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FARMER RESPONSE TO THE PROVISION OF LIVESTOCK MARKETING FACILITIES IN CISKEI

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Abstract

Livestock plays an important role in the rural life of Ciskei, but has not made a significant contribution to earnings. The provision of a livestock marketing system was aimed at giving farmers satisfactory returns for their animals. This has not increased the turnover of livestock among the farmers, despite farmers stating that they keep livestock as a source of income. The major drawback to farmers more fully utilising the marketing facilities is that the majority of the households have insufficient livestock to meet their social and cultural needs and to have animals to sell on a regular basis.

Uittreksel

Die reaksie van boere op die voorsiening van bemarkingsfasiliteite vir lewende hawe in Ciskei

Lewende hawe vervul 'n belangrike rol in die landelike lewe van Ciskei, maar het nie 'n betekenisvolle bydrae tot die verkryging van inkomste gemaak nie. Die doel met die voorsiening van 'n bemarkingsstelsel vir lewende hawe was om aan boere voldoende winste op verkope te verseker. Dit het egter nie die omset van diere verhoog nie, hoewel die boere die lewende hawe aanhou as 'n bron van inkomste. Die vernaamste nadeel tot die vollediger benutting van die bemarkingsfasiliteite deur die boere, is dat die meerderheid huishoudings te min lewende hawe besit om in hulle sosiale en kulturele verpligtinge te voorsien en nog diere oor te hê om op 'n gereelde grondslag te verkoop.

1. Introduction

The purpose of this paper is to examine small farmer response to the provision of livestock marketing facilities. After consideration of the factors influencing the marketing of livestock in less developed agriculture, the livestock production and institutional marketing system in Ciskei is examined as a backdrop to a detailed investigation of the marketing of livestock from two typical villages. It is argued that participation in the marketing system has relatively little to do with the provision of marketing facilities, but rather with the role and number of livestock held by individual rural households.

2. Factors influencing the marketing of livestock

The political and social role of livestock in less developed countries has led to the myth that small-scale farmers are incapable of responding rationally to the market (Palmer and Parsons, 1977). According to this myth, farmers would not sell their stock because their economic concern is overshadowed by cultural factors and the desire to accumulate stock merely for prestige and wealth.

Studies have shown that the keeping of livestock, and especially cattle, is an alternative system of capital investment to the cash market. Fieldler (1973) stated that farmers have a preference for banking in livestock as it is a self-regenerating investment with dividends in, *inter alia*, milk, wool, manure and traction power, cashable in the form of meat and hides and skins. Livestock are seen to have multiple values, *viz* in cultural and subsistence roles, and if a cash economy were substituted in its place, it would have to perform all these other roles which cattle fulfil in the community. The results of these cultural influences were noted by Doran *et al* (1979) who observed a decrease in livestock sales in response to a higher price programme in Swaziland. A possible explanation for this abnormal behaviour may be that, given particular cash needs, with a higher price the farmer needed to sell fewer animals in order to meet his requirements (Van Rooyen *et al*, 1981).

Bembridge (1979) also made the point that it is important to appreciate the overall role that cattle play in tribal society. He estimated that in traditional subsistence oriented agriculture at least eight animals were needed to meet the many primary and social needs before any secondary or developmental needs

could be satisfied. Colvin (1985:385) felt that the minimum number of cattle required is an important constraint on cattle marketing prospects since "...subsistence and socio-cultural needs effectively limit and determine the frequency, timing and choice of 'surplus' cattle that might be available for sale".

More recent studies have argued against the social and cultural values for retaining livestock, and especially cattle, and have suggested that they play a greater economic role. According to Vink (1986:176), although livestock are kept for social and cultural reasons there is evidence that "...some owners keep livestock for their non-monetary benefits, such as milk and meat, for their own consumption and their investment value". Similarly, Tapson (1990) suggested that livestock represent a form of non-human wealth in the subsistence household as they comprise both tangible assets and consumer durables. He demonstrated that cattle are a form of non-human wealth and made the point that off-take will remain low as alternatives to investing in livestock, which provide high financial and subsistence returns, may not be available.

