

**Assessing the Impact of the Department of Agriculture  
Farm Together Programme on Development and Growth of  
Selected Agricultural Co-operatives in Capricorn District Municipality  
in Limpopo Province**

**by**

**Manankele Jacob Nchabeleng**

**Mini-dissertation submitted in partial fulfilment of the requirements for the**

**degree of**

**MASTER OF DEVELOPMENT**

**in the**

**FACULTY OF MANAGEMENT AND LAW  
(Turfloop Graduate School of Leadership)**

**at the**

**UNIVERSITY OF LIMPOPO**

**SUPERVISOR: Dr T Moyo**

**2016**

## **DEDICATION**

This effort is dedicated to all my family members, but especially my mother who has been an inspiration throughout my entire life.

## DECLARATION

I declare that **ASSESSING THE IMPACT OF THE DEPARTMENT OF AGRICULTURE FARM TOGETHER PROGRAMME ON DEVELOPMENT AND GROWTH OF SELECTED AGRICULTURAL CO-OPERATIVES IN CAPRICORN DISTRICT MUNICIPALITY IN LIMPOPO PROVINCE** is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references and that this work has not been submitted before for any other degree at any other institution.

Manankele Jacob Nchabeleng

03 May 2016

.....

.....

Full names

Date

## ACKNOWLEDGEMENTS

I would like to thank the following people for their respective contributions to this dissertation:

- My wife, Mapule Nchabeleng, for her unconditional love, support, understanding and encouragement.
- A special thank-you to my Supervisor, Dr Teresa Moyo, for her guidance, support and encouragement. I really appreciate your patience and motivation.
- I would like to thank all members of the co-operatives for agreeing to take part in the study. The same goes to the stakeholders: The National Department of Agriculture, Agri-Sector Education and Training Agencies, and training providers, without whose co-operation this study would not have succeeded.
- Ms Diana Coetzee for editing the manuscript.
- I also wish to extend my appreciation to my uncle Dr JM Nchabeleng for the support he gave me throughout my entire study.
- All my friends for their encouragement and support.
- Above all, I thank Almighty God for the privilege of good health and energy to complete the task.

## **ABBREVIATIONS**

<b>AEASA</b>	Agricultural Economics Association of South Africa
<b>AgriSETA</b>	Agriculture Sector Education and Training Authority
<b>AHICS</b>	Akamba Handicraft Industry Co-operative Society
<b>ARC</b>	Agricultural Research Council
<b>AsgiSA</b>	Accelerated and Shared Growth Initiative for South Africa
<b>B-BBEE</b>	broad-based black economic empowerment
<b>CASP</b>	Comprehensive Agricultural Support Programme
<b>CDM</b>	Capricorn District Municipality
<b>CFSP</b>	Comprehensive Farmer Support Programme
<b>CIPC</b>	Companies and Intellectual Property Commission
<b>CIPRO</b>	Companies and Intellectual Property Registration Office
<b>CODAS</b>	Co-operative Data Analysis System
<b>DAFF</b>	Department of Agriculture Forestry and Fisheries
<b>DBSA</b>	Development Bank of South Africa
<b>DRDLA</b>	Department of Rural Development and Land Affairs
<b>DRDLR</b>	Department of Rural Development and Land Reform
<b>dti</b>	Department of Trade and Industry
<b>FAO</b>	Food and Agriculture Organization
<b>FEDIC</b>	Farmer Entrepreneur and Incubation Centre
<b>FET</b>	Further Education and Training
<b>FSP</b>	Farmers Support Programme
<b>GDP</b>	gross domestic product
<b>ICA</b>	International Co-operative Association
<b>ILO</b>	International Labour Organization
<b>IOF</b>	investor-orientated firm
<b>IPAP</b>	Industrial Policy Action Plan
<b>LRAD</b>	Land Re-distribution for Agricultural Development
<b>MAFISSA</b>	Micro Agricultural Financial Institutional Scheme of South Africa
<b>MDG</b>	Millennium Development Goal
<b>NDP</b>	National Development Plan

<b>NGO</b>	non-governmental organisation
<b>NGP</b>	New Growth Path
<b>NSDS</b>	National Skills Development Strategy
<b>PDA</b>	Provincial Department of Agriculture
<b>RDP</b>	Reconstruction and Development Programme
<b>SAQA</b>	South African Qualifications Authority
<b>SASAE</b>	South African Society for Agricultural Extension
<b>SETA</b>	Sector Education and Training Authority
<b>SMME</b>	Small, Micro and Medium Enterprise
<b>SPSS</b>	Statistical Package for the Social Sciences
<b>UNDP</b>	United Nations Development Program

