



**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.*

281.8  
A9835

c3

Vol. 24 No. 1  
APRIL 1985

Price 50c  
(45c + 5c GST)

SEVEN'S BRAND  
CURRENT SERIAL RECORDS

FEB 13 1985

SDA  
LIBRARY  
RECEIVED



# Agrekon

**BIANNUAL JOURNAL  
ON AGRICULTURAL  
ECONOMICS**

Issued by the Department of Agricultural Economics and Marketing

# MARKETING BEHAVIOUR AND MARKETING PREFERENCES OF BOPHUTHATSWANA CATTLE OWNERS

by J.A. GROENEWALD and J.P.F. DU TOIT\*

## ABSTRACT

Bophuthatswana livestock owners show a definite interest in commercial stock farming. A considerable number wish to make money from livestock, including cattle, and a greater demand for money will give rise to an increase in commercialisation. Auctions form the most important sales outlets for cattle, sheep and goats. Distances and relative prices are the main factors in determining the choice of marketing channels. The majority are indifferent regarding the ethnic background of middlemen. Firms with tribal names will be popular, although most livestock owners indicate indifference in this regard. Grading, weighing and feedlot fattening will be acceptable to most farmers. When selling animals, farmers wish to receive prompt and quick payment. These factors warrant careful attention when planning future meat marketing bodies.

## INTRODUCTION

In some districts of Bophuthatswana cattle turnover exceed 6 per cent, which could indicate a possible trend towards commercialisation in stock farming. Certain features of production patterns, herd sizes and in particular the attitudes of livestock owners substantiate this impression (Groenewald and Du Toit, 1982). A survey of Bophuthatswana livestock owners involving 511 cattle owners was used to gather information on production patterns, marketing behaviour and marketing preferences in four districts (Tlhaping/Tlharo, Ganyesa, Mankwe and Madikwe). Some aspects of livestock marketing will receive attention in this article. Because the survey was completed as far back as in 1976, only those matters that appear to reflect stable attitudes and hence to have a slow rate of change will receive attention. Matters that could be affected by ruling prices or recent droughts are ignored.

Only when differences between districts are great enough, will they be discussed in this article. Ganyesa and Tlhaping/Tlharo together form the most westerly block and make up the most arid part of Bophuthatswana. With the exception of stock farmings, there are no economic activities worth mentioning in these districts. Madikwe and Mankwe

are contiguous and there is considerable mining activity in Mankwe.

## THE USE OF ANIMALS AND ANIMAL PRODUCTS

Commercialisation and consumerisation of products may in some respects be regarded as related, though not necessarily synonymous, concepts. There is no clear dividing line between commercialised and non-commercialised farming. A non-commercial producer may use the milk produced by his cows and may occasionally sell milk or calves. By doing this he has introduced a commercial element into his system. A highly commercialised beef farmer may, for sentimental reasons, decide not to get rid of or sell an old bull, but to "pension it off". There appears to be a connection between noncommercial and commercial stock farming. There is an increase in the domestic and/or commercial consumption of products as the undertaking becomes more commercial.

By far the majority of respondents (90,4%) in the sample reported that they used milk from their own cows during the survey year. A fair number (27,4%) sold milk and a larger number (38,6%) supplied milk free to friends and relations.

Over 70 per cent of all respondents sold cattle or meat in the survey year (see Table 1). In Mankwe a smaller percentage sold cattle than in other survey districts. In Mankwe and Madikwe between 34 and 36 per cent slaughtered cattle, as against the lower percentages in the two more westerly and arid districts, Tlhaping/Tlharo and Ganyesa. Livestock owners in these two districts did, however, show a greater tendency to slaughter other livestock, such as sheep, goats and pigs, than those in Mankwe and Madikwe. They also seemed to be more likely to sell goats.

It is not known whether these differences in slaughtering patterns stemmed from differences in taste. It was clear that in all the districts the percentage of small stock owners that slaughtered small stock was higher than the percentage of respondents that slaughtered cattle. This was to be expected in any community with limited or no cooling or refrigeration facilities.

Respondents that did not slaughter cattle in the survey year were asked why they had not done so. The answers were analysed as follows:

\*University of Pretoria and Potchefstroom University, respectively

Owned too few cattle	46,9 %	} 54,4 %
Did not own oxen or old cows	7,5 %	
Traditional attitude	1,3 %	} 22,7 %
Had no reason to slaughter	19,2 %	
No festive occasion	2,2 %	
Preferred to sell cattle	8,8 %	
Owned enough small stock and/or pigs for meat requirements	8,5 %	
Other reasons	5,7 %	

The first two answers both indicated a lack of available slaughter animals and together accounted for more than half of the reasons why respondents had not slaughtered cattle. This was not surprising. Although the respondents who gave these answers owned only 8,6 per cent of all the cattle covered by the survey, approximately 40 per cent of respondents owned herds of 20 cattle or fewer.

