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AN OVERVIEW OF THE FARMER SUPPORT PROGRAMME EVALUATION AS PROPOSED BY THE DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)

R E Singini and M L Sibisi

INTRODUCTION

The concept of the Farmer Support Programme (FSP) is one of serving and supporting emerging and smallholder agricultural producers to gain equitable access to resources and support services so that they can be more efficient in competing in agricultural resource markets and gain better control over their own destiny. This programme therefore serves an economic development objective. It is believed that, although the FSP is by no means an ultimate solution to all rural and agricultural development problems, it is nevertheless an effective strategy developed for South African circumstances (Sibisi, 1990).

The adoption and implementation of the small farmer approach as a development strategy in India, Malawi, Kenya and Zimbabwe has reportedly created incentives for small farmers to increase their contribution to total agricultural production (Van Rooyen et al., 1987).

This approach has been applied in the developing areas of South Africa, albeit in different forms and on an informal basis. The Development Bank of Southern Africa pioneered the formalisation of this approach on a project basis to complement other agricultural development models, such as farmer settlement on intensive irrigation schemes and agro-industrial involvement. The crystalization of this approach by DBSA involved three main actions, namely:

- The initial design of DBSA's internal policy framework for a small farmer approach based on both local and international experience. A major emphasis was placed on the flexibility of the policy framework to facilitate adjustments on the FSP on a 'learning by doing' basis.
- The conceptualisation, planning, implementation and monitoring of specific FSP projects based on demand and supply of support services.
- The design and implementation of ongoing FSP evaluation programmes to consolidate the 'learning by doing' process in order to ascertain the long-term impact of FSPs.

The following support services form the total package within a DBSA-supported FSP:

- Adequate provision of agricultural production inputs and funding (credit).
- Provision of mechanization services.
- Provision of marketing channels and services.
- Provision of adequate extension, information and demonstration services, information and project-related research, provision of training to facilitate development of managerial skills.
- Provision of agricultural infrastructure (on- and off-farm).
- Promoting *de facto* production rights.

The objective of the provision of these support services and incentives to emerging farmers and entrepreneurs is to increase the efficiency of agricultural resource utilization, improve food security and promote entrepreneurial ability over a broad front.

The rationale of the FSP strategy in South Africa is being critically analysed by different interest groups (Sibisi, 1990):

- Who qualifies for participation in an FSP and how?
- Is the FSP a deliberate strategy to perpetuate subsistence farming by black farmers to the advantage of white commercial farmers? The reverse question being: Is the government giving 'cheap money' (i.e. low interest loans) to small (black) farmers while commercial (white) farmers obtain funds at market-related rates?
- Is the FSP aimed at the small farmers who are relatively not so poor i.e. 'backing the winning horse'?
- How sustainable and relevant will FSPs be in the post-apartheid South Africa?

An additional question in respect of the rather thorny land issue is also being raised:

- What impact can an FSP strategy have on small farmers who predominantly operate on generally very small areas of 1 hectare and less in developing areas of South Africa?

These questions therefore suggest that a well-planned FSP still has to stand the test of time as a development strategy before any conclusive results can be obtained. The planned evaluation will doubtlessly contribute towards that development strategy.

The purpose of this paper is twofold, namely to briefly give an overview of DBSA-supported FSPs and also to outline key considerations addressed in the DBSA's current plan for the evaluation of the FSP.

OVERVIEW OF THE EXISTING DBSA-SUPPORTED FSPs

Extent of DBSA's exposure to the FSP

Approximately 80 000 white commercial farmers exist in South Africa (Brand, 1990) alongside approximately 1 269 000 families farming on a small-scale in the predominantly black subsistence-oriented developing sector, operating on 1-4 ha arable land per family (DBSA reports). Studies also suggest that a high proportion of black families involved in small-scale farming operate at subsistence levels and below with approximately 0,2% making a viable living out of farming (Bembridge, 1987).

So far the DBSA-supported FSPs support 25 000 small farmers at an averaged fixed investment cost of R350 per dryland farmer and R5 000 per irrigation farmer (Van Rooyen, 1989).

During the period 23 October 1986 to 31 August 1989 DBSA approved a cumulative total of over R60 million in loans for FSPs, being approximately 54% of the total FSP cost (DBSA reports).

The implementation of DBSA-supported FSP takes place in a rather complicated environment comprising a variety of mechanisms (e.g. Land Acts, land tenure, tribal authority systems) and organizations (e.g. public sector, parastatals, private sector, tribal authorities, non-governmental organizations). The DBSA's approach, therefore, emphasises the provision of support services to farmers and entrepreneurs without unnecessarily disturbing the prevailing social hierarchy in the different areas (Sibisi, 1990).

Some representative FSPs

In most cases, the FSP package for different areas tends to be similar, mainly due to the similarity of expressed constraints surrounding small farmers. However, there are some variations regarding implementation which an evaluation programme has to take into

consideration.

Examples of FSPs implemented in various South African territories/homelands are described below.