## **GLOSSARY**

<b>1981 Act</b>	Co-operatives Act 91 of 1981
<b>Farm Together Programme</b>	Farm Together Agricultural Co-operative Training Programme
<b>Strategic Plan the White Paper</b>	Strategic Plan for South African Agriculture <i>the Agricultural White Paper</i>

## **ABSTRACT**

In 2010, the South African Department of Agriculture rolled out the Farm Together Agricultural Co-operative Training Programme (Farm Together Programme) to support the development and growth of selected agricultural co-operatives nationwide. This study is an impact assessment of the programme, focusing on the Capricorn District Municipality in the Limpopo Province. A survey of co-operative members whose co-operatives had participated in the programme and in-depth interviews with key stakeholders were conducted. The findings provide insights into the strengths and weaknesses of the programme. Overall, the programme was relevant and comprehensive. It provided the basic skills needed to run co-operatives. However, there has been minimum impact on growth and development. Gaps identified in the programme include lack of ongoing mentoring, monitoring and evaluation of progress being made in setting up structures to support growth and development. Women with low levels of literacy dominate the membership. Further research is required to explore why the youth and men do not participate in co-operatives.

**Key words:** co-operatives; Farm Together Agricultural Co-operative Training Programme; Farm Together Programme; growth and development; impact assessment

## CONTENTS

<b>DEDICATION</b> .....	<b>ii</b>
<b>DECLARATION</b> .....	<b>iii</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>iv</b>
<b>ABBREVIATIONS</b> .....	<b>v</b>
<b>GLOSSARY</b> .....	<b>vi</b>
<b>ABSTRACT</b> .....	<b>v</b>
<b>CHAPTER 1: BACKGROUND AND CONTEXT</b> .....	<b>1</b>
1.1 Introduction.....	1
1.1.1 Importance of agriculture .....	3
1.2 Legislative Framework for Agriculture.....	4
1.2.1 National Development Plan (NDP) Vision 2030 .....	6
1.3 Agricultural Support Programmes.....	7
1.3.1 Comprehensive Agriculture Support Programme (CASP).....	7
1.3.2 Land Redistribution for the Agricultural Development (LRAD) ..	8
1.3.3 The National Land Care Programme .....	8
1.3.4 Farmer training.....	9
1.3.5 Farm Together Agricultural Co-operative Training Programme .....	10
1.4 Government Policies and Strategies to Support Agricultural .....	11
1.5 Some Evidence of the Impact of Public Support Programme on Co- Operative Growth and Development.....	13
1.6 Rationale for the Study .....	15
1.7 Significance of the Study .....	16
1.8 Statement of the Problem .....	16
1.9 Aim of the Study .....	17
1.10 Specific Objectives .....	18



1.11	Research Question .....	18
1.12	Hypothesis.....	18
1.13	Definition of Key Concepts .....	19
1.14	Chapter Outline.....	20
<b>CHAPTER 2: LITERATURE REVIEW .....</b>		<b>22</b>
2.1.	Introduction.....	22
2.2.	Theoretical Perspective on the Agricultural Support Programmes .....	22
2.3	Agricultural Support Programmes in South Africa .....	25
2.4	Farmer Support Programmes for Co-operatives in the Department of Agriculture .....	26
2.4.1	Role played by agricultural co-operatives .....	27
2.5	The Farm Together Agricultural Co-operative Training Programme ....	29
2.5.1	Objectives of the partnership .....	30
2.5.2	Targeting and selection of participants in the Farm Together Programme .....	31
2.5.3	Assessment of selected co-operatives' prior training .....	31
2.5.4	Planning and preparation phase .....	32
2.5.5	Implementation .....	32
2.5.6	Budget.....	33
2.5.7	Challenges .....	33
2.6	Identification of Knowledge Gaps .....	33
2.7	Conclusion.....	35
<b>CHAPTER 3: RESEARCH METHODOLOGY .....</b>		<b>37</b>
3.1	Introduction.....	37
3.2	Research Design .....	37
3.3	Area of Study.....	38

