UNIVERSITY OF THE WITWATERSRAND

Creating Shared Value

South African small farmers' and a Multi-National Corporation's management's perceptions of Shared Value: An exploratory study

Submitted by

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ACRONYMS AND ABBREVIATIONS

BP – British Petroleum

CA – Corporate Affairs

CSV – Creating Shared Value

CSR – Corporate Social Responsibility

NGO – Non-Governmental Organisation

NPO – Non-Profit Organisation

MNC – Multi-National Company (also referred to as 'the company')

PR – Public Relations

SCM – Supply Chain Management

SPSS – Statistical Package for the Social Sciences

SV –Shared value

TIP – Tavern Intervention Programme

DECLARATION

This thesis is a presentation of my original research work. Wherever contributions of others are involved, every effort is made to indicate this clearly, with due reference to the literature, and acknowledgement of collaborative research and discussions. The work was done under the guidance of Professor David Coldwell, at the University of The Witwatersrand, South Africa.

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In my capacity as supervisor of the candidate's thesis, I certify that the above statements are true to the best of my knowledge.

[Supervisors signature]

Date:

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Abstract

The private sector has largely been seen as being solely concerned with obtaining the best possible returns for shareholders above all else, usually not for the benefit of, and sometimes to the detriment of, society. With its origins in corporate social responsibility (CSR), where the private sector would partner up and budget for initiatives that would positively impact society and in-turn garner good will or brownie points from that society. Shared value (SV) has gone further in that the very initiative is engraved into the companies operating model and is not merely an item on the budget line. This case study investigated Porter and Kramer's SV theory and looked at whether the theory works in the 'real world' by asking what the motives are for a Multi-National Corporation (MNC) to engage in SV, what the perceptions are from each side (the farmer & MNC) and lastly, by making recommendations based on the results. The study was an exploratory one utilising both Likert scale type questions and open-ended semi-structured interview sessions with farmers who are part of the 'go-farming' programme in The North-West and Kwa-Zulu Natal Provinces and MNC senior managers. The successes and failures of the programme formed the basis for the conclusion and recommendations, and the analysis of the data found that overall the programme has been highly beneficial (symbiotic), especially for the small farmer in the supply chain, with some structural issues that need to be addressed. With the addressing of the existing structural issues, the programme could be scaled and replicated in other parts of the business both locally and internationally.

There is no doubt that SV has the potential to unlock serious value for businesses and society, however this depends on the mutual benefit of programme for all parties involved. There is much room for further critical evaluation and the studying of the SV concept in its practical application.

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To my Professor, supervisor and counsellor, David Coldwell.
To determination and never looking back.

CHAPTER 1: BACKGROUND TO THE STUDY

1.1 Introduction

The solving of the world's most pressing issues has generally been ceded to national governments and to a large extent non-governmental organisations (NGOs) or non-profit organisations (NPOs) (Porter & Kramer, 2011). For the longest time, organisations' corporate social responsibility (CSR) has merely been a paper exercise or a public relations (PR) stunt to nurture public perception in a certain strategic direction (Porter & Kramer, 2011). Going the distance of making truly meaningful changes was seen as 'not our problem' by businesses, as they believed that governments and NGOs were there to deal with these social issues. Creating shared value (CSV) or shared value (SV) is changing this entire way of thinking towards a more nuanced and sustainable approach to 'business as usual'.

One may even go as far as to say that the practice of CSV may actually help companies build goodwill currency among the community as a by-product of the initiative. Thus, business can further leverage this currency through areas such as brand loyalty, hence getting more sales out of the process even if their product is at a higher premium. When companies engage in CSV, they are essentially expanding the limited economic pool to better meet their own needs (Porter & Kramer, 2011).

The perception society has of a company plays a major role in the relations between society and business (Porter & Kramer, 2011). Relations are usually quite strained when society perceives a company's success as being at the direct expense of society and the environment at large. Legitimacy in its broad sense is playing an ever increasing role in how the business narrative is being shaped in the 21st century.

1.2 Purpose of the study

The purpose of this study was to endeavour to evaluate tangible aspects of SV on a company's supply chain process, by looking at the nature of the relationship between the Multi-National Corporation (MNC) and small farmers within the 'go-farming' initiative. The focus of the study was to assess the nature of this relationship and whether it can be regarded as being essentially 'symbiotic' or 'parasitic'. The case study focused specifically on an initiative called 'go-farming', which is a programme where attention is given to the specific development of small black emerging barley and maize farmers in order to secure the MNC supply of raw materials (barley and maize) while substantively developing the farmers as going business concerns and partners.

The case study was created to assist in establishing practical knowledge of how SV actually impacts the small farmer-company relationship. The case study examined if there was a real business case for companies to include SV in their strategic model and if so, to what extent. The study looked at aspects of CSR and business case motivations for the MNC to adapt its model to include SV.

The SV bond may be described as brittle in nature and relies on a symbiotic mutually beneficial relationship to be sustainable. The study then considered the balance of symbiotic and parasitic characteristics from both sides.

1.3 Context of the study

The motivation for investigating SV was based on an article written by Kramer and Porter and published in the Harvard Business Review. The paper by Porter and Kramer (2012) on CSV has introduced an interesting new narrative to the context of doing business as usual.

For a long time, business has been about making more profits, usually not giving a second thought to the societal aspects that affect the business environment the business operates in (Friedman, 1970). SV holds a key opportunity in that it has the potential to unlock innovation and growth in a way that pins the success of the business and society together in a symbiotic fashion to make real and lasting differences for each stakeholder.

SV zeros in on making the kind of profits that add to the betterment of society (symbiotic) and not profits at society's expense (parasitic). CSV remains a highly under-researched area, and this case study sought to help unlock more about the topic, revealing whether the case study subjects' bond is more symbiotic or parasitic in nature and what recommendations could be made based on the results of the study.

1.4 Research question

The existing literature indicates that CSV is a concept that is being promoted by supply chain literature, as being an important aspect for sustainable business systems. However, in CSV initiatives the qualitative nature of the interrelationship between business and the community has been under researched. Is the qualitative nature of the relationship between small farmers and the MNC perceived as being essentially parasitic (i.e. exploitive) or symbiotic (i.e. of mutual benefit) and is it sustainable?

1.5 Research objectives

Main objective

The research aims to establish why a large MNC engages in an SV programme. Particular reference will be given to whether, and to what extent, such initiatives are used to empower small farmers within the 'go-farming' initiative by investigating the qualitative interrelationships in this process. Moreover, it needed to be determined from the MNC's point of view whether such SV initiatives make business sense in terms of obtaining a safe and reliable supply chain for the organisations ongoing operations.

Sub-objective 1

- To evaluate the perceptions of the MNC of SV under the 'go-farming' initiative and to ascertain whether or not the relationship is symbiotic or parasitic.

Sub-objective 2

- To provide the MNC management with recommendations on how the small farmer-company relationship can be made more effective and sustainable.

1.6 Significance of the study

The case study was a significant endeavour to add to the practical knowledge base touching on Porter and Kramer's (2011) article. The study aims to be beneficial to the knowledge base as it endeavours to look into motives behind big business championing such initiatives within their strategic operations. The study reveals critical realities from the perspectives of management and small suppliers that have an impact on the long-term stability of the programme, as well as other similar programmes the business is involved with.

An objective of this study was to reveal practical ways to replicate the SV concept. Knowledge obtained from the investigation can be shared across various businesses within the group as well as other industries, thus potentially contributing to the solution for one of society's most pressing needs, which is unemployment.

The SV relationship is a brittle one in nature and depends on mutual beneficiation to be sustainable, therefore the study interrogated the symbiotic and parasitic characteristics which have a direct impact on the programme's success and future. Although in literature the concept, SV offers thought-provoking ideas, the case study needed to answer the question of whether it works in the 'real world'.

1.7 Delimitations of the study

The study only researched one industry and company, and although it is the largest brewer in South Africa and the second largest globally, the company only covers a limited view of SV initiatives. Although the MNC is involved in several SV initiatives, the study only considered one supply chain scenario.

The sample size was small as the study focussed on a small sample of the beneficiaries of SV under 'go-farming' however, a representative sample of small barley and maize farmers was used. Although the small sample is representative, it was not randomly selected meaning it is difficult to make generalisations.

This was a cross sectional study at one point, which means circumstances change and develop thus the findings may not be the most up to date. The study also only looked at one industry and of that industry one company and a small section of its operations, which are vast and transcend boarders. It is difficult to make meaningful generalisations about the sample based on these limitations.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This section contains a literature review of the key areas of the study that was undertaken. The main theme is creating shared value and trying to understand it in the context of today's business climate. Another underlying theme is corporate social responsibility (CSR) and trying to define it in relation to SV. The literature review will attempt to expand on how these concepts relate.

2.2 Section 1: the concepts of CSR and CSV

Business has seen a marked evolution in its 'traditional' operating processes of the past. There was a time when it was simply unthinkable to have a business diverting shareholder money for social issues. Society has now moved into a new era in which businesses simply cannot throw themselves at the next and latest social agenda fast enough. In the same way, CSR was once about whether companies wanted to invest in a social cause. One may argue that it has now become uncommon for any business not to be involved in one social cause or another.

Argumenta point of view is raised in that adding a social aspect to a company's growth strategy will ensure that CSR is implemented in such a way as to give the company a competitive advantage (Loisch, 2012). Porter and Kramer (2012) put forward an argument that for real growth and prosperity, the key is advancing both social and business interests at the same time, in a real benefit for all situations, thus creating a win-win mutually beneficial and sustainable working environment.

CSV can be described as the strategic side of CSR in that, by investing in truly sustainable practices, companies are able to actually leverage this for greater gain (Porter & Kramer, 2011)). CSV is a movement away from the old thinking of doing business to a new one that realises that for added and exponential growth, there has to be a social aspect in all business decisions that are made (Porter &Kramer, 2012). Companies have for a long time ignored the broader and more nuanced influences that have an impact on the longer-term success of a business. These influences have far-reaching implications.

In explaining the differences between CSR and SV, CSR is taking the business resources and investing those resources in being a good corporate citizen. This means giving money to social causes, recycling, reporting on social and environmental impacts, and engaging employees on social issues (Porter, 2012).

SV, on the other hand, is aimed at fundamentally changing the core of how the business operates by changing strategy, structure, people, process and rewards in order to meet triple-bottom-line obligations and go much further (Porter, 2012).

The main distinction then between SV and CSR is that CSR is doing something of social value that is separate to the business, whereas SV is about integrating the social and environmental impact into the business and using that integration to drive economic value (Porter, 2012). CSR is widely perceived as a 'cost centre' as part of operation costs, not a profit centre. In contrast, SV creation is about new business opportunities that create new markets, improve profitability and strengthen competitive positioning (Kramer, 2011).

Høvring (2014) goes on to assert that the real legitimacy of the business is the most important objective it pursues; thus, the business' interests come first before that of society. Contrary to this, Strand and Freeman, (2013) suggest, 'perhaps most important of all, learning how to create shared value is our best chance to legitimise business again' (Porter & Kramer, 2011,:63).

Høvring (2014) also argues against CSV in that the business concept essentially sets its own agenda on what societal ill to tackle, without meaningful consultation with stakeholders. The argument cites Porter and Kramer (2011, P70), when they indicate, 'each company can identify the particular set of societal problems that it is best equipped to help resolve and from which it can gain the greatest competitive benefit'. Høvring (2014) posits that this indicates a narrow firm-centric perspective. This simply does not take into account that although different stakeholders may be linked, this does not necessarily mean they all have a mutual understanding and congruence relating to CSR activities (Frankental, 2001; Zyglipoulous, 2002; Garriga & Melé, 2004; Gond &Matten, 2007; Dalsrud, 2008).

The current thinking of many businesses is to export and outsource manufacturing services to lower-wage countries, thus saving millions in salaries, as well as on labour red tape. Porter and Kramer have developed the SV concept to enlighten businesses about the potential of a totally new way of doing business – one that creates real tangible wins for both sides, highlighting that they are mutually dependent on each other to succeed. CSV is not about the redistribution of wealth, but to the contrary, it is a mobilisation of social change initiatives and opportunities that can and will have long-term impacts on organisations and their stakeholders.

The argument of Høvring (2014) is that the CSV concept does not take into account that on most occasions, stakeholders have competing interests. Because of this, at the end of the day, SV becomes simply unsustainable with the myriad of opposing viewpoints, and practical dilemmas turn into hurdles to success and prosperity (Waddock & Googins, 2011;Crane et al., 2014).

Porter and Kramer (2011) stress the importance of seeing SV not as redistribution but more as a strategic growing of the pool of opportunity and growth. The fair trade phenomenon, which essentially means paying higher prices for a service or product, can be seen as redistribution of wealth, as the real social change aspect is lacking there.

Crane, Palazzo, Spence & Matten (2014) go further and indicate that CSV is simply a rehash of the debate on social innovation among businesses. 'The idea of re-conceiving products and markets and the encouragement to create partnerships and hybrid organizations (such as microfinance or social enterprises) that blur the profit/non-profit boundary is anything but new' (Crane et al., 2014:135). Crane et al. (2014:136) cite Vogel (2005) as arguing, 'unfortunately there is no evidence that behaving more virtuously makes firms more profitable … the market for virtue is not sufficiently important to make it in the interest of all firms to behave more responsibly'.

2.3 Section 2: CSV applications: some examples

Unilever PLC, a well-known behemoth of manufacturing, has gone one-step further in ensuring stronger sales in less-serviced markets while also developing females to be entrepreneurs in their operating areas. Unilever PLC's initiative is called Project Shakti and mobilises the local female population in rural India and Bangladesh to distribute Unilever PLC products to obscure and geographically hard-to-reach customers (Porter & Kramer, 2011)).

In doing the above, Unilever PLC has also invested large sums of money in health, education and awareness and has developed the local female population as entrepreneurs.

The by-products of this initiative have been profound and have had a ripple effect on the company and surrounding businesses (Porter & Kramer, 2011)). Standards of living are up; the abuse of women is down. The next generations of these entrepreneurs are more educated and better off. With all of this, Unilever PLC has increased its market share and also increased profits (Porter & Kramer, 2011)).

Project Shakti has had the effect of increasing Unilever PLC's profits through sales to these hard-to-reach marginal markets at low logistical cost and has also developed entrepreneurs not by simply putting them in a classroom, but by actively engaging with them with real skills and know-how. This has lowered poverty, disease, crime and created other peripheral service industries. Simply buying at fair trade prices does not go nearly far enough as SV (Porter & Kramer, 2011). SV endeavours to empower and develop a symbiotic climate that benefits both parties.

'Hybrid enterprises' are on the rise, where companies are finding profits but at the same time assisting society with its most pressing needs (Porter & Kramer, 2011). Porter and Kramer (2011) mention Water Health International, which uses special purification methods and technology to clean water that they then distribute to the impoverished communities in which they operate. Water Health makes a profit from selling its innovation but also assists in using that innovation to do good things in the community (Porter & Kramer, 2011).

SAB launched a Responsible Trader Programme (RTP) which recognised that an unhealthy community and society actually means that the company loses out on growth opportunities. By ensuring that its distributers are at the coal face of ensuring people consume alcohol in a responsible manner, it has had benefits not only for consumers' health and ensuring a responsible consumption of its products, but also the licence to trade and reputational enhancement for the business (Leaders, 2015).

The outdated thinking that Porter and Kramer are encouraging a shift away from is the notion that many hold, that solutions to the existing social ills will be handled by someone else – be it the government or an NGO (Porter & Kramer, 2011). It is evident that governments and NGOs alone simply cannot cope or make a lasting change alone. It is essential that businesses leverage their innovations, technology and skills to come up with sustainable ways of dealing with social issues while making it worthwhile for the shareholders.

SAB's 'Kickstart' programme is now considered one of South Africa's most successful business enterprise development programmes for black people. The 'Kickstart' programme funds entrepreneurs with ideas for growing the economy and offers, them specialised incubation and business support. Although the ideas generated may not necessarily benefit the beer industry as such the business has recognised that by growing entrepreneurs you grow the economy and therefore grow the number of customers who will enjoy your products in the future (Leaders, 2015)

Companies are seeing the tangible advantages of SV in supply chains, as it makes business sense to develop a safe, reliable and strategic supply chain that will meet business commitments (Porter & Kramer, 2011). Cheap-labour countries are not as alluring as they once were. Large enterprises such as Wal-Mart Stores, Inc. are seeing the lucrative advantages of developing local suppliers, which has many by-product ripple effects to other industries (Porter & Kramer, 2011).

By being innovative with its packaging lines and optimising its logistic routes, the Wal-Mart was able to cut some 100 million miles from its operating routes and lower carbon emissions by avoiding dumping in landfills, resulting in saving $200 million in operating costs (Porter & Kramer, 2011).

Johnson & Johnson (Pty) Ltd made investments totalling $250 million in wellness programmes for its employees. This resulted in increased business productivity; employees are happier, and company profits are up as a result (Porter & Kramer, 2011).This is a strong SV example where both the company and its stakeholders have benefited, and it is not only about an external stakeholder who can benefit from a strong symbiotic relationship in this case.

Again, it should be stated that SV should not be interpreted as a redistribution of wealth. SV is more about expanding the economic and social value pool that is currently available to increase and encourage a growth opportunity mind-set (Porter & Kramer, 2011). (Pearl &Phillips, 2001) highlight that Crane et al. (2014) value model actually has many inequalities associated with it, citing the case of the Grameen Bank in Asia where the rate of defaults have been high and value return low.

SV goes beyond fair trade, as this business model is engaged in the entire value creation process, such as giving advice on planting techniques, strengthening local support industries, and extension services. These inputs would ideally translate into bigger yields and returns for farmers, a sustainable and reliable supply chain for the organisation, and bigger profits for all involved (Porter & Kramer, 2011). However, on the other hand, Crane et al. (2014:137) point out, 'SV ignores the inherent tensions between social and economic goals that often pull against each other than together, it does not properly take into account the difficulties there are in general business compliance, and lastly, it is based on a limited view of a business's part in society'.

Porter and Kramer (2011) highlight the symbiotic interdependence that society and business must have if real growth and benefit are to be achieved. The thinking among business leaders is that business contributes to society by making profits which are then taxed by government, and then those funds are used for social purposes. They further postulate that by making larger profits, businesses hire more employees who, in turn, spend that money, thereby growing the economy (Friedman, 1970).

It has become apparent that Friedman's view is becoming obsolete (Porter & Kramer, 2011)). Friedman (1970) suggested that business was there simply to make profits and not to engage in the façade that is considered to be CSR, thus wasting shareholders' money. Friedman (1970) submits that business has a responsibility to the shareholder and, therefore, must act only in the shareholder's interests. CSR was not seen as promoting shareholders' interests.

Ferrero, Hoffman & McNulty (2012) indicate that Friedman's view led to what is known as shareholder theory, which essentially says that although a business may have several stakeholders, its primary duty is to its shareholders. Ferrero et al. (2012) state that Friedman (1970) argued that because CSR is an endeavour that requires expenditure – the expenditure that actually belongs to the shareholders – the process of CSR removes value from the shareholders. This may be true but business does not operate in a vacuum and has to consider its community responsibilities while discharging its responsibility to its shareholders. A weak society left worse off will affect the value chain of an organisation (Porter & Kramer, 2011).

'Instrumental stakeholder theory' (Donaldson & Preston, 1995) is argued by Crane et al. (2014:135) as being the same as SV, just wrapped up differently, as they highlight that, 'adherence to stakeholder principles and practices achieves conventional corporate performance objectives as well or better than rival approaches'. It is largely the same as SV because it 'creates economic value in a way that also creates value for society by addressing its needs and challenges' (Crane et al., 2014:135). Additionally, Crane et al.

(2014:135) maintain that Kramer and Porter (2011) actually highlight the same theory as Freeman, Wicks & Parmar (2013) stakeholder theory, which has as its key principle that, 'creating value for stakeholders creates value for shareholders'.

Strategy theory, speaks of the need for companies to be able to differentiate themselves for a particular set of consumers in-order to best highlight their offering, also known as a value proposition (Porter & Kramer, 2011). The 'how' a company goes about configuring its value chain to deliver a product grossly overlooks the opportunities that the value chain may have in addressing societal needs while being highly economically competitive at the same time. Crane et al., (2014) argue that the way in which (Porter and Kramer 2011) go about contextualising SV, makes it seem as though they are overlooking a well-developed stream of work dealing with creating value within the existing stakeholder management literature.

More companies are getting involved in SV initiatives, as they are starting to understand the effect societal issues have on their value chain. An example is the Tavern Intervention Programme (TIP) where the company targets individuals who are prone to or have abused alcohol. Companies offer them guidance as well as a platform from which they can break the cycle of alcohol abuse. The company recognises that alcohol abuse has a negative effect on the company's revenues as well as its reputation (Leaders, 2015). Taking charge as a beer maker and recognising that there are other social effects that may negatively impact the company's value chain has tended to enhance the company's reputation and improve business.

The Coca-Cola Company has reduced its water consumption by 9% in its worldwide operations and is aiming for a total 20% reduction in its production process (Porter & Kramer, 2011). This has direct effects on the business and its stakeholders, as savings are derived from efficiencies, which also means the environment is better off, leaving more natural resources for the next generation.

SAB a locally formed yet global operating business understands that maximum resource utility is vital to a sustained growth of the business and preserving the environment it operates and depends on. The company has integrated a 25% reduction in the use of water into its operating model which is about 20 billion litres in saving (Leaders, 2015). 90% of the water usage occurs in the farming arm of the business thus investing and developing farmers with water saving know-how will have a direct impact on its output savings, the environment and thriving suppliers (Leaders, 2014).

Woolworths recently went through a boycott for acquiring goods from Israel. Customers asked hard questions about the ethics of the country of origin their food comes from (Times Live, 2015). Porter and Kramer (2011) point out that by squeezing and marginalising suppliers, they will not be able to remain productive or improve quality over time. By squeezing suppliers and using the considerable influence of the business, the relationship becomes parasitic.

2.4 Section 3: Development of CSR over time

With the world as it is and competition ever higher and more complex, it is no longer the case that companies have the luxury of doing more with limited means. It is in a business's interests to be as efficient as possible with limited resources.

The gradual evolution of CSR in corporate enterprises can be looked at as follows: originally CSR was concerned only with 'a) corporate administrators and trustees; (b) balanced representation on corporate resources and (c) philanthropic support for good causes. Meanwhile, in the 60s, CSR was characterized by the emergence of schools of thought as the vision of corporate managers as ambassadors for the public welfare, referring to the voluntary acceptance of public responsibilities by business leaders' (Frederick, 2006).

The following era namely the seventies, was a period 'during which business managers applied a traditional management in order to address CSR issues; most of them following the model of self-interest. While in the next decade, commercial and social interests approached and businesses became more sensitive to interested parties or stakeholders' (Moura, 2011).

In moving with Moura (2011), in the period from the 90s onwards to today it is indeed evident that the study and academia around CSR has migrated away from just being a mere ethical consideration of yester years managers to one where optimisation and key performance is part of an organisation's very existence in today's world.

Environmental awareness has become a major part of the psyche of doing business. Technology has advanced enough to be able to create the means for being innovative with the problems of the day. The need to ensure maximum utilisation of resources can have beneficial effects on the value chain, and areas such as landfills will have significant pressure removed as resources are utilised to the maximum utility (Porter & Kramer, 2011).

Firms have for a while now been outsourcing everything from manufacturing to HR services to outside locations that have low-wage costs such as China and India. One may argue and say this has been to the detriment of local industries, quality and business reputation. Today's customer is ever more aware of the origins of goods consumed and asks hard questions about the value chain the product has gone through (Porter & Kramer, 2011).

2.5 Section 4: The land issue in South Africa

Land as a means of production remains an important aspect of being able to become economically viable. This is particularly pertinent in South Africa where one may argue the land reform agenda has been hijacked by a few black commercial elites (Hall, 2015). The large black commercial farms enjoy the bulk of government support when it comes to the cultivation and extension services to the detriment of small black farmers (Cousins, ND).

Communal Property Associations or CPA's where a method government tried to get communities to pool their tribal land together in such a way as to be able to derive the benefits of scale, has not been a success due to different factions' tribal chiefs having differing amounts of influence on matters Ntsebeza (2006).

'In 22 years, land reform has barely altered the agrarian structure of South Africa, and has had only minor impacts on rural livelihoods' (Cousins, ND). From a macro view of the land question it is evident that land, even from a policy perspective, is a difficult subject in South Africa, thus trying to get business to solve this issue is near impossible. A partnership between the various stakeholders will be the only way initiatives require land to produce the kind of expected results (Cousins, ND).

From a number of cited case studies we are informed that of the projects related to land reform and benefiting of previously disadvantaged groups, only about half of them have truly benefitted and become proper going concerns (Cousins, 2013). Sustainability remains a key factor in any and all initiatives undertaken as their sustainability is threatened by regulatory considerations, pressures from competitors, the industry and community stakeholders (Sarkis et al., 2011).

A distribution programme which comes from very humble beginnings in 1987 to one where SAB has invested over R3 Billion since inception, has pushed this company from a local brewer to a global behemoth (Leaders, 2015). The Owner Driver Programme accounts for 70% of SAB's total distribution. This programme uses truck drivers who own their own trucks with a stake in SAB. By using this SV model turnarounds and profits have increased substantially over the years (Porter & Kramer, 2011).

2.6 Section 5: Sustainable development as a CSV initiative

A great deal of literature, in particular early literature, saw sustainable development purely from an environmental space and not the more complex nuances we see in businesses navigating their way today (Brandenburg, Gressel, Jabbari, Kleeorin & Rogachevskii, 2014; Seuring & Müller, 2007). Today sustainable development is a key part in a business's operating model and is indeed used to gain an advantage over competitors. SAB's drive on reducing water usage by 20 billion litres means that they not only save the environment, gain good will points from society but they also invest in technologies and know-how that allows them to reduce their input costs thus they can look at pricing better than their competitors (Leaders, 2015).

Organisations also have an inherent economic responsibility in how they operate as not only can they not afford to take their operating environments for granted but society is little accepting of those who blatantly abuse their ways of operations (Carrol, 1979). Sustainability is not only about the 'brownie point' or good will capital built up with stakeholders, it's about a smart kind of management that goes beyond the simple façade of things (Savitz and Weber, 2006, pp. xiv). Like SV an enterprise's initiatives on being a good corporate citizen and sustainability must be intertwined into the actual model and not run as a separate initiative like CSR programmes, in that way the organisation's culture itself is changed (Shrivastava, 1995).

The concept of risk management is not explicitly related to sustainability however by companies taking into account the associated risks with environment, food insecurity, civil unrest etc. they can ensure that they plan their business models accordingly to mitigate against these risks. When a company decides to source locally due to currency risk or to cut down on water utilities in taking their product to the market, they are actively managing risk by being sustainable (Gladwin, Kennelly, Krause 1995, p. 878, p. 897).

Sustainability in the 21st century is no longer purely based on coercive pressure abounding in the business community but rather reasoning based on companies also trying to gain their strategic competitive advantage through sustainability (Zhu, Sarkis, Lai 2011). ‘The business case for sustainability, especially supply chain sustainability, is multidimensional. Business reasons can include cost reduction through efficient use of resources; revenue generation from new uses of former wastes; improved image and reputation, building good will; creating a license to operate; and for reasons of building a resilient and reliable supply chain’ (Reinhardt, 1998; Sarkis, 2009).

The resources that are available on earth are finite, therefore sustainability is not only concerned with the preservation of the environment but also the preservation of an organisation, as it cannot separate itself from the environment it operates in as resources become depleted. By doing more with less, businesses are able to foster innovation and new ways of doing things (Aras & Crowthe, 2009). As with SV, organisations must ‘give value to the environment’ and have the corporate culture such that people become brand ambassadors for the kind of change businesses want to see in the world (Barnett, 2007).

SAB helps drivers from previously disadvantaged backgrounds acquire new trucks, supports them with operating costs, insurance as well as associated labour costs. A dedicated business advisor is given to these partners to help them grow. They begin in phase 1 with one truck and themselves as the driver and can end in phase 3 with three or more trucks and several other drivers they have hired (Leaders, 2015). This is seen as one of the most successful BEE partnerships and an example of what Porter and Kramer (2011) emphasised about SV going well beyond just paying fair trade prices, it goes to the integration into a company’s operating model and includes empowerment, business ownership and community benefit (Porter & Kramer, 2011).

2.7 Section 6: CSV and Supply Chain Management

By companies actively engaging their supply chain and offering real assistance in areas such as financing, technology and input knowledge, they then improve overall productivity and quality (Porter & Kramer, 2011). Quality and reputation will supersede lower prices and further, more companies can leverage this with attracting consumers to take part in their initiatives and be part of doing business the ‘right way’ (Porter & Kramer, 2011). A ripple effect or by-product of the above is that as suppliers become more efficient, they will do more with fewer resources and greatly improve their environmental footprint. The above is another example of how SV is created.

It is clear that the narrative of businesses simply finding cheaper locations to operate out of is changing. Companies are recognising that costs of highly dispersed production networks and the associated costs that come with procuring and marshalling products from far-flung places are very expensive (Porter & Kramer, 2011). Where once companies did not give cheap outsourcing a second thought, companies such as Wal-Mart Stores, Inc. have recognised an opportunity by realising that if they source food from local farmers instead of shipping it from cheaper locations, it translates into major savings in transportation costs and gives it the means to restock smaller quantities more often, which has significantly offset the lower prices from low-wage countries (Porter & Kramer, 2011).

Porter and Kramer (2011) also highlighted how the 'calculus' of big firms is changing in terms of locations and production. Olam International once shipped the nuts it sourced in Asia and Africa for processing and packaging in other nations (Porter & Kramer, 2011). The business then came to the realisation that by doing the processing locally, where the product was sourced, they derived dramatically reduced costs and carbon emissions and provided thousands of meaningful jobs. This meant that quality of life got better; it also translated into surrounding service industries growing to supply increased demand. This also means a growing of the value pool of customers which will one day use those products, and so the cycle goes.

Supply chain management (SCM) is essentially about reworking, manipulating and edging behaviour towards a specific direction and in very particular ways in order to get to a specific outcome (Storey, Emberson, Godsel 2006). Harland et al. (1999, cited in Storey et al., 2006:755) state that the supply strategy theory can 'embrace logistics, operations management, purchasing, supply management, industrial relationship marketing and service management'. Furthermore, Storey et al. (2006:755) bring out that this strategy is more than merely marshalling the above but rather the idea is to exploit 'relational strategies' in a holistic way.

Storey et al. (2006:755) cite 'supply strategy' (or 'strategic supply management') as a mode of thinking and action which includes and endeavours to best exploit interconnecting relationships that could potentially be used as a powerful lever for competitive advantage (Ketchen & Giunipero, 2004). Lamming (2006) pushes towards looking at the merits of the broader concept of 'supply management'.

According to Giunipero and Brand (1996:755), ‘some see supply chain management as a great opportunity to develop suppliers within the sphere of operations’. However, others argue that good supplier management is not enough to attain one’s set objectives; there is an added requirement for a wider, more integrated, all-encompassing perspective which goes to embrace all supply chain processes from procuring through to manufacturing, transportation and on to selling to final customers (Davis, 1993).

The impact of SCM on a number of functions is noted in SCM theory (Andersen & Rask, 2003). ‘Other fundamental ideas include win-win relations between partners in the chain, goal congruence, avoidance of opportunistic behaviour, supplier development, strategic alliances, variants of vendor managed inventory (VMI), and the sharing of risks and rewards’ (Storey et al., 2006:136).
Stakeholders must also be considered within the context of the discussion, stakeholders can be seen as external and internal. These actors have influence and some bearing on how the business will go about its operations. Stakeholders may influence how an organisation chooses to deploy its resources for different initiatives, for example the amount of budget allocation for supplier development (Bryson, 1995), to a more direct influence where internal company strategy is influenced by to stakeholder considerations (Nutt & Backoff, 1992).

Lewis, (1976) speaks about CSR when mentioning how Henry Ford worried about more than just churning out profits for his business. Ford wanted individuals to be able to earn an income, have job security, to ensure people have cars and money to use on those cars, thus employees and stakeholders where the priority and profits were simply as a result of that process.

Corporate welfare and CSR are only to be taken part in if there is economic sense in doing so , meaning there is some kind of economic value derived for the business, doing otherwise would be feeding into ‘idealism’ and ‘sentimentalism’ and this should not be done to tax payers’ money (Levitt, 1958, P42). This statement is the premise and link to Porter and Kramer’s (2011) SV. As SV is not about wealth redistribution there must be a mutual benefit for the business and society/stakeholders. Levitt’s (1958) comments might be seen as the early stages in the evolution of CSR to CSV.

The production process and economic inputs of manufacturing and distributing products must be set up and modelled in such a way that it provides some sort of ‘socio-economic welfare’, meaning that two objectives are tackled, that of society, and then that of business

(Frederick, 1960, P60). Both are able to benefit from the one initiative in meaningful ways. This way of thinking looks at remoulding how productivity is carried out throughout the value chain, by minimising inputs but maximising outputs to stretch resources. Other authors also speak of the need to address the needs of other stakeholders who are relevant to a business sphere of operations and not just profits (McGuire, 1963).

As much as a hardliner as Friedman (1970) was about the use of shareholder money, he changed his views somewhat to say that social needs may be 'integrated' into the business's operating model so long as some sort of profit and benefit might be derived in the long term. Some may put forward that this was the early premise of SV as corporates see CSR as an investment in the business rather than just an expense item somewhere in the budget. The business's welfare is linked to society's welfare.

(Steiner, 1971) notes that the compatibility between an enterprise's financial agenda and society's needs are connected. Although a businesses singular priority is growth and to remain a going concern, it can also meet the needs of society without incurring costs and benefit financially from that collaboration which fits in well with the CSV model of Porter and Kramer (2011).

2.8 A conceptual model of the Shared Value relationship

The following discussion will highlight the advantages and disadvantages of CSV for the companies involved and the communities in which they operate. Supply chain forms of CSV in particular can have symbiotic or parasitic relationships. If power relations between supplier and supplied are distorted or deliberately used for advantage. The relationship between supplier and supplied is illustrated in figure 1.