A little over 22 per cent of the respondents' replies could be accounted for by old traditional attitudes (including the belief that cattle should be slaughtered only on festive occasions and/or for special reasons). The impression was that the old traditional attitudes no longer had such a firm foothold in these four districts.

According to Table 2, the average turnover of cattle, sheep and goats (animals sold as a percentage of herd size) amounted to between 12 and 13 per cent. Tlhaping/Tlharo and Ganyesa showed higher cattle turnovers, but lower sheep turnovers, than Mankwe and Madikwe. They also sold relatively fewer breeding cattle (cows and heifers), but more young steers.

The respondents were asked whether they wanted to make money from cattle. Only 24,1 per

TABLE 1 - Marketing and slaughtering behaviour of survey respondents in four Bophuthatswana districts

	Tlhaping/ Tlharo	Ganyesa	Madikwe	Mankwe	Total
<i>Cattle:</i>					
Percentage of respondents who					
(1) slaughtered cattle	20,6	25,0	36,4	34,2	26,8
(2) exchanged cattle	19,6	22,7	10,6	10,5	17,2
(3) sold meat	3,0	3,0	3,0	6,1	3,7
(4) sold cattle	68,8	77,3	74,2	56,1	68,9
(3) + (4)	71,8	80,3	77,2	62,2	72,6
<i>Sheep:</i>					
Percentage of sheep owners who					
slaughtered sheep	71,7	63,0	44,8	50,0	65,3
sold sheep	39,4	30,9	41,4	41,7	37,2
<i>Goats:</i>					
Percentage of goat owners who -					
slaughtered goats	82,4	82,6	52,7	53,4	73,8
sold goats	40,6	50,4	30,9	17,8	38,3
<i>Pigs:</i>					
Percentage of pig owners who -					
slaughtered pigs	26,7	33,3	9,1	18,5	20,3
sold pigs	36,7	33,3	36,4	33,3	34,8

TABLE 2 - Livestock sales by respondents in four survey districts in Bophuthatswana

	Tlhaping/ Tlharo	Ganyesa	Madikwe	Mankwe	Total
<i>Cattle:</i>					
Average percentage of herd sold	17,8	12,0	10,4	7,1	12,6
Number sold per seller	9,1	8,3	7,9	5,0	8,0
Price obtained per animal (R), 1975	77,77	102,47	173,39	126,85	104,0
Income per seller (R), 1975	708	850	1 370	634	832
<i>Percentage breakdown of sales:</i>					
Bulls	1,7	4,7	1,4	1,5	2,6
Steers	45,1	50,6	12,2	36,5	41,0
Oxen	32,6	22,6	53,1	40,0	33,2
Cows	15,6	18,2	32,2	19,6	19,5
Heifers over 3 years	2,8	3,1	0	1,5	2,3
Heifers under 3 years	1,6	0,4	0	0,8	0,9
Calves	0,6	0,4	0	0	0,4
<i>Sheep:</i>					
Average percentage of herd sold	12,4	10,5	16,4	20,0	12,4
Number sold per seller	12,9	10,5	12,2	2,5	12,0
<i>Goats:</i>					
Average percentage of herd sold	15,0	10,5	11,3	4,5	12,6
Number sold per seller	16,1	8,4	8,2	2,9	11,4
<i>Pigs:</i>					
Average percentage of herd sold	64,9	49,0	38,8	31,0	42,8
Number sold per seller	3,4	3,7	2,2	1,9	2,6

cent answered in the affirmative with the differences between districts as follows:

Tlhaping/Tlharo	23,6%
Ganyesa	19,7%
Madikwe	19,7%
Mankwe	32,4%

The high percentage in Mankwe was somewhat surprising in the light of the lower turnover in this district. Herd size affects marketing behaviour (Table 3).

TABLE 3 - Marketing behaviour of owners of different herd sizes

Herd size (no. of cattle)	Percentage of respondents that sold cattle
1 - 10	33,4
11 - 20	52,9
21 - 30	82,4
31 - 40	79,2
41 - 50	84,8
51 - 100	85,1
101 - 150	100,0
over 150	92,6

As was to be expected, relatively few owners of small herds (20 or fewer cattle) sold cattle. A high percentage of owners of larger herds sold cattle.