3.4	Target Population .....	39
3.5	Methodology for Collecting Secondary Data.....	40
3.6	Methodology for Collecting Primary Data .....	40
3.6.1	Quantitative survey .....	40
3.6.2	Structured interviews with stakeholders .....	42
3.6.3	Direct observation by the researcher .....	43
3.6.4	Pre-testing of instruments for data collection .....	44
3.7	Data Analysis.....	44
3.7.1	Structural validity.....	45
3.7.2	Scale reliability .....	46
3.7.3	Quantitative data analysis .....	47
3.7.4	Qualitative data analysis .....	47
3.8	Study Limitations .....	48
3.9	Ethical Considerations .....	48
<b>CHAPTER 4: ..... PRESENTATION AND INTERPRETATION OF RESEARCH</b>		
	<b>FINDINGS .....</b>	<b>50</b>
4.1	Profile of Respondents .....	50
4.2	Programme Participation and Comprehensiveness.....	52
4.3	Scale reliability of instrument's items explaining corporate governance.....	54
4.4	Statistical validity of items explaining corporate governance .....	55
4.6	Impact of the Farm Together Programme on Growth .....	57
4.6.1	Respondents' perceptions on productivity.....	57
4.6.2	Respondents' perceptions on revenue generation.....	57
4.6.3	Respondents' perceptions on household income.....	58
4.6.4	Respondents' perceptions on own food production .....	58

4.6.5	Respondents' perceptions on household nutrition .....	58
4.7	Respondents' Perceptions on the Impact of the Farm Together Programme on Development.....	59
4.7.1	Respondents' perceptions on farming-related skills.....	59
4.7.2	Respondents' perceptions on time management skills .....	59
4.7.3	Respondents' perceptions on marketing skills .....	59
4.7.4	Respondents' perceptions on stakeholder interaction.....	60
4.7.5	Respondents' perceptions on community participation in farming.....	60
4.7.6	Respondents' perceptions on attitudes towards farming work	61
4.7.7	Respondents' perceptions on effectiveness of the training.....	61
4.7.8	Respondents' perceptions on institutional arrangements.....	61
4.7.9	Corporate governance .....	62
4.7.10	Sustainability of the Farm Together Programme.....	65
4.8	Other Gaps Identified and Suggestions Put Forward.....	66
4.6	Conclusion.....	<b>67</b>
<b>CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS .....</b>		<b>68</b>
5.1	Introduction.....	68
5.2	Key Research Findings.....	68
5.5	Policy and Strategic Implications .....	71
5.6	Conclusions .....	72
5.7	Recommendations.....	73
<b>APPENDICES</b>		
<b>A.</b>	<b>QUESTIONNAIRE: ASSESSING THE IMPACT OF FARM TOGETHER PROGRAMME ON DEVELOPMENT AND GROWTH OF SELECTED AGRICULTURAL CO-OPERATIVES IN CAPRICORN DISTRICT MUNICIPALITY IN LIMPOPO PROVINCE .....</b>	<b>89</b>

<b>B.</b>	<b>ASSESSING THE IMPACT OF FARM TOGETHER PROGRAMME ON DEVELOPMENT AND GROWTH OF SELECTED AGRICULTURAL CO-OPERATIVES IN CAPRICORN DISTRICT MUNICIPALITY IN LIMPOPO PROVINCE.....</b>	<b>85</b>
	<b>REFERENCES.....</b>	<b>92</b>

**FIGURES**

3.1	Area of study .....	37
4.1	Respondents by age group.....	49
4.2	Level of education of respondents.....	50
4.3	The existence of corporate governance in the co-operative .....	61
4.4	Measures of governance .....	62

**TABLES**

2.1	Number of officials trained in each province .....	29
2.2	Clustering of co-operatives by provinces during training .....	32
3.1	Characteristics of the seven co-operatives in the CDM .....	41
3.2	Information about the representatives that were interviewed.....	43
3.3	Observation check list.....	44
4.1	Survey respondents by co-operative and gender .....	50
4.2	Scale reliability of items per dimension.....	52
4.3	Statistical validity of items per dimension based on KMO–MSA criteria.....	53

## **CHAPTER 1: BACKGROUND AND CONTEXT**

### **1.1 Introduction**

Smallholder farmers in South Africa face various challenges that impede their growth and ability to contribute effectively to food security relative to commercial farmers. Some of the constraints they face relate to lack of access to land, poor physical and institutional infrastructure, high transaction costs, lack of reliable markets and lack of human capital (DAFF, 2012a:1).