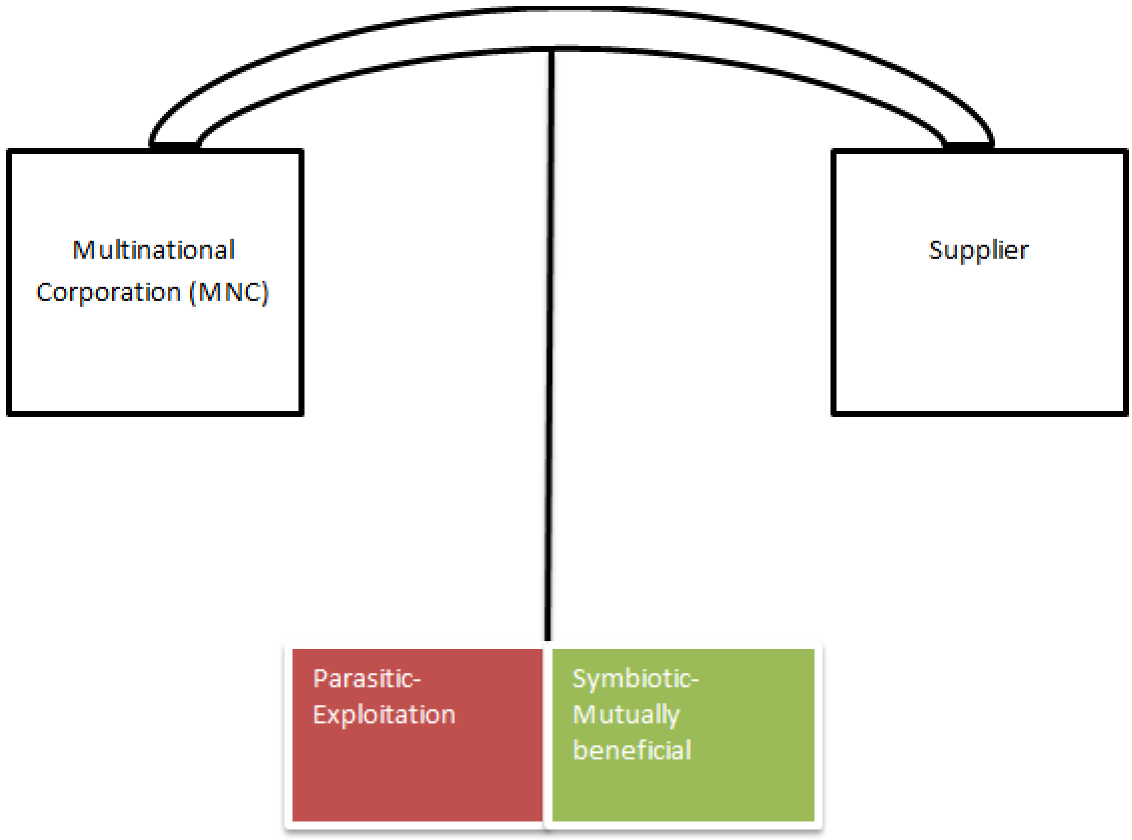

Figure 1: A model representing the conceptual view of SV and the balance of parasitic vs. symbiotic relationship between the stakeholders (Matsebula, 2017)

Figure 1 represents the conceptual model of the SV model. The SV bond is brittle in nature and requires a symbiotic relationship to sustain both sides and to prevent win-lose situations. Depending on the nature and strength of the relationship, it could either be parasitic or symbiotic in nature. The more symbiotic in nature, the stronger the bond would be and the more dependent on one another the stakeholders would be for survival. The relationship may become destructive or parasitic if, for example, the supplier is simply exploited and overwhelmed by demands. SV is being referred to in ecological terms, as each side needs the other for survival.

2.9 Section 7: Conclusion

'Corporate social responsibility requires the implementation of social programs to add benefits to your organisations' (Johnson, 1971). Johnson (1971) recognised that there are multiple levels of stakeholders that are affected by a business and which affect the business itself. This thinking asked the question, why can't business benefit financially from helping society? This is the catalyst for CSV.

Indeed CSR has obligations to stakeholders such as employees, customers, suppliers, etc. and at the same time keeping in mind the obligation to shareholder interests. Yes, there is an obligation to these parties but why not generate a profit while addressing those needs (Jones, 1980).

One of the levels of Porter and Kramer's SV speaks about the redesigning of 'products and services whose purpose is to satisfy the needs of society thereby making a profit out of satisfying that need. The converting of these social ills/ problems presents a unique opportunity to make a business case out of a social issue, that out of the box thinking' (Drucker, 1984). This hybrid way of perceiving business in a monetised and social paradigm is shaping business as we know it in today's context.

The creation of jobs in-order to help deal with social issues like SAB's owner driver programme presents an opportunity for paying jobs which can help create wealth (Drucker, 1984). This speaks to one of the levels in the SV model whereby 'local clusters' are utilised to create employment locally which has benefits such as competitive advantage, licence to trade, quality of life, etc. The benefits are more far reaching than just mere employment opportunities, both directly and indirectly (Milliman, Ferguson & Sylvester, 2008).

The strategic side of CSR offers key opportunities for business to integrate the operating model into the business and then once established it could be an avenue and opportunity for 'innovation and competitive advantage' (Afrin, 2013). This feeds into the SV model of changing business strategy accordingly to meet societal needs.

Making CSR strategic by repositioning it from being an expense to being an integrated system in an ever competitive landscape where every efficiency must be derived (Miles Morgan, Munilla & Darroch 2006). By doing this companies not only feed into their earning and bottom line but rather the environment as a whole.

Strategic CSR helps in facilitating the partnerships between business and society however the model remains somewhat independent of the main operating structure. CSV on the other hand does the same but makes the relationship interdependent and part of the working model.

The private sector has long since been encouraged to get involved in assisting the world with its most pressing needs be it in health, gender issues, etc. as they have a vested interest and are eventually affected by certain externalities that exist, both positive and negative (UN, 2000; WHO, 1997; World Bank, 2002).

It is clear that in today's world businesses are strongly scrutinised and indeed helped to account for the inputs that go into the production, distribution and eventual final allocation of its goods and services. These all go into the ultimate goal of creating wealth for the company and its shareholders. One might argue that with the lobbying power that MNC have they are in a better position to influence society than even some of the biggest special interest organisations (Freudenberg, 2014).

Like Friedman's (1970) early comments one author criticises CSR namely with British Petroleum (BP), saying that, ''Throughout BP's 100-year history, maintaining a positive working relationship with communities and broader society where we operate has been an important part of our success. The "CSR Bubble" has become over-inflated which, at worst, tries to create a parallel universe dangerously separate from business purpose and strategy' (Baxter, 2006). This is where Porter and Kramer (2011) come in with SV as, unlike how Baxter (2006) describes it, SV is part and parcel of the enterprise being a profitable going concern and the model's premise is on making a return for the business while at the same time helping society.

The 'payback' with CSR and CSV, like almost any business endeavour, is not guaranteed therefore it is also important when speaking about and reviewing the potential of the model. One may be susceptible to falling into a romantic notion that this is a failsafe model (Husted & Allen, 2007). Firms need to run models that will take into account the multitude of variables that come into play when assessing the business case for CSR initiatives (Husted & Allen, 2007).

The balancing of the social and economic is not always easy with Husted and Allen (2007) citing the example of how BP's John Browne eventually stepped down after the company raised society's expectations of it to new heights by essentially going green. The challenge came with meeting that expectation and being profitable too. Browne did not meet this balance and failed as a result. Companies are also highly vilified by their customer base if they are seen as simply having window dressed social responsibility and not having actually believed and wanted to make change (Husted & Allen. 2007).

The social aspect of a firm's operations could indeed be a competitive advantage for firms however meeting that balance of satisfying the external interests of the firm as well as its strategic objectives for it to actually work (Andrews, 1987; Barnard, 1938; Grant, 2005). A lot of value can be derived from adding value throughout the creation process by using CSR as part of the catalyst for innovation in a business (Sharma & Vredenburg, 1998).

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This section outlines the methodology that was utilised to conduct the case study research on small farmer barley and maize suppliers. Data collection, research instruments and analysis of the data will be discussed.

3.2 Research question

The purpose of the methodologies bellow was to answer the research questions as follows:
1) What are the motives that influence SV from the MNC's perspective?
2) What are the motives that influence SV from the small farmer's perspective?
3) What are the perceptions of the MNC of SV on whether the 'go-farming' initiative is symbiotic or parasitic?

3.3 Research design

The study was envisaged as a mixed methods case study (Yin, 2009). The study aimed to investigate in depth the SV idea put forward by Porter and Kramer (2011). The study was conducted as an exploratory study, as it sought to reveal more information on the research subjects and identify symbiotic and parasitic aspects, if any. The advantage of using the case study method in this research was that it allowed for better understanding of highly complex relations and issues that have many facets in the supply chain process (Yin, 2009).

The case study design allows for issues that affect communities to be better understood and researched (Johnson, 2006). Yin (1984:23) describes the case study research model 'as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used' (Yin, 1984:23). Because of the nature of the study, multiple sources of information where utilised and collated to make strong findings.

3.4 Data sources

The Multi National Corporation (MNC) that was studied is vast and complex; therefore, a number of data sources were required to assist in giving the narrative a clearer voice and understanding about the nature of the relationship with small farmer suppliers. The primary sources of information were the transcripts of the interviews which had been carried out by the researcher. Section A and section B were Likert-type scale questions with, section C having semi-structured open-ended questions to allow for detailed information to be obtained.

Secondary sources of data were online articles particularly relating to the SV initiative being studied as well as other possible SV initiatives the MNC is involved with. Internal company magazine articles were also extensively used as sources of data to help supplement the information. Surveys done by independent external auditors highlighting the state of the MNC's different SV initiatives in Africa were used to draw information on the health and sustainability of such initiatives. It must be stated that any company information that is classified as highly confidential was not used as part of the sources of information due to its sensitivity.

3.5 Data collection techniques

The researcher primarily used qualitative data collection methods in order to get as much in-depth data as possible on the research question. Because of the complex and conceptual nature of SV, qualitative data collection was preferred and allowed for a less-structured technique that would give participants ample room to express their broad views (Walker, 1985). This methodology indeed encouraged and required of the participants a discussion which was open and frank to encourage a rich flow of data to use. The respondents were afforded the opportunity to describe in as much detail as they wished the activities they took part in with regard to SV. Quantitative methods were used in a secondary capacity to allow for some needed quantitative analysis. Likert-type scale questions were used to look at some of the intrinsic and extrinsic motivations for taking part in SV initiatives.

Data was collected from both managers at the MNC who are in charge of the programme and from directors who have a broad understanding of the project and its business strategic positioning. The data collection also included a select number of small barley and maize farmers who are beneficiaries in the supply chain process. In-depth interviews of 30-45 minutes were conducted with management and suppliers.

The researcher also utilised the Internet to obtain access to independent online articles detailing the nature of the SV initiative being investigated. The researcher also obtained hard copies of the MNC internal magazine (*Leaders*) and used this as one of the secondary data sources.

Further, access to independent business appraisals on the financial sustainability of running this SV initiative were obtained by the researcher. A very critical perspective was required to look at the benefits as well as the problems and difficulties in SV implementation. These were given the opportunity to emerge from the data. The nature of the relationship – be it parasitic or symbiotic – was allowed to emerge and will be discussed in detail in Chapter 5.

3.6 Population and sample

3.6.1 Population

The participants taking part in this study were all over the age of 18 years. The population used was the agricultural raw material suppliers for the MNC. The barley and maize suppliers for the MNC where the focus of the study. These suppliers fall under a program called 'go-farming". This initiative was created by the MNC to help develop black small barley and maize emerging farmers as part of its drive to diversify its supply chain. The initiative also strives to make a major contribution towards alleviating unemployment issues in South Africa and to be a force driver for competitive advantage over rival companies' value chains.

The population which consists of small maize suppliers located in KwaZulu-Natal mainly in uThukela and Amajuba districts as well as barley farmers located in Taung, which is in the North West province. The identified barley and maize farmers are benefitting from the MNC drive to develop local suppliers in order to secure its supply chain needs for raw materials. The suppliers consists of only of black emerging farmers under 'go-farming'.

The criteria used by the MNC for selecting the small farm suppliers is using those that are previously disadvantaged and fall under the MNC 'go-farming' initiative in the two areas of Taung in the North West and uThukela and Amajuba districts in KwaZulu-Natal. No small farmers who fall outside of the MNC initiative within the two regions fell under the selection criteria for the study.

Currently, emerging farmers account for only 8% of the MNC barley and maize supplies. The MNC is driving to reach 20% in the next few years – that is approximately 250 000 tons just from black emerging farmers (PricewaterhouseCoopers (PwC), 2012). The MNC is currently in a major growth strategy phase in Africa which will require huge amounts of raw materials. This means that it is imperative for the company to ensure a reliable and secure supply of its raw materials.

The population of mangers was that of senior managers at the MNC head office involved in agricultural supply. The criteria used for selecting the management respondents was that of those that fall under the Department of Corporate Affairs, which is the umbrella business unit for all SV initiatives within the business. Managers who do not fall under Corporate Affairs – and as such, under the 'go-farming' initiative – did not fall under the selection criteria.

3.7 Sample and sampling method

3.7.1 Sample

The researcher interviewed a sample of 28 suppliers (14 from KwaZulu-Natal and 14 from North West) who fall under the agricultural suppliers under 'go-farming'. This was a much stronger showing than expected which allowed for a greater reservoir of information to be accessed.

During the study, two senior directors from the MNC head office as well as several senior managers involved in the project were interviewed, totalling eight people. This was key to gaining high-level insights as to what CSV nuances might exist and whether these are beneficial to one or both stakeholders. This kind of high-level access obtained during the study allowed for information not ordinarily found in the public domain to be extracted via in-depth interviews carried out by the researcher.

3.7.2 Research instrument

The study utilised a mixed methods semi-structured interview questionnaire as the research instrument. This gave the researcher the opportunity to source as much information in detail as possible from the qualitative section as well as to allow for some quantitative analysis. Both questionnaires for management and suppliers are the same, with the only difference being the biographical questions. Section A of the questionnaire was the biographical questions. Section B was Likert-type scale questions that allowed for some quantitative analysis dealing with the relationship between the small farmer and the company. These were developed using Professor David Coldwell's template (Coldwell & Joosub 2014) on previous CSR and CSV research.

Section C was the semi-structured open-ended interview questions dealing with perspectives of the relationship between small farmers and the company. Self-formulated questions were utilised for section C, which are based on assessing the perspective of SV between the MNC and the suppliers. A pilot study using a sample of 10 individuals was used to ensure the reliability of the questionnaire. Results of the pilot study resulted in question 2 and 7 of Section C being amended for ambiguity.

The study began and the research instrument was firstly administered to the small farmers, first in KwaZulu-Natal where the researcher spent two full days in the area to allow for enough time and flexibility with getting information from the respondents. The next stage was spent in Taung in the North-West province collecting data from the respondents for two full days. The researcher then finally over a four-week period interviewed Corporate Affairs managers in order to collect data. These interviews were carried out in private offices and boardrooms on the business's premises.

The guide for the interviews that took place was uniform; section A and B were given to the small farmer who then filled in the questions with the researcher on hand to answer any questions they had, then section C was the interview based on the formulated questions using an audio recorder if the respondents consented. An example of section B and C questions below.

STATEMENT	STRONGLY DISAGREE	DISAGREE	UNSURE	AGREE	STRONGLY AGREE
The relationship between the company and the small farmers is mutually beneficial					
There is a strong sense of community between the small farmers and the company					

1. What are some of the benefits and reasons for both the company and small farmer to be part of an initiative like "go-farming"?

2. What are some of the challenges faced with the "go-farming" initiative from a company view?

3. Are the costs that the business incurs from the "go-farming" initiative sustainable thus is there a business case for it?

4. What are benefits and challenges of sourcing barley and maize locally as opposed to bulk importing internationally?

5. Where do you see this programme going in the next five years expansion, scale down, maintain?

6. Can this business model have other applications in different business units, are there currently any similar programs running?

7. What would be your overall assertion of the "go-farming" programme be, has it been good or bad?

8. Are there ways in which to better improve the program and better strengthen ties between the farmers and the company?

9. Is there anything else you wish to add?

Thank you for participating in this study.

3.8 Validity and reliability

3.8.1 External validity

The study should be robust enough due to it being a case study to make generalisations about the barley and maize suppliers from Kwa-Zulu Natal and The North West province from the findings. Because of the study not being a statistical survey but rather an analytical analysis, generalisation theory was used as part of strengthening the findings (Yin, 1984). Thick data was used to compensate for the shortcomings of the quantitative section.

3.8.2 Internal validity

Internal validity is essentially how the process of collecting data will be kept the same and consistent throughout the study. The researcher actively guarded against deviations by conducting all interviews in the same structure and manner for each of the respondents on both sides. The linking and matching of certain themes and patterns assisted in ensuring internal validity (Yin, 1984).

3.8.3 Reliability

Reliability is there to guard and minimise against the threat of bias within the study. Essentially, another researcher should be able to do the same study and come to similar conclusions as the researcher (Yin, 1984). The protocols of how the interviews were done was documented and used as the guiding path for all collection of data. Some insight into the reliability and validity of the questionnaire was achieved by conducting a pilot with 10 individuals. The results of the study promulgated the amendment of question 2 and 7 of section C due to a sense of vagueness.

3.9 Procedure for data collection

The purposive sampling technique is a non-probability method and this was used for the small barley and maize farmers from KwaZulu-Natal and North West. Although purposive sampling is not random, it was representative. Prearranged interviews with the respondents were carried out with the assistance of a local extension officer facilitating the process to ensure streamlining of the collection process. Some respondents chose not to answer certain questions or not decided to opt out of the study.

A census is a study/selection of everyone in the population, which in the case of the study was the Corporate Affairs managers under the agricultural space. The Census sampling technique was used for the senior directors and managers who fall under the Corporate Affairs umbrella within the business. Census sampling was utilised, as the researcher was to interview the entire population of managers in the area of agriculture. Prearranged interviews were set up for managers to ensure a streamlined collection process.

3.10 Data analysis and interpretation

Data analysis and interpretation was looked at from both a qualitative and quantitative perspective. The data management system of Miles and Huberman (1984) was used as a basis for giving structure to qualitative analysis. For qualitative data, transcripts of the section C interviews were created from the authorised recordings that were part of collecting data from respondents. Some respondents opted not to be audio recorded, these transcripts were manually written down. The transcripts were robust summaries from which key themes and concepts were revealed and pulled. The coding of themes was used as a tool for helping to draw out content and recurring themes from the data provided. Analysis of areas of agreement, disagreement and inconsistency were highlighted in the reduced data. This is where analysis of the parasitic or symbiotic nature of the relationship was done.

Conclusions were then drawn from the aforementioned analysed data by comparing and looking for certain patterns, should they be present, as well as looking at the balance between parasitic and symbiotic aspects.

Statistical Package for the Social Sciences (SPSS) was used to interpret section B of the questionnaires. Scores from section B would be used to work out the mean and standard deviations of the data. Chi-squared analysis was utilised to analyse the high and low scores of the data. Descriptive statistics such as correlation analysis were employed to strengthen the information obtained from section C of the data.

3.11 Limitations of the study

The study relied heavily upon the chosen few in management to agree and set time aside to be interviewed. The study also used a very small sample of small farmers; although representative, the sample was not randomly selected. The study also focused on one relationship and did not look at similar relationships with the SV ambit.

3.12 Ethical considerations

It was of the utmost importance that all research participants who took part in the study were not harmed or left worse off in any way during or after the study. Privacy was of paramount importance to protect each individual, and informed consent was always obtained.

The nature of this particular study did not pose any imminent risk of harm to the participants. Privacy was protected in several ways. The research questionnaire which was approved without prejudice by the University of Witwatersrand University ethics committee (ethics number H16/03/16) explicitly stated that no names could or would be requested; the company also did not know exactly which small farmers were interviewed. All research was conducted in a space that was private and comfortable for the participants.

Informed consent was obtained from the MNC who gave written authorisation for the study of the business to be conducted. Also, each participant was made aware that they had every right to choose if they wished to take part in the study or not. The questionnaire also explicitly stated that the participants were free to pull out of the study at any time should they wish to. Informal consent (verbal) was used for the managers and suppliers in the study. However formal consent was used for the audio recording of the interviews for those who agreed.

CHAPTER 4: RESEARCH RESULTS

4.1 INTRODUCTION

In this chapter, the research outcomes are summarised and then evaluated in the light of the research questions as follows: 1) What are the motives that influence SV from the MNC's perspective? 2) What are the motives that influence SV from the small farmer's perspective? 3) What are the perceptions of the MNC of SV on whether the 'go-farming' initiative is symbiotic or parasitic? To answer these research questions interviews were conducted using both semi-structured and structured (Likert-scale) interviews. The sample consisted of 8 senior managers and 28 small maize suppliers in Taung in the North West province, and uThukela and Amajuba in Kwazulu-Natal province. The themes that go together have been colour coded to allow for easier extraction. An example would be equipment and infrastructure or items that fall under financial challenges. Some respondents opted not to answer certain questions therefore; the tally would not always total the sample size. This has been noted where applicable.

4.2 MANAGEMENT RESULTS

4.2.1 Distribution of management respondents by business unit

Figure 2 provides the distribution of management respondents by business unit.

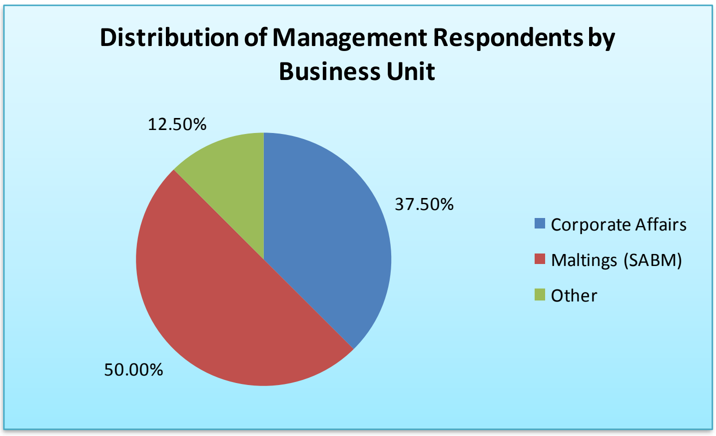

Figure 2: Distribution of respondents by business unit

According to figure 2, 37.5% (3) respondents were from Corporate Affairs, 50% (4) from Malting (SABM), and 27.5% (1) from other (unspecified) business units.

4.2.2 Qualitative management results on motives that influence SV from the MNC's perspective

To answer questions on the motives that influence SV from the MNC's perspective the following open-ended questions were asked:

1. What are some of the benefits and reasons for both the company and small farmer to be part of an initiative like 'go-farming'?
2. What are some of the challenges faced by the 'go-farming' initiative from a company view?
3. Are the costs that the business incurs from the 'go-farming' initiative sustainable thus is there a business case for it?
4. What are benefits and challenges of sourcing barley and maize locally as opposed to bulk importing internationally?
5. Where do you see this programme going in the next five years - expansion, scale down, maintain?
6. Can this business model have other applications in different business units, are there currently any similar programmes running?
7. What would be your overall assertion of the 'go-farming' programme be, has it been good or bad?
8. Are there ways in which to better improve the programme and better strengthen ties between the farmers and the company?
9. Is there anything else you wish to add?

4.2.2.1 Benefits and reasons for both the company and small farmer to be part of an initiative like 'go-farming'

The following themes were picked up from the management responses:

Table 1: Major themes on the benefits and reasons for both the company and small farmer to be part of an initiative like 'go-farming'

Theme	No. of times theme occurred	Quotes
Local supply continuity	5	'For the business the benefit is local supply continuity.'

Theme	No. of times theme occurred	Quotes
		'We are also able to asset our supply chain in being self-sufficient in raw materials.'
Employment	4	'Basically each co-op sustains 20 people. I think the biggest benefit is that it generates much needed employment in rural areas as opposed to cities.'
Skills Development	4	'We also provide access to funded training.' 'Sometimes we try new varieties of crops with them.'
Access to market	3	'By us giving a market we open the opportunity for the small scale farmer to develop further than if he was to stand alone'
Access to funding	3	'We provide funding inputs otherwise not available in order to create employment, as farmers have such small pieces of land and they have no security to give to commercial banks to get production loans.' 'As a business we carry over the debt allowing them to pay over time.'
Commercial benefits	2	'For the company we are importing less barley now and buying local. We are not paying import tariffs, which impacts profit.'
Reputational benefits	2	'And of course in South Africa there are indirect licence to trade benefits and reputational benefits.'
BBEEE Score benefit	1	'The company benefit is that there is of course the BBBEE score card going with that.'

Grouped themes: (Green- local supply), (blue-development), (orange-access) and (mustard- benefits)

The first grouped theme (green) is local supply where acquiring locally has the benefits of lower input costs and better continuity of materials. Financial benefits themes where access to a guaranteed market as well as access to funding. BBEEE Score benefit and reputational benefits where an occurring that worked together.

4.2.2.2 Challenges facing the 'go-farming' initiative from a company view

The following themes were picked up from the responses:

Table 2: Major themes on challenges facing the 'go-farming' initiative from a company view.

Theme	No. of times theme occurred	Quotes
Land issue	4	'Land is still a big issue. There is 10ha per producer and there is currently no scope of extending that as you currently have land claims from 1947 and there are people who still have not got their 10ha; 40ha is more ideal.'
Dependency	4	'One of the challenges is the management company Agrimart and its ability to execute growth. If that company fails, everything comes down; we would have to jump in there ourselves to do the work. The moment that happens, the fly-by-nights would come in. That's the biggest concern if Agrimart falls away.' 'Small scale farmers actually never get to a point that they can stand on their own.'
Abandonment	2	'Sustainability is a challenge as you don't get farmers who are there year after year. They are there one year and another year they are not. You have to keep training new people all the time. When small farmers abandon the project commercial farmers come to lease their land which is not a good thing as it's not assisting the long term development.'
Infrastructure support	2	'The infrastructure around the supply chain for small scale farmers is a significant challenge, such as storage, roads, access to water and electricity for irrigation purposes. All of those aspects just increase the risk from a small scale farmer.'
Farmers' skills	2	'There is the real challenge around the levels of skills and the productivity of small scale farmers and how you address that to drive both these small scale farmers to become sustainable and competitive.'
Commercial prices	2	'Some years commodity prices make profits quite low then you get more farmers who are not profitable and their debt is rolling over to the next season and with that 10 ha piece to try and cover your debt of the previous season and make money to pay bills is extremely difficult.'
Lack of cooperation with chiefs	2	'Alignment with the chiefs in terms of priorities is also a problem. They sell themselves to the highest bidder. For all the money we put in we don't get that mutual cooperation from the chief.'
Lack of cooperation with government	2	'Government buy in is a huge challenge. We need their infrastructure and support with land roads farms among other things.' 'You have different departments in government fighting against each other and we are also pulling our own way with the farmer in the middle. If we don't have those coming together I don't see any sustainability in the future. Water is an issue but what I've mentioned is the hard hitting issues.'

Theme	No. of times theme occurred	Quotes
		We need government to climb onto the wagon with us.'
Coordination	1	'There are challenges around coordination, the structure, and the process of engaging and integrating with small scale farmers.'
Economies of scale	1	'Economics of small holder farming are difficult. At its best small holder farming is about subsistence farming. That has worked but the minute you try and create a bit of commercial in it then the economics become extremely difficult because they don't have scale, and that is a problem.'
Exclusion of small scale farmers from the financial system	1	'Typically, because they are subsistence farmers, over the years small farmers have been excluded from the financial system, therefore we have to provide seeds for them. We have to provide inputs and we do it, but really at the end of the day we are not bankers as we don't play in the financial system and we shouldn't; that is why ideally we should have a partner who can look after that, but most organisations tend to shy away from farming and in particular from small holder farming.'
Limited government grants	1	'Grants from government for land and implements are very limited and filled with political interference such as promises made at election time.'

Grouped themes: (Green- equipment and infrastructure), (blue-finance) and (mustard- sustainability)

Equipment and infrastructure (green) was a recurring themes on major challenges facing the 'go-farming' initiative from a company view were the land issues, infrastructure, lack of cooperation with chiefs and or government, economies of scale due to size of the land and coordination to get scale in numbers. Sustainability (mustard) was another main theme with regards to challenges where dependency on the business, abandonment of the project before completion and the farmers skills where a problem.

4.2.2.3 Whether costs that the business incurs from the 'go-farming' initiative are sustainable and whether there is a business case for it

The following themes were picked up from the responses:

Table 3: Major themes on whether the costs that the business incurs in the 'go-farming' initiative are sustainable.

Theme	No. of times theme occurred	Quotes
Not sustainable	3	'If you are looking at sustainable pricing mechanisms and if you are looking at trying to do it alone from a private sector perspective, long term I don't think it's sustainable.' 'The business case is not that rosy. There's a lot of costs for inputs and help for quite a small return.'
Not sustainable without government's support	1	'If you get the relationships right; you get government support right; and if you focus on the development aspect to bring these small scale farmers up the productivity curve I fundamentally believe that it can be sustainable.'
Carried over debt	1	'Carried over debt is bad as it comes with problems. We have written off R400 000 every few years.'

The most recurring theme was that the initiative is not sustainable in its current form and without government's support it wont reach the scale it needs to and carried over debt will continue.

4.2.2.4 Benefits and challenges of sourcing barley and maize locally as opposed to bulk importing internationally

The following themes were picked up from the responses:

Table 4: Major themes on the benefits and challenges of sourcing barley and maize locally as opposed to importing internationally.

Theme	No. of times theme occurred	Quotes
Hedging against currency fluctuations	4	'With your local supply chain you are hedging yourself in currency fluctuation.' 'A big one is a reduction in foreign exchange exposure.

		As much as there is indirect foreign exchange exposure because these commodities are priced on a market which is SAFEX (which is linked to imported or exported commodities and exchange rates) there is not a direct relationship.’
Supporting the transformation agenda	2	‘We are growing the economy here in a big way with employment both direct and indirect. We are building the agri-economy in South Africa and supporting the transformation agenda.’
Local gives diversity	1	‘Locally you know what you are buying and you can manage it better. Local gives diversity as we also need different varieties of barley.’
Shorter supply chains	1	‘Shorter supply chain, more manageable from an inventory, working capital, and time of delivery aspects. Also there is reliability value of sourcing locally.’
Time lag	1	‘Importing has a major time lag. Locally you know what you are buying you can manage it better. We have world class storage silos.’

Grouped themes: (Green- supply chain and transformation)

The most recurring theme was supply chain and costs where the benefits of buying local hedged against currency risks, gives diversity, shorter supply chain which saves costs and a time lag which means a shorter lead time for raw materials.

4.2.2.5 Perceptions of where the programme is going in the next five years (expansion, scale down, maintain)

The following themes were picked up:

Table 5: Major themes on perceptions of where the programme is going in the next five years.

Theme	No. of times theme occurred	Quotes
Growth	5	‘I see growth. We expect by 2022 to be generating 435,000 tons of malt.’

Theme	No. of times theme occurred	Quotes
Growth with larger farming operations	4	'What I would like to see in 5 years' time is that out of these groups we can isolate individuals or small groups that we can expand into larger farming operations under control. I will be frank with you now we don't want to go down the route that has happened the last 20 years where people were getting land and nothing happened. I would say rather than giving land out to people, collaborate with private enterprise and then support them further, don't just give land but support them.' 'I see it expanding with Agrimart on board. Expanding in terms of ha and number of farmers. But unfortunately I do not see it getting sustainable because of the farm sizes. Some other farmers have bigger units so you will get some individual farmers who will become sustainable and self-sufficient who won't need our loans but with the real small scale farmer like in Taung I can't really see it going further than what it is now because it won't be sustainable if you leave them now.'
Bigger units more sustainable	1	'Some other farmers have bigger units so you will get some individual farmers who will become sustainable and self-sufficient who won't need our loans but the real small scale farmer like in Taung I can't really see it going further than what it is now because it won't be sustainable if you leave them now.'

Grouped themes: (Green- growth and land)

The main theme was growth and land where there is an expectation for larger growth in the future supported by larger farming operations if the farmers organise themselves into larger groups for scale.

4.2.2.6 Whether this business model can have other applications in different business units, and whether there are currently any similar programmes running

The following are the themes that were picked up:

Table 6: Major themes on whether the 'go-farming' business model can have other applications in different business units and whether there are currently any similar programmes running.

Theme	No. of times theme occurred	Quotes
CAL transport	2	'Definitely. Like in CAL we created a transport handler with loans and now it is a sustainable business. In supply chain there are many opportunities.'
Retailer development programme	1	'We have the retailer development programme. We do a lot of work in entrepreneurship so there is an overriding strategy around small business and the sustainability of small business within our value chains.'

Grouped themes: (Green- possibility to clone in other projects)

The major theme was that the 'go-farming' business model can have other applications in different business units such as transportation and customer development initiatives.

4.2.2.7 Whether the go-farming programme has been good or bad

The following themes were picked up:

Table 7: Major themes on whether the 'go-farming' programme has been good or bad.

Theme	No. of times theme occurred	Quotes
Yes	8	'Since we entered the project we see improvement.' 'There are lots more kids going to university that couldn't have gone before.'
		'Yes absolutely. However, we need to deal with the negativity daily like making sure people are paid on time.'
		'When we started here all the farmers were walking and coming with bicycles to the fields, but these days 90 percent have a bakkie or vehicle to get around so definitely there has been development.'

Theme	No. of times theme occurred	Quotes
		'It's been very good with quality of life much better.'

On the whole managers believe that the program has been more good than bad with quality of life and general betterment is highlighted.

4.2.2.8 Ways in which to better improve the programme and better strengthen ties between the farmers and the company

The following themes were picked up in the interviews:

Table 8: Major themes on ways in which to better improve the programme and better strengthen ties between farmers and the company.