3. Livestock production in Ciskei

Livestock constitutes the major component of farming enterprises in Ciskei (Steyn, 1982) and two-thirds of the land is to a greater or lesser extent suited to livestock production on the natural veld (Quail Report, 1980). The wealth of Ciskei lies in its livestock industry and traditionally the wealth of each family is measured in terms of the number of livestock it owns (Annual Report, 1982/83). Despite the considered importance of livestock, nationally and individually, it has not had a great impact on Ciskei economically.

Since livestock plays such an important role in the rural economy, it would be appropriate to consider the production of livestock in Ciskei before considering its marketing. At the time of the study (1985/86), the number of livestock, with the exception of goats, had fallen dramatically due to one of the worst droughts in living memory that Ciskei had experienced (Annual Report, 1982/83). The drought resulted in extensive loss of livestock due to the lack of drinking water and starvation where grazing had been denuded over the dry period. By 1990 the number of cattle again increased significantly (134 per cent) with relatively smaller increases in the number of sheep

and goats which increased by 35,6 per cent and 8,4 per cent respectively. The number of livestock in Ciskei for the periods 1979/80, 1984/85 and 1990 are shown in Table 1.

Table 1 Livestock numbers in Ciskei for the periods 1979/80, 1984/85 and 1990

Type	1979/80	1984/85	1990
Cattle	184 666	69 242	162 000
Sheep	249 719	213 401	289 454
Goats	226 509	264 247	281 135

Source: Annual Reports, various years

Fluctuations in livestock numbers are not a recent phenomenon. Hobart Houghton and Walton (1952), for example, noted marked fluctuations between 1925 and 1950 in the Keiskammahok district, in most cases related to rainfall. They observed that "... if the rains fail, there is heavy mortality and stock numbers are temporarily reduced, but natural increase leads to the gradual rise in numbers once more to their maximum; and there they remain until the next drought decimates them" (pp164-165). A similar situation was again evident in the drought of 1982. Stock had increased in the late 1970's to a point where the land had been overgrazed and could not sustain the numbers during the drought.

Despite the belief that livestock, and especially cattle, are important in the life of Ciskei farmers, the survey of Majwareni and Roxeni (Fraser, 1991) revealed that about 60 per cent of the households did not own cattle and the cattle holdings of the remainder were very low. The average holding of the respondents with cattle was five per household. The reasons for keeping cattle varied greatly. About 20 per cent of the respondents replied that they kept cattle as a source of income, despite very low sales. A possible explanation for this is that cattle are seen as a source of potential income if a specific need arises (Fraser and Antrobus, 1988) and only then will they sell. A similar proportion saw their cattle as a form of security which would also explain the low sales of animals.

A minority of households kept sheep (39 per cent) or goats (47 per cent), the sales of which were also low. The low sales of sheep was not surprising given the main reason for keeping sheep was for their wool. The goat owners reportedly kept goats as a source of income but, as in the case of cattle, they are likely to be seen rather as a source of potential income.

4. The livestock marketing system in Ciskei

The only institutional livestock marketing body in Ciskei is the livestock marketing section of the Ciskei Marketing Board. Provision is made for the sale of livestock with the aim of providing farmers with satisfactory returns for their effort. The marketing of livestock through the Marketing Board takes place at regular auction sales held at pens throughout the country or through private out-of-hand sales. A six day a week service is offered to owners who wish to make private out-of-hand sales. Owners who need to sell when there is no sale in the area must make contact with a field officer of the Board who will make the necessary arrangements.

In order to provide owners with the assurance of obtaining a satisfactory return at auction sales, the Board enters the market as a residual buyer to the extent that the auction floor-price guarantees the seller of a price related to the average weekly floor-price of similar carcass grades at the controlled markets.

5. Livestock marketing in Majwareni and Roxeni

To establish whether there were any differences in the perceptions to the marketing systems, respondents were divided into those who claimed to have sold animals on a regular basis (9,6 per cent) and those who did not sell any or did not keep any livestock.

