per cent of units were larger than 1,200 ha. This analysis will explore three categories of farmer: very large owners or land barons with over 5,000 ha.; big owners with between 1,500 and 5,000 ha; and

average or smaller farmers with less than 1,500 ha.

Land Barons with over 5000 ha.

Although there is a significant number of English-speaking farmers in the zone, the big accumulators encountered were all Afrikaners. They had inherited some land, but no simple continuity in large landholdings is apparent. We heard of past land barons whose holdings had been broken up, either for financial reasons or because of dispersal to children. It seems unusual for a single large farming block in this zone to have survived intact over many decades. In this sense, the term land baron, sometimes used locally, is a little misleading because it might suggest fixed family properties transferred over a long period by inheritance.

One large landowner (N), born in 1922, came from a poor background. His father, orphaned in the South African War, had to struggle for years as a bywoner before he was able to purchase a farm in Ladybrand in 1924. He nevertheless did well enough to send N for medical training at the University of Cape Town. N clearly had a promising professional career before him, but his strong attachment to Afrikaner ideals brought him back to the rural areas. He built up a successful practice in the southern OFS and invested the proceeds partly in land.

N was a farmer with strong business sense, but also explained his investment into land by reference to the hardships which his father and other Afrikaners had suffered. On returning from the concentration camps his father had to get milk from 'a Mosotho native' and sift earth to glean burnt grain for food. Reclaiming the land is a constant refrain in family tradition as he told it. N specifically purchased farms around his parents' to the east of Thaba Phatshwa. He eventually inherited the parental farm. And although he bought some dispersed farms, his strategy was

increasingly to form a block. The turnover of land through three decades was sufficiently high for him to do so. He accumulated nearly 4,500 ha, recently consolidated by his son with further purchases to a total of over 6,000 ha. It is probably the biggest single contiguous farming unit in our zone and N claimed that it was the best stock farm in the eastern OFS.

N was the most committed stock man interviewed. He and his son have increasingly turned the farms over to cattle - around 1,000 head. (Recommended stocking rate on open veld in this area is about 6 large stock units per ha.) They have about the same number of ewes - largely mutton sheep because of the low return on wool. Many of the farms incorporated into the N estate had been mixed, with fields of wheat, maize and other crops. Now most of the ploughed lands have reverted to veld or been planted with permanent grass pasturage (erogrostus and smutsvinger) and lucerne for fodder. N concentrated on stock despite the fact that there is a large dam bordering his land. Indeed, he allowed others to use a little of his land, irrigated by dam water, for cabbages. Neighbouring farms in the Tweespruit area retain a more mixed character.

One big accumulator in northern Dewetsdorp with over 20 farms seems to follow a similar strategy and evidence from Wepener district perhaps justifies cautious generalisation. The two largest landowners there, both of whom probably owned and rented more than 15,000 ha., though not all in the district, were mainly involved in stock farming. One, a businessman with many different interests who employed white managers, had the meat contract for the Lesotho Army and Police. Part of his business involved purchasing and fattening stock for the meat trade. The other (S), also local, had, despite limited education, successfully built on a few inherited farms to purchase widely and also hired land.

Even more than N, S was concentrating on cattle - despite the fact that Dewetsdorp and Wepener have long been mainly sheep districts. Given sufficient water, cattle were perceived to have a number of advantages. Compared to crops they require little investment and labour. The cost of inputs, especially for crop farming, has increased considerably over the last decade in relation to prices. N contrasted his good fortune with the experience of nearby Tweespruit grain farmers, many of whom he thought were saddled with debt. 'He who tills the soil', N opined, 'will never be a rich man'.

S had recently sold his last sheep and in 1993, for the first time in his farming career, did not get a wool clip. The low price of wool over the previous few years was a major factor in his calculations. But both he and N perceived sheep to have higher costs in shearing, dosing, dipping as well as losses from theft and predators. Rates of stock theft in the zone have escalated and sheep seem to be the prime target. Sheep also need green pastures for lambing each year.