According to Lerman (2013:5), there are difficulties that, when combined, create what is sometimes referred to as 'the curse of smallness', a trap that prevents smallholders from fully exploiting their inherent productivity advantages due to barriers in access to markets. These difficulties include problems with access to sales channels for market products; access to supply channels for farm input; purchasing of farm machinery and transportation equipment; access to information and advisory services, which are essential for raising productivity and efficiency; and limited access to credit resources, which are required to finance short-term working capital and long-term investment needs.

Lack of human capital has also been found to be a serious constraint for smallholder farmers. These farmers are often illiterate and have poor technological skills, which can be serious obstacles in accessing useful formal institutions that disseminate technological knowledge. The majority of smallholder farmers are not capacitated with financial and marketing skills, and are unable to meet the quality standards set by fresh produce markets and food processors. Lack of production knowledge leads to lower quality in production (DAFF, 2012a:2).

Marketing is a major challenge for smallholder farmers, especially when they have to compete with resource-endowed, large-scale commercial farmers (Muchara, 2010:1). One of the major constraints on the growth of smallholder agriculture in African countries is high transaction costs (Machethe, 2004:8) and this is largely attributable to poor infrastructure. This situation is no different in South Africa, particularly in the former so-called homelands.

Government initiatives to improve the quality and quantity of infrastructure in the rural areas through programmes such as the Community Based Public Works Programme, the Consolidated Municipal Infrastructure Programme, the Poverty Relief and Infrastructure Investment Fund and the Comprehensive Agricultural Support Programme have registered limited impact on the lives of many rural people (Chaminuka et al., 2008:366).

Co-operatives have been promoted in many developing countries as a mechanism for driving agricultural growth and rural development (Nganwa et al., 2010; Chib et al., 2009). The literature on co-operatives identifies several problems affecting co-operative performance, such as free rider, horizon, portfolio, control and influence problems (Ortmann & King, 2007; Chib et al., 2009; dti, 2012). Nganwa et al. (2010) concur with other scholars that the worldwide decline in traditional co-operatives can be attributed to fundamental flaws in their institutional arrangements which constrain their (the co-operatives') ability to raise equity and debt capital and, hence, their ability to finance growth assets.

A number of farmer support programmes have been implemented in South Africa to reduce the risk of lack of capacity and of economic and/or financial experience among smallholder farmers. Intervention measures have been instituted to assist these smallholder farmers in moving out of poverty through agricultural production. Unfortunately, smallholder farmers are further constrained by institutional obstacles that include lack of access to information, lack of technical skills, and high marketing and transaction costs, leading to low quality and volumes (Sikwela & Mushunje, 2013:2502).

In fact, despite numerous policy interventions and programmes meant to address farmers' challenges, the reality is that these farmers still face several problems in accessing better-paying markets (Sikwela and Mushunje, 2013:2503).

Factors such as the lack of access to land, water, markets, finance, communications infrastructure, education, skills development facilities, flows of information and opportunities still prevent marginalised South Africans from making substantive

progress in farming, forestry and fisheries across the entire value chain (Sikwela & Mushunje, 2013:2503).

Lack of capacity within government and state-owned enterprises to reach out, and offer efficient and sufficient support limits their scope to achieve the scale required (p. 2503). According to Machethe (1990), research on poor-performing and failed co-operatives in the former so-called homelands of South Africa shows that co-operatives faced the challenges of lack of knowledge about the purpose of a co-operative, obligations and business management skills; lack of transport; and lack of membership identity with the co-operative.

The situation explained above has continued to become an important growth and development challenge to the co-operative community. The support programme offered by the South African government highly incentivises the creation of co-operatives, so some members of new co-operatives may not fully entrench co-operative principles. In this context, co-operative training is crucial (Derr, 2013:9).

### **1.1.1 Importance of agriculture**

In Africa, like other developing continents, namely Asia and Latin America, agriculture is still the economic backbone of most rural areas. Depending on a country's level of advancement in the economic sphere, agriculture contributes to overall economic growth by creating jobs; supplying labour, food, and raw materials to other growing sectors of the economy; and helping to generate foreign exchange. Despite these significant contributions, however, rural areas are the most marginalised in most parts of developing countries. They are characterised by poverty, food insecurity, unemployment, inequality and lack of important socioeconomic services (Sikwela & Mushunje, 2013:2503).