All the owners who sold livestock on a regular basis disposed of their animals to local people. The sale of livestock to local people was considered popular as the animals were collected by the purchaser and the buyers paid cash. The private sales were predominantly to people of the same village, as confirmed by 78 per cent of the "commercial" livestock owners.

Despite claims to have sold livestock on a regular basis, livestock owners did not adhere to any fixed pattern of sales. Some sellers stated that sales depended on circumstances and they sold when they needed money, while others were prepared to sell when there was a demand for animals and if they were available.

The main reasons given for not having made use of the Ciskei Marketing Board revolved around a lack of knowledge of the sales and the frequency of the sales. One of the respondents from Majwareni stated that he sold his animals elsewhere when he needed money for a particular purpose rather than wait for the stock sale. Another possible explanation for the lack of support for the Board's sales, was insufficient interest due to the emphasis being on cattle. The herd sizes of these respondents were relatively small with only one of them having what Bembridge (1979) would have considered as a herd large enough to fulfil the primary and social needs of the household. The numbers of sheep and goats kept by the respondents that sold animals, however, were above average for the villages.

Of the other respondents, 34,1 per cent did not own any cattle, sheep or goats. The remainder owned livestock but did not sell on a regular basis. This does not mean that they did not sell at all, but were prepared to dispose of their animals only if a need arose.

The reasons for not selling livestock were not significantly different between the villages. The majority (80 per cent) stated that they did not sell livestock as they had insufficient animals. The number of animals that constituted an inadequate number to market, however, differed between the respondents.

The majority of the respondents who did not sell regularly, stated they knew of possible marketing channels for the major classes of livestock. The markets acknowledged as potential avenues for the sale of livestock differed for the various classes of animals. The greatest number of respondents (42,4 per cent) stated that cattle could be sold at the auction sales while 18,8 per cent felt they could be sold to local buyers. The emphasis changed for the sale of smallstock with the most common channel identified being local people. This channel was mentioned by 47,1 per cent and 34,1 per cent of the interviewees for sheep and goats respectively. Only one in five stated that sheep and goats could be sold at the Board's sales.

Forty per cent of the respondents said that they would sell livestock to local buyers if the need arose, while 30 per cent would sell at the Board's sales. A smaller number (16,5 per cent) stated they would make use of both channels depending on the type of animal being sold. The reasons quoted for choosing these options are set out in Table 2. The idea that better prices would be obtained through the chosen channel was put forward by 43,1 per cent of the respondents. The next most popular reason was the availability of a market (23,1 per cent) which would seem to emphasise the fact that sales would only take place in the case of a specific need.

Of the respondents who did not sell animals on a regular basis the majority (75,3 per cent) indicated a knowledge of the Ciskei Marketing Board livestock auctions. The responses from the two villages were not significantly different. In addition, 70,6 per cent were informed about dates and locations of the sales, contrary to the comments of the "commercial" livestock owners. It would therefore appear that, although the largest proportion would choose to sell to local buyers, this was not due to a lack of information regarding auction sales.

Table 2 Reasons for selling through particular channels

	No	%
Availability	17	23,6
Better prices	31	43,1
Proximity	5	6,9
Pay cash	8	11,1
Adequate demand	10	13,9
Other	1	1,4
Total	72	100,0

6. Conclusions

Despite the availability of an institutional marketing system which guarantees the farmer a price related to those on the controlled markets, the sale of livestock remained very low. This was not due to insufficient information of the Ciskei Marketing Board operations as the majority of the farmers stated that they were aware of the livestock auctions. The reluctance to market animals is, therefore, not related to a lack of marketing channels but rather to, firstly, the role that livestock, especially cattle, play in the rural household and, secondly, the number of livestock held by individual households. The number of animals in Ciskei tends to be relatively high but the individual holdings are low resulting in only a limited number of animals available for sale. Sales that do take place are due to specific needs rather than planned sales to effect a regular income.

Note

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