The central strategy of the land barons, learnt during the lean agricultural years of the 1980s, has been to minimise input costs and maximise economies of scale by concentrating on stock and even on cattle only. Mutton sheep have some of the same advantages. The barons can pare down their capital equipment as well as labour. They can operate on a less crowded and more predictable annual cycle of activity. While there are great disincentives to the purchase of land with loans because of high interest rates, these are far less evident if purchases are made largely with cash and borrowing is kept to a minimum. Moreover, the tax regime favours those who purchase land and stock it quickly. Expenditure on a large range of improvements - such as fencing, dipping tanks, dams and boreholes, eradication of weeds and prevention of soil erosion - is deductible from taxable income. Livestock are assessed at a very low 'standard' value,

far lower than the market rate, for the purposes of any tax liability on the increase in numbers owned; farmers saw this to be a major benefit to stock accumulators.

A further local element in the shift to meat production has been the emergence of the Thaba Nchu butchery as a major purchaser. The butchery is situated within the boundaries of (the former) Bophuthatswana and is owned by a local white family who also have land. Initially they benefited from the lack of regulation in the homeland and at its thriving abbatoir. (One reason given by farmers for the collapse of other local abbatoirs, such as at Wepener, was the tightness of health regulations.) Thaba Nchu butchery buys very widely and collects from farms. Farmers thus do not have to meet the transport costs involved in selling to the major urban abbatoirs. Especially since the collapse of the Red Meat Board which controlled prices and marketing, the butchery can sell widely both locally and in urban centres. Its owners have discovered the logic which underpinned the emergence of Chicago as the major meat processing centre in the USA a century ago: it is cheaper to transport dead and prepared meat in bulk than live animals (Cronon, 1991).

Cattle farmers responded in three ways to questions about the possibility of a glut of meat on an unregulated market. First, they thought that drought in 1992/3 had reduced cattle stocks in the country as a whole and that the resulting shortage would secure prices. The end of regulation was seen to benefit both producers and consumers. Secondly, they argued that in the longer term demand would remain buoyant because of the expanding urban African population - the likely beneficiaries of any redistribution of wealth. Thirdly, if meat prices did decline rapidly, they had sufficient capital to switch production or they could sell land.

The consequences of such strategies for the social fabric of

the countryside are very considerable. Most of these large operators were conservative in their political outlook; by no means all right-wingers are 'small men' or people marginalised in the agricultural recessions of the 1980s. It is intriguing that men with right-wing views present themselves as fighting for the interests of the Afrikaner volk and its land but have built their estates largely upon the misfortunes of their Afrikaner brethren. Farmhouses, including handsome buildings occupied by white families within the last few decades, lie vacant, or derelict, or have been destroyed. The Nationalist government was deeply perturbed by white rural depopulation up to the 1960s, but decreasingly so afterwards (Du Toit Commission).

This pattern of land accumulation has even more serious consequences for black farmworkers. Land barons generally removed farmworkers when they took over a farm and noted that it was simpler to ease farmworkers off newly purchased or rented land. It is not least in the sphere of employment that the big farmers seek economies of scale. A large number of farmworkers with varied tasks and interests are also perceived to take up a great deal of administrative and 'paternalist' time and energy. The metaphor used by some farmers was that they wanted to enjoy their weekends. Farmers have also become increasingly concerned about possible enforcement of legislation on basic conditions of employment, the introduction of minimum wages, and unionisation. In anticipating intervention, they wanted to be sure that they had as few as possible black families on the farm.

The biggest landowners in this zone are not necessarily the most intensive producers and investors in the land. Land accumulation appears to be closely related to extensive stock farming; it is not worth buying so much land if crops are to be the main focus. Certainly the operations of the big owners are designed to be streamlined and efficient. However, they do not always invest heavily in machinery or in improvements to the new

land added to their core farm.

Large commercial farmers with 1,500-5,000 ha.