KaNgwane FSP

FSPs have been implemented in KaNgwane since 1987. By mid-1989 there were twenty seven or more farmer associations managing the affairs of farmers, such as applications for loans. The farmer associations are co-ordinated by the KaNgwane Agricultural Union. Thirteen new service centres serving as distribution outlets had been constructed by mid-1989. The service centres constructed by implementing agents will eventually be bought by the farmer associations.

Individuals farm in areas where arable land size per farmer ranges from one to ten hectares and the crops grown are mainly dryland maize and cotton. Farmers in KaNgwane expressed a desire to have their farms irrigated, and DBSA has approved loans for support to emergent irrigation farmers.

Mechanization packages consisting of a tractor, plough and trailer are made available to individual contractors on a loan basis. The contractors offer services to the FSP farmers.

The provision of agricultural extension, research and demonstration is the responsibility of the KaNgwane Department of Agriculture and Forestry.

KwaZulu FSP

As opposed to FSPs in KaNgwane, the KwaZulu FSPs have a high degree of private sector involvement in the provision of goods and services. Subsequently no service centres have been constructed in KwaZulu, where private outlets are used to distribute FSP input requirements.

Since 1987 local farmers and farmer associations have been involved in the planning and implementing of FSPs.

The small farmer sugar projects, initially funded mainly by large sugar companies, are now funded by DBSA. Outside the sugar-growing areas, the main crop grown on average land per household of 1,05 hectares, is maize. Extension services are provided by the KwaZulu Department of Agriculture, while training is provided by a local development corporation serving as an implementing agent.

FSPs in KwaZulu also provide mechanization services through private contractors. However, in the south of KwaZulu, farmers pay cash for contractor services while in the north the service is provided on credit. These arrangements are based on mutual agreements between farmers and contractors in different areas.

Venda FSP

FSPs in Venda have been implemented since 1988. The FSPs in Venda differ from those elsewhere in that the programmes are implemented through local cooperatives rather than farmer associations. Each FSP area has its own cooperative. Credit and other elements are provided to the farmers through the cooperatives. By late 1989, there were three cooperatives with a total farmer membership of 932, with an average of one hectare per farmer. The main crop grown is dryland maize.

Extension services are provided by the Venda Department of Agriculture while the local agricultural development corporation provides training on project-related matters. A number

of FSP phases, including small-scale irrigation, are currently being appraised in Venda.

Other FSPs

Other FSPs addressed and supported by DBSA include FSPs in Lebowa, Ciskei, Transkei and KwaNdebele. These also differ from each other in terms of the type of farming, form of participation, approach of the implementing agency, etc.

DBSA'S PROPOSED FSP EVALUATION PROGRAMME

DBSA has decided that the FSP's will be evaluated on a long-term basis. The proposals in this regard have now been finalised.

Due to the present Land Acts, the implementation of FSP is restricted to 13% of South Africa's farm land. Is it necessary then to spend resources on evaluating such a programme? The Land Acts, in any case, have a limited life expectancy. It has been shown, however, that the FSP philosophy is based on what has made agriculture 'work' in successful countries, including the remaining 87% of South Africa's farm land.

In addition, DBSA's own deliberations regarding the restructuring of agriculture has made a case against maintaining the current 'white' farming system, which has created distortions and benefited mainly the large scale, full-time, owner-operator producers. DBSA therefore maintains that the FSP principles are universally applicable and believes that the small farm system and its variants will eventually be found in more than just 13% of the farm land.

Objectives of the FSP evaluation

One of the major results of the evaluation will be the construction of an information base, which will be built up over time, to identify trends and enable well-founded conclusions to be made.

Broadly, the objectives of the evaluation programme are:

- to evaluate FSPs as instruments of agricultural development with a view to increasing the effectiveness and efficiency of the support services;
- to evaluate the progress and input of FSP's within the context of an integrated approach to rural development;
- to provide possible guidelines for the further course of the programme, as well as operational policy guidelines for the development of agriculture within South Africa.

Main areas for investigation and assessment

The FSP provides the support services mentioned above, subject to key technical, institutional, financial and economic design criteria identified in the planning stage.

Technical criteria

The objective of the technical criteria is to ensure that users have easy access to a complete and appropriate package of inputs.

The evaluation will therefore assess how the technical component is being delivered, how farmers get access to different elements of the component, how farmers perceive these elements, and the level of farmers' demand for this component.

In addition, the evaluation will assess the appropriateness and impact of the technical component at project, subregional and regional level.

Institutional criteria

The FSP requires a variety of institutions and organisations (formal and informal) to participate in the planning and implementation of the programme. The evaluation will subsequently assess the role and formation of various institutions and levels of organisations. In addition, the evaluation will assess the organisational structure and participation of 'grassroots' as well as regional institutions. The impact of the institutional component will also be assessed.

