



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

**AGRICULTURAL RESTRUCTURING**  
**IN**  
**SOUTHERN AFRICA**

**Papers presented at an  
International Symposium  
held at Swakopmund, Namibia**

**24-27 July, 1990**

**Edited by**

**Csaba Csáki  
Theodor Dams  
Diethelm Metzger  
Johan van Zyl**

**International Association of Agricultural Economists  
in association with  
Association of Agricultural Economists in Namibia  
(AGRECONA)**

First published in 1992 by the Association of Agricultural Economists of Namibia

P.O. Box 21554, Windhoek, Namibia.

© International Association of Agricultural Economists.

This book is copyright. Apart from any fair dealing for the purposes of private study, research, criticism or review, as permitted under the Copyright Act, no part may be reproduced by any process without written permission. Enquiries should be made to the publisher.

Printed in Namibia by Windhoek Printers & Publishers (Pty) Ltd,  
P.O. Box 1707, Windhoek, Namibia.

Distributed by the Association of Agricultural Economists of Namibia,  
P.O. Box 21554, Windhoek, Namibia.

ISBN 99916/30/10/4

## LIVESTOCK RANCHING AND THE RESTRUCTURING OF AGRICULTURE IN SOUTH AFRICA'S 'HOMELANDS'

J May and K T'Jonck

### INTRODUCTION

While the Land Acts which led to the creation of the Homelands have been identified as one of the cornerstones of apartheid, there is consensus amongst analysts that to simply scrap this legislation is unlikely to address the severe inequality in the distribution of land. Clearly considerable political pressure will be brought to bear on future governments to adopt more affirmative steps for the redistribution of agricultural land, and the promotion of a deracialised agricultural sector. Land reform is an emotive issue and the racial division of land in South Africa has been highly contentious over the past forty years. Redistribution then has a purely political dimension, although there is an important economic rationale as well. Overcrowding and overstocking have led to the degradation of a sizable proportion of South Africa's farming land and needs to be attended to. A relatively large proportion of the Homeland population is likely to remain in the rural areas and will depend upon agriculture to meet a part of their subsistence needs in at least the short term. In addition, an excessively unequal distribution of productive resources is regarded as been undesirable for the development process (Figueroa, 1975), and redistribution itself therefore has the potential to promote economic growth if properly implemented.

One area of potential development is the promotion of livestock ranching, and this paper suggests that livestock ranching has significant opportunities as a means of promoting agricultural development in South Africa. Some of the factors which will have an impact on the form which any land redistribution should take will be discussed as the future basis for livestock development. The paper will conclude by suggesting some ideas as to how constraints might be overcome, and opportunities maximised.

### LIVESTOCK AS A DEVELOPMENT RESOURCE

Three favourable aspects can be advanced when considering the promotion of livestock. Firstly, ownership is widespread, and is in keeping with existing social and economic behavior in the Homelands. Secondly, livestock is already a major source of agricultural income in the Homelands, and thirdly, in South Africa as a whole, grazing land is more available than land suitable for crop production and irrigation.

#### Ownership of cattle

The ownership of cattle, goats and sheep is undeniably an important social and economic factor in the rural areas of South Africa and references to the 'traditional' attitudes of livestock owners abound in planning documents. In essence this refers to the use of cattle as a store of wealth and security rather than as a productive resource to be sold. Without entering the debate as to how strongly this 'attitude' still applies, it is clear that a relatively large proportion of the population in the Homelands have access to stock. Table 1 indicates the percentage of rural households who own cattle by using data taken from a cross-section of micro-surveys in Transkei, Bophuthatswana and KwaZulu.

**Table 1**  
**Percentage of rural population owning livestock**

Researcher/s	Homeland	% households
Muller (1985)	Transkei	49,0
Agricor (1990)	Bophuthatswana	50,0
May (1987)	KwaZulu	61,0

In general, this data suggests that about half of the population in the Homelands own some cattle, and could therefore potentially benefit from programmes which improve the income that can be generated from this resource.