## SALES OUTLETS FOR LIVESTOCK

### Cattle

Although various possible sales outlets were available, 97,1 per cent of the cattle sold were sold at auctions and other sales outlets did not show a significant turnover.

Table 4 shows that substantial differences

TABLE 4 - Cattle sales at auctions, survey districts, Bophuthatswana

	Tlhaping/Tlharo	Ganyesa	Madikwe	Mankwe	Total sample
<i>Auctions outside Bophuthatswana:</i>					
Percentage of respondents	38,7	6,1	1,5	27,2	22,8
Percentage of sellers	50,3	8,1	2,2	60,8	33,5
Percentage of cattle sold*	43,8	2,0	2,6	68,9	26,5
Cattle per seller	6,2	2,1	10,0	5,6	5,8
<i>Auctions in Bophuthatswana:</i>					
Percentage of respondents	38,2	68,9	68,2	17,5	45,4
Percentage of sellers	49,7	91,9	97,8	39,2	66,5
Sales as a percentage of cattle offered	87,9	99,0	95,2	97,5	94,3
Percentage of cattle sold*	56,2	98,0	97,4	31,1	73,5
Cattle per seller	9,2	9,0	8,8	4,0	8,2

\*Only sales at auctions

TABLE 5 - Sales outlets used by respondents in Bophuthatswana for sheep, goats and pigs

Sales channel	Percentage of sellers using outlet		
	Sheep	Goats	Pigs
Local auctions	68,6	62,4	10,4
Auctions outside Bophuthatswana	8,8	2,1	2,1
Other Black farmers or people for domestic slaughtering	14,7	13,3	18,7
Other private persons	7,9	21,6	60,4*
Butchers	0	0	4,2
Controlled markets in South Africa	0	0,6	4,2

\*Including White farmers (20,8%)

occurred from one district to the next.

Local auctions are practically speaking the only sales outlets in Ganyesa and Madikwe, but in Tlhaping/Tlharo the numbers of respondents who sold at outside auctions and at local auctions were virtually equal, although more cattle were sold at local auctions (more cattle per seller). In Mankwe more respondents made use of auctions outside Bophuthatswana, channelling almost 70 per cent of their saleable cattle into these auctions. Tlhaping/Tlharo and Mankwe cattle owners showed greater diversity in their cattle marketing behaviour.

It has been noted (Hamburger, undated) that livestock owners in certain areas, e.g. in parts of KwaZulu, take cattle to auctions without actually intending to sell them, but instead to obtain a monetary valuation of their assets in cattle. The authors gained the impression that such behaviour was unknown or rare in Bophuthatswana. Only in Tlhaping/Tlharo where in some cases, sellers complained about the prices bid, did actual sales amount to less than 95 per cent of the number of cattle sent to the auctions.

### Other livestock

Table 5 shows the sales outlets used for sheep, goats and pigs.

Where sheep and goats were concerned, local auctions dominated the scene, with direct sales to other Black farmers or people who wanted to slaughter animals for their own use also playing an important role. The only inter-district difference in sheep marketing was that in Tlhaping/Tlharo 15 per cent of sellers sold at outside auctions, while not a single respondent in any of the other districts did so.

TABLE 6 - Percentage distribution of cattle sellers according to order of preference for expenditure

Expenditure	Percentage who mentioned expenditure in order of preference				Percentage of those who gave answers
	1	2	3	Total	
Did not know or no answer	19,0	-	-	19,0	-
Regular consumer goods	54,4	7,0	6,7	68,1	84,1
Durable consumer goods	0,5	1,9	0,5	2,9	3,6
Education for children	5,4	12,7	3,5	21,6	26,7
Implements and machinery	2,7	1,1	1,9	5,7	7,0
To build a house	3,8	0,5	4,8	9,1	11,2
Cattle purchases	11,8	3,2	3,0	18,0	22,2
Farm input purchases	2,4	10,0	13,2	25,6	31,6
Tribal fees and taxes	0	0,3	0,8	1,1	1,4

Similarly, 6 per cent of Tlhaping/Tlharo goat sellers sold at outside auctions, as against 0% in the other districts.

Auctions played an unimportant role in pig marketing. Sales to private persons dominated the scene, with no inter-district differences worth recording.

### REASONS FOR SELLING AND RELATED ASPECTS

It was found that 72,6 per cent of the respondents sold cattle in the year preceeding the survey. These respondents were asked what they did with the money obtained from the sales. Allowance was made for the three most important forms of expenditure. The results are given in Table 6.