Financial criteria

One of DBSA's basic principles on FSPs states that purely commercial ventures should enjoy equal investment opportunities throughout South Africa, with comparable access to financial resources and opportunities for all farmers in South Africa on an equal basis. The FSP aims to support those farmers who have inadequate access to financial resources. DBSA's farmer support loans are provided subject to recovery of most of the costs from programme participants, based on affordability. The evaluation intends to assess the ability and willingness of participants to repay their loans. The impact of the financial component at the project, subregional and regional levels is to be assessed as well.

Economic criteria

The evaluation will assess:

- the impact of FSPs on agricultural productivity, farmer income and income distribution;
- the impact of FSPs as a means of promoting the more efficient use of agricultural resources;
- the impact of FSPs as agents of change from non-commercial agriculture to commercial agriculture; and
- the impact and contribution of FSPs in an integrated rural development context and other sectors of the economy in the areas concerned.

The design and implementation of the evaluation programme

The design of FSP evaluation emphasises the use of a strong evaluation system which would be technically adequate and useful, i.e. high in quality (Chelimsky, 1983). Various constraints considered and identified are time, cost, staff expertise and the status of the sites.

The status of the sites takes the following into consideration: type of farming (dryland, livestock, mixed), type of farmer (subsistence, emerging, commercial), stage of implementation, approach of the implementing agency, land tenure patterns, history of agricultural development in the area and culture and practices of the local population.

Design

The design adopts an interdisciplinary approach involving a mixture of sample surveys and case studies. The sample surveys are designed and conducted by agricultural economists, while the case studies are designed and conducted by anthropologists and rural sociologists. An evaluation of a groundwater supply project in Malawi using only a sample survey could not establish how the low participation of women could be increased, although the women were primary beneficiaries. A case study conducted later established that a women's organization, "Chitukuko Cha Amai" (development of women) existed in the area. Once this organization was consulted, higher participation by women was achieved (Singini, 1988).

The case study, or anthropological approach, is therefore used in the evaluation of FSPs within the areas of implementation. Thus the evaluation attempts to use data from two types of research to consolidate conclusions from different areas. Given the long-term nature of the evaluation exercise, it is intended that other experts such as technical, financial and environmental experts will be used as the need arises.

A long-term evaluation *vis-à-vis* a short-term exercise was selected for various reasons:

- In a short-term exercise, measurement of the rate of change, say in production, would need to be undertaken for FSP and non-FSP farmers. This exercise would require control groups uninfluenced by FSPs. However, such control groups do not exist, as farmers are selected at random.
- In addition, certain support services also find their way to farmers who have not enrolled for full participation in the programme.

Format of the implementation of the evaluation

The evaluation study consists of the following activities:

- Baseline work
- Evaluation of the FSP elements implemented
- Analysis of FSP impact
- Analysis of FSP policy framework.

Baseline work

This involves the overview, collection and co-ordination of existing data and synthesising any other evaluation findings related to the agricultural scenario.

Individual interviews with key persons from the borrowers and/or implementers' institutions are then conducted on the general organization and management of implementation, the progress of implementation, its effectiveness and efficiency and the borrowers' and implementers' perception and vision of the FSP approach.

Evaluation of the FSP elements implemented

The six FSP elements are evaluated in terms of the technical, institutional, financial and economic design criteria described above. This assessment is complex. Subsistence farmers are surrounded by numerous social and economic difficulties: land entitlements, communal organizations which restrict individual initiative, credit difficulties, etc.

Analysis of FSP impact

The evaluation of the economic and social impact of the FSPs starts with the evaluation of the direct impact of the programme on factors such as production, incomes, technology adoption and land entitlements. Furthermore, the evaluation assesses the indirect impact of the FSPs, their multipliers and linkages, in an integrated development context.

The data and information required for this purpose are derived from sample surveys. The sample surveys used will enable the evaluators to go beyond the purely descriptive or normative interpretations to draw inferences about relationships between the events or conditions being reported.

Analysis of the policy

In any programme evaluation, the evaluation of policies is also implied. However, for

the sake of clarity, the FSP evaluation as proposed by DBSA requires explicitly that DBSA's FSP policies be assessed as well.

The evaluation has to assess the adequacy of FSPs as instruments of agricultural development. It has to assess the policies themselves in terms of whether they are adequate or not - based on the findings above. Should implementation of FSPs continue, or should the programme be changed partially or completely?

CONCLUSIONS

Whilst FSPs have recorded success elsewhere, it is important at this point in time to assess whether or not this strategy is sustainable, affordable, acceptable and effective in bringing small farmers into mainstream agriculture in South Africa. It is hoped that the results of this proposed evaluation programme will throw some light on the subject which could be useful for a broader agricultural policy formulation in post-apartheid South Africa.

An objective analysis of FSP content, rationality, planning, implementation and acceptability to its beneficiaries is important to its sustainability (Sibisi, 1990). It is believed that the evaluation programme will produce results to answer that question and several others. Success in this regard will depend on the co-operation of the various interested parties to participate meaningfully in this evaluation programme.

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