Turning to the actual numbers of animals in South Africa, Table 2 provides data indicating the animal population in the RSA and the Homelands. Comparative information is however scanty and these figures are derived from DBSA (1987:57), with the exception of those for white South Africa, which have been taken from Republic of South Africa (1990: 64-67), and Bophuthatswana, which have been taken from Agricor (1990).

**Table 2**  
**Animal population in South Africa (000)**

Area	Cattle	Sheep	Goats	Pigs
R.S.A (86)	7 800	26 988	2 880	1 134,0
Homelands (86)	4 202	3 451	4 328	325,9
Total	12 002	30 439	7 208	1 459,9
% homelands	35	12	61	22

In total, there are some 12 million cattle in South Africa, of which over a third are to be found in the Homelands. To restate an often quoted figure in a different way, 35 percent of the animal population graze off 13 percent of the land. According to the Race Relations Survey, in 1985 the estimated population of the Homelands was some 12,7 million people out of a total population of 33,6 million in South Africa, which amounts to 37 percent of the people on the same 13 percent of the land.

To take this very rough exercise a little further, based on Graaf's work (1985:22) it can be estimated that some 4,5 to 5 million Africans live in the rural areas of the RSA with an additional 5,5 to 6 million in the rural areas of the Homelands. Micro-studies suggest that half the rural households of the Homelands own cattle, therefore it may be estimated that there are about 0,5 million cattle owners in the Homelands.

#### **Contribution to household income**

Livestock is already able to make a contribution towards the quality of life of the rural population and in appropriate areas, and promoting livestock may have considerable potential. In the dry, sparsely populated areas of Bophuthatswana in the Kudumane and Ganyesa districts, while 44 percent of household income is derived from wages and remittances, income derived from agricultural activities comprises as much as 30 percent of

total household income, with livestock sales, slaughter and milk production making up three quarters of this figure.

This breakdown has also been found elsewhere. In the Nkandla district of KwaZulu, Ardington (1984:40) found that 25 percent of the income of one of her subgroups of rural households, those with a man living permanently at home who is actively involved in agriculture, was derived from agricultural production. Of this, 70 percent was derived from livestock.

It must be acknowledged however, that the contribution made by agricultural production in the rural areas of the Homelands is generally not as favourable as these figures indicate, and has been found by many studies to be in the order of 10 percent of household income (BMR, 1989; May, 1987). Nonetheless, the implications are that, despite the apparent poverty in the Homelands, there is some room for the promotion of livestock as a productive resource amongst part of the rural population. In addition, subsistence production in the Homelands, and specifically livestock ownership, has a role as a social security net, and unless the state is able to provide an extensive welfare service, this role will persist.

Consequently, it would be an over-simplification to disregard all Homelands areas as no more than the labour reserves for apartheid capitalism, and to assume that they will disappear in a post-apartheid South Africa.

#### **Availability of land**

The final area to consider relates to the type and amount of land that is available in South Africa. Comparable and current figures for all the Homelands are not readily available and estimates were derived from Republic of South Africa (1990:5) for the RSA, from Thorrington-Smith et al. (1978) for KwaZulu, and from Agricor (1990) for Bophuthatswana. However, from the data that are available, it seems reasonable to assume that some 70 to 80 percent of the agricultural land in South Africa is presently being used as natural pasture.

This limits that amount of land that could be redistributed for crop cultivation. Considerable effort is required to open up this land for the cultivation of crops, and in any case, much of it is simply not suited to crop-cultivation due to soil type, rainfall, and access to irrigation water. A further factor is the very high costs involved in developing new areas for crop cultivation.