Theme	No. of times theme occurred	Quotes
Communication with the farmer	2	'The most important thing to improve relations is communication with the farmer, keeping them in the loop all the time and giving them assurance we are here for the long term.'
Develop small farmers into commercial farmers.	2	'Developed these small scale or emerging farmers into commercial viable small businesses and if we are absolutely honest with ourselves today they are probably not. If we didn't guarantee a market, provide input costs and support extension, and manage a lot of the agricultural practices within our programmes they would fall apart.' 'The most important thing is to create more and make use of more emerging agri-businesses as opposed to CPA's and co-ops.'
Government cooperation	1	'Government is not very keen to work with us. Like now is election year and government suddenly makes promises for seeds like cotton and now everybody is confused making continuity hard. We tried to work with them and at one stage we had weekly meetings but they just lost interest and don't come anymore.'

Grouped themes: (Green- development and collaboration)

The major theme was sustainability as the main way to improve the program. Developing farmers into sustainable commercial entities and government corporation in attaining that was identified. Communication with farmers was a theme that occurred in which to better improve the programme and better strengthen ties between farmers and the company.

4.2.3 Quantitative Management results: Perceptions of the MNC of SV on whether the 'go-farming' initiative is symbiotic or parasitic

To answer questions on the perceptions of the MNC of SV on whether the 'go-farming' initiative is symbiotic or parasitic a number of structured questions were asked. The sections below present the results of the survey.

4.2.3.1 Relationship between the company (MNC) and the small farmer

Figure 3 represents the perceptions of management on whether the relationship between the MNC and the small farmer is mutually beneficial. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree

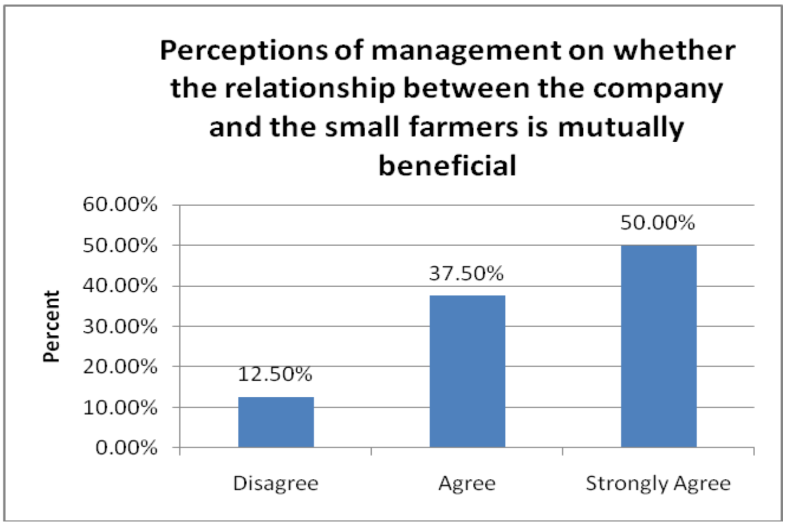

Figure 3: Perceptions of management on whether the relationship between the MNC and the small farmer is mutually beneficial

According to the results of figure 3, 12.5% (1) of the respondents disagreed that the relationship between the MNC and the small farmer is mutually beneficial. 37.5% (3) agreed and 50% (4) strongly agreed. The mean response was 4.25 (standard deviation = 1.04), indicating that on average management's perceptions were that the relationship between the MNC and the small farmer was mutually beneficial.

4.2.3.2 Perceptions of management on whether the company is the one true beneficiary of 'go-farming'

Figure 4 presents results on perceptions of management on whether the company is the one true beneficiary of 'go-farming'. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

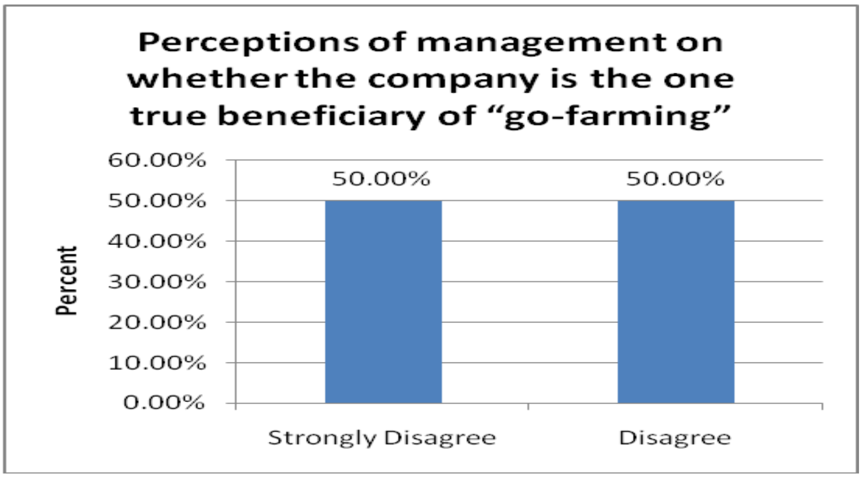

Figure 4: Perception of management on whether the company is the one true beneficiary of 'go-farming'.

The results of figure 4 indicate that 50% (4) of the respondents strongly disagreed and 50% (4) disagreed that the company is the one true beneficiary of 'go-farming'. The mean response was 1.5 (standard deviation = 0.53), indicating that on average management's perceptions were that the company was not the one true beneficiary of the 'go-farming' initiative.

4.2.3.3 Perceptions of management on whether small farmers' views are generally not considered by the company

Figure 5 represents the perceptions of management on whether small farmers' views are not generally considered by the company. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

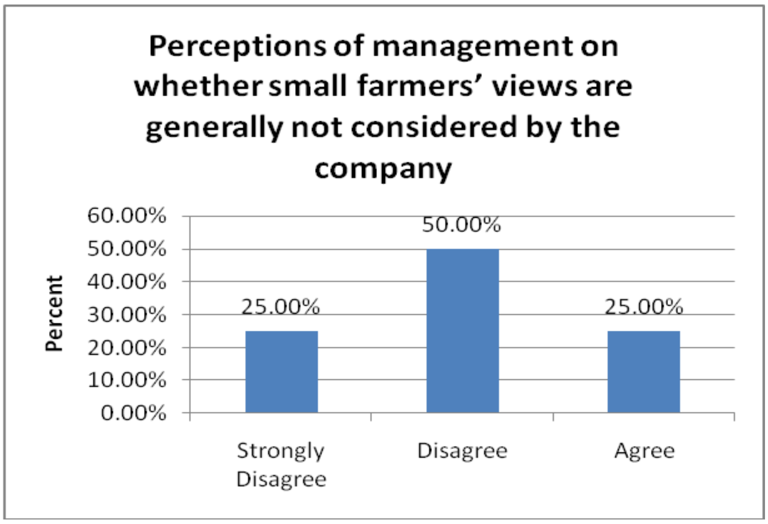

Figure 5: Perceptions of management on whether small farmers' views are generally considered by the company

25% (2) of the respondents strongly disagreed that small farmers' views are not generally considered by the company. 50% (4) disagreed, while 25% (2) agreed. The mean response was 2.25 (standard deviation = 1.17), indicating that on average management perceptions were that small farmers' views were generally considered by the company.

4.2.3.4 Perceptions of management on whether small farmers are better off in 'go-farming'

Figure 6 represents the perceptions of management on whether small farmers are better off in 'go-farming'. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

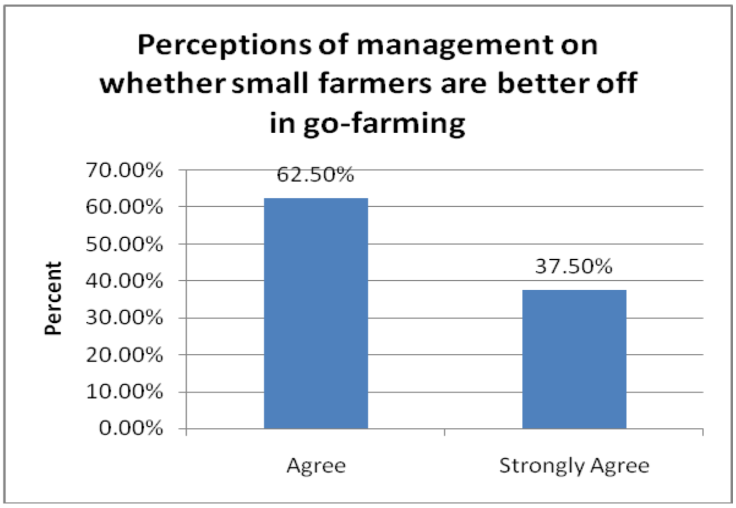

Figure 6: Perceptions of management on whether small farmers are better off in 'go-farming'

Figure 6 shows that 62.5 % (5) of the respondents agreed that small farmers are better off in 'go-farming', and 37.5% (3) strongly agreed. The mean response was 4.38 (standard deviation = 0.52), indicating that on average management's perceptions were that small farmers were better off in 'go-farming'.

4.2.3.5 Perceptions of management on whether small farmers are seen as integral to long-term sustainability of inputs of raw materials

Figure 7 represents the perceptions of management on whether small farmers are seen as integral to long-term sustainability of inputs of raw materials. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

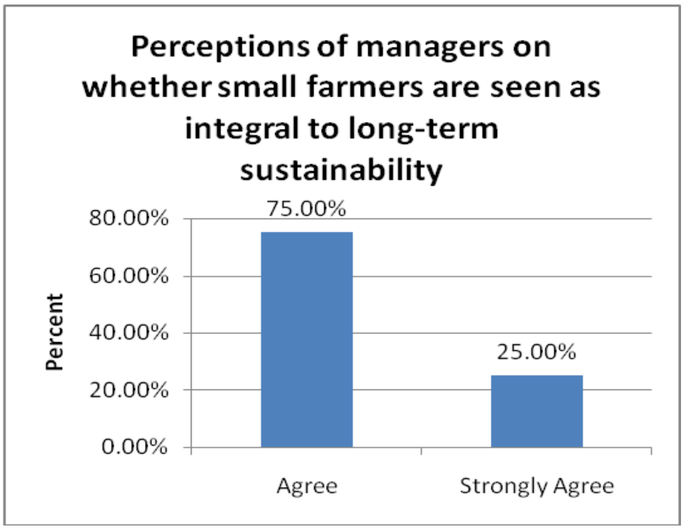

Figure 7: Perceptions of management on whether small farmers are seen as integral to long-term sustainability of supply of inputs of raw materials

According to the results, 75% (6) of the respondents agreed that small farmers are seen as integral to long-term sustainability of inputs, and 25% (2) strongly agreed. The mean response was 4.25 (standard deviation = 0.46), indicating that on average management's perceptions were that small farmers were seen as integral to long-term sustainability of inputs of raw materials.

4.2.3.6 Perceptions of management on whether there is a balanced relationship between the company and the small farmer

Figure 8 represents the perceptions of management on whether there is a balanced relationship between the company and the small farmer. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

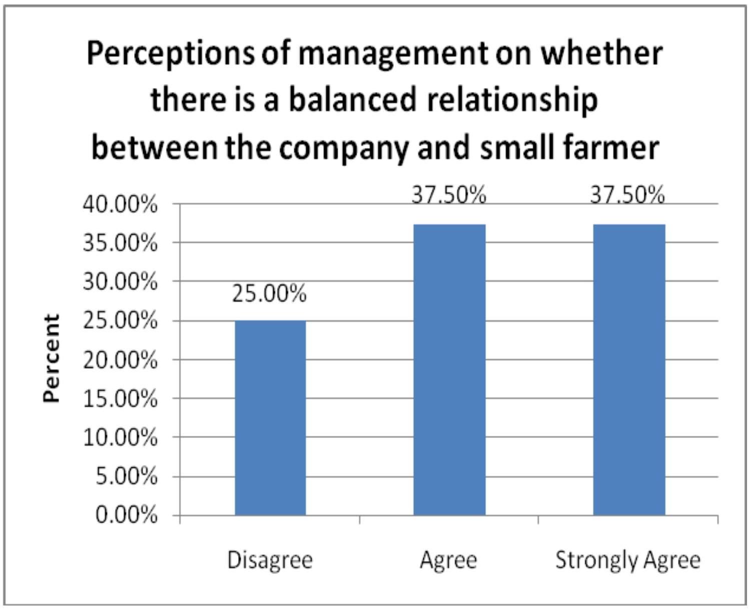

Figure 8: Perceptions of management on whether there is a balanced relationship between the company and the small farmer

According to figure 8, 25% (2) of the respondents disagreed that there is a balanced relationship between the company and the small farmer. 37.5% (3) of the respondents agreed, and 37.5% (3) strongly agreed. The mean response was 3.88 (standard deviation = 1.25), indicating that on average management's perceptions were that there was a balanced relationship between the company and the small farmer.

4.2.3.7 Perceptions of management on whether the relationship between small farmers and the company is only a window dressing rather than a substantive one.

Figure 9 represents the perceptions of management on whether the relationship between small farmers and the company is seen as only window dressing rather than a substantive one. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

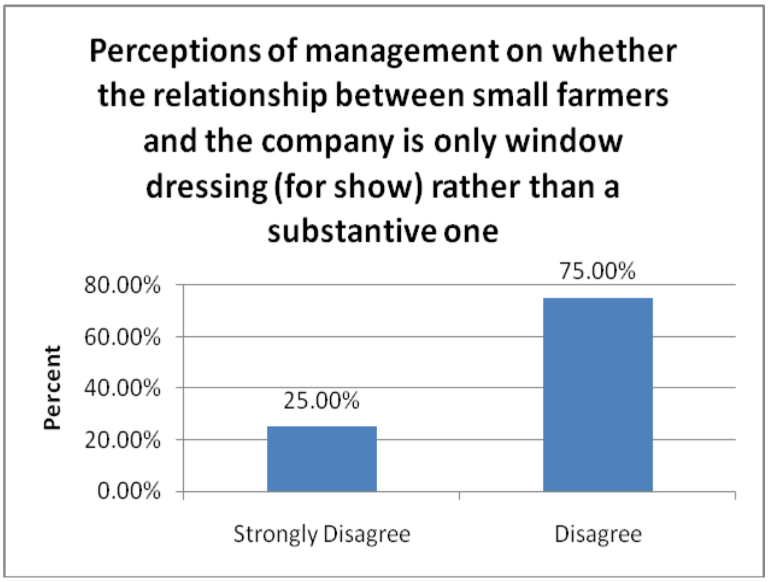

Figure 9: Perceptions of management on whether the relationship between small farmers and the company is seen as only window dressing rather than a substantive one

According to figure 9, 25% (2) of the respondents strongly disagreed that the relationship between small farmers and the company is only window dressing rather than a substantive one, and 75% (6) disagreed. The mean response was 1.75 (standard deviation = 0.46), indicating that on average management's perceptions were that the relationship between the small farmers and the company was not only a window dressing but rather a substantive one.

4.2.3.8 Perceptions of management on whether the supply of material from small farmers is reliable for the company

Figure 10 represents the perceptions of management on whether the supply of material from small farmers is reliable for the company. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

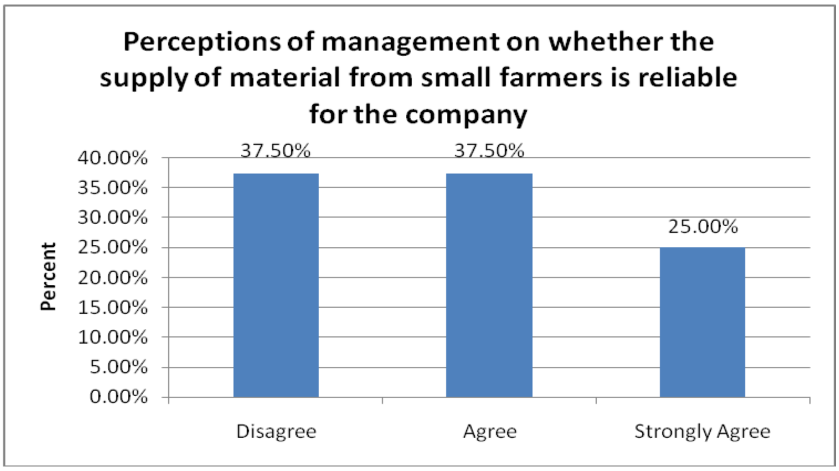

Figure 10: Perceptions of management on whether the supply of material from small farmers is seen as reliable for the company

According to the above results, 37.5% (3) of the respondents disagreed that the supply of raw material is seen as reliable for the company. Another 37.5% (3) agreed, and 25% (2) strongly agreed. The mean response was 3.50 (standard deviation = 1.31), indicating that on average management's perceptions were that the supply of material from small farmers was seen as reliable.

4.2.3.9 Perceptions of management on whether financial benefit of the 'go-farming' initiative has been substantial

Figure 11 represents the perceptions of management on whether the financial benefit of the 'go-farming' initiative has been substantial. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

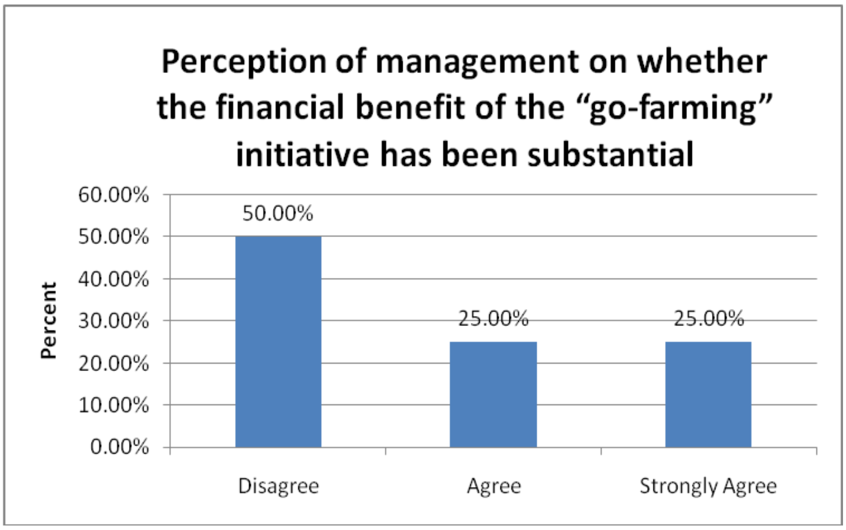

Figure 11: Responses on whether financial benefit of the ‘go-farming’ initiative has been substantial

According to figure 11, 50% (4) of the respondents disagreed that the financial benefit of the ‘go-farming’ initiative has been substantial. 25% (2) agreed while another 25% (2) strongly agreed. The mean response was 3.25 (standard deviation = 1.39), indicating that on average management’s perceptions were divided on whether the financial benefit from the ‘go-farming’ initiative had been substantial.

4.2.3.10 Perceptions of management on whether communities and the country as a whole have benefitted indirectly from the ‘go-farming’ initiative

Figure 12 represents the perceptions of management on whether communities and the country as a whole have benefitted indirectly from the ‘go-farming’ initiative. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

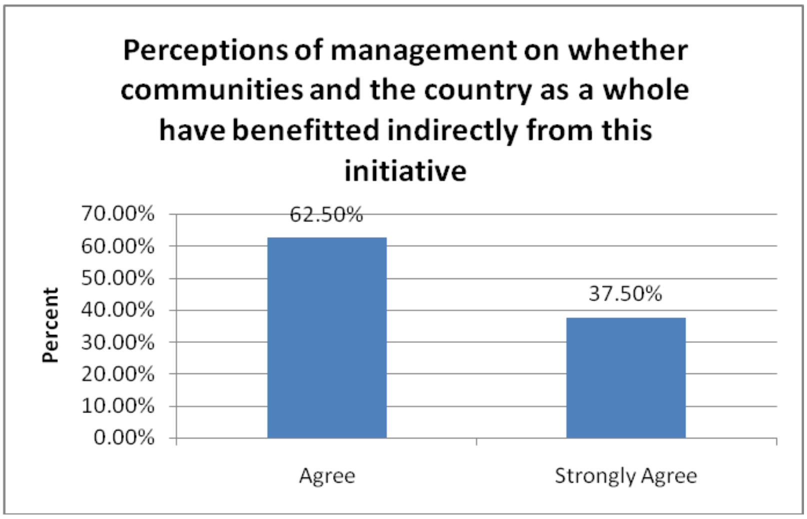

Figure 12: Perceptions of management on whether communities and the country as a whole have benefitted indirectly from the 'go-farming' initiative

According to figure 12, 62.5% (5) of the respondents agreed that communities and the country as a whole have benefitted indirectly from the 'go-farming' initiative, and 37.5% (3) strongly agreed. The mean response was 4.38 (standard deviation = 0.52), indicating that on average management's perceptions were that communities and the country as a whole had benefitted indirectly from the 'go-farming' initiative.

4.3 SMALL FARMER/SUPPLIER RESULTS

4.3.1 Description of small farmer respondents

4.3.1.1 Distribution of small farmer respondents by level of education

In total 28 small farmers in Taung and Kwa-Zulu Natal were interviewed. Figure 13 represents the distribution of small farmer respondents by level of education.

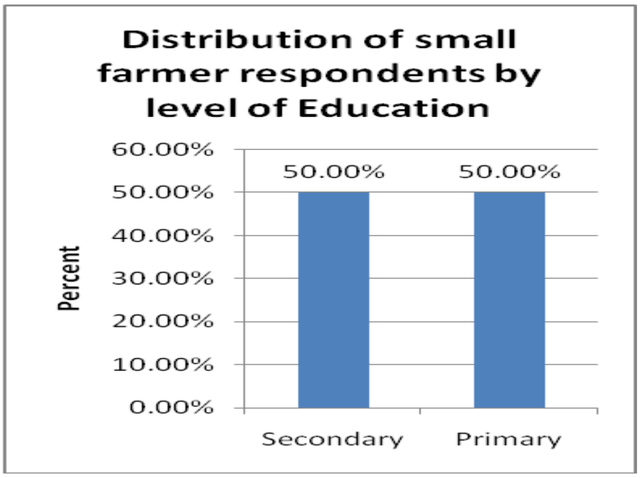

Figure 13: Distribution of small farmer respondents by level of education

The distribution shows that 50% (14) of the respondents had secondary education and 50% (14) had primary education.

4.3.1.2 Distribution of small farmer respondents by years of experience as a farmer

Figure 14 represents the distribution of small farmer respondents by years of experience as a farmer.

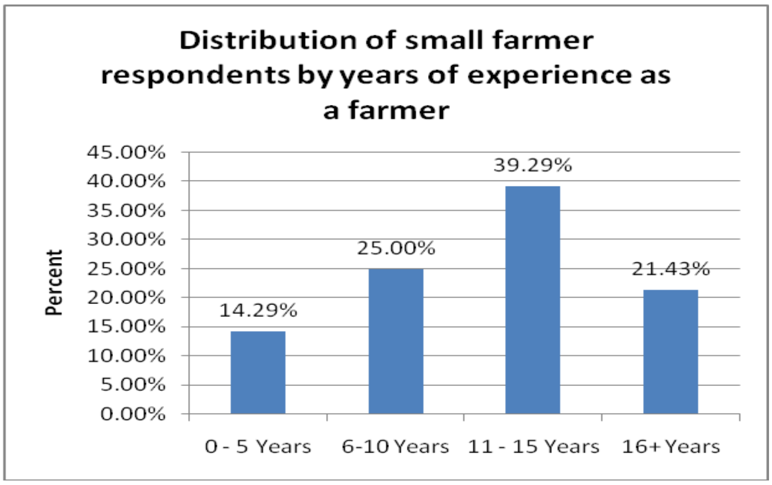

Figure 14: Distribution of small farmer respondents by years of experience as a farmer

According to the above distribution 14.3% (1) respondents had 0 – 5 years of experience as a farmer; 25% (7) had 6 – 10 years of experience; 39.3% (11) had 11 – 15 years; and 21.4% (6) had 16+ years of experience.

4.3.1.3 Distribution of small farmer respondents by whether they have always been farming or not

Figure 15 provides the distribution of small farmers by whether they have always been farming or not.

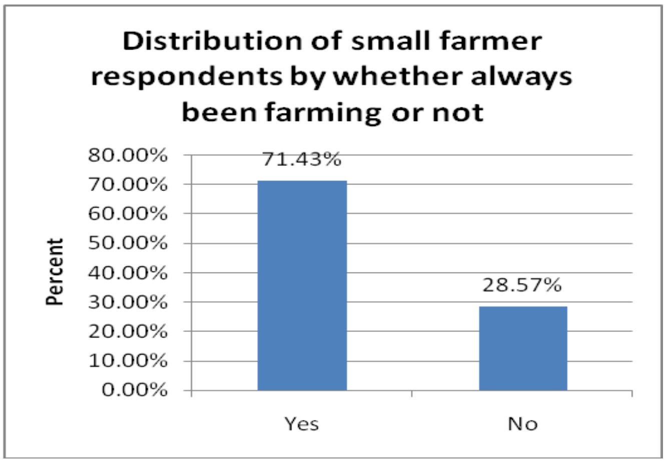

Figure 15: Distribution of small farmers by whether they have always been farming or not.

According to the results of figure 15, 71.4% (20) of the farmers had always been farming while 28.6% (8) had not.

4.3.1.4 Distribution of small farmer respondents by number of employees

Figure 15 depicts the distribution of small farmer respondents by number of employees.

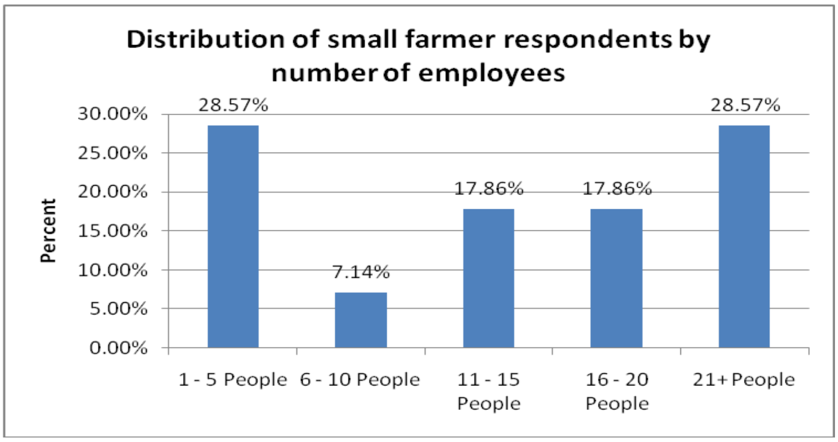

Figure 15: Distribution of small farmer respondents by number of employees

According to figure 15, 28.6% (8) small farmers employed 1 – 5 people; 7.1% (2) employed 6 – 10 people; 17.9% (5) employed 11 – 15 people; 17.9% (5) employed 16 – 20 people; and 28.6% (8) employed 21 and more people.

4.3.2 Qualitative supplier results on motives that influence SV from the small farmer's perspective

To answer questions on motives that influence SV from the small farmer's perspective the following open-ended questions were asked:

1. What are the benefits of 'go-farming' to the company and the small farmer?
2. Are the costs of the 'go-farming' initiative sustainable?
3. What are the implications of sourcing barley and maize locally as opposed to importing internationally?
4. Where do you see this programme going in the next five years?
5. What are some of the challenges faced with the 'go-farming' initiative?

6. Has there been development in terms of better income and quality of life?

7. What would be your overall view of the 'go-farming' programme; has it been good or bad?

8. Are there ways in which to improve the relationship between the farmers and the company?

9. Is there anything else you wish to add?

4.3.2.1 Perceptions of small farmer respondents on the benefits of 'go-farming' to the company and the small farmer

The following themes were picked up from the responses:

Table 10: Major themes on the benefits of 'go-farming' to the company and the small farmer.

Theme	No. of times theme occurred	Quotes
Better life	19	'Life is going alright, I have a better life and I am able to live.' 'I have a car now I have a bigger house and my family is doing very well.' 'For the first time I am able to have savings which has helps me with different things that I need I also get to support my large family.'
Better yields with cooperation	2	'We as our co-op have grown too much really with "go-farming". We have combined a lot of land together so we are able to get good yields'
Guaranteed buyer	1	'We have a guaranteed buy of our stocks by the company.'
Best quality maize	1	'We got recognition for the best quality maize.'

Grouped themes: (Green- yields) and (mustard- better life)

These results show that the major theme on the benefits of 'go-farming' to the small farmer was a better life (through funds) and yields in that where they started from and where they are now there is a difference. The greater their yields the better quality of life they have and with a guaranteed market for their raw materials they improve and are recognised for best quality.

4.3.2.2 Perceptions of small farmer respondents on whether the costs of the 'go-farming' initiative are sustainable

The following themes were picked up from the responses:

Table 11: Major themes on whether the costs of the 'go-farming' initiative are sustainable.

Theme	No. of times theme occurred	Quotes
High costs of inputs	14	'The costs are now getting too high, and with the little land I have I am not going to make it.' 'The cost of items especially machinery are very high, what would help is getting my own tractor from the company.' 'The costs of implements is too high especially fertilizer. Maybe if we are able to buy direct from the manufacturer and not through middle person it will be better.'
Need more support	4	'For me to live I need more support from the SAB. I need more support to know about costs and managing them. The costs of inputs are also very high.' 'I wish we could get subsidies for the implements; even government might want to help us because it is expensive every time there is something that needs to be purchased.'
Managing	2	'We will survive as our farming practice with the other farmers is good. We use the land to the maximum possible.' 'We pay a bit of money for the seeds and things but we are managing.'
Sustainable with Co-ops	2	'Costs are generally high yes, but we are lucky this time as we will get a high yield which means we will get more money. Our

Theme	No. of times theme occurred	Quotes
		soil has been very generous. We have 200 hectares so our costs are helped by our yields.'
Would be better off with own machines	1	'We pay allot of money for input on this farm. We have 170 hectares so it is a lot; but we share the cost. We also spend money on hiring the combine machine. It would be better if we were given some of our own machines to use.'

Grouped themes: (mustard- costs and cash flow management) and (orange- economies of scale)

The major theme on whether the costs of the 'go-farming' initiative are sustainable was that there were financial management challenges. The cost of inputs are ever rising and farmers need more subsidies to keep up. The managing of the cash flow poses a challenge for the farmers as the inflow of money is seasonal. Economies of scale was another theme where co-ops where seen as a way of making the program more sustainable and making it possible to own their own mechanisation which could be pooled.

4.3.2.3 Perceptions of small farmer respondents on the implications of sourcing barley and maize locally as opposed to importing internationally

The following themes were picked up from the responses:

Table 12: Major themes on implications of sourcing barley and maize locally as opposed to importing internationally.

Theme	No. of times theme occurred	Quotes
Farmer	20	'It is better to buy from us as SAB is

support		supporting farmers. Once we grow we will be more reliable. I also produce good barley.' 'The big company has a duty to the community to help us we depend on them.'
Just as good quality maize	2	'I can give just as good quality maize why should they go to someone else or the big farmers so they can use me.'
Employment	1	'The community and ourselves depend on "go-farming". I hire a lot of people to help on the farm from here and if there is no company there is no food for them.'

Grouped themes: (mustard- development by buying local)

The major theme on implications of sourcing barley and maize locally as opposed to importing internationally was local support which farmers feel the MNC has a duty to support local they produce good quality maize as any other place. Employment is also supported by sourcing locally.

4.3.2.4 Perceptions of small farmer respondents on where they see the programme going in the next five years

The following themes were picked up from the responses:

Table 13: Major themes – Perceptions of small farmers on where they see the programme going in the next five years

Theme	No. of times theme occurred	Quotes
Still existing	22	'I will be farming for a long time to come.' 'I am very committed to this programme I have even fixed my bike to help me move from farm to farm faster. I see in 5 years growing even more so long as I still have life in me.' 'I will be farming more and more. Maybe we

		can ask the tribal council to give us even more land so we can get more maize.' 'I hope to be a commercial farmer by that time and no longer need the loans.'
Depends on the outcomes	5	'It is difficult to say. It depends on the outcomes and it will be different for each farmer.'
Out of farming	1	'I see myself doing something outside of farming soon.'

Grouped themes: (Orange- continuity of program) and (mustard- uncertainty)

The most dominant theme was continuity where most farmers will still be farming in the next five years. Somewhere on the fence with their next move dependent on how things go. One farmer mentioned that he would be out of farming in the next five years.

4.3.2.5 Perceptions of small farmer respondents on the challenges facing the 'go-farming' initiative

The following themes were picked up from the responses:

Table 14: Major themes on challenges facing the 'go-farming' initiative.

Theme	No. of times theme occurred	Quotes
Fence	4	'The cows keep coming into the farm as there is no fence around the farm to protect our barley.' 'The pump house is not secured because there is no fence so people come and steal so it is hard to irrigate.'
Theft	3	'People in this area like to take what is not theirs and take our maize.'
Equipment	3	'Equipment is a challenge when we need access to it at a certain time.' 'The company is not using enough black businesses for support. Like the tractors should

Theme	No. of times theme occurred	Quotes
		come from local black business and not the big business as it is expensive.’
High input costs	2	‘Electricity, fertilizer, and water costs are especially high.’
Land issue	2	‘Access to enough land is a real problem.’
Payment problems	2	‘I found that I got money on time when the company was still paying us directly; now that the middle company is involved it takes too long.’
Combine not efficient	1	‘When the combine harvester comes it leaves behind a lot of maize which can be used to improve our tonnage. But we now pay people to pick up after the machine, and for every 5 bags they get 1 bag.’
Not sure about harvested tonnage	1	‘We are also not sure how accurate the tonnages are as sometimes the trucks go and weigh very far away.’
Knowledge	1	‘We need more assistance with knowledge on farming.’

Grouped themes: (Mustard- equipment and infrastructure), (orange- finance and costs) and (green- information)

The major theme in challenges facing ‘go-farming’ where around equipment and infrastructure (mustard) were fencing, theft, lack of equipment and combine harvest efficiencies posed a challenge. Financial challenges (orange) was another theme where high input costs, delayed payments, and land issues where the small number of hectares made it difficult to bring costs down. Information (green) was another theme that came out as they are not always sure how accurate the tonnages weighed are, which affects them financially as well as knowledge on farming best practices.