It may appear that a relentless economic logic operates in our zone, pushing farmers into beef and mutton. Overall, there probably is a shift towards cattle. But the logic operates best in the case of big farmers who have the ready capital to purchase land, take risks by specialising and switch productive activities should this be required. The next layer of landowners by size pursue far more varied strategies. They had no easily discernible single approach, except perhaps a tendency towards specialisation of some kind. There are also examples of very diversified farming although this seems to be more characteristic of smaller farms.

Location, water resources and soils can strongly influence farming strategy but neighbouring farmers can also have very different enterprises shaped by past decisions and present imperatives. Some farmers are reluctant to abandon sheep, even though profit margins are squeezed. Their farm infrastructures, such as paddocking systems and fences, sheds and water provision are arranged for sheep. Overall the number of sheep has not declined precipitously despite low wool prices. Farmers' caution was reflected in an article in the Landbou Weekblad (agricultural weekly, 27.8.1993) which advised against sudden switches. The start-up costs of a new form of farming can be very high. Cattle might need different types of pasture and water provision; the value of experience and locally adapted stock could be underestimated. Farmers were advised to develop holdings of dual-purpose wool and meat sheep and wait for the upturn; in fact wool prices have risen significantly in 1994.

G is part of a large family in the zone, descended from a

German husband and Scots wife who came to Wepener to trade in the 1870s. As was often the case, capital accumulated in trade went into farms. Since then branches of the family, some Afrikanerised, have dispersed through the zone. G's father sold a small inherited farm elsewhere to purchase in Dewetsdorp, including a portion of the former De Wet family farm. General Christiaan de Wet a famous Boer leader in the South African War - was son of the first landdrost (magistrate) in the district which was named after him. The General was not a successful farmer and divided the original grant into three for his children. In the 1920s, three large identical houses were built in a classic Free State style with broad verandahs and squat gables. But all three were sold out of the family.

G went to the University of the OFS and is seen as a highly efficient, conservationist farmer. Building on his father's purchases he re-amalgamated much of the original de Wet farm and added to it to form a block of about 3,500 ha. He developed both wool and dairying, keeping them going through the 1980s recession. He also ran beef cattle and cultivated some wheat as well as permanent pastures and fodder. Although not much smaller in size of landholding than the biggest operators, he took a more cautious approach, consolidating on his existing land and retaining a major interest in sheep.

Q in Wepener was an older man, a distant relative who also studied at the University of the OFS, also inherited land and was also committed to sheep. But he followed a different strategy. He had worked for many years as a Co-operative extension officer, advising on finance and farm planning as well as wool and sheep farming. This gave him an intimate knowledge of the local land market and the state of farms. While he owned farms, including one with a substantial old family farmhouse, his land was more dispersed than G's. He was convinced of the economic benefits of hiring land and stocking it quickly rather than purchasing. He

also acted as an agent for others in the rental market.

His argument was convincing given the prices ruling in 1993. Grazing land was available for hire at around R20 per ha. per year; although one farm in Wepener was sold for under R200 per ha., purchase costs were closer to R400 per ha. At a low rate of 15 per cent annual interest, a loan would cost R60 per ha. While land prices were low, and purchasers might expect some appreciation in their capital asset, this was seen as a risk in the political and economic context of 1993. In the short term, it was extremely difficult to retrieve R60 per ha. annually from grazing. Many farmers who purchased land with loans in the 1980s have been embarrassed and Q expressed a general view that it was only worth purchasing with cash. Nevertheless, farmers still require considerable amounts of capital to rent successfully in that such land must be stocked quickly if it is to return a profit.

Rental has other advantages in that the costs of maintenance are lower. Although most contracts involve some stipulation about wise usage, this is not easy to enforce and some argue that rented farms or fields are more likely to be 'hammered' (overgrazed). In practice, a limited number of large farmers rent the most land because they have the equipment, labour or stock to use it quickly and efficiently. It is, however, possible for smaller farmers to benefit from the widening rental market for land. Perhaps 25-30 per cent of land is rented in Wepener; less in Tweespruit and Dewetsdorp.