To conclude this section, there is a potentially large segment of the Homeland population which owns cattle and could benefit from a redistribution of grazing land. These cattle represent a large development resource which could assist in the promotion of future economic growth, and a means to improve security for household reproduction. Finally, on conservational grounds, there is then an imperative for land reform although there is a very real risk that this might simply increase the amount of overgrazed land if appropriate controls are not enforced. Livestock in the Homelands is therefore an extremely valuable resource which could be used in more economical ways than at present.

Having argued that livestock ranching is an area of focus for development planning in post-apartheid South Africa, the next two sections list some of the existing major forces influencing the form of land redistribution so as to access the viability of ranching within the socio-economic framework of land reform.

## **SOCIAL FACTORS INFLUENCING THE FORM OF LAND DISTRIBUTION**

### **Population structure and pressure**

The most distinct feature of the Homelands over the last 30 to 40 years has been extreme population pressure. In addition to the excessive population of these areas at the time of the Tomlinson Commission and its subsequent natural increase, there has been a massive dislocation of Africans from rural areas in white controlled South Africa. With the decline in the absolute number of jobs in agriculture, some 740 000 labour tenants were forcibly removed from white farmland. Due to the influx control legislation, many of these people relocated first to the Homelands before they were able to move into urban areas.

Furthermore, by the early 1980s the inhabitants of most of the 'black spots' had been removed into the Homelands, accounting for an estimated 475 000 people between 1960 and 1983. Clearly this influx of people has contributed to the worsening of the already poor conditions in the Homelands, stretching economic and social resources well beyond all limits.

Schmidt's (1990) detailed study in the Taung area of Bophuthatswana illustrates this point and she notes that, despite overstocking of this district in the order of 250 percent of carrying capacity, households have retained the same average number of cattle over the last 20 years. She concludes that the issue is not that people are keeping more animals, but simply that the influx of people due to relocation has drastically increased the population of people and stock. This relocated population are clearly strong contenders in any future distribution of land.

However, against this apparent land hunger, it must be realised that even amongst those who have been relocated, many families have by now been living in their new areas for twenty or more years and may not be inclined to move. The same holds true for people who have strong social and economic links with the area in which they live, even if this is a part of a Homeland. It is quite likely that a large proportion of the Homeland population may have no wish to relocate into an unknown area despite the benefits that may be evident to politicians and planners.

A second issue relates to the demographic structure of the rural population which is concentrated in the younger age groups. Some 37 to 38 percent of the population are 15 years of age or younger. This implies high levels of dependency in terms of the ratio of the economically active to the non-economically active, and a large population whose primary interest will be in securing formal jobs. In this way, population dynamics are closely linked to urbanisation rates, which will in turn determine potential interest in ranching as well as interest in moving onto redistributed rural land.

### **Urbanisation**

The rate and nature of urbanisation is clearly going to affect the potential of agriculture. Estimates of the relative growth rates of the population in urban and rural areas vary, although there does seem to be some consensus that the rural population is growing far more slowly than the urban population, and may in fact be declining in absolute numbers as urban areas exert an increasingly strong pull attracting rural people to move permanently into town. If legislation inhibiting the movement of people into the urban areas is totally removed, and resources are concentrated on developing housing and services in the urban areas, it is likely that the trends shown above will become more defined, which could lead to an absolute decline in the rural population. This could be both positive and negative in

that any reduction in population pressure, and presumably stock, will obviously be a benefit, but the movement of the younger economically active population will further limit the number of potential farmers. To the extent that a portion of the rural population does not urbanise, migrant labour will continue to play a role in agriculture, as well as in the present social structure of the Homelands.

### **Migration and the household life cycle**

In Bophuthatswana, the incidence of migration is greatest amongst men aged between 20 and 40 years, constituting some 70 percent of all men in this age group. This proportion tends to fall to 55-60 percent of men aged between 41 and 64 years. A similar pattern has been found for KwaZulu and Transkei, with 70 percent of the males in the 35-44 year age group being migrants (Perkins & May, 1988; Muller, 1985) which conforms to that reported by Nattrass for the Homelands as long ago as 1976 (Nattrass, 1976).