4.3.2.6 Perceptions of small farmer respondents on whether there has been development in terms of better income and quality of life

The following themes were picked up from the responses:

Table 15: Major themes on whether there has been development in terms of better income and quality of life

Theme	No. of times theme occurred	Quotes
Yes	23	'Yes our life quality is much better and also my own development and that of my family.' life is better for me overall. I was first working for government growing crop but moving to the private sector has been much better. Even with its problems we can live with. I have paid off debts.' 'We are all blessed.'
Neutral	5	'Because there not too many options from me I can't say it's been good or bad I am just surviving.'

The most recurring theme was that there has been development in terms of better income and quality of life, followed by 'neutral' where because of a lack of options they will stick around for a while.

4.3.2.7 Perceptions of small farmer respondents of their overall view of the 'go-farming' programme

The following themes were picked up from the responses:

Table 16: Major themes on perceptions of small farmers of their overall view of the 'go-farming' programme

Theme	No. of times theme occurred	Quotes
Very_ good	2	'Good; very good.'
Good	14	'Overall, being in the programme has been good.' 'Overall good but there are challenges. We certainly need more land. We need information on which farmers can be developed to take on bigger farms.'
Neutral	3	'It has been fifty-fifty.'

		'There are few issues but really this has been great.'
Bad	1	'Overall it is bad as there is no long term promise'

The most recurring theme on perceptions of small farmers of their overall view of the 'go-farming' programme was that it has been good to very good, followed by neutral, and bad. 8 farmers opted not to reply

4.3.2.8 Perceptions of small farmer respondents on ways in which to improve the relationship between the farmers and the company

The following themes were picked up from the responses:

Table 16: Major themes on the perceptions of small farmer respondents on ways in which to improve the relationship between the farmers and the company

Theme	No. of times theme occurred	Quotes
Need more skills	4	'We need more skills to plant and grow more tons so we can support the company better.' 'For me I have been given many skills with the programme but like me and many others we need business skills. I hear at the meetings of balance sheet and all these things; we need to know how much money to save and how much to spend.'
Need for government assistance	2	'I am worried that we are too dependent on the company what if one day they say no more, government needs to also assist us.'
Delayed payments	1	'They also take too long to pay - like 6 months.'
Need more subsidies	1	'We need more subsidy from the company to help costs.'
Loan for equipment	1	'We need to be given more loans for our own equipment and machines. They should look at using the Bophutatswana fund model which works. The loans need to be more long term so we have more money.'
Frequency of consultations	1	'The company must approach us every 6 months to ask if we need more of a grant.'
Takes long to approve loans	1	'We need better access to loans much faster.'

Theme	No. of times theme occurred	Quotes
Fences	1	'The company could make a big difference by putting up fences for us to protect the farms.'
Unreliable tractors	1	'The tractors the company sends are not reliable as they arrive late or the driver has no experience.'
Keep promises	1	'Things can improve if the company communicates with us better, we have had many promises on things but we never get feedback on some issues.'
Commercialize	1	'We need to know what are the opportunities to become commercial farmers; what is it that we need to do?'
Farmer Days	1	'We need more farmers days to explain to us what the challenges are to get the best yields.'

Grouped themes: (Green- skills and knowhow), (orange- equipment and infrastructure) and (mustard- financial challenges)

The major theme on the perceptions of small farmer respondents on ways in which to improve the relationship between the farmers and the company was firstly skills and knowhow (green), where the farmers can be equipped with the skills and knowhow they need for better yields and to become commercial. Interactions with the MNC to gain that knowledge and keeping promises was important to improving the relationship. Dealing with financial challenges (mustard) was another theme where government could assist with subsidies delayed payment issues needed to be dealt with, loans for equipment and the time it takes to approve loans could be dealt with better. Equipment and infrastructure was another theme where the MNC could assist with fencing and unreliable tractors.

4.3.3 Quantitative small farmer results: Perceptions of the small farmer and MNC relationship

4.3.3.1 Perceptions of small farmers on whether the relationship between the company and the small farmers is mutually beneficial

Figure 16 provides perceptions of small farmers on whether the relationship between the company and the small farmers is mutually beneficial. Perceptions were measured on a

Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

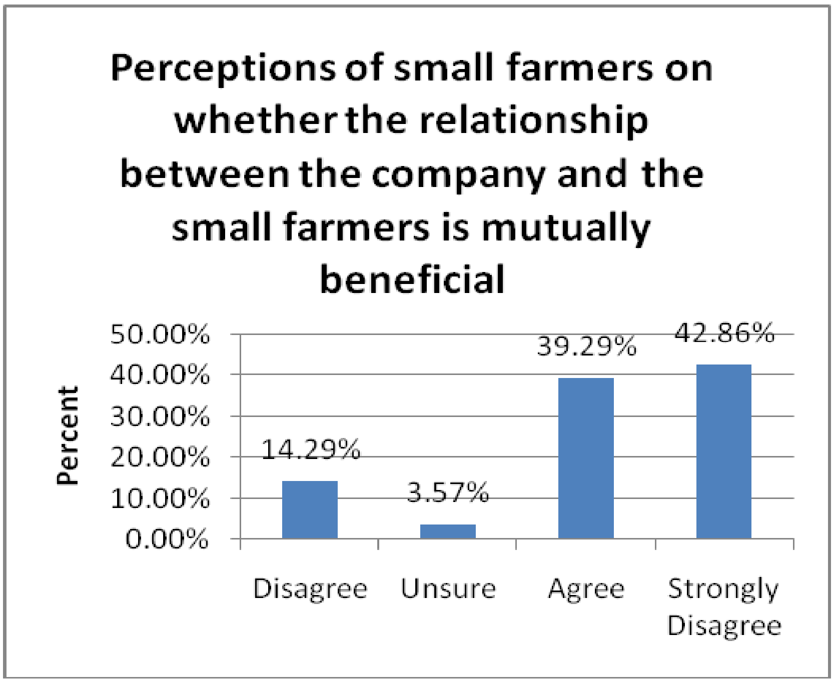

Figure 16: Perceptions of small farmers on whether the relationship between the company and the small farmers is mutually beneficial

According to figure 16, 14.3% (4) of the respondents disagreed that the relationship between the company and the small farmers is mutually beneficial; 3.6% (1) of the respondents were unsure; 39.3% (11) of the respondents agreed; and 42.9% (12) strongly agreed. The mean response was 4.11 (standard deviation = 1.03), indicating that on average small farmers' perceptions were that the relationship was mutually beneficial.

4.3.3.2 Perceptions of small farmers on whether there is a strong sense of community between the small farmers and the company

Figure 17 provides perceptions of small farmers on whether there is a strong sense of community between the small farmers and the company. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

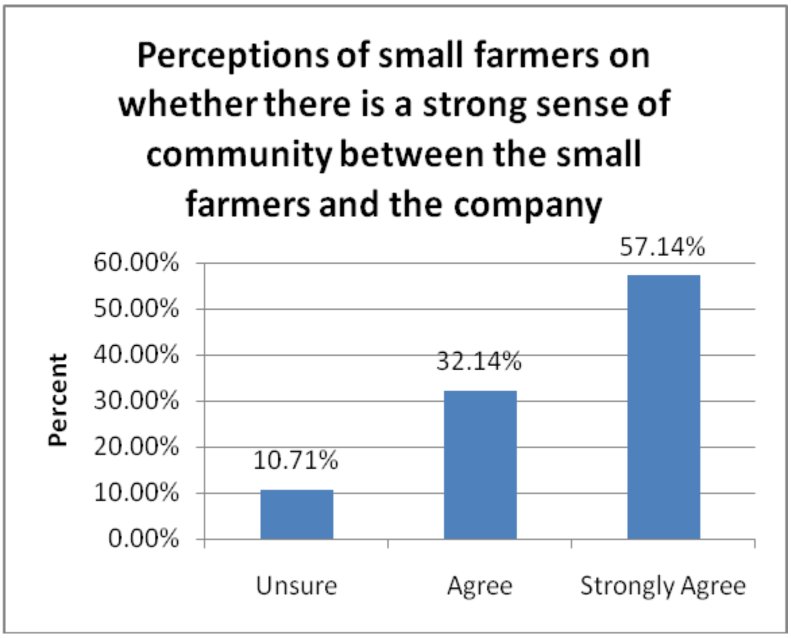

Figure 17: Perceptions of small farmers on whether there is a strong sense of community between the small farmers and the company

Results of figure 17 indicate that 10.7% (3) of the respondents were unsure whether there is a strong sense of community between the small farmers and the company; 32.1% (9) of the respondents agreed; and 57.1% (16) strongly agreed. The mean response was 4.46 (standard deviation = 0.69), indicating that on average small farmers' perceptions were that there is a strong sense of community between the small farmer and the company.

4.3.3.3 Perceptions of small farmers on whether small farmers' views are generally considered by the company

Figure 18 provides perceptions of small farmers on whether small farmers' views are generally considered by the company. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree

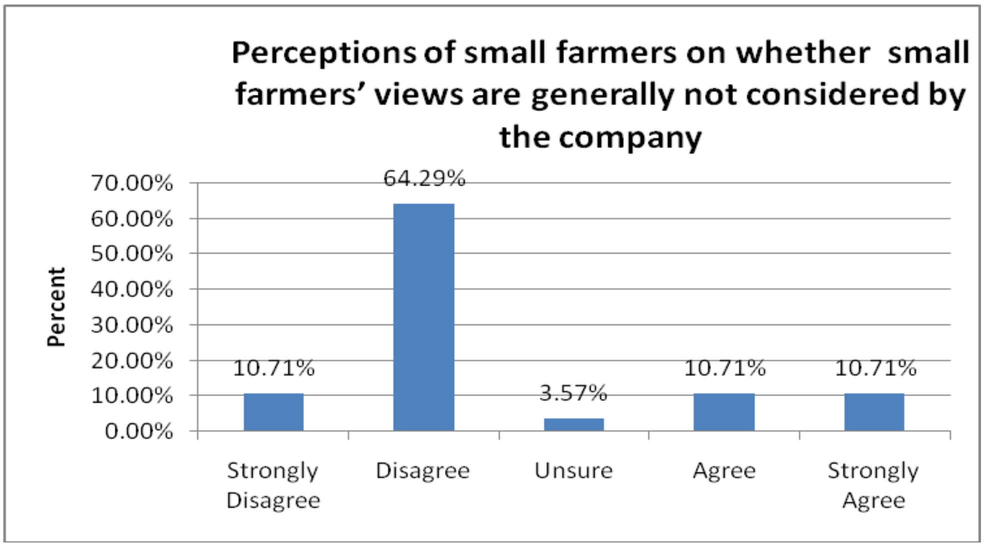

Figure 18 provides perceptions of small farmers on whether small farmers' views are generally considered by the company

According to the survey results, 10.7% (3) of the respondents strongly disagreed that small farmers' views are generally considered by the company; 64.3% (18) disagreed; 3.6% (1) were unsure; 10.7% (3) agreed; and 10.7% (3) strongly agreed. The mean response was 2.46 (standard deviation = 1.17), indicating that on average small farmers' perceptions were that small farmers' views were generally considered by the company.

4.3.3.4 Perceptions of small farmers on whether small farmers are developed by the company

Figure 19 provides perceptions of small farmers on whether small farmers are developed by the company. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

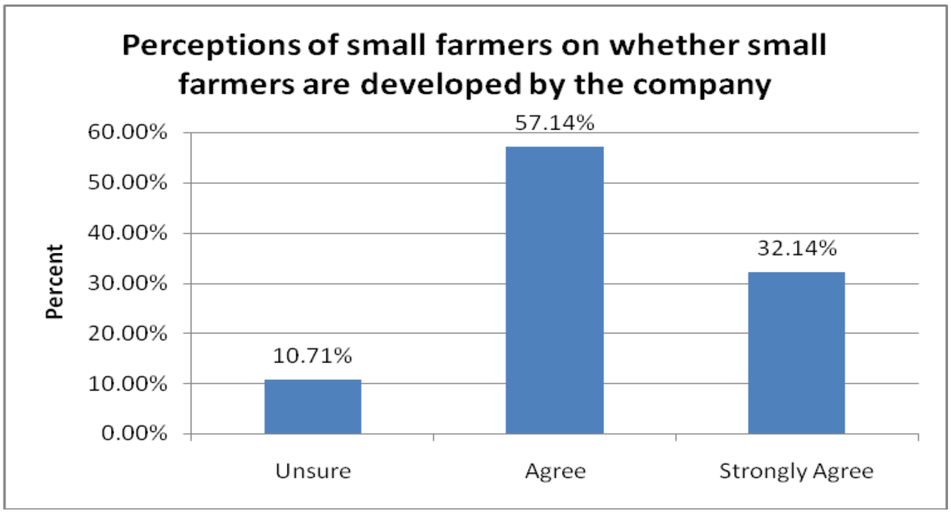

Figure 19: Perceptions of small farmers on whether small farmers are developed by the company

According to the results, 10.7% (3) of the respondents were unsure whether small farmers are developed by the company; 57.1% (16) agreed; and 32.1% (9) strongly agreed. The mean response was 4.21 (standard deviation = 0.63), indicating that on average small farmers' perceptions were that small farmers were developed by the company.

4.3.3.5 Perceptions of small farmers on whether small farmers are seen as integral to long term sustainability

Figure 20 provides perceptions of small farmers on whether small farmers are seen as integral to long term sustainability. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

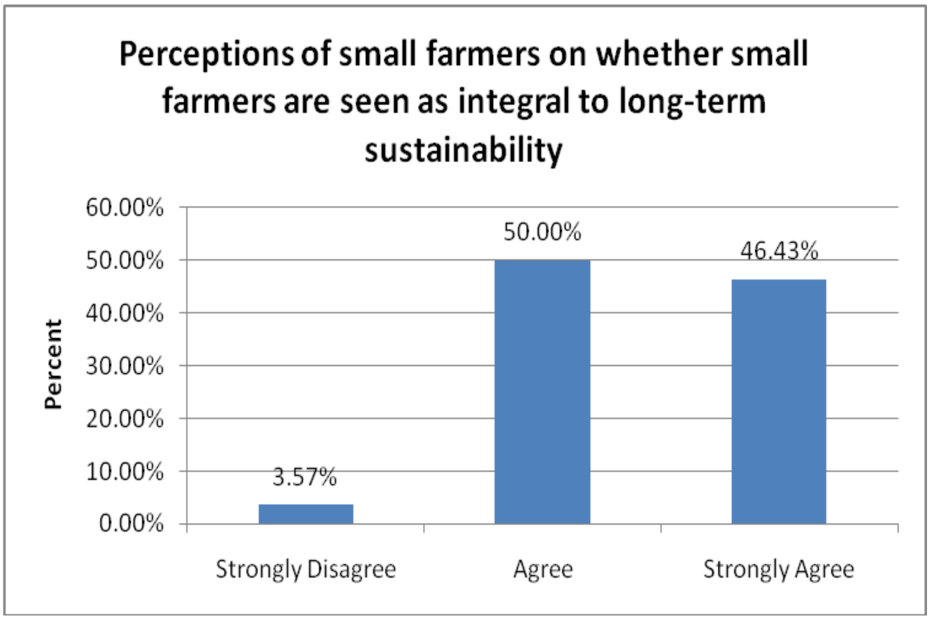

Figure 20: Perceptions of small farmers on whether small farmers are seen as integral to long term sustainability

3.5% (1) of the respondents strongly disagreed that small farmers are seen as integral to long term sustainability; 50% (14) agreed; and 46.4% (13) strongly agreed. The mean response was 4.43 (standard deviation = 0.57), indicating that on average small farmers' perceptions were that small farmers were seen as integral to long-term sustainability.

4.3.3.6 Perceptions of small farmers on whether there is a good relationship between small farmers and the company

Figure 21 provides perceptions of small farmers on whether there is a good relationship between small farmers and the company. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

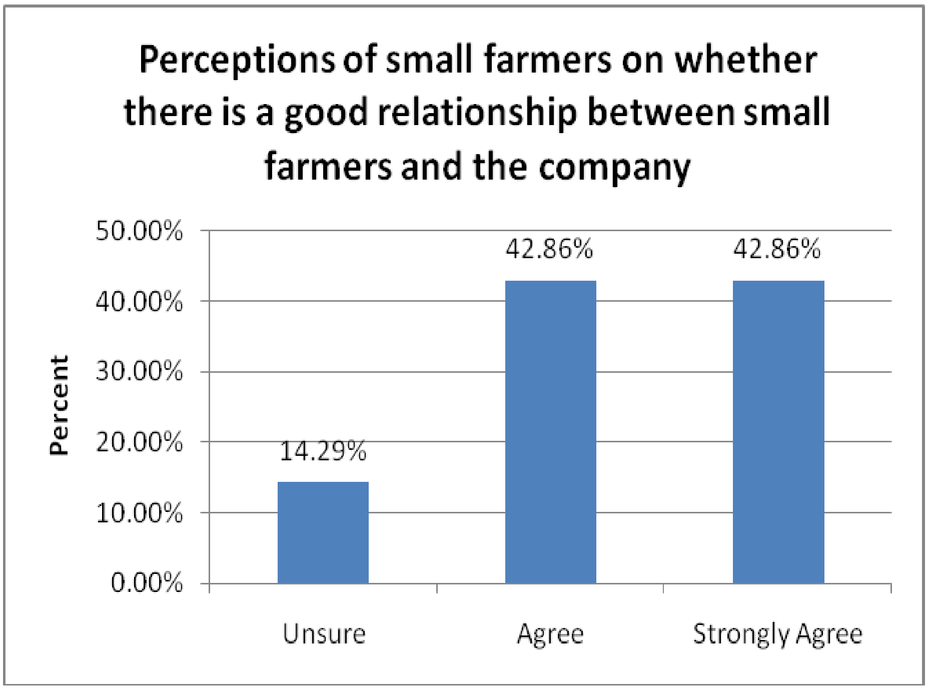

Figure 21: Perceptions of small farmers on whether there is a good relationship between small farmers and the company

14.3% (4) of the respondents were unsure whether there is a good relationship between small farmers and the company; 42.9% (12) agreed; and 42.9% (12) strongly agreed. The mean response was 4.29 (standard deviation = 0.71), indicating that on average small farmers' perceptions were that there was a good relationship between small farmers and the company.

4.3.3.7 Perceptions of small farmers on whether the relationship between the small farmers and the company is only window dressing rather that a substantive one

Figure 22 provides perceptions of small farmers on whether the relationship between the small farmers and the company is only window dressing rather than a substantive one. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

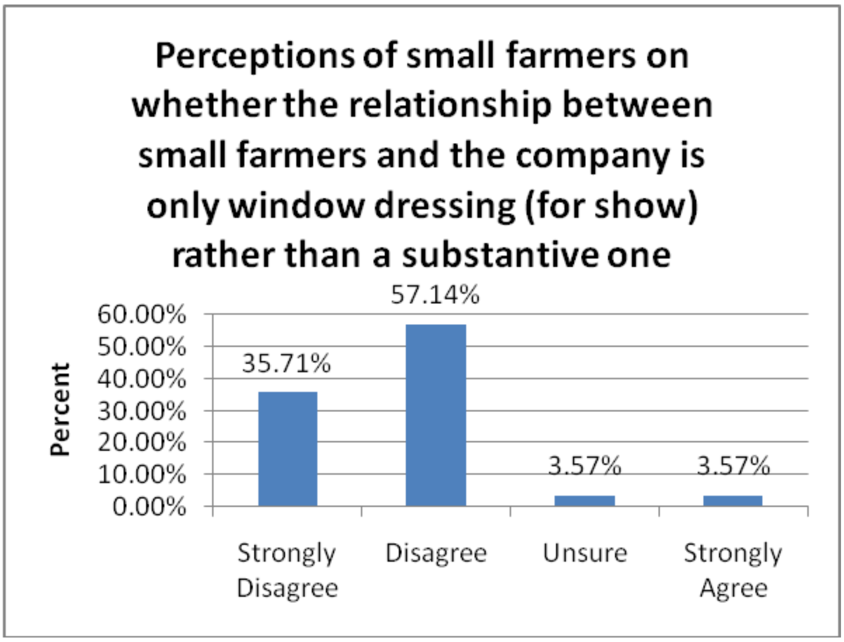

Figure 22: Perceptions of small farmers on whether the relationship between the small farmers and the company is only window dressing rather than a substantive one.

35.7% (10) of the respondents strongly disagreed that the relationship between the small farmers and the company is only window dressing rather than a substantive one; 57.1% (16) disagreed; 3.6% (1) were unsure; and 3.6% (1) strongly agreed. The mean response was 1.79 (standard deviation = 0.083), indicating that on average small farmers' perceptions were that the relationship between the small farmers and the company was not only window dressing but rather a substantive one.

4.3.3.8 Perceptions of small farmers on whether the relationship between small farmers and the company is reliable

Figure 23 provides perceptions of small farmers on whether the relationship between the small farmers and the company is reliable. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

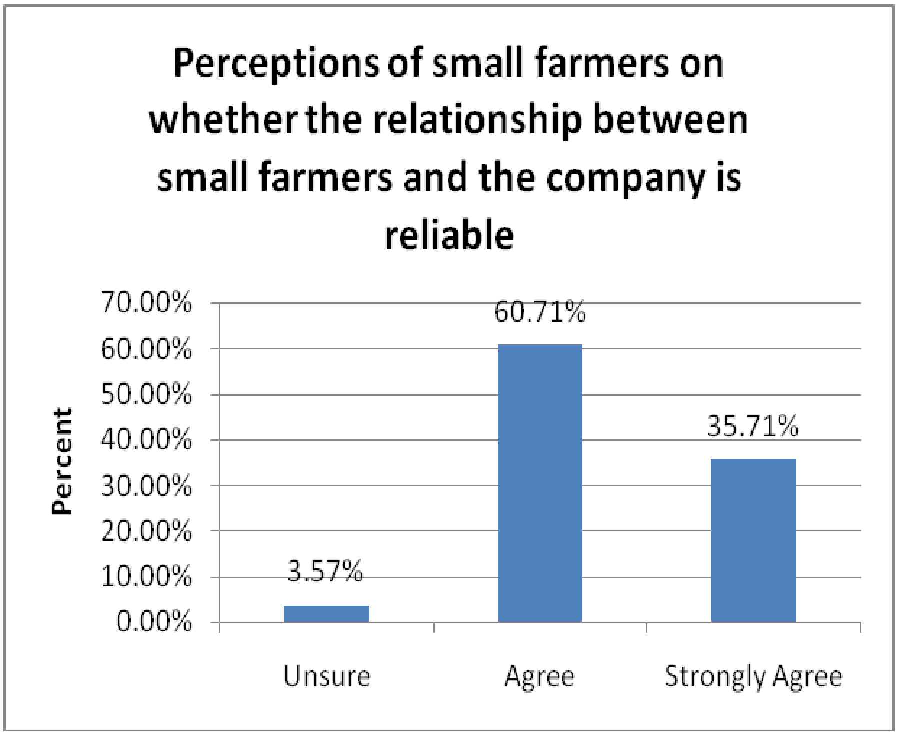

Figure 23: provides perceptions of small farmers on whether the relationship between the small farmers and the company is reliable

According to the results 3.6% (1) of the respondents were unsure whether the relationship between the small farmers and the company is reliable; 60.7% (17) agreed; and 35.7% (10) strongly agreed. The mean response was 4.32 (standard deviation = 0.55), indicating that on average small farmers' perceptions were that the relationship between the small farmer and the company was reliable.

4.3.3.9 Perceptions of small farmers on whether the financial gains from the 'go-farming' initiative have been substantial

Figure 24 provides perceptions of small farmers on whether the financial gains from the 'go-farming' initiative have been substantial. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

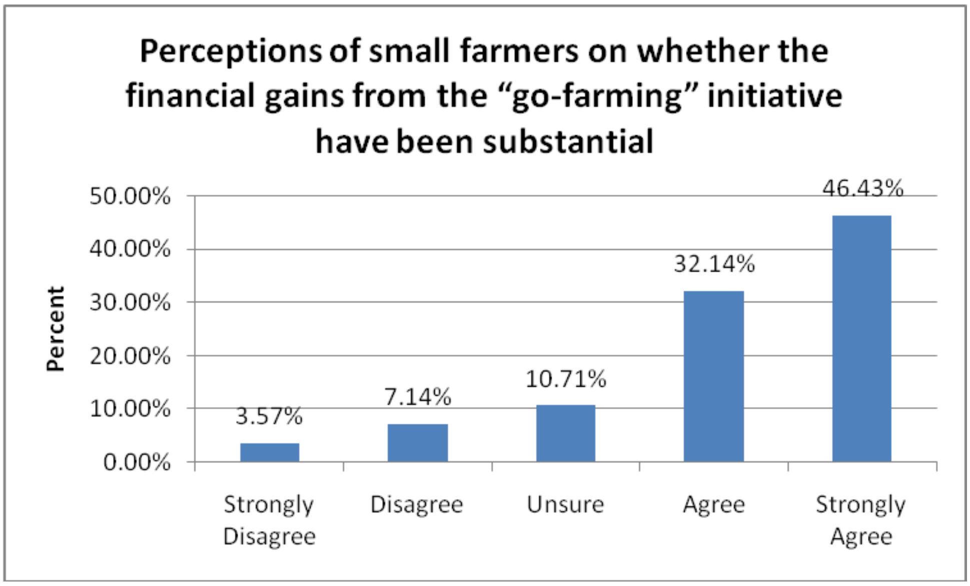

Figure 24: Perceptions of small farmers on whether the financial gains from the 'go-farming' initiative have been substantial

3.6% (1) of the respondents strongly disagreed that the financial gains from the 'go-farming' initiative have been substantial; 7.1% (2) disagreed; 10.7% (3) were unsure; 32.1% (9) agreed; and 46.4% (13) strongly agreed. The mean response was 4.11 (standard deviation = 1.10), indicating that on average small farmers' perceptions were that the financial gains from the 'go-farming' initiative had been substantial.

4.3.3.10 Perceptions of small farmers on whether surrounding communities have benefitted from the relationship between small farmers and the company

Figure 25 provides perceptions of small farmers on whether surrounding communities have benefitted from the relationship between small farmers and the company. Perceptions were measured on a Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Unsure, 4 = Agree, and 5 = Strongly agree.

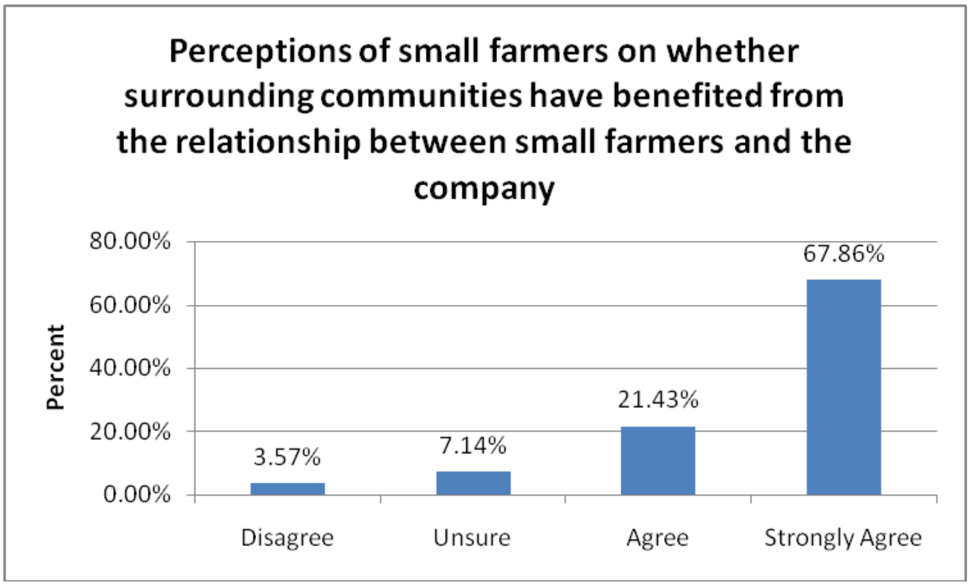

Figure 25: Perceptions of small farmers on whether surrounding communities have benefitted from the relationship between small farmers and the company

According to the survey, 3.6% (1) of the respondents disagreed that surrounding communities have benefitted from the relationship between small farmers and the company; 7.1% (2) were unsure; 21.4% (6) agreed; and 67.9% (19) strongly agreed. The mean response was 4.55 (standard deviation = 0.79), indicating that on average small farmers' perceptions were that surrounding communities had benefitted from the relationship between small farmers and the company.

4.3.4 Association between small farmers' and company management's responses on whether the 'go-farming' initiative is symbiotic or parasitic

Correlation analysis was used to determine the strength of association between small farmers' and company management's responses on whether the 'go-farming' initiative was symbiotic or parasitic. Only 9 out of the 10 questions were used to compute correlation because question 2 was not the same for the two parties.

The Spearman's correlation coefficient was 0.91 (*p value – 0.00*), indicating significant correlation between small farmers' responses and the MNC responses on whether the 'go-farming' initiative was symbiotic rather than parasitic.

4.4 CONCLUSION

This chapter presented interview results from both managers and small farmers in the light of the research questions. The following chapter (Chapter 5) presents a discussion of the results.

CHAPTER 5 - DISCUSSION

5.1 Introduction

For the longest time, organisations' corporate social responsibility (CSR) has merely been a paper exercise or a public relations (PR) stunt for public perceptions to be nurtured in a certain strategic direction (Porter & Kramer, 2011). CSR has traditionally been seen in the light of Carroll's (1979) model which defines CSR as a set of ethical, legal and socio-economic expectations of society towards the business organisations operating within its premises. Carroll (1979) depicts CSR in a pyramid form with profitability (the foundation upon which all others rest) at the bottom of the pyramid, followed by legal responsibilities and ethical responsibilities. At the top is corporate responsibility, which is viewed as philanthropic in nature.

Lately companies are viewing CSR in a different light and one of the most investigated questions in management literature involving CSR has been its relationship with profitability and growth (Zahra & La Tour, 1987 cited in Cottrill, 1990). Aupperle *et al*. (1985) argue that a firm's profitability is closely connected with its CSR. Hawkins (2006) also holds the view that CSR is more than a social regulatory compliance, and the profitability of CSR derives from the realisation that CSR is also an approach that can add profit to the business.

A new field that seeks to link CSR and profitability is creating shared value (CSV), or shared value (SV). CSV can be described as the strategic side of CSR in that, by investing in noble and truly sustainable practices, companies are able to actually leverage this for greater gain. Porter and Kramer (2011) put forward an argument that for real growth and prosperity, the key is advancing both social and business interests at the same time. By doing this it is creating a mutually beneficial and sustainable working environment.

When companies engage in CSV, they are essentially expanding the limited economic pool to meet their own needs better (Porter & Kramer, 2011). The main distinction, then, between CSV and CSR is that CSR is doing something separate from the business, whereas CSV is about integrating the social and environmental impact into the business and using that integration to drive economic value (Porter, 2012). Strand and Freeman (2013) submit that learning how to create shared value is the firms' best chance to legitimise business.

SV should not be interpreted as a redistribution of wealth, but as about expanding the economic and social value pool that is currently available to increase and encourage a growth opportunity mind-set (Porter & Kramer, 2011).Companies are seeing the tangible advantages of SV in supply chains, as it makes business sense to develop a safe, reliable and strategic supply chain that will meet business commitments (Porter & Kramer, 2011).

Porter and Kramer (2011) highlight the symbiotic interdependence that society and business must have if real growth and benefit are to be achieved. By companies actively engaging their supply chain and offering real assistance in areas such as financing, technology and input knowledge, they then improve overall productivity and quality.

The purpose of this study is to evaluate tangible aspects of SV on a company's supply chain process, by looking at the nature of the relationship between a Multi-National Corporation (MNC) and small farmers within the 'go-farming' initiative, which is a development programme in which the MNC secures the supply of raw materials (barley and maize) from small farmers, while developing them.

The focus of the study is on the nature of this relationship and whether it can be regarded as being 'symbiotic' (whether there is a real business case for the MNC to include SV in their strategic model and if so, to what extent; whether small farmers are benefitting out of it; and whether it is sustainable) or 'parasitic' (whether one party is benefitting at the expense of the other; and whether it is unsustainable in the long run). The research uses a case study of small maize suppliers located in KwaZulu-Natal in uThukela and Amajuba districts, as well as barley farmers located in Taung, which is in the North West province.

The research aims to establish why the MNC engages in an SV programme, with particular reference to whether, and to what extent, such initiatives are used to empower small farmers within the 'go-farming' program, by investigating the qualitative interrelationships in this process. The research also seeks to determine, from the MNC point of view, whether such SV initiatives make business sense in terms of obtaining a safe and reliable supply chain.

5.2 Discussion of MNC results

5.2.1 Perceptions of the MNC on benefits and reasons for both the company and small farmers to be part of an initiative like 'go-farming'

In all, 8 managers from the MNC were interviewed. 37.5% (3) of the respondents were from Corporate Affairs, 50% (4) from Malting (SABM), and 12.5% (1) from other (unspecified) business units. Benefits to the MNC mentioned were: 1) developing local supply continuity with benefits such as hedging against currency volatility, which was the most recurring theme, recurring 5 times, 2) commercial benefits to the company such as licence to trade and excise benefits, which recurred 2 times, 3) reputational benefits, which also recurred 2 times, and 4) BBEEE Score benefit, which was mentioned only once. In the words of one respondent regarding the development of local supply continuity:

> 'We are also able to assist our supply chain in being self-sufficient in raw materials.'

This is in line with the view of Porter and Cramer (2011) that it makes business sense to develop a safe, reliable and strategic supply chain that will meet business commitments but at the same time actively developing the supplier locally thus creating a strategic competitive advantage. The reputation of the business has benefited significantly from the programme (PwC, 2008). Self-sufficiency in raw materials leads to commercial benefits. In the words of one of the respondents:

> 'For the company we are importing less barley now and buying local. We are not paying import tariffs, which impacts profit.'