The importance of agriculture in the economies of developing countries has long been recognised, and will remain crucial to economic development and poverty reduction in Africa, South Asia, the Caribbean and Pacific countries (Pote, 2008). As such, most countries, including South Africa, have promulgated agricultural policies that would “ensure self-sufficiency in respect of food, fibre and beverages, and the

supply of raw materials to local industries” (Van Zyl & Kirsten, 1992:179). The report of the National Co-operative Indaba held on 26 March 2012 notes that agriculture is an important part of the South African economy. It contributes less than 3% to the country’s gross domestic product (GDP), yet it accounts for almost 10% of the country’s formal sector employment, while more than 8% of the country’s merchandised exports are primary agricultural products. As a result, the sector has, by all measures, relatively large linkage effects on the rest of the economy and is a net earner of foreign exchange (DAFF, 2012). Furthermore, Villiers et al. (1980) and others suggest that the potential role of agriculture in economic development is usually in relation to food exports as an earner of foreign currency. Increases in farm incomes result in expanding internal markets for the goods and services of the other sectors. As Proctor and Lachesi (2012) point out, agricultural development also provides employment opportunities, especially for rural communities.

It is against this stated importance of agriculture in South Africa that government has seen a need to come up with support structures for the agricultural communities to boost their growth and development: one of the interventions is to accelerate the creation of co-operatives through legislative acts. In August 2005 the new Co-operatives Act 14 of 2005 was signed into law. Accordingly, the Act

sees a major role for co-operatives in promoting the economic and social development, in particular by creating employment, generating income, facilitating broad-based black economic empowerment and eradicating poverty. The government has committed itself to providing a supportive legal environment for co-operatives. (Ortmann & King, 2007.)

## **1.2 Legislative Framework for Agriculture**

Over the past 15 years, far-reaching agricultural policy reforms and support instruments have been introduced in the agricultural sector, with the intention of improving the efficiency of the commercial sector, and addressing the structural inequality characterising South African agriculture. These policies have affected the structure and performance of the sector. Widespread domestic and international market liberalisation, introduced in the early 1990s, has had a strong, catalytic effect



on commercial agricultural production. Attempts to de-racialise the sector, via land and labour market reforms, have been less successful, and the sector continues to wrestle with entrenched inequalities and rising unemployment (Tregurtha, Vink & Kirsten, and 2010:1).

Agriculture in South Africa has a central role to play in building a strong economy and, in the process, reducing inequalities by increasing incomes and employment opportunities for the poor, while nurturing the inheritance of natural resources. The performance of the agricultural sector and the policy changes introduced post-1994 should be seen in the context of the broader policy framework that government has set for the sector.

Since 1994, the strategic direction of the agricultural sector has been shaped by three main policy documents: the *Agricultural White Paper* (“the White Paper”) the “Agricultural Policy in South Africa” discussion document; and the Strategic Plan for South African Agriculture (Strategic Plan). More recently, the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) identified a critical role for the agricultural sector in stimulating employment and building the second economy. The influence of this document is also discussed below.

The White Paper, released in 1995, was, by its own admission, not a traditional policy document but rather a statement of the broad principles guiding policy development in the sector. Its principles were derived from the Reconstruction and Development Programme (RDP), and influenced the vision set for the sector, namely to become a highly efficient and economically viable market-directed farming sector, characterised by a wide range of farm sizes, which would be regarded as the economic and social pivot of rural South Africa, and which would influence the rest of the economy and society.

The Strategic Plan stated that the objective was to generate equitable access and participation in a globally competitive, profitable and sustainable agricultural sector, contributing to a better life for all. Three core strategies adopted include (i) support for enhancing equitable access and participation in the agricultural sector, (ii)

improving global competitiveness and profitability, and (iii) ensuring sustainable resource management.

The AsgiSA strategy, launched in 2006, explicitly identified a number of agricultural projects and programme areas aimed at realising more balanced agricultural growth which include a 50% increase in land under irrigation; improved livestock productivity, including goat and goat products; and accelerated land reform and bio-fuels. In the context of these initiatives, special emphasis was placed on smallholder agricultural development and, as such, AsgiSA signalled a policy shift towards greater support for the country's 1,3 million small-scale, resource-poor farmers (Tregurtha, Vink & Kirstein, 2008:3).

There are also a number of policies and governmental institutions that are directly and indirectly supportive of the co-operative movement. The most important being the Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003. The legislation compels increased participation in the economy by people classified as "black" and historically disadvantaged. Co-operative development is seen as an empowerment tool and co-operatives are mentioned in various paragraphs of the Act (Derr, 2013:7).