It is clear from the table that 19 per cent could or would not say what they used the money for and 34,4 per cent specified three uses. Regular consumer goods were the most important by far. A total of 84,1 per cent of those who gave definite answers, spent money on regular consumer goods and put these consumer goods as their first preference. Other items of expenditure worth noting were education, cattle purchases and farm input purchases. Durable goods played an insignificant role and housing could be regarded as only slightly important.

The high percentage of respondents who spent their money on regular consumer goods, cattle purchases and purchases of inputs suggests commercial-mindedness. This indicates that many respondents have become aware that cattle may be regarded as a potential source of regular income. The results also imply that improved education and a desire for improved housing may in future become important motivational factors for commercial stock farming.

In response to a question about the season in which they prefer to market their livestock, the majority (67,1%) indicated that they preferred summer marketing, 19,2 per cent said that they sold when they needed money and 7,2 per cent sold when their cattle were in good condition. These three groups constituted 93,5 per cent of the total.

Further questions were asked in an attempt to determine their reasons for selling or not selling cattle. The respondents who had sold cattle in the previous year were asked why they had done so. Three per cent did not give reasons and 93 per cent

said that they had needed money. They were then asked why they had not sold more cattle and the most common replies were as follows:

No reason given	33,9%
Did not need more money	26,1%
Own too few cattle	36,4%
Other replies	3,6%

These respondents were also asked why they had not kept the cattle instead of selling them. 3,3 per cent did not respond to this question and the most common answer by far was that they needed money (89,9%).

In view of the above, the need for money seemed to be the main reason for selling cattle. A greater demand for income could therefore act as a powerful incentive to increase commercialisation in cattle farming in Bpophuthatswana. It may even be an incentive to those with smaller herds to give more attention to methods of increasing sales - better feeding, better selection, higher fertility, etc. It has been pointed out that in many parts of the world the greater exposure of the rural population to urban life and urban facilities acts as a catalyst, since it creates a demand for income (Leistner, 1970).

The respondents who had not sold cattle during the previous year were asked two related, but not identical, questions. The answers are given below:

	Why did you not sell any cattle?	Why do you keep cattle, but do not sell them?
No reason given	14,0%	27,7%
Own too few cattle	52,8%	45,9%
Did not need money	22,6%	2,5%
Keep cattle until money is needed	-	18,2%
Cattle were too thin	6,3%	-
Other reasons	4,3%	5,7%

The sizes of herds are the most important factors in this regard. It has been argued (Groenewald and Du Toit, 1982) that herd sizes may prevent between 22 and 40 per cent of all cattle owners from becoming commercial producers. Therefore, the dominant role of herd size in this respect is hardly surprising.

To the first question 22,6 per cent of those who were asked, or 26,3 per cent of those who gave answers replied that they did not need money. To the second question the same answer and another similar answer were given, namely that they keep

cattle until money is needed. These two answers together accounted for 20,7 per cent of those who were asked or 28,6 per cent of those who gave answers. This also indicates that an increased demand for income leads to an increase in cattle sales. This conclusion was further substantiated by the replies to the question about the circumstances in which they would sell cattle. These were as follows:

Don't know	28,7 %
If they needed money	61,6 % (86,3 of those giving answers)
Other answers	9,7 %

### ATTITUDES REGARDING AUCTIONS

Auctions inside and outside Bophuthatswana were virtually the only cattle sales outlets used by respondents in the survey year. Respondents who sold at outside auctions, were asked two related, but not identical, questions. The replies were as follows:

	Why did you sell at auctions outside Bophuthatswana?	Why did you sell at outside auctions and not local auctions?
No answer	1,9 %	23,4 %
Prices at outside auctions are better	39,3 %	28,3 %
Outside auctions are closer	29,9 %	-
Local auctions are too far	-	30,8 %
Local auctions are too irregular	23,7 %	2,5 %
Could not wait for local auctions	-	11,7 %
Other reasons	5,2 %	3,3 %

Three clear reasons for choosing outside auctions emerged. The respondents concerned were of the opinion that they could get better prices at outside auctions, they were closer to auctions held outside Bophuthatswana and local auctions are not held regularly enough to be to their liking.