The main consequence of such high levels of migration for livestock ranching is to limit the number of potential farmers. In KwaZulu, full-time male farmers made up only 4,5 percent of the economically active population, as against factory workers who made up 36 percent, and service sector workers who made up 22 percent.

A second related consequence of migration relates to the availability of labour and decision-making in the household. This raises the question of gender. In those households where the head is absent as a migrant worker, some 43 percent of rural households, the wife or a male relative will become the *de facto* household head. Consequently, up to 72 percent of rural households could have a woman as the principal day to day decision-maker. It is difficult to determine whether these women will want to move to a new area, build new homes, find new schools in which to educate their children and so on, but gender is an issue which will have to be considered in any proposed livestock development and land redistribution programme.

### **Land tenure**

The conditions of tenure of redistributed land is also going to affect its usage. Very roughly, land in the Homelands that is presently available for grazing can be broken down into two main categories:

- That which is administered by the Tribal Authorities, and which therefore can be considered as being presently under communal tenure. Approximately 70 to 80 percent of grazing land in the Homelands falls into this group.
- That which is owned by the state, and is rented/leased to farmers. Newly consolidated land can be said to fall into this group. Finally, a small proportion of land is privately owned by individual farmers and is presently under tribal tenure.

As such, the bulk of land available for livestock programmes in the Homelands is communally owned. This situation falls away if land is redistributed under some form of freehold tenure, and tribal land would then account for little more than 15 percent of the total grazing land in South Africa.

## **LIVESTOCK ASPECTS AFFECTING THE FORM OF LAND REDISTRIBUTION**

### **Role of livestock**

In the Homelands, cattle are generally seen as a form of security rather than an



## *Livestock ranching and the restructuring of agriculture in South Africa's 'Homelands'*

income-generating asset. In addition, livestock fulfills an important social function. For example, studies completed for Agricor (1990:26) found that, of the animals which had been slaughtered in the previous year, 68 percent of the cattle, 84 percent of the sheep and 66 percent of the goats were used for social functions.

This limited usage results in low off-take ratios, with an annual off-take of 5 percent in Transkei, 7 percent in KwaZulu, and 6 percent in Bophuthatswana. This should be compared to an off-take ratio of 20-25 percent for RSA farmers.

### **Overstocking**

In Transkei, overstocking by district is estimated to range from -32 percent to 133 percent, with a 28 percent overstocking for Transkei as a whole (Hawkins Associates, 1980). However, in Bophuthatswana it is calculated that overstocking is of the order of 130 percent, and ranges between 77 percent and 250 percent per district. A substantial movement of livestock from these areas is necessary if overstocking is to be dealt with, and it is quite likely that this would simply transfer the problem elsewhere.

### **Distribution of livestock**

Numerous micro-studies confirm that the distribution of livestock is highly uneven. In KwaZulu, the wealthiest 20 percent of livestock holders own 70 percent of the total herd (May, 1987:13), in Transkei the wealthiest 20 percent own 78 percent of the total herd (Muller, 1987:18) and in Bophuthatswana, the wealthiest 20 percent own 68 percent of the total herd (Agricor, 1990).

Thus, while livestock development programmes could potentially benefit some 50 percent of the rural population of the Homelands, a comparatively small group own sufficiently large herds to be able to take full advantage of such a programme. Consequently, although a livestock programme may have the potential to address the problem of equity between white and African farmers, there is a risk that equity problems will open up between African farmers.

As a result of this relative inequality, few African households own large numbers of cattle. If land were to be redistributed and the households were to relocate onto these farms, a significant improvement in the overstocking rates in the Homeland areas may result as the larger herds are removed.

### **Capital implications**

The large number of cattle in the Homelands represents an enormous pool of under-utilised capital of some R2,5 billion. The unlocking of this asset as a productive resource is clearly advantageous for the future growth of the South African economy.