The Co-operatives Development Policy 2004 asserts that government has acknowledged the existence, relevance and value of informal, traditional co-operative-type organisations. The policy highlights the importance of integrating them into the formal economy. One of the key benefits of the formalisation is access to state and private sector support – financial or non-financial – towards growing the institutional capacity and sustainability of informal co-operative entities. The Government of South Africa and organised agriculture confirmed the importance of the agricultural sector in the economy of the country and this has led to the development of the Strategic Plan for South African Agriculture (Terblanche, 2006).

### **1.2.1 National Development Plan (NDP) Vision 2030**

As the primary economic activity in rural areas, the National Development Plan (NDP) identifies agriculture as having the potential to create close to 1 million new jobs by 2030, a significant contribution to the overall employment target. To

achieve this, the NDP (National Planning Commission, 2012) proposes the following policy imperatives:

- 1) Expand irrigated agriculture, use some underused land in communal areas and land-reform projects for commercial production;
- 2) Pick and support commercial agricultural sectors and regions that have the highest potential for growth and employment; and
- 3) Support job creation in the upstream and downstream industries, and develop strategies that give new entrants access to product value chains and support from better-resourced players.

The NDP identifies agriculture as one of the key job-creating sectors, with the potential to create job opportunities for 300 000 households in agricultural smallholder schemes and 145 000 jobs in agro-processing by 2020. The sector also has the potential to improve the living conditions of 660 000 farm workers. The plan expects that by 2030 a third of South Africa's food trade surplus should be produced by small-scale farmers or households (South African Treasury, 2014).

### **1.3 Agricultural Support Programmes**

Small, micro and medium entrepreneurs play an important role in economic growth and poverty alleviation across the globe. To this effect, the South African government has instituted a policy to encourage the formation, promotion and support of small, micro and medium enterprises (SMMEs). In particular, the Department of Agriculture and Forestry (DAFF) and the Department of Rural Development and Land Affairs (DRDLA), through land acquisition, restitution and other agrarian development systems, initiates and supports agriculturally based SMME's with the objective of achieving sustainable livelihoods for the poor (Groenewald et al., 2009:1).

#### **1.3.1 Comprehensive Agriculture Support Programme (CASP)**

The aim of the Comprehensive Agriculture Support Programme (CASP) is to enhance the provision of support services to promote and facilitate agricultural development that targets the beneficiaries of the land and agrarian reforms. Four

categories of beneficiaries have been identified: (i) the hungry and vulnerable, (ii) household food producers, (iii) beneficiaries of the land and agrarian reform programmes and (iv) those operating within the macroeconomic environment. There are six targeted areas of support in the CASP. These are (i) information and knowledge management, (ii) advisory and regulatory services, (iii) training and capacity building, (iv) finance, and (v) on-farm and off-farm infrastructure (DAFF, 2004).

### **1.3.2 Land Redistribution for the Agricultural Development (LRAD) sub-programme**

The Land Redistribution for Agricultural Development (LRAD) sub-programme was developed by the Departments of Agriculture and Land Affairs. The purpose of LRAD is to increase access to agricultural land by black people and to contribute to the redistribution of approximately 30% of the country's commercial agricultural land over the duration of the programme. It is designed to provide grants to the beneficiaries to access land specifically for agricultural purposes, namely for land acquisition, land improvement, infrastructure investment and capital assets. Beneficiaries can access a range of grants (i.e., R20 000 to R100 000), depending on their own contribution in kind, labour and/or cash (DAFF, 2004).

### **1.3.3 The National Land Care Programme**

The goal of the National Land Care Programmes is to promote the sustainable use and management of natural resources. Farmer participation and strong institutional support structures, and incremental change to existing farming practices are key to the success of this strategy. The main focus of the programme on building and training in the agricultural domain is implicitly dependent on support services provided by the DAFF and the Provincial Department of Agriculture (PDA) to local communities and groups (DAFF, 2004).

### **1.3.4 Farmer training**

Farmer training is critical for the viability and sustainability of agricultural projects. Three methods to facilitate the skills transfer to land reform beneficiaries are (i) training through agricultural colleges, (ii) mentorship and (iii) management programmes. The main capacity-building (or training) model proposed in the Comprehensive Farmer Support Programme (CFSP) is the Farmer Entrepreneur and Incubation Centre (FEDIC). These training centres are to be set up within agricultural colleges and commercial farms for on-farm training. Modules will be tailored to the farming needs of the beneficiaries and cater for their language preferences. PDAs are to develop strategic partnerships with the Agricultural Research Council (ARC) and the farmers' organisation, AgriSA, to assist with such training (Jacobs, Lahiff & Hall, and 2003:12).