Another benefit mentioned was reputational benefit. Porter and Kramer (2011) argue that more companies can leverage this with attracting consumers to take part in their initiatives and be part of doing business the 'right way', and this leads to license to trade. This can be seen as another important form of capital that can be called on in times of need as the business has the correct reputational capital or as part of brand loyal customers. According to one respondent:

> 'And of course in South Africa there are indirect licence to trade benefits and reputational benefits.'

BBBEE score benefit was the benefit mentioned the least, suggesting that it is not one of the main reasons why the MNC is involved in the 'go-farming' initiative.
Benefits to the small farmer mentioned were: 1) employment creation, which recurred 4 times, 2) skills development, which also recurred 4 times, 3) providing access to market for the farming produce, which recurred 3 times, and 4) access to funding, with also recurred 3 times. One of the respondents responded as follows regarding employment creation:

> 'I think the biggest benefit is that it generates much needed employment in rural areas as opposed to cities.'

This is in line with Storey et al.(2006:755) cite 'supply strategy' (or 'strategic supply management') as a mode of thinking and action which includes and endeavours to best exploit interconnecting relationships that could potentially be used as a powerful lever for competitive advantage (Ketchen&Giunipero, 2004).

Regarding access to markets one respondent said as follows:

> 'By us giving a market we open the opportunity for the small scale farmer to develop further than if he was to stand alone'

This is in line with the assertion by Kramer (2012) that SV creation is about new business opportunities that create new markets, improve profitability and strengthen competitive positioning which feeds into the main theme of SV creation.

Regarding access to funding, one of the respondents responded as follows:

> 'We provide funding inputs otherwise not available in order to create employment, as farmers have such small pieces of land and they have no security to give to commercial banks to get production loans.'

From this discussion it is evident that the MNC sees benefits for both itself and the small farmers from the 'go-farming' initiative and is committing and availing not only funds but special advice and know-how to allow the small farmers to thrive. This is in line with the literature on SV going beyond the simple confines of CSR.

5.2.2 Challenges facing the 'go-farming' initiative from the MNC viewpoint

One of the main challenges identified by the MNC is that of accessibility to land, which recurred 4 times. According to one of the respondents:

> ‘Land is still a big issue. There is 10ha per producer and there is currently no scope of extending that as you currently have land claims from 1947 and there are people who still have not got their 10ha; 40ha is more ideal.’

This is in line with the land literature that many black South Africans remain disenfranchised by the legacies of apartheid. Communal Property Associations or CPA’s were a method government tried to use to get communities to pool their tribal land together in such a way as to be able to derive the benefits of scale, this however has not been a success due to different factions, mainly tribal chiefs, having differing amounts of influence on matters Ntsebeza (2006).

Another major challenge mentioned is that of dependency, which also recurred 4 times. According to the MNC the ‘go-farming’ initiative is too dependent on Agrimat, and its failure to execute growth could jeopardise the initiative. This is a theme which a number of the managers elaborated on as being one of the key areas to address if the programme is to make it. According to one of the respondents:

> ‘Small scale farmers actually never get to a point that they can stand on their own.’

Other challenges included abandonment of ‘go-farming’ by beneficiaries; lack of infrastructure support such as storage, roads, access to water and electricity for irrigation purposes; inadequate levels of skills and the productivity of small scale farmers; fluctuations in commodity prices which eat into operating profits, leading to farmers not being profitable enough and their debt keeps rolling over to the next season; lack of cooperation from local chiefs due to a myriad of complicated governance issues; and lack of cooperation from government such as the changes in administrations, each of which recurred 2 times. Regarding lack of cooperation with chiefs, one respondent responded as follows:

> ‘You sit with a situation where it's tribal land and the tribal chief gives right of use for the land he also has a political agenda which is to help as many of the farmers as he can so he won't

> give more land to the good farmer something which we have been trying to convince him for a long time.'

This is in line with the literature on land reform in South Africa saying that progress in land reform in South Africa has been slow and tedious not coming close to the target of 30% of the land being commercial, (, ND) meaning that from even a policy stand point there are many areas found wanting in this regard.

Regarding lack of cooperation with government one of the respondents responded as follows:

> 'You have different departments in government fighting against each other and we are also pulling our own way with the farmer in the middle. If we don't have those coming together I don't see any sustainability in the future. Water is an issue but what I've mentioned is the hard hitting issues. We need government to climb onto the wagon with us.'

Other challenges were: lack of coordination, exclusion of the small scale farmers from the financial system, limited government grants, and economies of scale, with each being mentioned only once by respondents. Regarding economies of scale, one respondent responded as follows:

> 'Economics of small holder farming are difficult. At its best small holder farming is about subsistence farming. That has worked but the minute you try and create a bit of commercial in it then the economics become extremely difficult because they don't have scale, and that is a problem.'

This statement corroborates with the number of responses from farmers saying the challenge is that they cannot achieve scale due to the farms staying the same size yet costs keep escalating annually. It is evident from this discussion that there are still major challenges with 'go-farming', with the major ones being the land issue and dependency. Challenges such as lack of infrastructure support and limited government support also point to dependency. Lack of cooperation with chiefs and government is also making it difficult for the MNC to efficiently implement the 'go-farming' initiative to its full potential.

5.2.3 Perceptions of the MNC on whether costs that the business incurs from the 'go-farming' initiative are sustainable and whether there a business case for it

The most recurring theme was that the 'go-farming' initiative is not sustainable, which recurred 6 times; the reason being that the company is not making any real money out of the initiative. According to one respondent:

> 'It can be sustainable but it's not the ideal. It's a model where the company gets its money back but with an interest level that is very low; I think prime minus 2%. The company is therefore not making any real money out of it.'

Other reasons put forward were uninsured debt; carried over debt, which is sometimes written off by the MNC; and need for government support, each of which was mentioned only once. Regarding uninsured debt, one of the respondents mentioned the following:

> 'If you are a commercial farmer your debt is insured but if you're a small scale farmer your wife takes over and the debt goes to her. That's why small companies' carried over debt is bad as it comes with problems.'

It is evident from the foregoing discussion that the costs that the MNC incur from the 'go-farming' initiative are not sustainable without the support of government. One of the reasons for lack of sustainability could be ascribed to the land issue which was mentioned earlier, whereby small farmers are not able to increase the size of their farms because of the land claims which restrict size to 10ha per small farmer. This remains a concern in South Africa. Uninsured debt also makes the costs unsustainable as the MNC sometimes has to write off carried over debt.

5.2.4 Perceptions of the MNC on the benefits and challenges of sourcing barley and maize locally as opposed to bulk importing internationally

The most recurring theme was hedging against currency fluctuations, which recurred 4 times. According to one respondent:

> 'A big one is a reduction in foreign exchange exposure. As much as there is indirect foreign exchange exposure because

> these commodities are priced on a market which is SAFEX (which is linked to imported or exported commodities and exchange rates) there is not a direct relationship.'

Other benefits to the MNC were that local supply gives diversity and can be better managed, results in shorter supply chains, and reduces the supply time lag of importing. These are all vital to the company's continuity.

A benefit for the small farmers was supporting the transformation agenda. According to one respondent:

> 'We are growing the economy here in a big way with employment both direct and indirect. We are building the agri-economy in South Africa and supporting the transformation agenda.'

From the above discussion it is evident that there are benefits to the MNC in sourcing barley and maize locally as opposed to bulk importing internationally thus presenting a unique strategically competitive advantage.

5.2.5 Perceptions on where the programme is going in the next five years (expansion, scale down, maintain)

Major themes were that there will be growth in the next five years, which recurred 5 times; and that there would be growth if farmers got bigger units of land, which also recurred 5 times. One of the respondents responded as follows:

> 'I see it expanding with Agrimart on board; expanding in terms of HA and number of farmers. But unfortunately I do not see it getting sustainable because of the farm sizes. Some other farmers have bigger units so you will get some individual farmers who will become sustainable and self-sufficient who won't need our loans, but with the small scale farmer like in Taung I can't really see it going further than what it is now because it won't be sustainable if you leave them now.'

This discussion indicates that the 'go-farming' initiative can be sustainable, but for that to happen farmers will have to operate larger farms to achieve scale.

5.2.6 Perceptions of the MNC on whether the 'go-farming' business model can have other applications in different business units, and whether there are currently any similar programmes running

There was a low response to this question with only 3 responses. Two respondents mentioned the transportation business model which has since become sustainable, and the other mentioned the retailer development programme. Regarding the transportation business model, one respondent responded as follows:

> 'Like in CAL we created a transport handler with loans and now it is a sustainable business. In supply chain there are many opportunities.'

It is clear that respondents did not respond to perceptions on whether the 'go-farming' model could have other applications in different business units, but only responded to whether there are currently any similar programmes running. Literature on the transport handler or owner driver programme states that the MNC has invested R3 billion into the programme (*Leaders*, 2015). By getting the drivers who distribute the products to have a direct stake in the business, turnaround and efficiency was increased by 64% (*Leaders*, 2015).

5.2.7 Perceptions of the MNC on whether the 'go-farming' programme has been good or bad

There were only 6 respondents to this question and all responded that the programme had been good and that the quality of life of the beneficiaries had improved. They noted, however, that there were still some negative issues to be dealt with, such as making sure that farmers were paid on time.

5.2.8 Ways in which to improve the programme and strengthen ties between the farmers and the company

The most recurring themes were improving communication with the farmer, and developing small farmers into commercial farmers, with each theme recurring 3 times. On communication one respondent said:

> 'The most important thing to improve relations is communication with the farmer, keeping them in the loop all the time and giving them assurance we are here for the long term.'

On developing small farmers into commercial farmers one respondent said:

> 'Developed these small scale or emerging farmers into commercial viable small businesses and if we are absolutely honest with ourselves today they are probably not. If we didn't guarantee a market, provide input costs and support extension, and manage a lot of the agricultural practices within our programmes they would fall apart.'

Other ways to improve the programme were addressing the land issue and improving government cooperation, which were each mentioned once.

This discussion indicates that communication is still lacking between the MNC and small farmers, and that there is need to develop small farmers into commercial farmers, failing which the programme might fall apart.

5.3 Managers and farmers perceptions of the MNC of SV on whether the 'go-farming' initiative is symbiotic or parasitic

To investigate perceptions of the MNC on whether the 'go-farming' initiative is symbiotic or parasitic, structured 5-point Likert scale questions were used, where 1 = Strongly agree and 5 = Strongly disagree. The aim here was to triangulate, i.e., to establish convergence/corroboration of the results from the qualitative interviews. These results also support the results of section 5.4 where small farmers were asked similar questions.

5.3.1 **Perceptions of management on whether financial benefit of the 'go-farming' initiative has been substantial**

According to figure 4.10, 50% of the managers either agreed or strongly agreed that the financial benefits of the 'go-farming' initiative had been substantial, and 50% disagreed. These results corroborate with the results of section 5.2.3 where it was noted that the costs that the MNC incurs from the ‘go-farming’ initiative are not sustainable without the support of government.

5.3.2 **Perceptions of management on whether communities and the country as a whole have benefitted indirectly from the ‘go-farming’ initiative**

According to figure 4.11, all the respondents either agreed or strongly agreed that communities and the country as a whole has benefitted from the ‘go-farming’ initiative. This is linked to Porter and Kramer’s (2011) theory that the key to the SV model is that not only are the beneficiaries helped but that the ripple affects other industries.

5.4 Discussion of small farmer results

5.4.1 Perceptions of small farmer respondents on the benefits of ‘go-farming’ to the company and the small farmer

According to table 4.9 all the farmers mentioned benefits for the small farmer and not the MNC. The most recurring theme was that the ‘go-farming’ initiative has benefitted the small farmer, which recurred 20 times. Farmers also responded that by combining land they had been able to get better yields. This response recurred 4 times. This is in line with Porter and Kramer’s (2011) posit that the value chain creation process would ideally translate into bigger yields and returns for farmers, a sustainable and reliable supply chain for the organisation, and bigger profits for all involved.

5.4.2 Perceptions of small farmer respondents on where they see the programme going in the next five years

The majority of the farmers believed that they would still be farming in the next five years. These results are corroborated by the MNC results of section 5.2.5 where managers responded that they see growth of the programme in the next five years, subject to the land issue being resolved and commercialisation taking place. Some were not so sure and responded that it would be dependent on an individual farmer and their conditions, while one responded that he would be out of farming in the next five years.

Table 17- the total tally of occurring symbiotic and parasitic themes for managers and suppliers based on responses

	Symbiotic perceptions	**Parasitic perceptions**
Managers	16	13
Suppliers	14	11
Total	30	24

It is evident from the above table 17 that in its totality the go farming program is symbiotic in nature with a total of 30 positives and 24 negatives points mentioned.

Chapter 6- Conclusion and recommendations

Social and economic impacts:

In summary the initiative has had a positive impact on the farmers, their surrounding communities as well as the South African economy. The ‘go-farming’ initiative has created direct employment for the farmers and their permanent workforce including the temporary seasonal labour force. Through the increase in income the farmers have been able to change their own lives as well as those of their families and communities. The transfer of skills and know-how has also greatly benefitted the farmers in their pursuit of a better life. The MNC has also benefitted in terms of improving the amount of supply chain security with sourcing locally. Licence to trade and the BEE scorecard have been a part of the key benefits for the business. Among the main benefits is the reputational benefit that the MNC has had. As consumers become more and more aware of how the value chain is structured in the provision of their goods and services, reputation plays a bigger and bigger role. Key challenges to the longevity of the programme remain which have been discussed and will be summarised below.

According to qualitative management results, there are real benefits for both the MNC and the farmers in being partners in and part of the ‘go-farming’ initiative. Major benefits to the company include developing:

1) Local supply chain, which had benefits such as employment, development, poverty alleviation, licence to trade and excise benefits to name a few.

2) Commercial benefits to the company, which in plain language contribute to the company’s trading abilities and bottom line. One example is the ability to leverage its barley and maize buying power to gain a competitive advantage in its operations.

3) Reputational benefits which can be ‘cashed in’ on in times of need and have certain benefits such as brand loyalty as consumers become more and more aware of how the products they consume are made. This allows for the MNC to charge premium prices while still enjoying strong support from its customer base in a highly competitive market.

Benefits to the small farmers include:

1) Employment creation, not only of the farmers themselves but people in the community. As per section A respondents it is clear many locals are employed to assist farmers.

2) Skills development, to allow for a business to thrive the farmers are aware of the need for the correct skills to make the best of their businesses.

3) Providing access to market, the access to the guaranteed market offers a sense of great security in terms of being able to off load product.
4) Access to funding, it is clear that commercial banks will not lend to farmers due to the lack of security thus many of them, if not all, may possibly not be business people without it.
These results were corroborated by the small farmers' results whereby small farmers pointed out that they were benefitting from the initiative.

Major challenges mentioned by managers included the land issue which has effects on many South Africans in general and a high dependency of small farmers on the MNC. It was found that the dependency can be too much which poses the risk that should the MNC pull out many of the farmers would fail. Other challenges include lack of infrastructure support by the government, inadequate farmer skills levels to make the business a proper independent going concern, lack of cooperation by chiefs and government, and the exclusion of small scale farmers from the country's financial system.

Challenges mentioned by farmers included the issue of limited land which they felt was a direct impediment to their ability to scale up and grow into commercially viable business as the land remains constant yet costs are forever escalating. Theft is a challenge because there is no fencing around their farms which means their already tight margins are eaten into by petty crime, inadequate skills to properly run their business with the adequate know-how they need to make the correct decisions and budgeting. They felt shared equipment with other farmers prevented them from always planting and cultivating during the strict set times they put down, it was also mentioned that the farmers felt extremely strongly that they should have their own mechanisation equipment given by the MNC so they could also use this equipment to generate more income. High input costs are a concern for all businesses, however what was unique in this case is that the land question is directly linked to this challenge. Delayed payments due to red tape and the introduction of Agi-mart into the mix has farmers struggling with already limited cash flows to keep their businesses operating, and the land issue in its own space was a recurring challenge, one that will not easily be solved but is acutely on the minds of management and farmers.

Regarding costs and whether they are sustainable, most of the management respondents did not think that costs from the 'go-farming' initiative are sustainable. This poses a real risk to the success and longevity of the business initiative as with any private enterprise resources are limited and finite. If it comes to it and the cord has to be pulled there could be many families left in a bad way. Again the land issue was the major problem and links into the costing challenges of the programme.

Regarding sourcing barley and maize locally as opposed to bulk importing internationally, managers responded that they are benefitting from the stability and predictability of sourcing locally which is always the first choice as well as the desire to grow the local agri-economy which has many socio-economic benefits. It is also clear that there are implications for small farmers and local businesses should the MNC choose international imports above local. Interestingly both managers and small farmers were optimistic that the long-term sustainability of the programme is feasible as long as the land issue is resolved with certainty and there is the cooperation of local chiefs and government to have a viable public-private-partnership.

Regarding whether the relationship between the MNC and the small farmers is symbiotic or parasitic, both farmers and the MNC were of the idea that the relationship is overall symbiotic with the potential for more. Both parties are focused on development and wish to see this programme thrive. Although, as per the symbiotic/parasitic scale model, the relationship is leaning towards the prior there are key challenges to be tackled if this programme is to go on into the future and be scaled up to include others. Indeed not all the answers are clear or easy as there are many stakeholders who need to be consulted and brought into the fold.

Further research can be done on how government and the private sector might expedite the tackling of the land issue question in such a way that it does not hinder those willing and ready to cultivate it. Further research can be done in other industries where SV can be used and how to make it more efficient. Lastly, more research can be done into expanding the 'go-farming' programme into other industries and countries.

Key success factors	**Key challenges**
Quality of life drastically improved	Land issues and limitation
Strong managerial team to drive the programme	Sustainability (long term)
Fundamentals of the programme are strong	Scalability of the programme
Licence to trade and BEE	Stakeholder support (government)

Table 18: Summary of key success and challenge areas

6.1 Recommendations

Throughout the study major problems mentioned were the land issue, dependency of small farmers on the MNC, lack of infrastructure support, lack of cooperation by chiefs and government, inadequate farmer skills levels, the exclusion of small scale farmers from the financial system, and delayed payments.

Recommendation 1: Land issue

Both farmers and the MNC identified the land issue as a major challenge. There is only 10haper producer for the individual farmers and not necessarily next to other 'go-farming' farmers which prevents the opportunity for co-ops for some. This creates a problem as it makes it difficult for farmers to combine the land so that they can turn themselves into commercial farmers or use their combined scale. It is recommended that there be closer cooperation between communities, the chiefs, local government, national government, and the MNC to design an integrated plan whereby small scale farmers will be able to combine their land so that they can farm on bigger land and commercialise their operations as part of a local development initiative.

One way of doing this would be to swap land so that those participating in the 'go-farming; initiative are grouped next to one another to allow them to pool their resources. Secondly, new land claims should also be synchronised with the 'go-farming' initiative. Big land should be earmarked for 'go-farming' and only be allocated to those who are willing to be part of the programme and make the land as productive as possible. This will also solve the problem of lack of infrastructure as many farmers would be able to share the same equipment on one piece of big land, and the problem of the exclusion of small scale farmers from the financial system as they would then be commercialised. Ownership of land also needs to be addressed by a structure. Many of the farmers have the rights to land but do not actually own it, thus by having a rent-to-buy facility through a public-private-partnership, farmers would be able to realise their goals on their own land. Special incentives could be utilised to benefit those who excel the most in the programme.

Costs which are a burning issue raised by the farmers and which are related to the economies of scale due to the size of the plots, need to be addressed. The company must look at leveraging its enormous supply, distribution and purchasing muscle to buy input for the farmers in bulk thus aggressively driving down those costs. Pool purchasing of insurance, mechanisation equipment etc. would go a long way to helping with the cost issue.

A practical loan scheme in which inputs can be sought on fair terms with good payback cycles would go a long way in alleviating the situation.

Recommendation 2: Dependency and sustainability

Although it is clear that on balance the programme is symbiotic, it is evident that a clear and present threat to its longevity is sustainability which fits in with dependency which was indicated as a major issue. This is in part because farmers are not able to commercialise due to small and scattered individual plots of land, and inadequate skills. The solution to this challenge, therefore, still hinges on resolving the land issue. Once the land issue has been resolved, better and more streamlined training can be provided so that different farmers are trained to specialise in different skills while contributing to the singular business. The business should also find that balance between development and coddling the farmers, clear waypoints for the farmers to achieve must be set out and strongly enforced. Consistency across the board will be key as the more farmers who can stand on their own, the more other farmers can be brought on-board and so on.

Recommendation 3: Partnership structure

The establishing of a private-public-partnership is key to securing the future and efficiency of the programme at a national level. The business has to investigate the possibility of a model that would merge the public and private agenda in line with 'go-farming'. One way of achieving this would be to establish a very high level committee with influential government role players through the Corporate Affairs department to drive the efficiencies and cut down the red tape especially in light of the pending R2 billion investment in emerging small barley farmers with the view of making South Africa a net exporter. Incentive arrangements could be looked at for both the movement and the business in meeting key KPI's. Capacity building should be a key focus of the partnership as this feeds into recommendation 1.

Partnerships with commercial banks would also be an area to be considered so as to mitigate some risk from the MNC and also allow for even more capacity to be built into the system. With the MNC's backing this could act as surety for the farmers. An ideal would looking into an independent stakeholder to bring the parties together so the programme is not perceived to the other players as being purely to the benefit of the MNC.

Recommendation 4: Administrative issues & communication

Other challenges mentioned such as delayed payments and lack of knowledge on tonnages produced, are logistical challenges which can be resolved between farmers and the MNC through open communication. It is the small wins like these that will foster trust and buy in from both sides. The MNC needs to look at increasing their interactions with the farmers, even if they have day to day extension officers, it would be wise to have a number of engagement sessions with management, chiefs and governments. It would also be recommended to look at restructuring the communication mediums in the most practical way possible, perhaps with the aid of technology apps.

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APPENDIX

Appendix A- questionnaires

Questionnaire for management

This questionnaire has been approved by the University of The Witwatersrand ethics committee, protocol number H16/03/16. The study deals with the relationship between the company Multi-National Corporation (MNC) and the small barley and maize farmer supply chain within the "go-farming" programme. Your name is NOT asked, and the questionnaire as well as audio recordings will be treated with utmost confidentiality. There follows a number of sections to the questionnaire – thefirst section being biographical information. The second section deals with perceptions between the small farmer and the MNC. The third section deals with the perspectives of the relationship between small farmers and the MNC. You may leave out any questions you do not wish to answer.

<u>Section A</u>
<u>Biographical</u>

a)
Which business unit do you work for? Mark (X)

- Marketing
- Sales & Distribution (S&D)
- Manufacturing
- Supply Chain
- Capital Projects
- Corporate Affairs
- Maltings (SABM)
- Finance
- Other (specify)

Section B

Perceptions of the small farmer and the MNC relationship

What follows now isa number of questions dealing with the relationship between the small farmer and the company. Please indicate by putting a tick in the appropriate box whether you strongly agree, agree, unsure, disagree or strongly disagree with the items that follow. There are no right or wrong answers.

STATEMENT	STRONGLY DISAGREE	DISAGREE	UNSURE	AGREE	STRONGLY AGREE
The relationship between the company and the small farmers is mutually beneficial					
The relationship between the company and the small farmers is mutually beneficial					
The company must be the one true beneficiary of “go-farming”					
Small farmers’ views are generally not considered by the company					
Small farmers are better off in go-farming					
Small farmers are seen as integral					

to long-term sustainability					
There is a balanced relationship between the company and small farmer					
The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one					
The supply of material from small farmers is reliable for the company					
The financial benefit of the “go-farming” initiative has been substantial					
Communities and the country as a whole have benefitted indirectly from this initiative					

<u>Section C</u>

<u>Perspectives on the relationship between small farmers and the company</u>

After completing sections A and B, there now follows section C questions which will be conductedin a discussion with the researcher. Please indicate if you are uncomfortable with an audio recording being made. All recordings are treated with the highest confidentiality and are destroyed after being transcribed by the researcher. Please sign the audio recording consent form.

1. What are some of the benefits and reasons for both the company and small farmer to be part of an initiative like “go-farming”?

2. What are some of the challenges faced with the “go-farming” initiative from a company view?

3. Are the costs that the business incurs from the “go-farming” initiative sustainable thus is there a business case for it?

4. What are benefits and challenges of sourcing barley and maize locally as opposed to bulk importing internationally?

5. Where do you see this programme going in the next five years expansion, scale down, maintain?

6. Can this business model have other applications in different business units, are there currently any similar programs running?

7. What would be your overall assertion of the “go-farming” programme be, has it been good or bad?

8. Are there ways in which to better improve the program and better strengthen ties between the farmers and the company?

9. Is there anything else you wish to add?

Thank you for participating in this study.

Questionnaire for suppliers

This questionnaire has been approved by the University of The Witwatersrand ethics committee, protocol number H16/03/16. The study deals with the relationship between the company Multi-National Corporation (MNC) and the small barley and maize farmer supply chain within the “go-farming” programme. Your name is NOT asked, and the questionnaire as well as audio recordings will be treated with utmost confidentiality. There follows a number of sections to the questionnaire – the first section being biographical information. The second section deals with perceptions between the small farmer and the MNC. The third section deals with the perspectives of the relationship between small farmers and the MNC. You may leave out any questions you do not wish to answer.

Section A

Biographical

a)

What is your current level of education? Mark (X)

- Tertiary
- Secondary
- Primary
- None
- Other (specify)

b)

How many years of experience do you have as a farmer? Mark (X)

- 0-5
- 6-10
- 11-15
- 16+

c)

Haveyou always been in farming? Mark (X)

- Yes
- No

d)

How many people do you employ full/and or time? Mark (X)

- 1-5
- 6-10
- 11-15
- 16-20
- 21+

Section B

Perceptions of the small farmer and the MNC relationship

There now follows a number of questions dealing with the relationship between the small farmer and the company. Please indicate by tickingin the appropriate box whether you strongly agree, agree, unsure, disagree or strongly disagree with the items that follow. There are no right or wrong answers.

STATEMENT	STRONGLY DISAGREE	DISAGREE	UNSURE	AGREE	STRONGLY AGREE
The relationship between the company and the small farmers is mutually beneficial					
There is a strong sense of community between the small farmers and the company					
Small farmers' views are generally not considered by the company					
Small farmers are developed by the company					
Small farmers are seen as integral to long-term sustainability					
There is a good relationship					

between small farmers and the company					
The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one					
The relationship between small farmers and the company is reliable					
The financial gains from the “go-farming” initiative have been substantial					
Surrounding communities have benefited from the relationship between small farmers and the company					

Section C

Perspectives on the relationship between small farmers and the company

After completing sections A and B, there now follows section C questions which will be conductedina discussion with the researcher. Please indicate if you are uncomfortable with an audio recording being made. All recordings are treated with the highest confidentiality and are destroyed after being transcribed by the researcher. Please sign the audio recording consent form.

1. What are the benefits of "go-farming" to the company and the small farmer?

2. Are the costs of the "go-farming" initiative sustainable?

3. What are the implications of sourcing barley and maize locally as opposed to importing internationally?

4. Where do you see this programme going in the next five years?

5. What are some of the challenges faced with the "go-farming" initiative?

6. Has there been development in terms of better income and quality of life?

7. What would be your overall view of the "go-farming" programme; has it been good or bad?

8. Are there ways in which to improve the relationship between the farmers and the company?

9. Is there anything else you wish to add?

Thank you for participating in this study.

Appendix B- transcripts managers

Question 1

Q1:What are some of the benefits and reasons for both the company and small farmer to be part of an initiative like "go-farming"?	First if we talk about the company it is procurement development for the future, allot of small scale farmer will be able to possibly evolve to commercial farmers. I know that land is still a big issue, if you look at the Taung project you've got 10 HA per producer and there is currently no scope of extending that as you currently have land claims from 1947 and there are people who still have not got their 10HA. What was happen now is either through local government expand the scheme as 10 HA is not idea. 40 HA is more ideal. There are currently talks around that, currently the chief khosi Makuane has huge problems with land. He is willing to give land which is suitable for irrigation there is water in the Taung dam which has zero issues. With ABInbev visit we talked about this but the reality is that in North West local government agriculture the chairs keep shifting. There is no contingency, so the chief is actually now getting frustrated as each time he presents the whole thing. He says this is my land I will give some of the land for industrial use and in exchange for that (royalties) I want this land developed for my people. Then as traction begins voops new change of government. That's unfortunate. Getting back to the company it's essential to develop future farmers. On the commercial side you will always see scale fewer farmers more HA. So there is a need to develop from a subsistence farmer to small scale to more of a medium type of farmer. That is the long term idea. The problem in South Africa people are getting handed 40 HA for 40 people to share and the people can't farm. There is so much potential and benefit for the farmers one farmer has amassed 40 HA and manages he's farm which has allowed him to lease more and more property cause he has proven himself. So as a company we are trying to keep the majority of small scale farmers in the business of farming without us they would not survive as we	1. = procurement development for the future 2.= A lot of small scale farmers will be able to possibly evolve to commercial farmers 3.= Obstacle: Land is still a big issue (10 HA per producer and there is currently no scope of extending. 40 HA is more ideal) 4.= Obstacle: No cooperation between the chief and local government on the issue of land in Taung 5.= we build process 6.= We give off set contracts 7.= We use contractors under management to do work for the people to assist those in charge of the crop but we almost do the whole process for them and that's our success story 8.= We help them	1. Procur_Dev 2. Dev_to_Comm_Farms 3. Build_Process 4. Guar_Market 5. Process_Dev 6. Hlp_Wth_Admin 7. Guar_Loans

	built process and we give off set contracts. They have two harvest June- Nov and Dec- May and we help them with even admin. We use contractors under management to do work for the people to assist he is in charge of the crop but we almost do the whole process for them and that's our success story. Input cost finance is a huge help to them we tried using commercial farmers but they want prime plus, as a business we carry over the debt allowing them to pay over time. The commercial banks want collateral these people don't have that.	with admin 9.= Input cost finance is a huge help to them. We tried using commercial farmers (to negotiate lower interest) but they (banks) want prime plus. As a business we carry over the debt allowing them to pay over time.	