In terms of the capital that is required to facilitate this, ranching is a capital-extensive activity. Ranching is not dependent upon sophisticated machinery, and does not therefore require sophisticated support services, such as mechanics to repair tractors and other machinery. An extensive infrastructure for storage, transportation and packaging is not necessary for ranching. Few imported inputs are necessary, thereby conserving foreign exchange. As such, ranching represents the effective use of scarce capital.

### **Skills and risk**

Certainly one of the major concerns for the development of any agricultural activity

are the skill levels that are required and the extension that is necessary. On this level, successful livestock ranching has comparatively low levels of skill requirements, which need not be unfamiliar to people living in the Homelands. Ranching is not therefore information-intensive, in that specialist knowledge concerning production inputs, cultivation practices and marketing is not required to any great extent. Consequently, the demands placed on the presently limited extension service are far less than for other forms of agriculture.

In respect of the risk that is involved, ranching is less prone to climatic conditions, and is more resilient than crop cultivation to conditions of drought or flood. In addition, interest rate fluctuations are not a major cause for concern as debt levels can be kept to a minimum.

### **LAND REDISTRIBUTION AND FUTURE LIVESTOCK PROGRAMMES**

Given the discussion above, it is argued that any process of land redistribution must take into account ways to promote an improvement in the quality of life of those households which may not wish to relocate from the Homelands or to move beyond subsistence agriculture. This can be seen as ways of enhancing agricultural practices which contribute towards the reproduction of the household. At the same time, it is important that restructuring should not lead to a fall in production or threaten food security.

With respect to possible livestock programmes, two broad approaches are proposed.

#### **Land redistribution for areas of reproduction**

The target group of this strategy would be those households for which agriculture is a supplementary source of income or serves as a basic security net. The objective is twofold: Firstly, to improve the quality of life of the population of these areas, and secondly, to reduce stock pressure, thereby addressing the conservation of these areas. This can be achieved in several ways. Firstly, by allocating productive land to those households with larger herds, thereby reducing the number of stock. If households with more than 50 animals were to move from the areas of reproduction, the number of animals would be halved. Secondly, by allowing expansion of the target group onto adjacent land, which tends to be more marginal and underdeveloped in terms of infrastructure. Finally, by having a parallel urbanisation strategy which would indirectly serve to reduce stock numbers by encouraging the permanent migration of people.

However, in order to prevent the rapid degradation of the new land, strict conservation principles would have to be developed and enforced. In addition, an appropriate support service and the supply of village infrastructure should be provided to maximise the use of resources and to assist in the improvement of the quality of life of the rural population. In so doing, the alleviation of pressure on the land is permitted, while minimising the loss of productive capacity and maintaining food security.

In essence, this approach has the goal of buying time for a coherent rate of urbanisation and the supply of urban services and facilities for the target group, and serving as a means to encourage larger stock owners to leave these areas, and to take up residence in the first programme of land redistribution.

#### **Land redistribution for areas of production**

The objective of this strategy is also twofold: firstly, to address the present unequal access to agricultural resources, and secondly, to minimise the economic cost of restructuring

## *Livestock ranching and the restructuring of agriculture in South Africa's 'Homelands'*

agriculture. Two aspects are central in the achievement of this objective, namely the form of the land redistribution, and the availability of husbandry skills.

Experience elsewhere in the world suggests that mass redistribution and collectivisation of land carry a significant production penalty. Therefore, a more selective process should be adopted in which access to land will be qualified and determined by the ability of the prospective farmers to maintain levels of production.

In this way, the availability of skills is interlocked with the form of redistribution, with skill levels determining the level of production, and the number of people with appropriate skills determining the amount of land which can be redistributed. Shortfalls in husbandry skills can to some extent be alleviated by increasing the manageability of farm units through subdivision, a comprehensive farmer support programme and substantive affirmative action.