Training in general business skills and mentorship are necessary for growth, but the service mechanism through non-business-oriented service providers (i.e., non-governmental organisations (NGOs)) appears to be flawed. Lack of training has affected confidence with regard to governance and finance. The present researcher argues that these observations support a need for structural and ideological changes. It amplifies the need for preparation before someone is supported in a venture, meaning that post-finance support, together with mentorship, needs to fit the training intervention (Lohbauer & Schoeman, n.d.:10).

Nehemia (2010) states that the growth of the South African economy is being hindered because of inadequately skilled workers, which has a negative influence on productivity. From this assertion, it is evident that there is a direct relationship between skills transfer and individual performance. It should be noted that there is a multiplicity of programmes that target the farmer. These programmes have been criticised for being uncoordinated and not paying adequate attention to land reform beneficiaries. Furthermore, state-sponsored programmes are hampered by the fact that they are under-funded, poorly designed and fragmented (Sikwela & Mushunje, 2013:2504).

### **1.3.5 Farm Together Agricultural Co-operative Training Programme**

The Farm Together Programme is one of the farm support programmes (FSPs) designed by the DAFF. It was designed for co-operatives and groupings with communal ownership of the means of production or with a desire to work together to achieve a common purpose. The Farm Together co-operative training skills programme is designed to equip members of co-operatives with the necessary technical and soft skills that enable them to address key issues or challenges. This skills programme addresses a number of shortcomings in the area of technical agricultural skills (i.e., crop and livestock production), value adding, governance, agri-business functions and management. The programme comprises six modules and has seven unit standards with an accumulated 18 credits according to the South African Qualifications Authority (SAQA).

The programme is intended to train co-operatives on the Comprehensive Rural Development Programme sites as defined by the Department of Rural Development and Land Reform, and targets officials and enterprises in all the provinces of South Africa. The Farm Together training programme is structured into six contact modules and has 4 core training components, namely (i) farm simulation, (ii) Farm Together Programme check-ups, (iii) agreement dilemma/role play and (iv) home tasks. The programme is at the centre of this thesis and will be examined in detail in the chapters that follow.

The World Development Report (2007) affirms the importance of agricultural development in poverty reduction. Approximately 883 million people in developing countries lived in rural areas in 2002 and most of these people depended directly or indirectly on agriculture for their livelihoods. The report further states that a more dynamic and inclusive agricultural system, including the GDP that originates from agriculture, could dramatically reduce rural poverty and, consequently, help to meet the Millennium Development Goals (MDGs) on poverty and hunger eradication.

## **1.4 Government Policies and Strategies to Support Agricultural Co-operatives**

Agriculture is the primary economic activity in rural areas in South Africa. To this end, the NDP has identified it as having the potential to create close to 1 million new jobs by 2030. According to the DAFF's Integrated Growth and Development Plan (DAFF, 2012), various support programmes have been initiated over the past few years to support agricultural co-operatives. These programmes include the CASP, Micro Agricultural Financial Institutional Scheme of South Africa (MAFISSA) and the Land and Agrarian Reform Programme (LARD). Unfortunately, these programmes have not resulted in improved participation of smallholders and black farmers in agricultural activities due to inadequate planning in terms of the provision of support services; weak coordination; capacity constraints for effective implementation, late delivery of input; and lack of access to information.

Hence, through the Department of Trade and Industry's (dti) integrated strategy for co-operatives (dti, 2004) the South African government seeks to promote agricultural co-operatives, and raise their profile as a dynamic and effective business organisation that can empower and uplift the social and economic well-being of individuals and communities.

The National Skills Development Strategy III (NSDS III) for the period 2011–2016 is a skills development strategy that promotes the alignment of skills training with national macro-level policies that are aimed at promoting or supporting aspects of social and economic development. NSDS III specifically states that Sector Education and Training authorities (SETAs), universities, and Further Education and Training (FET) colleges should increase the scope of their work in providing skills training among rural communities within the context of rural development; in other words, opportunities for employment and the generation of income should be created for rural communities in the rural areas themselves. Another strategy for skills development is the Industrial Policy Action Plan II (IPAP II), which makes explicit provision for employment creation within the rural context. These policy frameworks

also find resonance in the New Growth Path (NGP), which clearly provides for a range of initiatives aimed at promoting development within the rural sector.