The picture becomes more complex when larger farms in Tweespruit are considered. R (born 1915) worked with his father in the 1930s on a small farm which made little profit. The family was dependent on his father's salary as a manager at Tweespruit dairy, the largest in the eastern OFS. They had most success with a piggery which drew on dairy by-products. It was

only after the war that R began to expand. With the aid of a Dutch extension worker, he and a couple of others pioneered a system which transformed South Africa's wheat-producing capabilities. Drawing on American methods as well as earlier South African experiments, they found ways of keeping moisture in the soil by a long clean fallow. Yields of wheat shot up and in the 1950s and 1960s many farms in Tweespruit and neighbouring areas were laid down very largely to wheat. Protected prices and the market created by rising white living standards and black urbanisation underpinned expanded production. R lacked formal education, but he was a committed innovator who managed to keep in the forefront of the wheat revolution for three decades and to extend his property every few years. Now run by his daughter and son-in-law, the main farm around Jevington is about 3000 ha., not all contiguous and held in complex interlocking ownership by family members.

A variety of factors, including rapidly inflating costs of machinery, has made many farmers wary of maintaining specialised grain production. Equipment is ageing and it is difficult to purchase new machinery such as combine harvesters. Profit margins on all but the best land are low. Most farmers who had specialised in wheat have diversified again, initially in response to pests and weeds but increasingly because of costs. Farmers have also taken advantage of the government subsidy available since the mid-1980s to switch marginal grain lands into permanent pastures.

But heavy capital investment, careful rotational systems involving sunflower and maize, the introduction of irrigated cabbages, and sophisticated accounting has enabled R's family to maintain intensive crop production. Their system demands a good deal of labour, and the number of farmworkers has not declined significantly. The owners pride themselves on the housing, education and facilities provided for their workers. Together

with other members of the Tweespruit study group and a network of largely English-speaking farmers, they have met the ANC and civics as well as developing a plan for rural reconstruction. It is essentially a programme of enlightened capitalist reform entrenching private land tenure and relatively unregulated markets alongside improved social conditions for workers and market-based opportunities for blacks to buy land.

A different pattern of specialisation was found on B's farm, only a few kilometres away. B's father had inherited about 1,400 ha., still the core of the farm, to which an additional 500 ha. was added. Up to twenty years ago it was a mixed farm, with wheat the major concern. Like many in the area they kept a herd of about 40 cows to supply Tweespruit dairy of which B's father was a director. During the 1980s, B gradually cut down wheat and increased the variety of crops grown, especially fodder. More surprisingly, just as almost everyone else in the district moved out of dairying, B improved his dairy herd and expanded it to 180.

Dairying, as farmers frequently explain, is labour-intensive and demands heavy investment in equipment and high quality cattle. Consequently few farmers are prepared to risk it. The collapse of Tweespruit dairies - which had been running in some form since the early decades of the century - in the mid-1980s was a major blow and has narrowed the options for dairying in that farmers either have to sell in bulk to Bloemfontein or process milk themselves. At its height the Tweespruit branch of the dairy, one of about a dozen, employed about 80 white and 300 black workers; cheese and butter were marketed nationally. B has not developed cheese production, but his investment, including a bottling plant, paid off because he was able to compete in the local market for milk. The rapid growth of Thaba Nchu and Botshabelo provided a new market and he has also been able to undercut big Bloemfontein suppliers by delivering milk in bulk

which some shopkeepers sell direct to customers who bring their own containers. Consumers in impoverished townships have benefited from low milk prices, although B's success has helped to undermine the government-financed smallholder dairy scheme in Bophuthatswana. Rather like Thaba Nchu butchery, B's dairy business has prospered from deregulation and looser controls over sales.