Nonetheless, the number of people with appropriate skills remains an issue of concern. It is improbable that many of the livestock owners in the Homeland areas will initially have these skills. Therefore an immediate source is more likely to be the present farm labour population, of which there are presently about 0,9 million people in South Africa (Republic of South Africa, 1990:4). Many farms in South Africa have absentee owners and are farmed by a manager of foreman to whom redistribution could take place. However, in contrast to livestock owners in the Homelands, farm labourers might not own sufficient cattle to take advantage of redistribution. This could be overcome by innovative forms of joint ownership between present owners and farm labour, or between farm labour and livestock owners in the Homelands.

### CONCLUSION

Any redistribution of land in South Africa should not be regarded as a once-off exercise, but rather as a structured and integrated programme that seeks the improvement of both the welfare of the rural population and of the economic potential of the rural sector as an employer, welfare net and producer. In addition, while most of the land available for redistribution is natural pasture, the capacity of this land to absorb a large number of farmers is limited, as much of it is in extremely arid areas. As such, the nature of any redistribution policies are going to be extremely complex, and it is quite likely that attention will first be directed towards the land in the existing Homelands and the areas immediately adjacent.

Moreover, because of the different roles of agriculture, it seems that several types of redistribution strategy would be more desirable than a blanket approach. These types would be determined by the area, objectives, and the availability of resources, both human and physical.

As a final comment, it would be a mistake to assume that land reform on its own will restructure agriculture, address equity problems or satisfy the needs of impoverished households. As Vink (1986) has commented, the restructuring of agriculture is only a part of the restructuring of the social system as a whole.

### REFERENCES

- Agricor. 1990. *Base Line Planning Statistics Fact Sheet*. Agricultural Development Corporation of Bophuthatswana, Mmabatho.
- Ardington, E.M. 1984. *Poverty and Development in a rural community in KwaZulu*. Development Studies Unit Working Paper No. 9, University of Natal, Durban.

- Bureau of Marketing Research. 1989. *Income and Expenditure amongst rural Africans in Bophuthatswana*. Report to the Department of Economic Affairs, Republic of Bophuthatswana.
- DBSA. 1987. *SATBVC Countries - Statistical Abstracts*. Development Bank of South Africa, Sandton.
- Figueroa, A. 1975. Income distribution, demand structure and employment - The case of Peru. *Journal of Development Studies*. 12(2): 20-31.
- Graaf, J.F. 1987. The present state of urbanisation in the South African homelands. *Development Southern Africa*. 4(1).
- Hawkins Associates. 1980. *The Physical and Spatial Basis for Transkei's First Five Year Development Plan*. Salisbury.
- Natras, J. 1976. Migrant labour and South African economic development. *South African Journal of Economics*. 44(1): 65-83.
- May, J.D. 1987. Differentiation and inequality in the bantustans: Evidence from KwaZulu. *Social Dynamics*. 13(2).
- Muller, N. 1985. *The profile of poverty in Transkei*. Rural Poverty and Development Studies in Transkei, Proceedings of Unitra Workshop, Umtata, 26-28 April 1985.
- Muller, N. 1987. *Rural and Urban Poverty and the Measurement of Development Performance in Transkei*. Rural/Urban Studies Unit Working Paper No. 9, University of Natal, Durban.
- Perkins, D.W. and J.D. May. 1988. *Income and non-income inequality in KwaZulu: The effects of economic stratification for Development Planning*. Development Studies Unit Report to the KwaZulu Finance Corporation, Durban.
- Republic of South Africa. 1990. *Abstract of Agricultural Statistics*. Pretoria: Government Printer.
- Schmidt, I. 1990. *Development Research Report No. 190*. Agricor, Mmabatho.
- Thorrington-Smith, Rosebury and McCrystal. 1978. *Towards a Plan for KwaZulu: A Preliminary Report*. Vol I - II, Durban.
- Vink, N. 1986. *Systems of land tenure: Implications for development in Southern Africa*. Research Report No. 6, Development Bank of Southern Africa, Sandton.