	Yes I think let's start with the farmer. So in terms of financing that's the main advantage as they have such small pieces of land and they have no security to give to a commercial bank to get production loans this is basically an outcome for them. Not many companies are big and strong enough to do it like SAB. Many smaller companies have tried to do this with like joint venture and leasing land but not really developing the farmers so financing and development of skills. For the company we have an obligation to develop our communities and for licence to trade purposes I think that is the main one. There is off course the BBBEE score card going with that.	1.= So in terms of financing that's the main advantage as they have such small pieces of land and they have no security to give to a commercial bank to get production loans 2.= (The company benefit is that) There is off course the BBBEE score card going with that	1. Guar_Loans 2. BBEEE_Score_Benefit
	So obviously first for the farmer it provides access to funding training, inputs otherwise not available in order to create employment were there was none. If you take the KZN maize for example all those women were unemployed. So you know same with the chief system in Taung, Western Cape with cooperatives. Basically each co-op sustains 20 people. I think the biggest benefit it generates much needed employment in rural areas as opposed to cities. The key benefit is that we are a constant buyer. The biggest problem with small scale farmers they don't get a sustained market for their products. We create that market and take that product which is the most important thing. For the business the befit is local supply continuity of supply the close relationship with the farmers like in some cases we trail new varieties with them. And off course in south Africa there are indirect licence to trade befitsn reputational benefits but no hard cash benefits. Obviously empowerment benefits	1.= access to funding 2.= it generates much needed employment 3.= to the small farmer there's skills development 4.= The key benefit is that we are a constant buyer 5.= For the business the befit is local supply continuity of supply the close relationship with the farmers like in some cases we trail new varieties with them. 6.= And off course in south Africa there are	1. Guar_Loans 2. Employment 3. Skills_Dev 4. Guar_Market 5. Loc_Suppl_Cont 6. Ind_Lic_to_Trade_Benfts 7. Reputation

		indirect licence to trade benefits 7.= reputational benefits but no hard cash benefits	
	Well to the small farmer there's skills development, and from a socio economic view the kids are going to school and there's food in their bellies. They also had no transport initially now the do. Some even have their own homes now. For the company we importing less barley now and buying local you not paying import tariffs which impacts profit.	1.= to the small farmer there's skills development 2.= For the company we importing less barley now and buying local you not paying import tariffs which impacts profit.	1. Skills_Dev 2. Import_Tarif_Benfts
	Let's look at the small farmer they have skills development, socio economic benefits for example their kids are going to school. We are also able to asset our supply chain in being self-sufficient in raw materials.	1.= skills development 2.= socio economic benefits for example their kids are going to school 3.= We are also able to asset our supply chain in being self-sufficient in raw materials.	1. Skills_Dev 2. Self_Suff_in_Raw_Matrls

	Well it's a way of localising procurement it's a contribution to creating employment in the farming industry where it is needed the most. Rural folk are always disproportionately exposed to unemployment. The commercial benefit I suppose is what you were saying isbecause this is a real business, it is identifying linkages in the supply and value chain for small farmers to benefit as opposed to philanthropy which makes it sustainable so if we get the model right and the value chain right then it's sustainable into perpetuity.	1.= a way of localising procurement 2.= creating employment in the farming industry where it is needed the most. 3.= identifying linkages in the supply and value chain for small farmers to benefit as opposed to philanthropy which makes it sustainable 4.= if we get the model right and the value chain right then it's sustainable into perpetuity.	1. Loc_Suppl_Cont 2. Employment 3. Link_Supp_nd_Val_Chain 4. If_Get_Model_Right
	In addition to that from a farming perspective its skills development and access to a secure market so I think one of the real challenges from a small scale farmer perspective is the lack of a guaranteed market influences he's ability to access a lot of skills and resources he needs to be sustainable so by us giving a market we open the opportunity for the small scale farmer to develop further than if he was stand alone. From a company perspective its local supply as ****** mentioned but it's also kind of the reputational benefits so like from a licence to trade perspective the benefit that is associated with small scale farmer development becauseit's so integral to economic development, rural development and alleviation of poverty. I think there is a very strong commercial benefit long term,	1.= skills development 2.= access to a secure market 3.= opportunity for the small scale farmer to develop further 4.= From a company perspective its local supply 5.= (From the company perspective, it is also) reputational benefits 6.= from	1. Skills_Dev 2. Guar_Market 3. Dev_to_Comm_Farms 4. Loc_Suppl_Cont 5. Reputation 6. Ind_Lic_to_Trade_Benfts 7. Comm_Benefit

	equally there is a reputational benefit.	a licence to trade perspective the benefit that is associated with small scale farmer development becauseit's so integral to economic development, rural development and alleviation of poverty 7.= very strong commercial benefit long term	

Question 2

What are some of the challenges faced with the "go-farming" initiative from a company view?	Number 1 is the management company Agrimart their ability to execute grow. If that company fails everything comes down, we would have to jump in there ourselves to do the work. The moment that would happen the fly by nights would come in. that's the biggest concern sustainability if Agrimart falls away. The rest of challenges would be that government doesn't see go farming as a strategic farmer. You have different department in government fighting against each other and we are also pulling our own way with the farmer in the middle. If we don't have those coming together I don't see any sustainability in the future. Water is an issue but what I've mentioned is the hard hitting issues. We need government to climb onto the wagon with us.	1. Agrimat_Ability 2. Lk_of_Coop

	I think I have explained allot of that in my previous answers but it's basically the size of the fields and then also commodity prices some years commodity prices make profits quite low then you get more farmers who are not profitable and their debt is rolling over to the next season and with that 10 ha piece to try and cover your debt of the previous season make money to pay bills then it's getting extremely difficult. We basically when we were still running the project we would have a break even kind of line and say in terms of your long term history if you do not get this yield you at too high a risk in commodity prices to be part of the project this year otherwise you will be left with debt so rather sit out this season or whatever but it doesn't ways work out like that they jump to other things then what happens is commercial farmers come to lease their land which is not a good thing as it's not doing the long term development they need. Even commercial farmers these days in the smaller units don't survive, farmers are getting less units are getting bigger. Economies of scale is how the good farmers are making a living these days these small farmers are sitting on only 10 ha each. So every now and again government will give out a grant	1. Land_Issue 2. Comm_Prices 3. Abandonment

	The way I want to answer is that you get 4 different types of farmer, specifically individual, agri business, co-ops and CPA's. The individual and agri are easier to deal with so the challenges are different for the different farmers. Land would be a challenge for the first two. When talk communal land then there's lack of investment in infrastructure. Because it's communal no one owns the thing and invests in things like pump infrastructure. They wait for someone to come and do it so ownership and investment is a key challengeon the farmer's side. Governance is also a challenge. Sustainability is a challenge you don't get farmers who are there year after year they here then not here. You have to keep training new people all the time. Alignment with the chief in terms of priorities is also a problem. They sell themselves to highest bidder. For all the money we put in we don't get that mutual cooperation from the chief. Challenges on the co-ops are very much the same but the governance is the key issue there so dishonesty for example people taking the cash and running away. So if there's a grant for instance the co-op head will handle the grant to be dispersed to individual farmers doesn't make it there. We prefer not to work with just one farmer as info doesn't filter. Availability of land and water rights is a challenge and competence. We have to mentor and Re mentor all the time. If we pulled out our extension officer that whole scheme would fall flat. We literally have to farm for them. In Tanzania we have a similar thing and it's not the same case as here. There small scale farmer will do their own thing they don't need it to be done for them. They may not do it right but they will get it done. In Taueng eish.	1. Land_Issue 2. Lck_lvst_Com_Ld 3. Governance 4. Abandonment 5. Coop_wth_Chiefs 6. Dependency
	Mechanisation is a big one and is lacking significantly. Grants from government for land and implements is very limited and filled with political interference such as promises made at election time	1. Mechanising 2. Pol_Interference

	Government buy in is a huge challenge. We need their infrastructure and support wit land roads farms among other things	1. Lk_of_Coop 2. Infrstructr_Supt
	There are many. They largely don't recognise contracts as contracts as legally binding. We have tried to mobile other stakeholders but we seem to be the leading stakeholder and therefore tends to create a relationship of dependency on the park of the small holder farmer and us. ******** has already given you a mouthful on the challenges, I must say it embarrasses me that this always becomes the longest list cause when you talk good things it's a short list but let me add one or two more. ***** Already referred to scale and I agree with that. My way of putting it is that the economics of small holder farming are difficult. At its best small holder farming is about subsistence farming. That works it has worked for centuries but the minute you try and create a bit of commercial in it then the economics become extremely difficult because they don't have scale so that is a problem. Then the financial inclusion which is related to the resources issue that ****** mentioned, typically because they are subsistence farmers over the years they have been excluded from the financial system so therefore we have to provide seeds for them, we have to provide inputs and it can be done and we do it by really at the end of the day we are not bankers we don't play in the financial system and we shouldn't, that is why ideally we should have a partner who can look after that but most organisations tend to shy away from farming but in particular from small holder farming. Then the issue of land, the land tenure system across Africa and South Africa is very rudimentary, the small holder farmers typically don't have leases so they can't pledge in the same way as a commercial farmer as you can't use it as a concession for finance and inputs etc.	1. Recgns_Contrcts 2. Dependency 3. Ec_of_Scale 4. Excl_Fin_Sys 5. Land_Issue

	So I guess the challenges are around integrating a large number of small business into for want of a better word supply chain. So how does a big business engage directly with so many small scale farm workers in-order to really drive impact? So there is kind of a practical challenge around the coordination, the structure, the process of engaging and integrating with small scale farmers. Then there is the real challenge around the levels of skills and the productivity of small scale farmers and how you address that to drive that both these small scale farmer become sustainable and competitive. There's access to resources so mechanisation, finance skills development and all those other things which kind of feed into the question of how to you increase productivity and sustainability of these small scale farmers to make sure that they integrated into our supply chain. There's the challenge of supporting enough initially to bring them into the business but to do it in a way that it is not a paternal relationship so how do you move from the initial support to longer term to be able to slightly pull back from a support perspective but that the units are still sustainable so it's really around creating a sustainable business rather than creating a market where we continually support the small scale farmers but they actually never get to a point that they can stand on their own. Part of that problem is around business acumen, skills development around all those things like how they reinvest in their farms. I think in south Africa there's a real challenge of moving from aid and grants, and the mind sets that are associated with aid and grants to a sustainable model so we'll give you this platform but the point is all the farmer need to develop from that platform to reinvest into their farms, to make their business commitments into their farms and not the next year go where are my inputs for free. So really changing the mind-set of a small scale farmer to be more commercial than the subsistence and grant mind set. I think the other real challenge is around scale and partnerships and creating a portfolio of opportunity for small scale farmers. So we can support small scale farmers for the commodities that we need but the farmer needs more than one commodity to be sustainable, independent and viable so how do we as private sector play that role where you actually bring a number of departments together to actually support small scale farming or emerging farmers to be given this opportunity to be more diverse and sustainable. Challenges around price and price risk both for us and the farmer so if you fundamentally believe in open market then you should be paying the small scale farmer relative to the open market, but then how does he manage the volatility of	1. Coordination 2. Frms_Skills 3. Dependency 4. Comm_Prices 5. Recgns_Contracts 6. Infrstructr_Supt

	markets. If you go fixed costs then for a while you get market protection if the market is really low but then you don't get the benefits of upside if the markets are really high so how does one balance that relationship between price with small scale farmers and find the right balance because either you always win or you always lose if you get that pricing model wrong. And actually both sides always win or always lose so market pricing and creating that right price link is really a challenge. Also quite a bit around contractual obligation and that is linked to price but how do you really educate and up skill the small farmers that if you signed a contract to supply and that there is a price link there's actually an obligation to supply as opposed to deciding I'm not going to sell it therefore creating that risk in the market. One other thing which has been implied already but the infrastructure around the supply chain for small scale farmers is a significant challenge, so I mentioned earlier how do we practically engage with a wide number of farmers but it's also around the storage conditions, the roads, the transport all of those aspects so the infrastructure around small scale and then if you go from kind of really small scale into emerging and you talking infrastructure things like access to water access to electricity for irrigation purposes is a significant hurdle, quality of water, reliability of supply, all of those aspects just increase the risk from a small scale farmer.	

Question 3

1. Are the costs that the business incurs from the "go-farming" initiative sustainable thus is there a business case for it?	We pay the same amount per ton for barley in Taung so it costs us at the moment money. The operations costs are directly linked including the cost we pay to Agrimat in procuring the barley. At the moment are they sustainable, not without government support. Private support we are a big company which has committed R1 billion of which R600 million goes to small farmers. We are still a business so if things get though someone at the top might look at cutting. Rather than giving grants and had out support the private sector with government to help them with a fund. If a commercial farmers your debt is insured if you're a small scale farmer your wife takes over and the debt goes to her. That's why small companies carried over debt is bad as it comes with problems. We have written on R400000 every few years. The trick is doing everything based on good agricultural practices. For example government gave white and yellow maize seeds to the farmers to plant before Dec to prevent frost, they went and planted only in February that's why doing everything in best practice is best	1. Nt_Sust_Govt 2. Cr_Ov_Debt_Bad
	It can be sustainable but it's not the ideal. It's a model were the company gets its money back but with an interest level that is very low I think prime minus 2. The company is therefore not making any real money out of it but as long as the farmers stay profitable the farmers won't lose any money in terms of that it'ssustainable. But for the project the ideal is to after say 5 years to leave and the farmers can be self-sufficient. But in terms of the size of the farms they lease it's no sustainable there is not enough land. 20 HA is too small to get scale. They are not big enough to carry their production costs to the next season. Most of that money they will use for living costs like paying for the kid's school fees, buying food and things like that and a little bit of production inputs but it is not sustainable with regards to that.	1. Low_Intr_On_Dbt

	There is but the business case is not that rosy. There's allot of costs for inputs and help for quite a small return. If it wasn't ABNIBEV taking over someone else would say pull the plug as it doesn't make financial sense? They have pledged R1 billion watch this space.	1. Sml_Return
	I am not totally convinced of this plus the weather has not been good and due to that the quality of barley has fallen for that reason the business sourced abroad and naturally that comes with its own costs.If and only if farmers are given the right info and communicated with transparently then this program will grow. There is also allot of interest from others who want to join the program from Limpopo, Mpumalanga I even get calls from people is Lesotho.	1. Wthr_Poor_Qual 2. Communication
	The business case is difficult in its current form but with some structural changes with the help of government it can be. We also have AbInbev investing a billion rand in this program in the light of making the country a net exporter of barley	1. AbInbev_Invst
	Part of the reason is that procurement of resources is particularly a procurement department job. The reason why Corporate Affairs has such a huge interest and influence in go-farming is as ***** indicated it is about mobilisation of stakeholders a broad range of stakeholders. If you get that right then this does become sustainable and not only from other corporate even other farmers. For instance the worst thing that can happen is that you go into an area and one farmer grows barley another grows beans this grows wheat at the wrong time. It is almost important to mobilise the farmers to go to block farming because then you are able to mobilise the resources that are available, you plant at about the same time because even the equipment it just doesn't make economic sense to get access to huge mechanised equipment to come and do one small farm, be it tractors or planter or during application of pesticides or harvesting so its hugely important to get it right in large numbers. Earlier we talked about getting the value chain right so that the costs are commercially sustainable. If they run away with you then it becomes unsustainable.	1. Mobl_Of_Fmrs

	so again it's a little bit of a challenging answer but for me long term yes if structured correctly and if optimised with partners and scale, so yes there is a business case otherwise for all intents and purposes we would be doing it and even if that business case is reputational, licence to trade, those kind of aspects are a strong motivatorbecause they fundamentally affect our business. But If you looking at continua's grant systems if you looking at sustainable pricing mechanisms if you looking at trying to do it alone from a private sector perspective, long term I don't think it's sustainable. If you get the relationships right you get government support right if you get scale and partnerships right and if you focus on the development aspect to bring these small scale farmers up the productivity curve I fundamentally believe that it can be sustainable.	1. Not_Sustnbl

Question 4

What are benefits and challenges of sourcing barley and maize locally as opposed to bulk importing internationally?	I have the saying local is lekker as you know what you buying and everyone tells you can import cheaper and if you speak to malting's they hate it as it has all sorts of issues. Importing has a major time lag risk even if the boat sinks. Locally you know what you are buying you can manage it better, we have world class storage silos. Importing total is not good local gives diversity we also need different varieties of barley. It good not only for the country but also for stability. We should have at least ¾ locally bought. Its money that stays in the country.	1. Time_Lag 2. Loc_Gives_Var

	There is negatives and positives around that because sometimes you can import barley cheaper than you can get it locally and that's what happening at the moment. But when you try meet somewhere in the middle so you still get local production. I mean again like in the whole of Africa it's a big thing for country governments that big companies must source locally and I think again that's a licence to trade thing for us. Also in terms if you can do so locally there is more security and maybe the rand dollar exchange rate is way out its much more variable if you import and there is certain risks you may not be sure what you get international like from quality. Currently it's cheaper to import.	1. Curr_Chp_Imprt 2. More_Secrt_Loc
	So obviously with your local supply chain you are hedging yourself in currency fluctuation though you exposed to weather you have a shorter supply chain therefore you pay less costs. You can grow and develop with local as in international you can only but what you get which is limiting.	1. More_Secrt_Loc
	If SAB doesn't do this program it would mean turning off the life support to black farmer. The fact that you have some and generally white farmers owning 2000 ha it means poor emerging farmers are already at challenge	1. Livelihoods
	Well we are growing the economy here in a big way with employment both direct and indirect. We building the agri economy in South Africa and supporting the transformation agenda. So basically there are huge implications for allot of people.	1. Livelihoods
	Certainly this has been answered earlier but I may add that the overriding benefit is the licence to trade	1. Lic_to_Trade

	So I think that questions 1 and 2 answer allot of 4 so without reiterating that I guess the two other benefits would be a shorter supply chain, more manageable from an inventory, working capital, from a time of delivery aspect kind of goes into local sourcing and reliability of the value of local sourcing. A big one is a reduction in foreign exchange exposure so as much as there is indirect foreign exchange exposure because these commodities are priced on a market which is SAFEX which is liked to imported or exported commodities and exchange rate there is not a direct relationship which is significant. The biggest one spoken about in number 1 is that in addition to that is the impact on the local economy and the mutual benefit of benefitting the local economy. So by creating small business that are sustainable that has income that addresses poverty and creates economic growth you creating a market for yourself direct as you are growing the country and growing your own business opportunity as opposed to taking those funds and putting them offshore somewhere.	1. Sht_Supp_Chain 2. More_Secrt_Loc 3. Grow_Loc_Economy

Question 5

Where do you see this programme going in the next five years expansion, scale down, maintain?	Well let's see 5 years back I was managing ******** and ********* we now have agrimart which means more hands it's the largest group of agriculture they are planting over 9000HA undergo farming this is their job. This helps us focus on other critical things. If I look from when Agri took over in 2015 there has already been progress made lots of negativity but at least it's developing. So in 5 years there will be more tonnages, more opportunities for people to participate in go-farming project. People potential and quality life will be up. What I would like to see in 5 years' time is that out of these groups we can isolate individuals or small groups that we can expand into larger farming operations under control. I will be frank with you now we don't want to go down the route that has happened the last 20 years people getting land and nothing happens. That's were government can come in, private business doesn't have the money to buy farms I would say rather than giving it out to people collaborate with private enterprise and then support them further, don't just give land but support them. This must local specific as you can bring an extension officer from Mpumalanga to work in Taung he hasn't got the background he has a generic skill.	1. Or_Grps 2. Dnt_Jus_Gv_Land

	I see it expanding with agrimart on board. Expanding in terms of ha and number of farmers, I mean that will be the drive. But unfortunately I do not see it getting sustainable because of the farm sizes. Some other farmers have bigger units so you will get some individual farmers who will become sustainable and self-sufficient who won't need our loans but the real small scale farmer like in Taung I can't really see it going further than what it is now because it won't be sustainable if you leave them now. You sit with a situation where it's tribal land and the tribal chief gives right of use for the land he also has a political agenda which is to help as many of the farmers as he can so he won't give more land to the good farmer something which we have been trying to convince him for a long time that if a good farmer with 40 ha or 80 ha he can get out of this project and be on he's own but that's not happening as he needs to satisfy as many of he's people as possible. There's another 176 claimants sitting there who must still get land. He is in a difficult situation.	1. Exp_wth_Agrimt 2. Land_Issue 3. Bigger_Units_Sustainable
	Well look at it this way. We investing a further R1 billion in the view of creating 800 new farmers in maize, barley and hops.	
	Looking at the concept as a whole its grate but I don't want to give people empty promises I must act as the conscious of the program. So depending on what the realities are then it will depend where the program goes	
	I see growth there is no other way. We expect by 2022 to be generating 435000 tons of malt that means we in this and see growth.	1. Growth
	Expansion it's a no brainer	1. Growth
	Significant expansion.	1. Growth

Question 6

Can this business model have other applications in different business units, are there currently any similar programs running?	Defiantly. Kick start our enterprise development program. Like in CAL we created a transport handler with loans and now he has a sustainable business. In supply chain there are many opportunities.	1. CAL_Transport
	Go farming in its years has made huge impacts and absolutely it can be. We have similar programs running in our Africa operations.	
	Our owner driver scheme is arguably the best example yet of translating this model	1. CAL_Transport
	I think it does, there is no doubt about it but what differentiates go-farming from all the other areas that can make an impact is that if you want to make a difference at scale in Africa then go-farming is the way to go because large numbers are still dependent on agriculture. Recently we were in Kigali at the grow Africa forum where allot of mines that have huge interest in the farming business were telling us and sharing all sorts of numbers and one of the numbers that left an impression on me is that investing in agriculture is 11 times more powerful in terms of employment impact on the livelihoods of economies than investments in any other areas. I truly believe that it is true. So it doesn't mean there isn't just the ability to amplify is so much higher. It is for that reason that if you look at our growth strategy in Africa you will see in large numbers that the key focus is go-farming, it doesn't mean that the others are not important.	
	Retailer development. I think *** has a focus on small business development across all our value chain so we have the retailer development program, we do allot of work in entrepreneurship so there is an overriding strategy around small business and the sustainability of small business within our value chains and to ****** point without any doubt the most impactful are in the farming communities	1. Ret_Dev_Prog

Question 7

What would be your overall assertion of the "go-farming" programme be, has it been good or bad with better income and quality of life?	Yes absolutely. I would say if you even look at some of the stats and just take a drive out there I have no doubt about that. If there wasn't we would be all rather depressed after 23 years. We need to deal with the negativity daily like making sure people are paid on time	1. Yes 2. Need_Pay_on_Tm
	I think I've touched on that earlier. Since we entered the project we see improvement. There are lots more kids going to university that couldn't have gone before and also you can see when we started here all the farmers were walking and coming with bicycles to the fields these days 90 percent have a bakkie or vehicle to get around so defiantly development. In the beginning we started with just barley and later we added the maize as well then really when they had two crops you could see development.	1. Education 2. Now_Hav_Vehicles
	It's been good because through it we have learnt which models work in which models work less. So when we go and invest 600million we will invest with a clear view of where we can get maximum impact	1. Yes
	Yes as mentioned there has been simply look at the families.	1. Yes
	It's been very good with quality of life much better	1. Yes
	It's a good thing. It is the right way to go. As we speak now in terms of go-farming in overall terms this doesn't differentiate between small scale and commercial JA it's a good thing. I mean *** now is one of the leaders in terms of success to localised procurement, with 80% of raw materials locally sourced. This now includes barley, maize, hops, sugar etc. its big	1. Yes
	Fantastic thing.	1. Yes

Question 8

Are there ways in which to better improve the program and better strengthen ties between the farmers and the company?	I think we have a good relationship. Number 1 we have a guy on our team on the ground living with the community which is invaluable. At the end of the day I don't think we can improve much more. The farmers will tell you that no we need much more money, equipment, help etc. that is not relationship building. If I give you money for a relationship you won't be there in 20 years there is no money no relationship. If I give shares or infrastructure grant repayable like a focus redevelopment. Like spending and ownership is vital if they took more ownership they would be more sustainability.	1. Cant_Imprv_Mor 2. Dependency
	In my honest opinion I think it's worse than it was with agrimart coming in. They have another system of working they just work the land. They are not as close to the farmers as SAB. Out extension officer is still running around there on the ground still being helpful. For me the problem you sitting with agrimart and sab then the farmers play them off each other. The most important thing to improve relations is communication with the farmer, keeping them in the loop all the time and giving them assurance we here for the long term. Another hindrance is that it seems like governmentextension officers have basically withdrawn from the commodities that we do like barley and maize. They not very keen to work with us they would rather work with something else. Like now is election year and government suddenly makes promises for seeds like cotton now everybody is confused making continuity hard. We tried to work with them at one stage we had weekly meetings but they just lose interest and don't come.	1. Agrmt_Worse 2. Comm_wth_Frmr 3. Gov_nt_Keen

1. Mk_use_of_Mor_Bus

I think there's a whole bunch of stuff but the most important thing is to create more and make use of more emerging agri businesses as opposed to CPA's and co-ops. The reason being you get 3 or 4 major benefits by going this way. You have active members because they Al benefit equally. You have a strongcontract and portfolio opportunity. You can diversify with these farmers making them your business retention as they are properly governed. These guys then have the money for scale and mechanisation where the yield and gross margin return sees realisation when you can mechanise. You have real unique opportunities for inclusiveness. I want to see as we develop farmers a shift to the left were more individual farmer but we need land from government. Read up on agri-dwala

1. Comm_wth_Frmr

I think keep it simple. Just to better what is already there like communication. Getting pricing figures of SAFEX in time out to the farmers so they know what kind of returns to expect. Communication will allow farmers to make better decisions

I believe better and more frequent interactions with the farmers is the key here

We need to expand small scale farming, I suppose create a balance between commercial farmers as commercial farmers also have a role to play but right now the balance is tilted heavily in favour of commercial farming**.** A related analogy to the scenario that **** is painting is potentially quite a sensitive one but it's got to roll off the tongue. It is an issue that in South Africa the small scale farmers also need to grow beyond the current thinking of dependency and lack of ownership for the program to actually taking ownership of the program. In most countries when you go out onto the fields with small scale farmers the farmer is there himself or herself with a hoe in hand and actually working. In South Africa the farmer the is there to come and witness the contractors and he creator of the market at work and all they do is to attach their name to the program they actually don't physically work which is a problem and it's also a difference between commercial farmers and the small scale farmers were you can't just place someone on land with a tractor and hope they will make a success of it but there is also a need to make that mental change and unfortunately it's a legacy of south Africa that I don't know how we will root it out because this now goes beyond just farming. For some of us we have the opportunity and privilege of being able to travel and very often when you see allot of the social uprisings they are simply explained away on the basis that there is unemployment and that people are poor what do you expect them to do. But if you want to see poverty I will show you poverty go to Mozambique, go to Uganda and the difference is out the at the crack of dawn everyone is out trying to make a living for themselves not waiting for government to do it. When drains block people don't burnt the nearest school, they try to solve the problem. This extends into farming to an extent as there is almost a feeling of dependency and entitlement that I am a citizen of South Africa and therefore if *** wants me in the program I am very grateful but when is the tractor arriving with the fertilizer. It is a problem. In many ways it goes towards frustrating the program. There are few exceptions but on the main it's not the case.

Lots. I think in allot of ways we have alluded to it in some of the answers previously but for me there's allot of ways we need to improve it and underpinning those improvements goes back to comments around partnerships, governments role from a support perspective so both of those allude to how do we achieve scale through these programs. I think ultimately the test of success in any of these programs is around have you actually developed these small scale or emerging farmers into commercial viable small businesses and if we absolutely honest with ourselves today they are probably not and if we did not guarantee a market if we didn't provide input costs, if we didn't support extension, if we didn't manage allot of the agricultural practices within our programs they would fall apart. And that is part of development and its part of the role that we need to play in the initial phase in this program but actually long term you need to be able to step away from some of the direct support and input while still creating the market but because they are a number of markets and a number of players you have addressed things like access to finance because you got the right input supply model because you have contractors that support with mechanisation because you've been able to facilitate allot of these continua's support structures the supply chain becomes more sustainable and I think that is the key challenge in these programs that right now I don't think its limited to the *** program but if you kind of look at any of the small scale programs supported largely by private sector if you ask any of them the biggest challenge is almost how do you pull out. Pulling out doesn't mean no longer providing the market but it means how do you make sure you develop these small business into business that are for all intents and purposes standalonecommercial? You can't do it without partnerships, you can't do it without government support and intervention, you can't do it without achieving scale but that has to be the focus but to me it goes back to that earlier point around that you have got to move away from aid and grants and move towards a sustainable reinvesting business model and part of that is actually governments accountability to support and drive around that mind-set of what is a sustainable full scale business. So there's allot that can be done to strengthen it and I think that is core to our focus going forward. Having said that thereis also a long term agenda and I think quite often one of the challenges is with all due respect you can't put someone on a piece of land give them a tractor tell them there's a market and think that it's going to be a sustainable business. If you look at

1. Partnerships
2. Dev_to_Comm_Frmrs

commercial farmers they are generations of farming expertise, education, skills and all of that kind of stuff so really it’s a long term commitment. We have the long term view of support but ultimately the small scale farmer must have the view of functioning independently of our involvement.

Question 9

Is there anything else you wish to add?	This was a good questionnaire. Look at the better barley better beer info here.	
	Just the last point that government really needs to get involved. They not letting us know of their plans. You just hear government contacted a farmer made promises etc and not sit us around the table to comunicate what they have planned. We could work with them with helping farmers do rotational crops they basically steel a farmer but government is only short term. The farmers run away and this happens when they get too much debt with us instead of seeing it through. That's why government is so important	1. Coordination 2. Debt
	That's what I wanted to add in question 8	

Appendix C- transcripts farmers

Question 1

What are the benefits of "go-farming" to you, the small farmer and the company?	• Life is going alright, I have a better life and I am able to live	
	• The benefits are generally good my child is better now	Better_Life
	• I have food on the table and a little extra money for other things	
	• The benefits has not been so good. The company benefits more than me as they make allot of money. The company only wants 100%. I get 25% benefit the company gets 75%	Low_Prcentage
	• When I started farming I was poor now I have my own home, my kids are all at school, I have a car and also I have gained allot of farming experience	
	• I have a car now I have a bigger house and my family is doing very well	
	• We get to work well with the company and try to make money together	
	• I am most happy that I am able to take of my parents. My family also is more educated than I was	
	• I can buy good food for me and my family, clothing, shoes, I also support my brother	
	• For the first time I am able to have savings which has helps me with different things that I need I also get to support my large family	
	• My son is now at a good school I am able to pay for him with the money I make here. I have food on the table, I also pay the salaries of the permanent workers and temp labourers during harvest. They are able to help their families as well. I also have a 4x4.	

	• For me this season has been bad so I have not seen the benefits but when it is going good I am happy with the benefits of a good life	
	• When we plant barley we are able to pay bills, instalments and out children can go to school. The benefits of barley are more than maize as barley is not affected as much as maize with bad weather and we have a guaranteed buy of our stocks by the company	Guarranteed_Buyer
	• Life I can say has been much better for myself and the co-operative. L think life could be even better if we had more knowledge of things. In Plepud and mfundeni they have benefitted more as they knew to follow the combine harvest when it comes onto the farm. We produced 700 tons of maize this harvest so we are all so very happy. We also got recognition for the best quality maize.	Best_Quality_Maize
	• There is allot of land that we have combined together and we are benefitting well from the maize. The price we get paid per ton I would like more information but we have full stomach good clothing and we will grow more.	
	• The benefit has been good to me and my family my son is going to university for the first time. The land here is also been used as you know our people are short of jobs so I am making sure the land is productive	
	• I am very happy with what has happened my crops are doing so well and this means i have much more in my pocket. I am able to support my sister and her children with this money. I think the benefit and positive can be more if I had my own machines.	
	• Yes so we as our co-op have grown too much really with go-farming we have combined allot of land together so we are able to get good yields. We have had one of our best years with this harvest. We will make sure that the country has beers and we grow together with the company	Co-Op_Better_Yields

	• You see as a man I must be able to provide for my family and I am doing this through being a farmer and the company makes allot of money more than me.	
	• I used to walk everywhere now I have a bakkie which I have paid for, I don't owe money on it.	
	• We got allot of maize this year many tons and this means we have allot of money coming to us. I hire young people to keep them busy and to keep them out of trouble	
	• I am seeing some few benefits but not too much, yes we can eat and have food on the table	
	• Me and my wife have built a home for the first time from these hands here. We are happy with what is coming in we have to make it go a long way.	
	• I am active and doing something many of our young people are sitting at home with no work this thing helps me work	
	• We are very happy with the life the company has given us, my children are also happy and there is food for us.	
	• We are helping South Africa and our people, I use allot of people to help me even though sometimes it's hard to pay them I give them maize which they can sell or eat as payment.	
	• I am able to live a good life with my children I am a single parent	

Question 2

Are the costs of the "go-farming" initiative	• For me to live I need more support from the SAB. I need more support to know about costs and managing them. The costs of inputs is also very high	Need_More_Support

sustainable?	• The costs of everything is going up seeds and electricity is going up. It makes it hard to be sustainable	
	• The costs are now getting too high with the little land I have I am not going to make it	High_Costs_of_Inputs
	• The high costs of implementing like electricity and water. Fertilizer and salaries are high. I get less money from the amount of costs	High_Costs_of_Inputs
	• General costs of inputs and so on are high. The prices of all goods are up	High_Costs_of_Inputs
	• The prices of all the materials needed are just too high to make a future	Close_to_Unsustainable
	• The cost of items especially machinery are very high, what would help is getting my own tractor from the company	High_Costs_of_Inputs
	• The costs are becoming too much and close to unaffordable for electricity, water, fertilizer and seeds	High_Costs_of_Inputs
	• The costs of water and transportation are my highest	High_Costs_of_Inputs
	• The general costs before harvest are keep going up and the land is staying the same making it hard	High_Costs_of_Inputs
	• I am struggling with the increase in the cost of items for inputs like chemicals that I need for the weevils problem	High_Costs_of_Inputs
	• To give you an idea of the costs I have I paid R30 000 for electricity over 6 months, R10 000 for water. The costs are too high. I also pay allot of money for education of my children	High_Costs_of_Inputs

	• The costs of implements is too high especially fertilizer. Maybe if we are able to buy direct from the manufacturer and not through middle person it will be better. What pushes our costs up is that we have to rent allot of equipment and don't have our own. The 10 hectares is also very limited if the land was bigger costs would be lower. The company helps with technical information which saves me money	Land_Issue
	• Costs are generally high yes, but we are lucky this time as we will get a high yield which means we will get more money. Our soil has been very generous. We have 200 hectares so our costs are helped by our yields.	Sustainable_with_Coops
	• The cost of the inputs is not cheap especially as there are so many hectares but when it comes time to harvest we are happy as we produce good quality and high yield,	
	• The costs of things are very expensive water and electricity is high. We are able to share some of the costs with the other farmer which makes it a little better	
	• We pay a bit of money for the seeds and things but we are managing. Each year things go up and up even some few times a year but the money doesn't go up as fast.	Managing
	• I know what I am paying now and what I was paying last year is much more, the people we buy from even in big quantities they make it expensive for us. We have good levels of crops so the money coming in is more than the costs.	Sustainable
	• For me everything is expensive even the food I buy at the shop. We had some high cost this year when we asked to use one of the people land to farm he said yes and we agreed but he came during harvest time and said I am using he's land and I must pay so I had to pay him.	

	• We pay allot of money for input on this farm we have 170 hectares so its allot but we share the cost. We also spend money on hiring the combine machine it would be better if we were given some of our own machines to use	Would_beBetter-with_Own_Machns
	• Some of the costs are fertilizer, chemicals, special seeds and equipment. Before the harvest money come in this is very expensive and cash flow is not very good.	
	• Things are just too expensive, I also pay some money for the people to come and help me take care of the farm but some of them I pay them using maize.	
	• I wish we could get subsides for the implements even government might want to help us cause it is expensive every time there is something that needs to be purchased .	
	• We will survive as our farming practice with the other farmers is good we use the land to the maximum possible	
	• Yes things are going up more and more I am paying even for school fees and other accounts. Everyone wants something	
	• My cost are high but if I do my cash flow then things are okay.	

Question 3

Why should barley and maize be sourced locally from you as opposed to importing	• It is better to buy from us as SAB is supporting farmers. Once we grown we will be more reliable. I also produce good barley	Farmer_Support
	• The big company has a duty to the community to help us we depend on them. We will supply them well	
	• They are helping me and my family we need them	

internationally?	• By buying from me and developing me I can do better and support the company. They hire equipment like harvesters and tractors from big companies they should rather give us our own so we also make money from this	Would_beBetter-with_Own_Machns
	• it is better to source from us as we all grow and the company can grow us into commercial farmers which means the company can also grow	
	• the company wants me to grow as a small farmer more than a commercial farmer and me and the company depend on each other	
	• it is better to develop small black farmers as we need the help and the company can help push me up	
	• the community and ourselves depends on go-farming I hire allot of people to help on the farm from here and if the Is no company there is no food for them	Employment
	• it helps to rather buy from small farmers as we can support the company better	
	• it is better to keep supporting local farmers until we can stand on our own then the next farmer can be supported	
	• buying locally has many more benefits for us and the country the company must support us	
	• what the company is doing is very important to development of our people	
	• we need and depend on the company so really our families are at stake without the company buying from us	
	• What this program has done for us and the community and families is beyond words. We are supported and it touches many lives. The program has done wonder and this has to be spread around South Africa to give others an opportunity.	