Of all the farms on which we were able to collect information, B's has the largest number of settled black workers for its size - about 60 adults in 37 houses. Whereas many farmers had been reducing the number of their 'staff', B and his wife, like the owners of Jevington, accept that the consequences of their farming strategy is a large community of resident black employees living near the farmhouse. B has developed a complex management structure which allows black heads of division considerable responsibility. Employment is also available for women in the dairy and related activities at wages higher than those generally paid to women in the zone.

Farmers with land holdings between about 1,500 and 5,000 ha. were not generally committed to expanding stock farming or purchasing large new areas on which to do so. There was a tendency to engage in more intensive investment and production so that the total turnover of their farms could be more than that of big stockfarmers. While there has been a movement out of intensive crop farming towards a greater variety of income-generating activities, new specialisations are also evident.

Average landowners with under 1,500 ha.

If it is misleading to see cattle as the main answer, it is also misleading to see specialisation as the only response to the agricultural crisis in the 1980s. Some reasonably successful

farmers with smaller landholdings moved in quite the opposite direction. Although there are specialised farmers with smaller holdings, particularly in parts of the eastern OFS where crops, fruit or high value vegetables like asparagus are grown, information from the interviews suggests a tendency to adopt a mixed farming strategy. Landowners with average size farms or lower, including two black commercial producers on private land, found it safer to pursue a wider range of income-generating activities.

K was brought up on a farm near Bloemfontein but did not inherit land. Rather, marriage brought him back to the land after a university education and employment in a large corporation. He and his wife purchased in 1984, consolidating nearly 1,000 ha. including a substantial dam. K increasingly relinquished maize which had been the predominant crop on his farm in the mid-1980s and diversified into wheat, sunflowers and planted pastures, goats rather than sheep, and some beef cattle. His dam gave him additional options, notably irrigated vegetables. Potatoes have long been a Tweespruit speciality. In the inter-war years, two of the biggest growers in South Africa, the MacPhersons and the Luries, operated from this area (Murray, 1992). But eelworm and economic problems drove them out and by the 1950s wheat was shouldering other crops aside. K operates on a far smaller scale, using 10 ha. of irrigated land and producing largely for the local market. Nevertheless he could dispose of 500 bags a week over the harvest period and this provided a good supplementary income.

As important, K went for cabbages. The OFS cabbage revolution started in the late 1970s around the time of rapid local urbanisation. Vegetables were not subject to control by marketing boards and farmers could sell from the farm through what has become known as the 'bakkie trade'. Black businessmen with pick-ups buy direct for sale in Lesotho, Thaba Nchu,

Botshabelo, Bloemfontein and smaller OFS centres. Cabbages, which are relatively cheap, provide a much needed supply of greens and last better than most other vegetables, have become an important element in the diet of the African poor. They require a great deal of water and irrigation systems are expensive to instal; overproduction in an unregulated market is a danger and the success of OFS producers has already affected smallholder irrigation schemes in Lesotho. But profits can be high and in this zone cabbages are, for the present, king; signs simply saying 'Cabbages' adorn farm gates.

Highly diversified farming, especially when it includes vegetables, can place severe strains on managerial time and is labour intensive. K had sixteen families on his farm and six further permanent single workers. Casual workers from the neighbourhood, especially women, were employed to help pick and pack potatoes and cabbages. (As a perk, women can collect wild greens which thrive on irrigated land.) He was aware of the criticism that farmers were pushing farmworkers off their land and saw his practices, while driven by the need to find new sources of income, as compensating in some small way. A diversied farm also provides food to pay in kind. K is a neighbour of N, where almost exactly the opposite process has been taking place over the last decade although N still maintains a surgery with many black patients.

F's experience since he started farming on his father's land in 1957 was in many ways typical of reasonably successful average-sized landholders in Tweespruit. At an earlier stage than many others he sold the dairy herd and by the mid-1960s the arable parts of the farm were largely devoted to wheat; profits allowed expansion from 900 to 1300 ha. By the 1970s, problems with pests and weeds pushed him into more complex rotations with sunflowers and maize. More sheep and beef cattle were introduced and with them oats as fodder and subsidised planted pastures.