Reasons for choosing local auctions were not obtained. All cattle sellers were asked why they sold at auctions. Their answers were as follows:

Do not market at auctions or no reasons given	7,4 %
Close to home or convenient	14,9 %
No available alternative marketing channels	6,7 %
Good price or satisfied with price	64,7 %
Other reasons	6,3 %

Although the response of no "available alternatives" indicates a degree of dissatisfaction, the majority of answers reflect a high degree of satisfaction with auctions. The distance that had to be travelled to auctions was once again given as a reason.

In response to another question 56,6 per cent of the respondents indicated that the nearest marketing facilities were too far to suit them. Another 30,3 per cent replied that they would market only at the nearest auction place and would prefer not to travel any further. Therefore, over 85 per cent of cattle owners in these four districts

regarded distance as a fundamental consideration in deciding where to market their livestock.

### ATTITUDES REGARDING ETHNIC BACKGROUND OF MIDDLEMEN

It has been hypothesised that livestock owners would prefer to deal with Blacks above other racial groups when it came to negotiating the sale of livestock. The responses in this regard were as follows:

Makes no difference	84,0 %
Prefer any Black man	5,7 %
Prefer a Tswana	4,9 %
Prefer a White	5,5 %

Respondents were also asked to specify which one of five possible types of livestock marketing institutions they preferred. The answers were as follows:

No preference	61,1 %
White institutions	1,6 %
The Economic Development Corporation	6,7 %
A Bophuthatswana firm	6,7 %
A firm with a local name (tribal name) in the title	30,3 %

Although over 60 per cent indicated indifference, 30 per cent did show a preference for a firm with a tribal name. White concerns and the Economic Development Corporation were not very popular.

### ATTITUDES REGARDING CERTAIN MARKETING SERVICES

Certain services may be considered for incorporation into a marketing organisation. The desirability or acceptability of such a step should, however, first be determined. By far the majority (91,2 %) of the respondents were in favour of the weighing and grading of livestock before an auction. It was found that differences do occur in this regard from one district to the next, ( $p = 0,15$ ). Relatively speaking, a higher number of respondents in Ganyesa and Madikwe were in favour of the idea, but even in the other two districts those in favour made up over 88 per cent of all the respondents.

In response to the question whether they would consider the possibility of fattening their cattle in feedlots before selling them, the respondents answered as follows:

Don't know	1,6 %
Not familiar with the system or do not understand the question	1,2 %
Will use a feedlot	79,3 %
Will not use a feedlot	17,9 %

The respondents (17,9 per cent) who said that they would not use feedlots were asked to give reasons. Their reasons were as follows:

Do not have money to pay for feeding	39,1 %
Grazing is good enough for cattle	20,6 %
They feed the cattle themselves or would prefer to feed then themselves	35,9 %
Other reasons	4,4 %

Therefore, if shortages of funds can be overcome, more than 85 per cent of livestock owners would be likely to support feedlots. From this one may conclude that if such an institutional framework to make stock feeding profitable to producers were to be created, it might receive considerable support from Bophuthatswana livestock owners.

### IMPORTANCE OF IMMEDIATE PAYMENT

The willingness of stock farmers to wait for payment could be important for the success or failure of any marketing organisation. Respondents were given a number of alternatives in this regard and asked to say which one they would choose. The responses were as follows:

No reply	0,2 %
Don't know	2,9 %
As soon as possible	3,9 %
Immediately	55,8 %
Within one day	2,7 %
No more than one week	6,7 %
No more than two weeks	9,8 %
More than two weeks	18,2 %

Whereas 55,8 per cent wanted immediate payment, only 18,2 per cent were willing to wait for

more than two weeks. Bophuthatswana livestock owners need an organisation that will be able and willing to effect prompt payments. The organisational structure prevailing in South Africa, with farmers sending their cattle to controlled markets, would not at present be acceptable to Bophuthatswana stock farmers.

### CONCLUSION

All results indicate a commercial awareness among Bophuthatswana stock farmers. It is possible that they are more commercially oriented than Black livestock owners in most other parts of Southern Africa. Their attitudes reveal certain problems (e.g. the distance that has to be travelled to auctions or the regularity of auctions) that need to be rectified. They have certain preferences that should be taken into account in the development of stock marketing institutions.

Judicious development may be expected to culminate in a commercial beef farming industry in Bophuthatswana.

### BIBLIOGRAPHY

- GROENEWALD, J.A. & DU TOIT, J.P.F., 1982. "Some features of livestock farming in Bophuthatswana." *Development Studies, Southern Africa* 4: 225-242.
- HAMBURGER, H., undated, Personal communication.
- LEISTNER, G.M.E., 1970. "Aspects of European research on peasant agriculture in Africa", *Agrekon* 9(1):12-19.