	• I can give just as good quality maize why should they go to someone else or the big farmers so they can use me	Just_as_Good_Quality_Maize
	• They are many people who need this without it we won't be here	
	• It is not just me on this they are many of us using government and tribal land if the company goes somewhere else we will lose our income.	
	• This is the only job I have I am an old man now	
	• We are very good for the company and we give them the best quality so they can trust us	
	• We have been farming for a few years now and some of us are almost commercially size farmers we need this market.	
	• Me and my wife support allot of people with this business of ours and abandoning us would be bad for many people not just us.	
	• They can do whatever they want but they know we are supporting them very well. They are making beer thanks to us.	
	• The company is doing allot of good work here we must continue together.	
	• We are just small farmers and we need the support	
	• I still have very young children who I need to take care of by buying from me it means I have an income for them	

Question 4

Where do you see this programme going in the next five years with you	• I see myself doing something outside of farming soon	
	• It is difficult to say it depends on the outcomes it will be different for each farmer	
	• If I can make more money I can stay	**Depends_on_the_Outcomes**

	• I see myself in this program and growing more. It is in my blood to be a farmer I will do this until I die. If the company can help me with buying my own equipment like a tractor so I can generate more money this would be good	
	• It is not easy to say. The land question is very hard as there is not enough land to scale. The 10 hectares is not enough. What I hope for is maybe 6 more hectares from government to scale up	Land_Issue
	• I will still be part of this program	
	• Yes I will still be farming but I expect to have grown to 20 hectares by this time	
	• I enjoy farming so I will be doing it for a long time	
	• I will still be part of the program but we will need more loans	
	• Yes I believe I will find myself still as a farmer with more land	
	• I will be farming for a long time to come	**Still_Existing**
	• I have some choices of doing other things but I will stay and I have some R35 000 to pay back I need this to do that	
	• I love being a farmer I will say on and still be a farmer	
	• I am very committed to this program I have even fixed my bike to help me move from farm to farm faster. I see in 5 years growing even more so long as I still have life in me.	
	• I will be farming more and more maybe we can ask the tribal counsel to give us even more land so we can get more maize	
	• I have always been a farmer my father was a farmer I will stay on as a farmer	
	• I was retrenched a few years ago and then I joined this program I used to be a welder. I enjoy farming and I will be one for a long time.	
	• Defiantly farming	

	• Nothing is for sure but I will be farming maybe I will have more of my own land	
	• I will still be here	
	• We will grow with the other farmers and get more land, we will sign formal contracts with the other small farms not being used	
	• We will be farming	
	• I hope to be a commercial farmer by that time and no longer need the loans	**Commercial_Farming**
	• I can't do other work I will be farming	
	• I need to be doing something real with my life and I don't want to be just sitting down. I will be a farmer and grow more	
	• My son is more interested in music than farming so I will be farming as he doesn't have an interest	

Question 5

What are some of the challenges faced in the "go-farming" initiative?	• The pump house is not secured because there is no fence so people come and steal so it is hard to irrigate. Also because of no fence cows come onto the land and destroy the barley which means less tons and less money. I get into fights with the community as they say their cows also need to graze. There is some petty crime with people stealing bags of barley at harvest and the pump house. Cash flow is also difficult from day to day to buy implements	1. **Pump_House_Security** 2. No_Fence_Around_Farm 3. Petty_Crime
	• The cost. Electricity, fertilizer is especially high also water. Cows and donkeys come onto my land all the time	High_Input_Costs
	• Too many costs of things	**High_Input_Costs**
	• The company is not using enough black businesses for support. Like the tractors should come from local black business and not the big business as it is expensive. The costs are a challenge if I had my own mechanisation the costs would be better.	Equipment
	• Equipment is a challenge when we need access to it at a certain time. Water is also a problem as the farrows are small and the dam is small. The drought has been a very big challenge to us also. The cash flow cycle from the business is very slow making it hard to have good cash flow. We are not getting out VAT refunds either now as the company used to send us a book keeper so we submit to SARS now we can't get any money from SARS. Fencing is also an issue as cows and people ca come onto the land	**Equipment**
	• I need help with water and electricity costs they are eating into my money and I also need my on equipment like a tractor	Equipment
	• The cows keep coming into the farm as there is no fence around the farm to protect our barley	**Fence**

	• We need the company to come fence our land and to also arrange bigger land for us	Fence
	• Trying to balance all the costs is very difficult but I keep trying my bests, access to enough land is a real problem	**Land_Issue**
	• The cows are a big problem in this area they affect our crops and we fight with the owners allot. We also have the problem of people stealing bags of harvested barley which they go and sell to make money, each bag is important to me. Irrigation during the draught has affected my yields which means I will have less money	Land_Issue
	• Currently weevils are a problem and are affecting my crop	
	• I found that I got more money when the company was still paying us directly now that the middle company is involved it takes too long. Horses and cows also just come onto the land and destroy the crop. Bandits also steal the seeds used to plant	**Middle_Company_Takes**
	• Implements are too expensive. The biggest problem I have is theft. The thieves come onto the farm as there is no fence and they steal cable for the transformer and pipes which means we can irrigate. We need to pay Eskom to come and repair every time. What will help us grow is the company to help us lower costs as our 10 hectares is limited	
	• When the combine harvester comes it leaves behind a lot of maize which can be used to improve our tons. But we will now pay people to pick up after the machine for every 5 bags they get 1 bag. People also take what is not theirs.	**Combine_not_efficient**
	• People in this area like to take what is not theirs and take our maize, animals also come onto the land so we need to watch all the time. The drought has been a problem but not too much as we have good farming skills.	Theft

	• Some of the community members give us problems when we have gotten permission to use their land they sometimes go to the chief and say we are using it illegally and we are fined. We have learned our lesson and will now sign a documents with them	
	• Theft is a problem when you have the big combine machine here the people just go behind and take. We also have cows that come and eat all the good maize	**Theft**
	• The drought has affected us but a little, we were shown by the farmers how to plant so the roots reach deep so that even if the top soil is dry it is not bad.	
	• I feel that the company can support us more with the loans they deduct too much money. We are also not sure how accurate the tonnages are as sometimes the trucks go and weigh very far away.	**Not_Sure_About_Harvested_Tonnage**
	• We wait a long time for payments to come in and in this time we have to be paying people	Wait_Long_for_Payments
	• If we as our co-op had more of our own mechanisation like tractors and harvesters we can use this without paying so much money we can also use in the community to empower them.	
	• We need more assistance with knowledge on farming, like we farmed and when the maize grew the wind blew it down some of the other farmers didn't experience this they knew better they had information	**Knowledge**
	• I am not being fully utilised I believe besides farming I can help with mobilising others to join us	

Question 6

Has there been development in terms of better income and quality of life?	• Life is better now yes life is better. My children are at school	Yes
	• I have not actually made much due to my instability. I hope things will get better	Neutral
	• In a bit of a way things are good but the costs are making it hard	Yes
	• Overall life is better with this but the challenges are real. Borrow us more money	Yes
	• Yes our life quality is much better and also my own development and that of my family	Yes
	• I have a better life	Yes
	• There has been a much much better quality of life and I am better off	Yes
	• Yes I am better off in this program	Yes
	• For me it has been good and bad but mostly good so life is better	Yes
	• Generally it has been the same life for me with some things good and some bad	Yes
	• Yes quite allot	
	• Because there not too many options from me I can't say it's been good or bad I am just surviving	**Neutral**
	• Life is better for me overall. I was first working for government growing crop but moving to the private sector has been much better. Even with its problems its stuff we can live with. I have paid off debts	Neutral
	• Life has been much better, you know I used to talk everywhere now I have my own car. My youngest children are in school the only problem they don't want to be farmers\	Yes
	Yes	Yes
	• Yes	Yes
	• I am too happy yes	Yes
	• In some things there has been improvement like as I said my children go to school and I have a home and car	Yes

	• I see the company making lots of money more than me but yes my life is better	Yes
	• Yes	Yes
	• I am too happy	Yes
	• We are all blessed	Yes
	• Yes	Yes
	• Defiantly no matter which way	Yes
	• Very much	Yes
	• yes	Yes

Question 7

What would be your overall view of the "go-farming" programme; has it been good or bad?	• In everything it has been good	
	• I am in-between as it has been bad and also good	Good
	• I am not sure some good and some bad	Neutral
	• Overall it is bad as there is no long term promise	Bad
	• Overall yes it has been good	Good
	• It has been good	Good
	• Being in the program in overall It has been good	Good
	• I think it has one good for me and the community	Good
	• Good	Good
	• It has been good to me	Good
	• In balance good	Good
	• Overall good but there are challenges but we certainly need more land. We need information on which farmers can be developed to take on bigger farms	Good
	• Overall good	Good

	• Good very good	Very_Good
	• There are few issues but really this has been great	Neutral
	• Good and bad	Good
	• Good	Good
	• It has been good to me and my young people	Good
	• Very good as you know the community also	Very_Good
	• Good	Good
	• It has been fifty fifty	Neutral
	• Good	Good
	• Good but it can be better	Good
	• Good	Good
	• Good	Good
	• good	Good

Question 8

Are there ways in which to improve the relationship between the farmers and the company?	• The company can help us with giving us a better life. We need more skills to plant and grow more tons so we can support the company better	**More_Skill**s
	• If we take a loan from them they take too many deductions from the money that comes in from the harvest. They also take too long to pay like 6 months. We need to see a breakdown of all our costs have been. They can take maybe 3 months to pay rather. We need assistance with buying more land as we cannot grow on this 10 hectares alone	1. **Take_too_long_to_Pay** 2. Land_Issue
	• We need more subsidisation from the company to help costs	**More_Subsidies**

	• We need to be given more loans for our own equipment and machines. They should look at using the Boputotswana fund model which works. The loans need to be more long term so we have more money	**Loan_for_Equipment**
	• The company needs to add some knowledge on crop rotation as planting the same crop all the time is not good. We must rotate the crop	More_Skills
	• Give us our own machinery	Own_Equipment
	• The company must approach us every 6 months to ask if we need more of a grant	**Freq_of_Consultations**
	• The company can help with more land so we have more hectares to make money from	
	• We need better access to loans much faster	**Time_to_Approve_Loans**
	• It would help our burden if the company hires our children to work for them and give them skills to come and take over the farming with more knowledge. Giving our kids bursaries for tertiary education would also be good to help	**Hire_our_Children**
	• The company could make a big difference by putting up fences for us to protect the farms	**Fences**
	• At the last meeting they said the company representative said they would help raise money for equipment like a tractor. I can use this at other surrounding farms to make more money and help. The tractors the company sends are not reliable as they arrive late or the driver has no experience	**Unreliable_Tractors**
	• If the company could put electric fences for access control I would be grateful. My yields would be better if the animals and people are kept out. The company can also take our children for more skills so they can take over in the future	Fences

	• I would like the company to use me more in the community to do work so more proper can benefit. Things can improve if the company communicates with us better, we have had many promises on things but we never get feedback on some issues.	**Keep_Promises**
	• The assistance at the time we start to plough could be better for us.	More_Skills
	• Keep the promises that are made to us there is allot of things that are said in meetings and we never hear back	Keep_Promises
	• We need more extension support as we don't see the guys assisting us enough	More_Subsidies
	• For me I have been given many skills with the program but like me and many other we need business skills. I hear at the meetings of balance sheet and all these things, we need to know how much money to save how much to spend	More_Skills
	• I think things are good	
	• If the deductions of the money cannot be 100% but a little each harvest it would be better	
	• We need to know what are the opportunities to become commercial farmers what is it that we need to do	**Commercialize**
	• It takes too long to pay us the company needs to understand that we are not as big as them they need to support us better and treat us better man	Take_too_long_to_Pay
	• We can do much much more with this program use us more	
	• I am worried that we are too dependent on the company what if one day they say no more, government needs to also assist us	**Govt_Assistance**
	• We need more farmers days to explain to us what the challenges are to get the best yields	**Farmer_Days**

Question 9

Is there anything else you wish to add?	• Let us all work together as a community	
	• I need help with electricity, can the company subsidies us so we can have a better life. There are also too many deductions	**Help_with_Electricity**
	• The middle company said they would give us equipment and we pay over a few season where is the equipment promised	
	• I have gotten new life after joining this program, I was once a welder and after I was retrenched I started farming it has been good to me after life changed.	

Appendix D- quantitative results managers and farmers

Suppliers Coding

Respondent No.	**Sect A**	Results _Q1	Results _Q2	Results _Q3	Results _Q4	**Sect B**	Results _Q1	Results _Q2	Results _Q3	Results _Q4	Results _Q5	Results _Q6	Results _Q7	Results _Q8	Results _Q9	Results _Q10
1		2	3	1	1		4	4	4	4	4	4	2	4	3	4
2		2	4	1	2		4	4	2	4	4	3	2	4	4	4
3		3	4	1	1		3	3	2	4	4	4	2	4	3	4
4		3	4	1	1		4	4	2	3	4	4	2	4	4	5
5		2	1	1	1		2	3	2	4	4	3	2	4	3	4
6		3	1	1	2		4	4	2	4	4	4	2	4	4	5
7		3	3	2	1		5	5	2	5	5	5	1	5	5	5
8		2	2	1	1		4	4	2	4	4	4	2	4	2	3
9		3	2	2	1		5	4	4	4	4	4	2	4	4	5
10		2	4	1	1		4	4	5	4	5	5	1	5	5	5
11		2	1	1	3		2	3	3	3	3	3	3	3	2	3
12		3	1	1	5		2	5	5	3	5	5	1	5	1	4
13		3	3	1	4		2	4	4	4	4	3	2	4	4	2
14		3	3	1	3		5	5	5	5	5	5	5	5	4	5
15		2	2	2	5		5	5	1	5	5	5	1	4	5	5
16		3	3	1	3		5	5	2	5	4	5	2	5	5	5
17		3	3	1	4		4	5	2	4	5	4	2	4	5	5
18		3	3	2	4		5	5	1	5	5	4	1	4	5	5
19		3	3	2	4		4	5	2	5	5	4	2	4	4	5
20		2	2	1	3		4	5	1	4	5	5	2	4	5	5
21		2	4	1	5		4	5	2	5	5	4	1	5	5	4
22		3	2	2	5		5	5	2	5	5	5	1	4	5	5
23		2	3	1	5		5	5	2	5	4	5	1	4	5	5

24		2	4	1	5		5	5	2	4	4	4	1	5	5	5
25		2	3	2	5		4	5	2	4	4	4	1	5	5	5
26		2	2	1	5		5	4	2	4	5	5	2	5	4	5
27		2	2	2	3		5	5	2	4	4	5	2	5	4	5
28		3	3	1	4		5	5	2	4	5	5	2	4	5	5

Management Coding

Respondent No.	**Section A**	Results_Q1	**Section B**	Results_Q1	Results_Q2	Results_Q3	Results_Q4	Results_Q5	Results_Q6	Results_Q7	Results_Q8	Results_Q9	Results_Q10
1		7		4	2	2	4	4	4	2	4	2	4
2		6		2	1	4	4	4	2	2	2	2	4
3		6		4	1	4	4	4	2	2	2	2	4
4		9		5	1	1	5	5	5	1	5	5	5
5		7		5	1	1	5	5	5	1	5	4	5
6		7		5	2	2	4	4	5	2	4	2	4
7		7		5	2	2	5	4	4	2	2	5	5
8		6		4	2	2	4	4	4	2	4	4	4

Data Key

Section A		
	Q1	
Educational level	Tertiary	1
	Secondary	2
	Primary	3
	None	4

	Other	5
Years of experience	**Q2**	
	0-5	1
	6--10	2
	11--15	3
	16+	4
Have yo always been a farmer	**Q3**	
	Yes	1
	No	2
No. people employed part time/full time	**Q4**	
	1--5	1
	6--10	2
	11--15	3
	16--20	4
	21+	5

Section B		
		Likert scale range 1-5
	Q1	1--5
	Q2	1--5
	Q3	1--5
	Q4	1--5

Q5	1--5
Q6	1--5
Q7	1--5
Q8	1--5
Q9	1--5
Q10	1--5

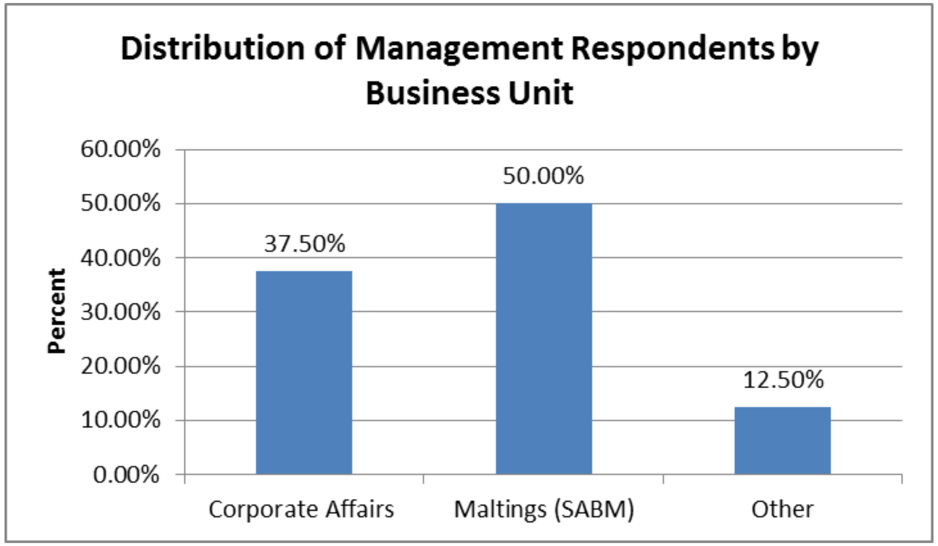
Mangmt Anal 1

Business Unit
Maltings (SABM)
Corporate Affairs
Corporate Affairs
Other
Maltings (SABM)
Maltings (SABM)
Maltings (SABM)
Corporate Affairs

BUSINESS UNIT	Frequency	Percent
Corporate Affairs	3	37.50%
Maltings (SABM)	4	50.00%
Other	1	12.50%

BUSINESS UNIT	Percent
Corporate Affairs	37.50%
Maltings (SABM)	50.00%
Other	12.50%

Total	8	100.00%



Mangmt Anal 2

Results_Q1	Results_Q2	Results_Q3	Results_Q4	Results_Q5	Results_Q6	Results_Q7	Results_Q8	Results_Q9	Results_Q10
4	2	2	4	4	4	2	4	2	4
2	1	4	4	4	2	2	2	2	4
4	1	4	4	4	2	2	2	2	4
5	1	1	5	5	5	1	5	5	5
5	1	1	5	5	5	1	5	4	5
5	2	2	4	4	5	2	4	2	4
5	2	2	5	4	4	2	2	5	5
4	2	2	4	4	4	2	4	4	4

1. The relationship between the company and the small farmers is mutually beneficial	Frequency	Percent
2	1	12.50%
4	3	37.50%
5	4	50.00%
Total	8	100.00%

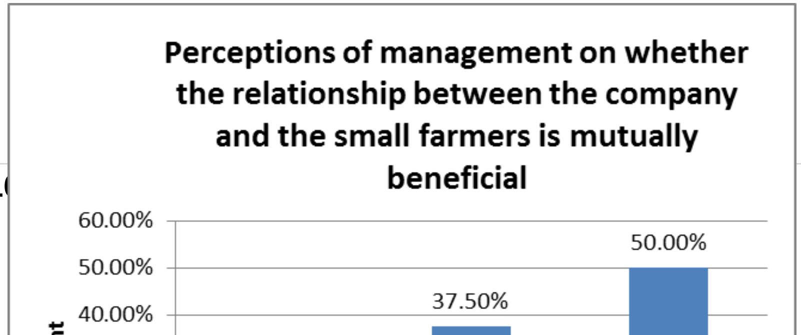
1. The relationship between the company and the small farmers is mutually beneficial	Percent
Disagree	12.50%
Agree	37.50%
Strongly Agree	50.00%

2. The company must be the one true beneficiary of “go-farming”	Frequency	Percent
1	4	50.00%
2	4	50.00%
Total	8	100.00%

2. The company must be the one true beneficiary of “go-farming”	Percent
Strongly Disagree	50.00%
Disagree	50.00%

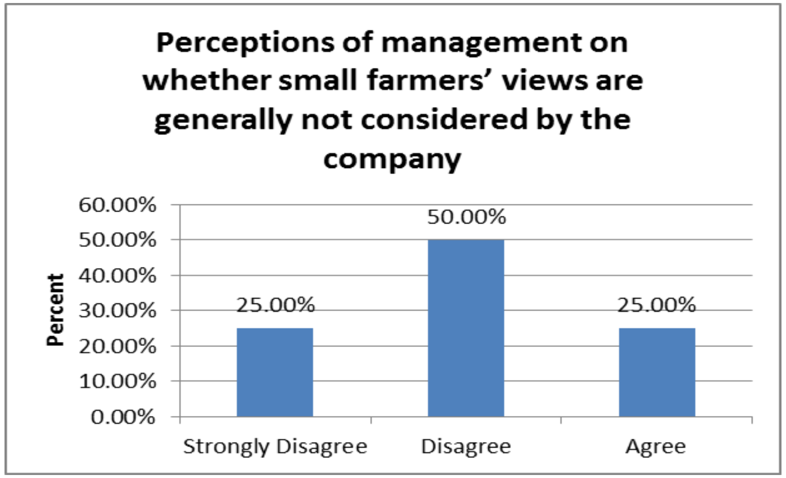
3. Small farmers’ views are generally not considered by the company	Frequency	Percent
1	2	25.00%
2	4	50.00%
4	2	25.00%
Total	8	100.00 %

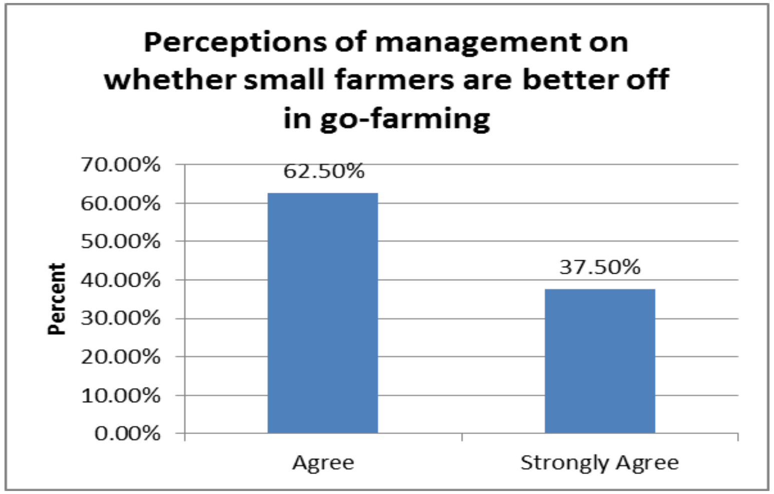
3. Small farmers’ views are generally not considered by the company	Percent
Strongly Disagree	25.00%
Disagree	50.00%
Agree	25.00%



Perceptions of management on whether the relationship between the company and the small farmers is mutually beneficial

Perceptions of management on whether the company is the one true beneficiary of “go-farming”


Perceptions of management on whether small farmers' views are generally not considered by the company
Percent
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
25.00%
50.00%
25.00%
Strongly Disagree
Disagree
Agree


Perceptions of management on whether small farmers are better off in go-farming
Percent
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
62.50%
37.50%
Agree
Strongly Agree

6. There is a balanced relationship between the company and small farmer	**Frequency**	**Percent**
2	2	25.00%
4	3	37.50%
5	3	37.50%
Total	8	100.00%

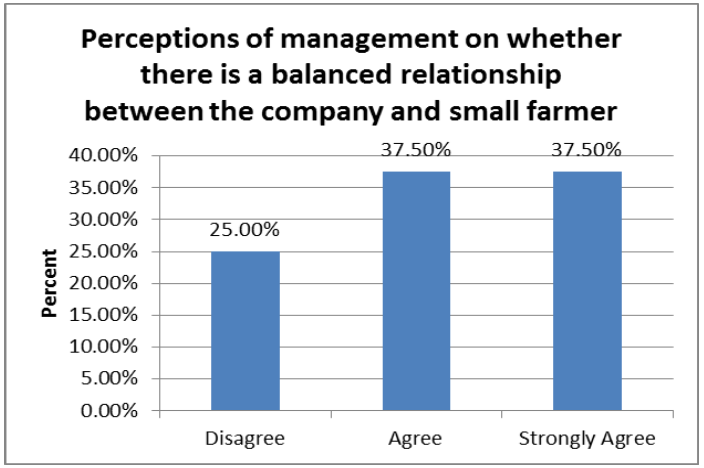
7. The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one	**Frequency**	**Percent**
1	2	25.00%
2	6	75.00%
Total	8	100.00%

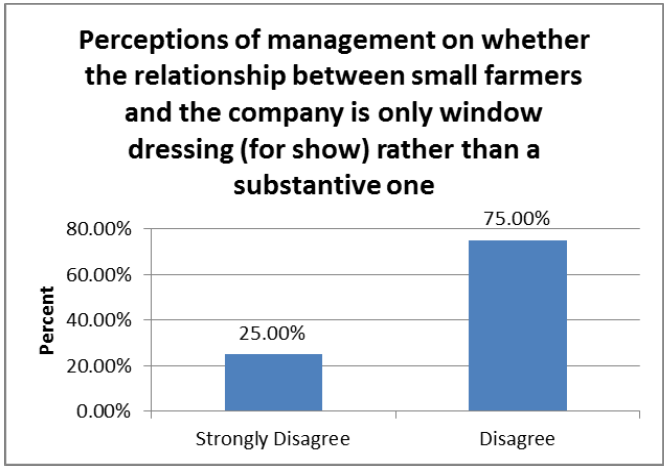
8. The supply of material from small farmers is reliable for the company	**Frequency**	**Percent**
2	3	37.50%
4	3	37.50%
5	2	25.00%
Total	8	100.00%

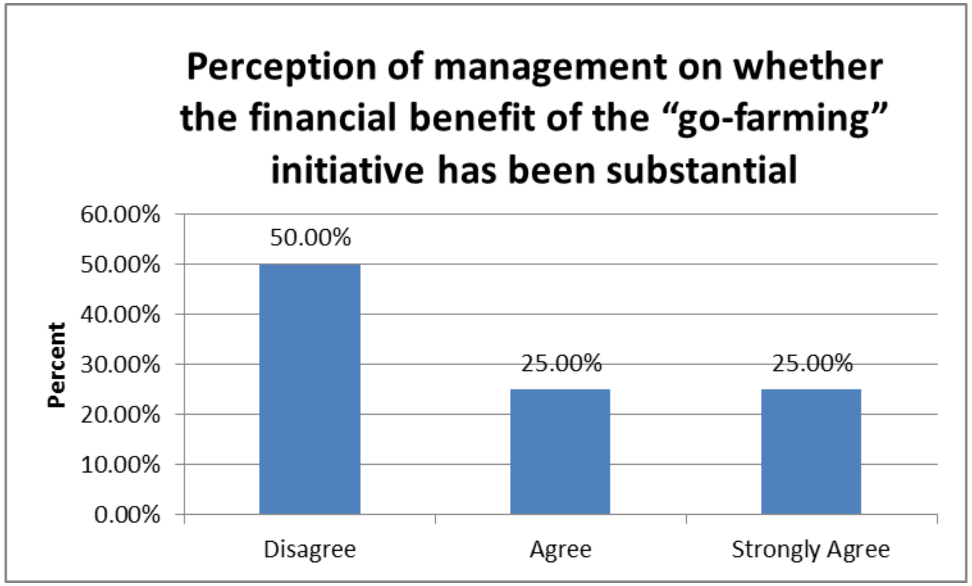
6. There is a balanced relationship between the company and small farmer	Percent
Disagree	25.00%
Agree	37.50%
Strongly Agree	37.50%

7. The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one	Percent
Strongly Disagree	25.00%
Disagree	75.00%

8. The supply of material from small farmers is reliable for the company	Percent
Disagree	37.50%
Agree	37.50%
Strongly Agree	25.00%







4. Small farmers are better off in go-farming	Frequency	Percent
4	5	62.50%
5	3	37.50%
Total	8	100.00%

5. Small farmers are seen as integral to long-term sustainability	Frequency	Percent
4	6	75.00%
5	2	25.00%
Total	8	100.00%

4. Small farmers are better off in go-farming	Percent
Agree	62.50%
Strongly Agree	37.50%

5. Small farmers are seen as integral to long-term sustainability	Percent
Agree	75.00%
Strongly Agree	25.00%

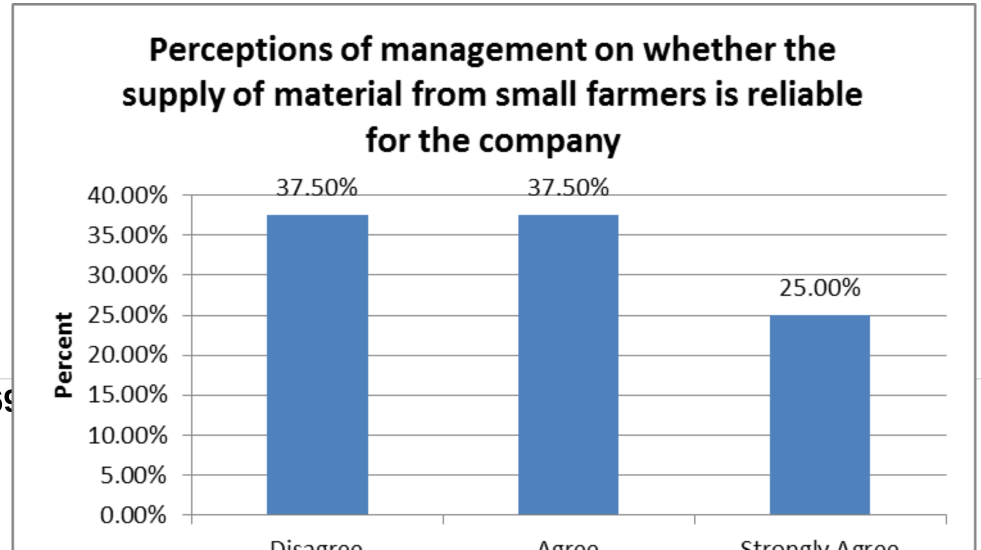
9. The financial benefit of the "go-farming" initiative has been substantial	Frequency	Percent
2	4	50.00%
4	2	25.00%
5	2	25.00%

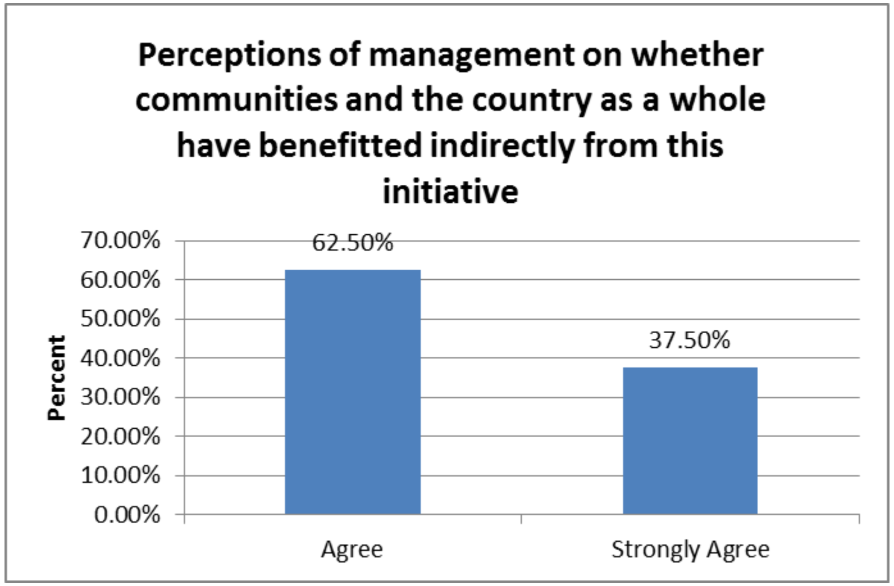
10. Communities and the country as a whole have benefitted indirectly from this initiative	Frequency	Percent
4	5	62.50%
5	3	37.50%
Total	8	100.00%

Total	8	100.00%

9. The financial benefit of the “go-farming” initiative has been substantial	**Percent**
Disagree	50.00%
Agree	25.00%
Strongly Agree	25.00%

10. Communities and the country as a whole have benefitted indirectly from this initiative	**Percent**
Agree	62.50%
Strongly Agree	37.50%




Perceptions of management on whether communities and the country as a whole have benefitted indirectly from this initiative
Percent
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
62.50%
37.50%
Agree
Strongly Agree

Supp Anl 1

Results_Q1	Results_Q2	Results_Q3	Results_Q4
2	3	1	1
2	4	1	2
3	4	1	1
3	4	1	1
2	1	1	1
3	1	1	2
3	3	2	1
2	2	1	1
3	2	2	1
2	4	1	1
2	1	1	3
3	1	1	5
3	3	1	4
3	3	1	3
2	2	2	5
3	3	1	3
3	3	1	4
3	3	2	4
3	3	2	4
2	2	1	3
2	4	1	5
3	2	2	5
2	3	1	5
2	4	1	5
2	3	2	5

2	2	1	5
2	2	2	3
3	3	1	4

Current level of education	Frequency	Percent
2	14	50.00%
3	14	50.00%
Total	28	100.00%

Years of experience as a farmer	Frequency	Percent
1	4	14.29%
2	7	25.00%
3	11	39.29%
4	6	21.43%
Total	28	100.00%

Whether always been farming or not	Frequency	Percent
1	20	71.43%
2	8	28.57%
Total	28	100.00%

Current level of education	Percent
Secondary	50.00%
Primary	50.00%

Years of experience as a farmer	Percent
0 - 5 Years	14.29%
6-10 Years	25.00%

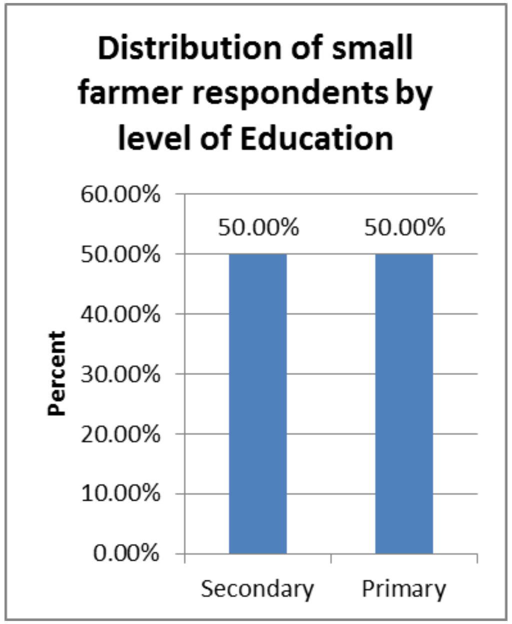
Whether always been farming or not	Percent
Yes	71.43%
No	28.57%