Whereas wheat took 90 per cent of the arable land in the early 1970s, it now occupies less than a third. However, a more limited strategy of diversification than that pursued by K enabled F's son, committed to greater efficiency, to cut the labour force from 18 to 13 families.

Thaba Nchu is one of the few parts of the country where private black landownership has existed continuously for over a century. Although large amounts of black-owned land were lost to whites, mostly before the Second World War, there are still some 64 black private farms in the district. Many are separately owned sub-divisions, far smaller on average than surrounding white-owned units and a number are let out to black and white tenants. (R's family, for example, rent additional land for crops within Thaba Nchu.) Only a few might be considered successful commercial farms. One, a new farm swopped for inherited land, belongs to a leading businessman who runs cattle. Two others are farmed by families who, in contrast both to other black and white landowners, did not inherit land.

M was born in 1920, brought up in Thaba Nchu and studied at an Anglican high school. After a spell in teaching, he bought a cheap, undeveloped farm from a black owner in Thaba Nchu in 1949. A brother took it over as a base for stock speculation while M moved to Lesotho where he rose to a senior position in the post-colonial Agriculture Department. After working in Swaziland he became a senior civil servant in the new Bophuthatswana homeland government in the late 1970s and the family started to farm seriously. M's wife made a success with chickens. Well-positioned politically, they were able to win the egg contract with Thaba Nchu hospital which had previously had gone to white farmers. They bought dairy cattle and participated in establishing a government assisted co-operative dairy. Although this was not a great success, they kept the cows.

Like medium-sized white landowners, and in consultation with them, M and his wife then diversified rather than specialized. They bought beef cattle in 1987 and Dohne Merino slaughter sheep, hiring grazing land formerly occupied by whites but incorporated into Bophuthatswana. This took his total farming unit to over 1,000 ha. They planted maize, wheat as well as sunflower in rotation, despite the fact that profits from stock were higher. M is now determined to establish pigs. Despite success with poultry he argued that 'you can't put all your eggs in one basket'.

D had a rather different background. Brought up as a farmworker in Bloemfontein district he became, after many years as a migrant worker, a skilled mechanic in Welkom. He rented land in Thaba Nchu in the 1970s before moving to one of the new farms which became available through homeland consolidation measures. He started farming with a second-hand tractor, a plough, 20 sheep and R200 in savings on a few hundred hectares. He gradually developed sheep, pigs, cattle, maize, wheat, turkeys and a large coop of free range chickens. He is now a committed mixed farmer, owning no land but renting 1,200 ha. from the (former) Bophuthatswana state. Simultaneously he accumulated five tractors, enough to rival most white farmers, which he maintains himself. Like M he has benefited from government contracts which provide some ballast for his farming income. He does the ploughing, subsidised by the state, in three nearby Trust or communal villages. He used to sharecrop their land but found that the control of the crop was too difficult.

Both these commercial farmers had built new houses, but by the standards of white farmers these were not ostentatious. Both had considered purchasing land, legally possible since 1991, outside the homeland boundary. They held back because they felt that they would not yet be sufficiently secure in the heart of a conservative white community. However, some white farmers,

especially in Tweespruit, recognised that it was important for their own future to encourage commercial black farmers in their midst.

Debt and land availability

The discussion has explored strategies of farmers who have succeeded in staying on the land. Many have not. Figures provided by the Land Bank, which has been the main although not the only source of loan capital for white farmers, suggest that the drought of 1982/3 was one trigger of indebtedness and financial failure. High interest rates, especially after the collapse of the Rand in 1984/5, were another. Interest charged on long-term Land Bank loans increased from 11 per cent in 1982/84 to 14 per cent in 1984/86 and to an all time high of 17 per cent from late 1989 to 1992. In the early 1990s, drought returned with a vengeance. And throughout this period there has been a steady deterioration in the terms of trade for many types of farming commodities. Costs and inputs have gone up compared to the value of agricultural commodities.