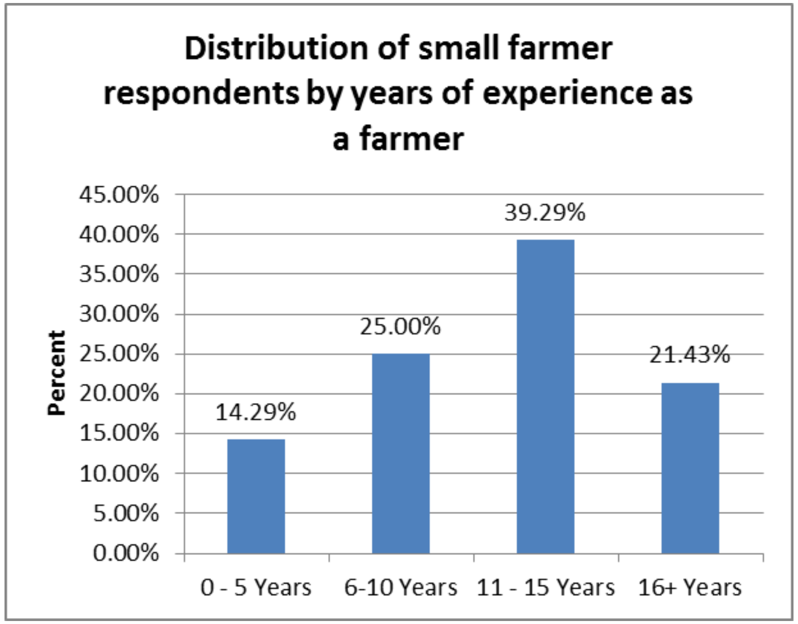
11 - 15 Years	39.29%
16+ Years	21.43%

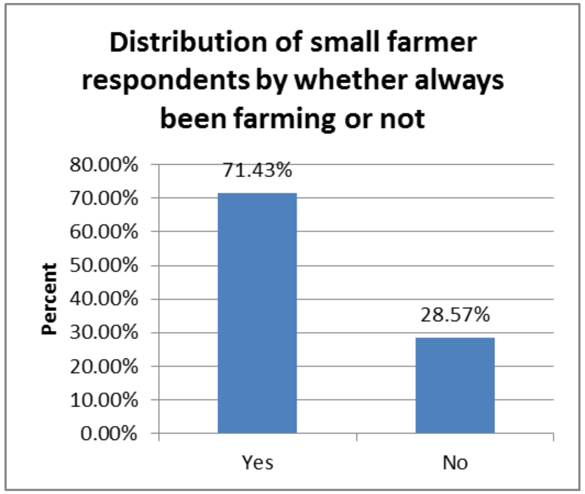
Number of employees	**Frequency**	**Percent**
1	8	28.57%
2	2	7.14%
3	5	17.86%
4	5	17.86%
5	8	28.57%
Total	28	100.00%

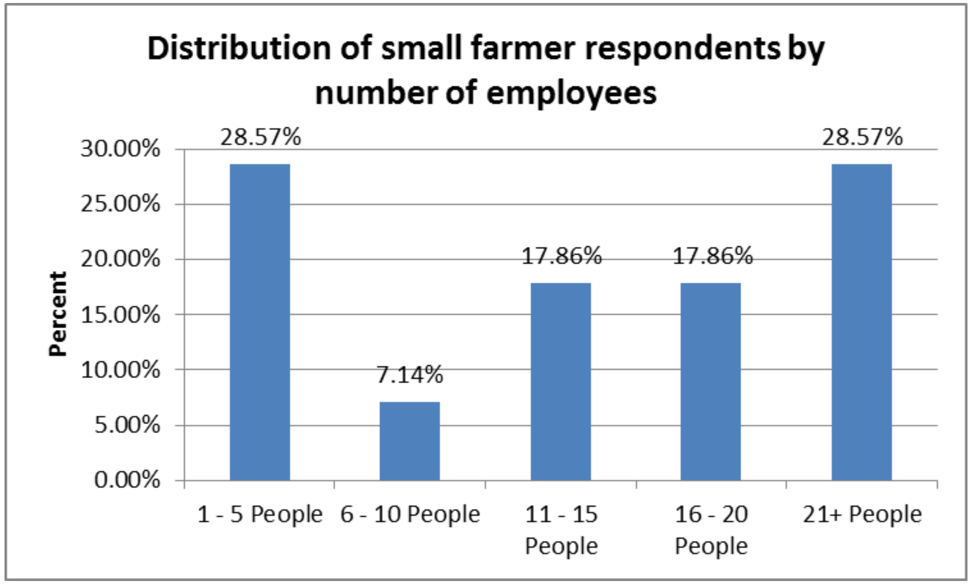
Number of employees	**Percent**
1 - 5 People	28.57%
6 - 10 People	7.14%
11 - 15 People	17.86%

16 - 20 People	17.86%
21+ People	28.57%






Distribution of small farmer respondents by whether always been farming or not
Percent
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
71.43%
28.57%
Yes
No


Distribution of small farmer respondents by number of employees
Percent
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
28.57%
7.14%
17.86%
17.86%
28.57%
1 - 5 People
6 - 10 People
11 - 15 People
16 - 20 People
21+ People

Supp Anl 2

Results_Q1	Results_Q2	Results_Q3	Results_Q4	Results_Q5	Results_Q6	Results_Q7	Results_Q8	Results_Q9	Results_Q10
4	4	4	4	4	4	2	4	3	4
4	4	2	4	4	3	2	4	4	4
3	3	2	4	4	4	2	4	3	4
4	4	2	3	4	4	2	4	4	5
2	3	2	4	4	3	2	4	3	4
4	4	2	4	4	4	2	4	4	5
5	5	2	5	5	5	1	5	5	5
4	4	2	4	4	4	2	4	2	3
5	4	4	4	4	4	2	4	4	5
4	4	5	4	5	5	1	5	5	5
2	3	3	3	3	3	3	3	2	3
2	5	5	3	5	5	1	5	1	4
2	4	4	4	4	3	2	4	4	2
5	5	5	5	5	5	5	5	4	5
5	5	1	5	5	5	1	4	5	5
5	5	2	5	4	5	2	5	5	5
4	5	2	4	5	4	2	4	5	5
5	5	1	5	5	4	1	4	5	5
4	5	2	5	5	4	2	4	4	5
4	5	1	4	5	5	2	4	5	5
4	5	2	5	5	4	1	5	5	4
5	5	2	5	5	5	1	4	5	5
5	5	2	5	4	5	1	4	5	5
5	5	2	4	4	4	1	5	5	5

4	5	2	4	4	4	1	5	5	5
5	4	2	4	5	5	2	5	4	5
5	5	2	4	4	5	2	5	4	5
5	5	2	4	5	5	2	4	5	5

1. The relationship between the company and the small farmers is mutually beneficial	Frequency	Percent
2	4	14.29%
3	1	3.57%
4	11	39.29%
5	12	42.86%
Total	28	100.00%

2. There is a strong sense of community between the small farmers and the company	Frequency	Percent
3	3	10.71%
4	9	32.14%
5	16	57.14%
Total	28	100.00%

3. Small farmers' views are generally not considered by the company	Frequency	Percent
1	3	10.71%
2	18	64.29%
3	1	3.57%
4	3	10.71%
5	3	10.71%
Total	28	100.00%

4. Small farmers are developed by the company	Frequency	Percent
3	3	10.71%
4	16	57.14%
5	9	32.14%
Total	28	100.00%

5. Small farmers are seen as integral to long-term sustainability	Frequency	Percent
3	1	3.57%
4	14	50.00%
5	13	46.43%
Total	28	100.00%

1. The relationship between the company and the small farmers is mutually beneficial	Percent
Disagree	14.29%
Unsure	3.57%

2. There is a strong sense of community between the small farmers and the company	Percent
Unsure	10.71%
Agree	32.14%

3. Small farmers' views are generally not considered by the company	Percent
Strongly Disagree	10.71%
Disagree	64.29%

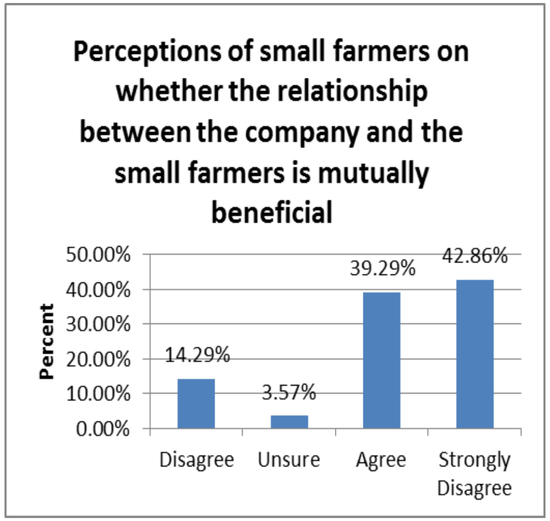
Agree	39.29%
Strongly Disagree	42.86%

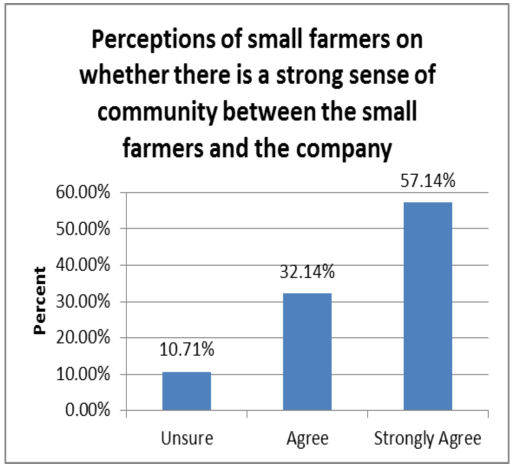
Strongly Agree	57.14%

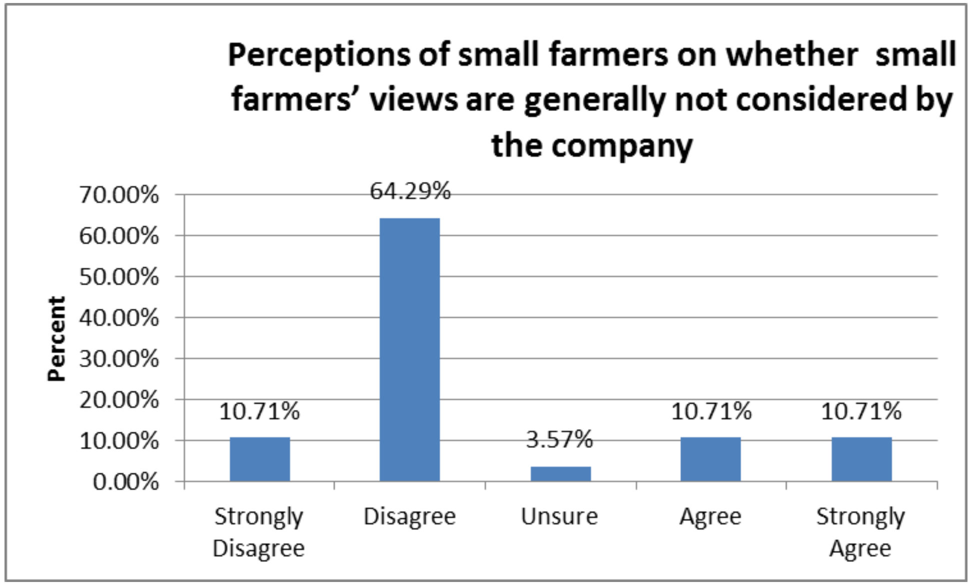
Unsure	3.57%
Agree	10.71%
Strongly Agree	10.71%

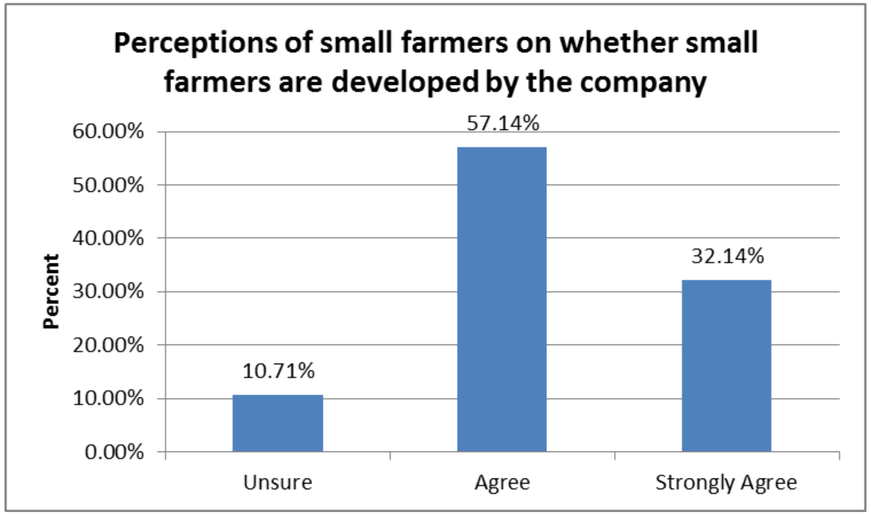
4. Small farmers are developed by the company	**Percent**
Unsure	10.71%
Agree	57.14%
Strongly Agree	32.14%

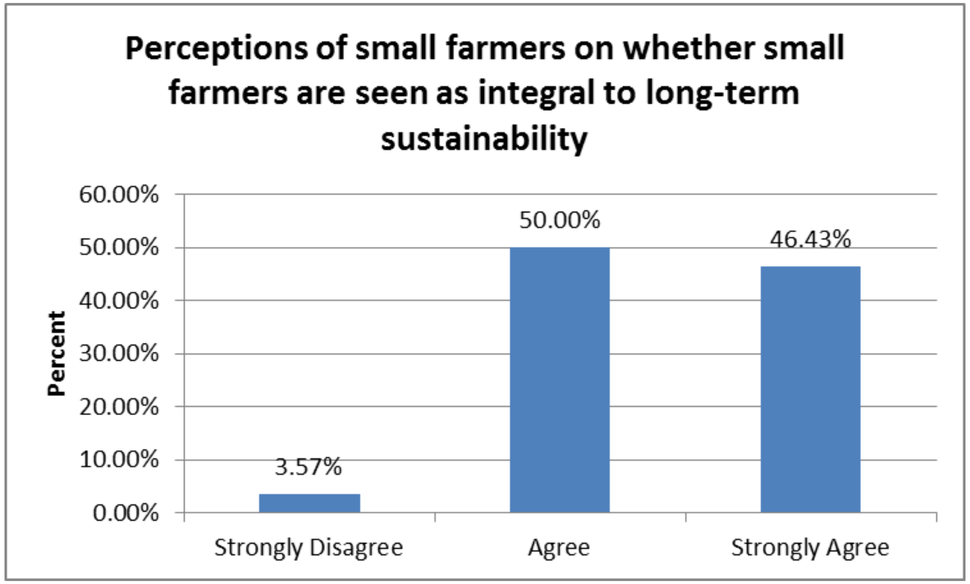
5. Small farmers are seen as integral to long-term sustainability	**Percent**
Strongly Disagree	3.57%
Agree	50.00%
Strongly Agree	46.43%






Perceptions of small farmers on whether small farmers’ views are generally not considered by the company
Percent
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
10.71%
64.29%
3.57%
10.71%
10.71%
Strongly Disagree
Disagree
Unsure
Agree
Strongly Agree


Perceptions of small farmers on whether small farmers are developed by the company
Percent
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
10.71%
57.14%
32.14%
Unsure
Agree
Strongly Agree


Perceptions of small farmers on whether small farmers are seen as integral to long-term sustainability
Percent
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
3.57%
50.00%
46.43%
Strongly Disagree
Agree
Strongly Agree

6. There is a good relationship between small farmers and the company	**Frequency**	**Percent**
3	4	14.29%
4	12	42.86%
5	12	42.86%
Total	28	100.00%

7. The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one	**Frequency**	**Percent**
1	10	35.71%
2	16	57.14%
3	1	3.57%
5	1	3.57%
Total	28	100.00%

8. The relationship between small farmers and the company is reliable	**Frequency**	**Percent**
3	1	3.57%
4	17	60.71%
5	10	35.71%
Total	28	100.00%

9. The financial gains from the “go-farming” initiative have been substantial	Frequency	Percent
1	1	3.57%
2	2	7.14%
3	3	10.71%
4	9	32.14%
5	13	46.43%
Total	28	100.00%

10. Surrounding communities have benefited from the relationship between small farmers and the company	Frequency	Percent
2	1	3.57%
3	2	7.14%
4	6	21.43%
5	19	67.86%
Total	28	100.00%

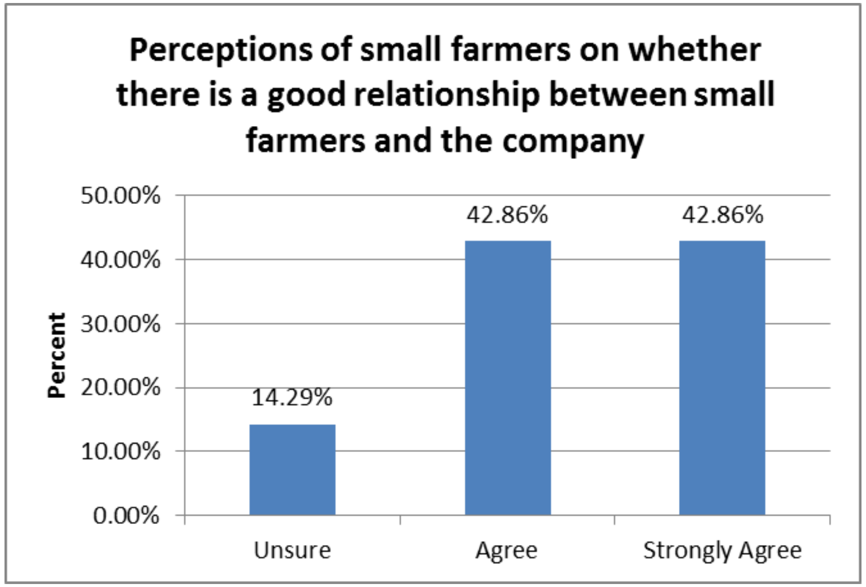
6. There is a good relationship between small farmers and the company	**Percent**
Unsure	14.29%
Agree	42.86%
Strongly Agree	42.86%

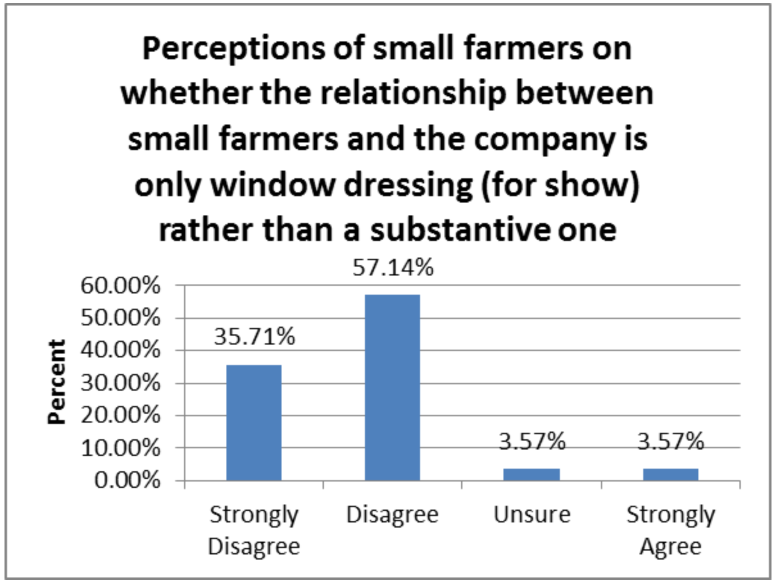
7. The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one	**Percent**
Strongly Disagree	35.71%
Disagree	57.14%
Unsure	3.57%
Strongly Agree	3.57%

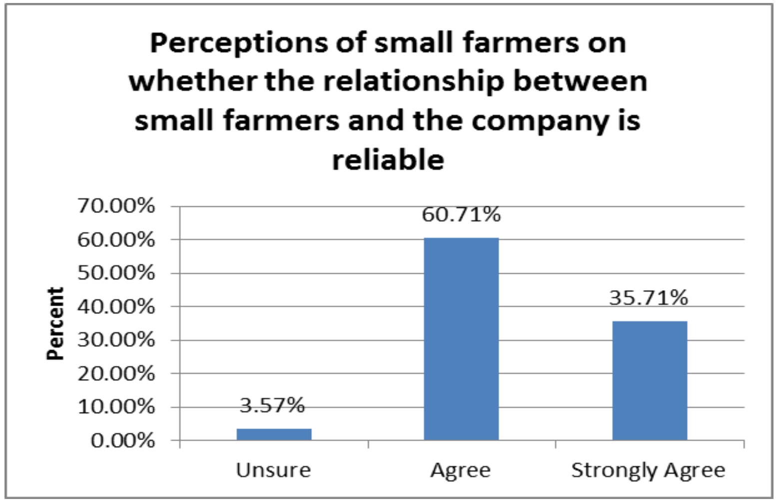
8. The relationship between small farmers and the company is reliable	**Percent**
Unsure	3.57%
Agree	60.71%
Strongly Agree	35.71%

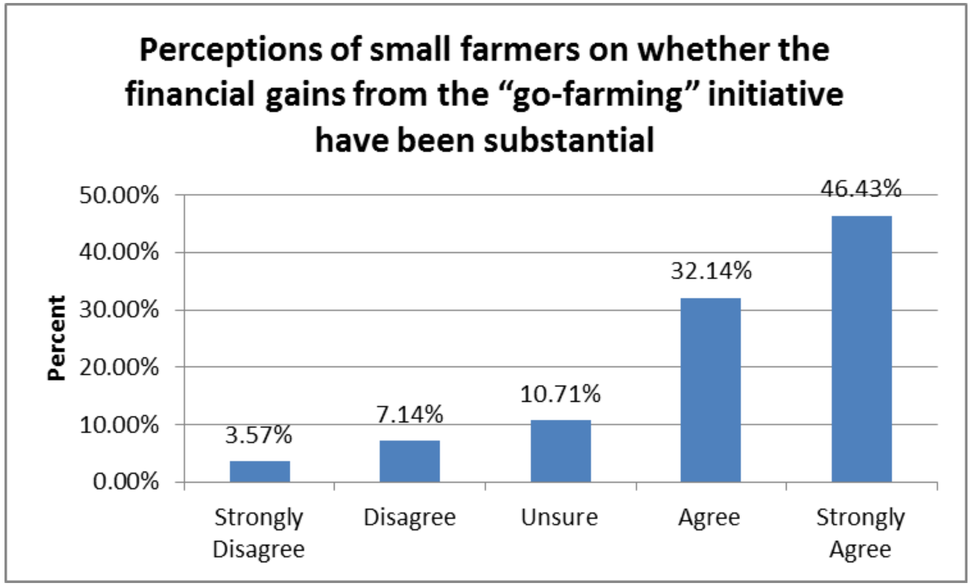
9. The financial gains from the “go-farming” initiative have been substantial	**Percent**
Strongly Disagree	3.57%
Disagree	7.14%
Unsure	10.71%
Agree	32.14%
Strongly Agree	46.43%

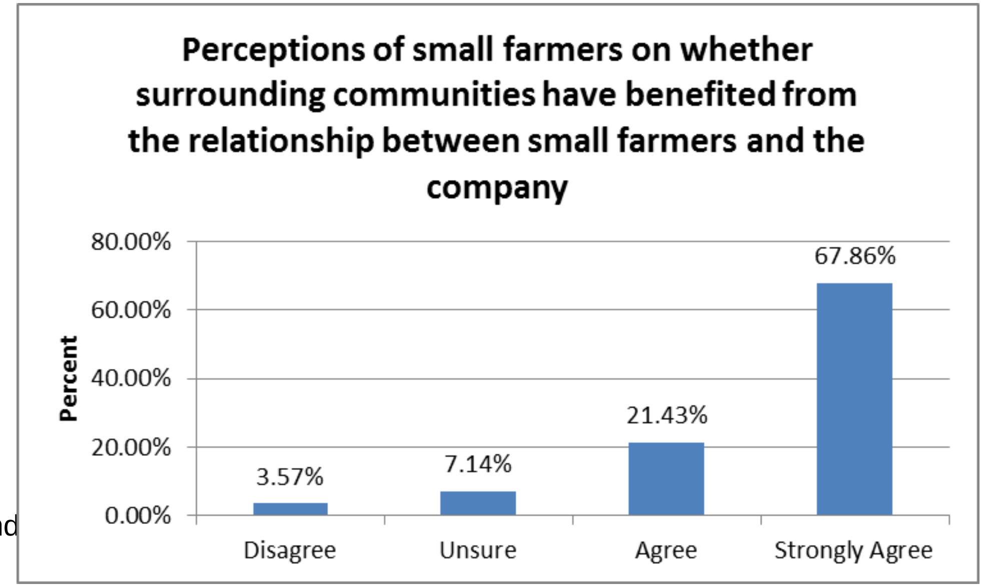
10. Surrounding communities have benefited from the relationship between small farmers and the company	**Percent**
Disagree	3.57%
Unsure	7.14%
Agree	21.43%
Strongly Agree	67.86%


Perceptions of small farmers on whether there is a good relationship between small farmers and the company
Percent
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
14.29%
42.86%
42.86%
Unsure
Agree
Strongly Agree


Perceptions of small farmers on whether the relationship between small farmers and the company is only window dressing (for show) rather than a substantive one
Percent
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
35.71%
57.14%
3.57%
3.57%
Strongly Disagree
Disagree
Unsure
Strongly Agree


Perceptions of small farmers on whether the relationship between small farmers and the company is reliable
Percent
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
3.57%
60.71%
35.71%
Unsure
Agree
Strongly Agree


Perceptions of small farmers on whether the financial gains from the "go-farming" initiative have been substantial
Percent
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
3.57%
7.14%
10.71%
32.14%
46.43%
Strongly Disagree
Disagree
Unsure
Agree
Strongly Agree


Perceptions of small farmers on whether surrounding communities have benefited from the relationship between small farmers and the company
Percent
80.00%
60.00%
40.00%
20.00%
0.00%
3.57%
7.14%
21.43%
67.86%
Disagree
Unsure
Agree
Strongly Agree

Append

Management Mean Responses

Results_Q1	Results_Q2	Results_Q3	Results_Q4	Results_Q5	Results_Q6	Results_Q7	Results_Q8	Results_Q9	Results_Q10
4	2	2	4	4	4	2	4	2	4
2	1	4	4	4	2	2	2	2	4
4	1	4	4	4	2	2	2	2	4
5	1	1	5	5	5	1	5	5	5
5	1	1	5	5	5	1	5	4	5
5	2	2	4	4	5	2	4	2	4
5	2	2	5	4	4	2	2	5	5
4	2	2	4	4	4	2	4	4	4

MEANS AND STANDARD DEVIATIONS

Question 1				
Obs	Total	Mean	Variance	Std Dev
8	34	4.25	1.0714	1.0351

Question 2				
Obs	Total	Mean	Variance	Std Dev
8	12	1.5	0.2857	0.5345

Question 3				
Obs	Total	Mean	Variance	Std Dev
8	18	2.25	1.3571	1.165

Question 4				
Obs	Total	Mean	Variance	Std Dev
8	35	4.375	0.2679	0.5175

Question 5				
Obs	Total	Mean	Variance	Std Dev
8	34	4.25	0.2143	0.4629

Question 6				
Obs	Total	Mean	Variance	Std Dev
8	31	3.875	1.5536	1.2464

Question 7

Question 8

Obs	Total	Mean	Variance	Std Dev
8	14	1.75	0.2143	0.4629

Obs	Total	Mean	Variance	Std Dev
8	28	3.5	1.7143	1.3093

Question 9				
Obs	Total	Mean	Variance	Std Dev
8	26	3.25	1.9286	1.3887

Question 10				
Obs	Total	Mean	Variance	Std Dev
8	35	4.375	0.2679	0.5175

Supplier Mean Responses

Results_Q1	Results_Q2	Results_Q3	Results_Q4	Results_Q5	Results_Q6	Results_Q7	Results_Q8	Results_Q9	Results_Q10
4	4	4	4	4	4	2	4	3	4
4	4	2	4	4	3	2	4	4	4
3	3	2	4	4	4	2	4	3	4
4	4	2	3	4	4	2	4	4	5
2	3	2	4	4	3	2	4	3	4
4	4	2	4	4	4	2	4	4	5
5	5	2	5	5	5	1	5	5	5
4	4	2	4	4	4	2	4	2	3
5	4	4	4	4	4	2	4	4	5
4	4	5	4	5	5	1	5	5	5
2	3	3	3	3	3	3	3	2	3
2	5	5	3	5	5	1	5	1	4
2	4	4	4	4	3	2	4	4	2
5	5	5	5	5	5	5	5	4	5
5	5	1	5	5	5	1	4	5	5
5	5	2	5	4	5	2	5	5	5

4	5	2	4	5	4	2	4	5	5
5	5	1	5	5	4	1	4	5	5
4	5	2	5	5	4	2	4	4	5
4	5	1	4	5	5	2	4	5	5
4	5	2	5	5	4	1	5	5	4
5	5	2	5	5	5	1	4	5	5
5	5	2	5	4	5	1	4	5	5
5	5	2	4	4	4	1	5	5	5
4	5	2	4	4	4	1	5	5	5
5	4	2	4	5	5	2	5	4	5
5	5	2	4	4	5	2	5	4	5
5	5	2	4	5	5	2	4	5	5

Question 1				
Obs	Total	Mean	Variance	Std Dev
28	115	4.1071	1.0622	1.0306

Question 2				
Obs	Total	Mean	Variance	Std Dev
28	125	4.4643	0.4802	0.6929

Question 3				
Obs	Total	Mean	Variance	Std Dev
28	69	2.4643	1.369	1.1701

Question 4				
Obs	Total	Mean	Variance	Std Dev
28	118	4.2143	0.3968	0.6299

Question 5				
Obs	Total	Mean	Variance	Std Dev
28	124	4.4286	0.328	0.5727

Question 6				
Obs	Total	Mean	Variance	Std Dev
28	120	4.2857	0.5079	0.7127

Question 7				
Obs	Total	Mean	Variance	Std Dev
28	50	1.7857	0.6931	0.8325

Question 8				
Obs	Total	Mean	Variance	Std Dev
28	121	4.3214	0.3003	0.548

Question 9				
Obs	Total	Mean	Variance	Std Dev
28	115	4.1071	1.2103	1.1001

Question 10				
Obs	Total	Mean	Variance	Std Dev
28	127	4.5357	0.6283	0.7927

Correlation

	Management Mean Response	Supplier Mean Response	Management Questions	Supplier/Farmer Questions	Management	Supplier/ Farmers
Q1	4.25	4.1071	1. The relationship between the company and the small farmers is mutually beneficial	1. The relationship between the company and the small farmers is mutually beneficial	4.25	4.1071
Q2	1.5	4.4643	2. The company must be the one true beneficiary of "go-farming"	2. There is a strong sense of community between the small farmers and the company	2.25	4.4643
Q3	2.25	4.4643	3. Small farmers' views are generally not considered by the company	3. Small farmers' views are generally not considered by the company	4.375	4.2143

Note that Q2 has been left out because it is not the same question for managers and small farmers

Q4	4.375	4.2143	4. Small farmers are better off in go-farming	4. Small farmers are developed by the company	4.25	4.4286
Q5	4.25	4.4286	5. Small farmers are seen as integral to long-term sustainability	5. Small farmers are seen as integral to long-term sustainability	3.875	4.2857
Q6	3.875	4.2857	6. There is a balanced relationship between the company and small farmer	6. There is a good relationship between small farmers and the company	1.75	1.7857
Q7	1.75	1.7857	7. The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one	7. The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one	3.5	4.3214
Q8	3.5	4.3214	8. The supply of material from small farmers is reliable for the company	8. The relationship between small farmers and the company is reliable	3.25	4.1071

Q9	3.25	4.1071	9. The financial benefit of the "go-farming" initiative has been substantial	9. The financial gains from the "go-farming" initiative have been substantial	4.375	4.5357
Q10	4.375	4.5357	10. Communities and the country as a whole have benefitted indirectly from this initiative	10. Surrounding communities have benefited from the relationship between small farmers and the company		

Spearman' correlation coefficient

0.67

STATEMENT	**STATEMENT**
1. The relationship between the company and the small farmers is mutually beneficial	1. The relationship between the company and the small farmers is mutually beneficial
2. The company must be the one true beneficiary of "go-farming"	2. There is a strong sense of community between the small farmers and the company
3. Small farmers' views are generally not considered by the company	3. Small farmers' views are generally not considered by the company

4. Small farmers are better off in go-farming	4. Small farmers are developed by the company
5. Small farmers are seen as integral to long-term sustainability	5. Small farmers are seen as integral to long-term sustainability
6. There is a balanced relationship between the company and small farmer	6. There is a good relationship between small farmers and the company
7. The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one	7. The relationship between small farmers and the company is only window dressing (for show) rather than a substantive one
8. The supply of material from small farmers is reliable for the company	8. The relationship between small farmers and the company is reliable
9. The financial benefit of the “go-farming” initiative has been substantial	9. The financial gains from the “go-farming” initiative have been substantial
10. Communities and the country as a whole have benefitted indirectly from this initiative	10. Surrounding communities have benefited from the relationship between small farmers and the company