Taking the OFS as a whole, 18 per cent of long-term Land Bank loan accounts were in arrears in 1983, 28 per cent in 1987 and 33 per cent in 1992. (1993 figures look a little better.) The amount in arrears was 2.6 per cent of the total capital owed in 1983; 7.6 in 1987 and 9.1 in 1992. Arrears for the OFS in 1992 were therefore about two-thirds of the total amount of interest due. In other words, the 3,859 farmers, who had 5,762 loans with the Bank, could afford to pay about one third of the interest due on those loans. (There are about 10,000 farmers in all.)

In Excelsior (including Tweespruit), the position was worse. The number of accounts in arrears increased from 17 per cent in 1983 to 41 per cent in 1992 and the proportion of capital owed

from 2.3 to 13.4 per cent in 1993. Farmers in grain districts have been more deeply affected because the costs of production, especially machinery, have escalated so rapidly. The 1991 survey in Excelsior found average debts of nearly R500 per ha. and calculated that a third of landowners were in an unsafe financial position - at least in respect of their farming operations (Coetzee and Heckroodt). In Dewetsdorp, the number of accounts in arrears was above average for the OFS, but total arrears by 1993 were only 5.9 per cent of the capital owing. The debt profile of Wepener, hit particularly hard by recent political uncertainties, was similar to Excelsior despite the fact that it is largely a stock district.

In public debates during 1993, exaggerated figures were mentioned for the number of 'Land Bank farms'. In fact, the number is small: OFS farms 'bought in' by the Land Bank increased from none in 1983 to 69 in 1991 and 59 in 1992. Legislation shaping Bank policy specifies rapid resale subject to the requirement for a reasonable price. Nevertheless the difficulty of finding buyers has meant that whereas the Bank had no OFS farms on hand in 1983 and 9 in 1987, it held 102 in 1993. (More than half the total for the country as a whole.) Although this is only about one per cent of OFS farms, it is a significant area of land for any initial steps towards land reform in the OFS. It was certainly enough to spark right-wing concerns that the Bank was deliberately increasing foreclosures and hanging onto land- and refusing to accept low bids from whites - with a view to redistribution.

This rumour is unlikely to have foundation. Indeed it could be argued that the Bank has been far too kind to its debtors- keeping them on farms for too long - stories abound of the political connections behind this policy. Bank officials, however, note that a higher rate of foreclosure could saddle the institution with high administrative expenses and a large

property portfolio which brought in little income. Commercial banks could also lose a good deal if too many farmers are bankrupted while owing more than the market value of their farms. It could be added that farmworkers are in greater danger of eviction if the Bank forecloses; the Bank often has to lease out land which it takes over and lessees are usually reluctant to employ the existing work force.

Overall, the position in the OFS suggests that whatever other land reform strategies are followed, a considerable amount of land could become available for redistribution to aspirant black farmers through the land market, suitably nudged. Firstly, a significant number of farms - especially smaller areas of land averaging under 300 ha. - is put up for sale annually. Secondly, estimates suggest that up to 25 per cent of land is rented out in some districts. Thirdly, tighter financial controls by the Land Bank could bring in more farms, as long as the state is prepared to meet Bank losses and protect farmworkers. The price of land has dropped since the late 1980s and efforts to bring more land onto the market might accentuate the fall. Conversely, land reform measures which might increase the price of farmland should be examined carefully because they could counteract this tendency.

Taxation of large landowners, or a fixed limit on farm size, has been suggested as a technique of making more more land available. An alternative might be to withdraw the tax benefits which large stockowners receive. Such measures may be difficult to implement, but they are unlikely to affect production overall. Evidence from the zone of research suggests that the largest landowners usually concentrate on stock and do not necessarily develop their lands intensively. There appears to be more diversity and often greater intensity on medium-sized farms.

However, once a farming unit in this area becomes too small,

farmers will find it difficult to reach economies of scale especially in the use of machinery. Smaller farms, perhaps as small as 200 ha., run on an individual basis might be possible, especially as an initial stepping stone, as long as adequate water is available. But such farmers will be highly vulnerable and may be pushed to spread risks not only by diversifying but also - as in the case of many white farmers - by finding off-farm income. Farmers working mixed farms on this scale for any length of time would probably find it difficult to produce sufficient to meet the costs of machinery. More labour intensive operations would certainly make some contribution to repeopling the farmlands, but problems of efficiency, adequate wage levels and the pressure on management capacity and family labour should not be underestimated.

The most critical issue in bringing black farmers onto the land, at least in the shorter term, may not be land availability but capital - and in sufficient quantities to weather the hard early years. It is arguably important for the country as whole that those who do come onto the land have the capacity to maintain production. While some suggest that South Africa can afford to become a food-importing nation because local production costs are comparatively high, there are dangers in any long-term dependence on imports in view of the weakness of industrial production and the potential weakness of the currency. Food security, even exports, should remain a priority.

Postscript

The paper is not specifically directed towards the issue of democracy in the countryside, but a few general points could be offered as a basis for more general discussion. There is no necessary relationship between ownership of agricultural land and democracy. Some of the world's best-established democracies, notably Britain insofar as it qualifies, have highly skewed

patterns of agricultural landownership (alongside high percentages of home-ownership) following early transitions to agrarian capitalism. Redistribution of agricultural land might require different justifications and arguments.

If redistributional strategies include generalised ethnic claims to land, as opposed to claims for specific areas based on unjust removals under apartheid, political forces could be set in train which emphasise ethnic identities and regional distinctiveness. While these may not preclude democratic structures - and could extend local accountability - they may sit uneasily with them.

Redistribution of farm land is likely to be of considerable importance politically - and for the individuals involved - but it is unlikely to be a major factor in the redistribution of wealth nationally. The costs of land reform to the state require careful examination and in this respect short term costs of land acquisition may by no means be the greatest. Moreover, there are limits to the number of people who can find a living from farming and related activities; and if existing farmworkers suffer in the process, then poverty will merely be shunted elsewhere. Recent legislation to protect farmworkers has been long overdue, but it has been a contributory factor in yet another phase of extrusion from the farmlands. The likely effects of new patterns of ownership on this process require careful examination. Similarly, implementing legislation protecting workers may be all the more difficult in the context of smallholder farming.

Notes

1. It is difficult to analyse changing patterns of farm ownership without very time consuming work in the Deeds Office. However, the Deeds Office records are now computerised and it is possible to get print-outs which, although lacking information about past transactions, provide a snapshot of the present. Most of our historical information has been drawn from interviews.

2. The term 'farm' is often used to indicate three rather different entities: an original surveyed block of land for which one title deed was issued; a block of surveyed land, often a subdivision of the orignal block, with a name and a farmhouse which has for some time in the past been farmed as a unit; or pieces of land, often with more than one farmhouse and sometimes physically separated from one another, which are now being farmed as a unit by a single owner. It is this latter farming unit, by no means always stable, which is the focus of discussion here.

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Summary

Research in the OFS districts around Thaba Nchu reveals a differentiated white landowning community. Very large landowners with over 5,000 ha. are usually committed to expanding stock and there is a strong economic logic operating in their favour. Smaller and average farms of 800 to 1,500 ha. tend to be more diverse and sometimes more intensive. Smaller units will not necessarily inhibit production, although farmers will be insecure if units worked by individual owner-occupiers become too small. Considerable turnover of private land and relatively low land prices, together with widespread indebtedness and the availability of land for hire suggest that - in addition to other mechanisms - the market in land, suitably nudged, might provide scope for redistribution. The costs of land reform, however, require careful consideration.