The current Minister of Higher Education and Training, Dr Blade Nzimande (at the National Conference on Co-operatives, held in Midrand in April 2011), also highlighted the potential and importance of co-operatives as primary vehicles for the creation of a range of economic opportunities in rural areas. The current Minister of Trade and Industry, Dr Rob Davies, reiterated the fact that SETAs should facilitate social and economic development in the country. In this case it was pointed out that skills training within the agricultural sector should use co-operatives as focal points for giving impetus to a range of developmental processes and spin-offs that could emerge.

Statistics published in April 2010 (Stats SA,) show that there were approximately 22 619 registered co-operatives, of which 22 030 were reflected on the register of the then Companies and Intellectual Property Registration Office (CIPRO) (now Companies and Intellectual Property Commission (CIPC)) as being active at the time. However, a baseline study carried out by the dti revealed that only 2 644 of these co-operatives were operational (merely 12%). Agricultural co-operatives constituted the majority, representing 25% of all co-operatives. These trends demonstrate a need for efforts around the capacitation of co-operatives in various ways.

On the basis of the above, it is clear that the Agricultural Sector Education and Training Authority (AgriSETA) has to play a leading role in skills development. As such, AgriSETA has adopted the position of, and committed itself to, incorporating agricultural co-operatives more comprehensively into its training plans and programmes. It has taken the lead in co-ordinating the initiatives in this regard. The authority has brought together a number of institutions as an initial steering group to lead a well-co-ordinated process of developing the necessary strategies, frameworks, institutional arrangements and delivery mechanisms for such a broad-based programme.



## **1.5 Some Evidence of the Impact of Public Support Programme on Co-Operative Growth and Development**

The study conducted by Saisset Louis-Antoine, Jean-Pierre and Mario (2011:3) indicates that in 2008 the wine co-operatives, unions and SICA (collective agricultural interest companies) in Languedoc-Roussillon represented a total of 330 firms in one of the largest vineyards in the world, and account for more than 70% of production.

The Akamba Handicraft Industry Co-operative Society (AHICS) in Kenya has economically empowered 2 902 entrepreneurs who, in turn, employed approximately 3 000 people (Couture, 2003:43). AHICS plays a key role in promoting the economic vibrancy of its community. Besides making a direct contribution to creating some 5 000 jobs, it indirectly helps several entrepreneurs who have set up small businesses such as bars, restaurants and clothes-selling spots around the co-operative to meet members' needs. Therefore, AHICS is not merely a tool for development that serves its members, but it also serves the wider local community (p. 43). Couture (2003:43) further elaborate that co-operatives contributed to job creation and maintaining employment, and thus to social and economic well-being in their region. Given stiff competition and liberalisation, the survival of SMEs is precarious and, hence, many jobs are constantly at risk.

A study conducted by the International Labour Organization (ILO) (2003:1) notes that 300 million Africans alone live in extreme poverty. This tragic waste of human potential is caused by unemployment, underemployment and low productivity in existing jobs, particularly in agriculture and in the urban informal economy, which are the main sources of employment in most African economies. Africa has the world's highest rates of open unemployment and youth unemployment. Women's unemployment in all categories is significantly higher than the national average (ILO 2003:1). In most sub-Saharan African countries, wage employment occupies only between 6% (i.e., landlocked countries in West and Central Africa) and 25% (i.e., southern Africa) of the active population (ILO 2003:1); in other words, 75 to 94% of the active population are either unemployed or eke out a living in the rural or informal economy where they are engaged in precarious economic activities without any

social protection – often in an unsafe working environment. The fact of the matter is that African women and men are obliged to do any work they can get, no matter how insecure or how badly paid, to be able to feed their families (ILO, 2003:1).

In Kigali, the capital of Rwanda, the costs of entering the private transport industry are prohibitive. For many, the only option is to lease motorbikes from local entrepreneurs at exorbitant rates, which does not even allow the entrepreneurs to reach the one dollar-a-day poverty line. Assetamorwa is one response to this situation. It is a co-operative of motorcyclists in Kigali that has more than 2 500 members. The co-operative runs a common garage and repairs motorcycles. It has a common fund, which enables it to purchase new motorcycles or to give consumer credit to its members. For a group of people who were previously unorganised and working in the informal economy, Assetamorwa is a considerable achievement (Rwanda Gate Way, 2008).

In South Africa, support mechanisms have been introduced since 1994, specifying various support measures for co-operatives in the public sector. A number of studies conducted by van Zyl et al. (1991), Kirsten et al. (1993) and Kirsten (1994), as quoted by Kirsten and van Zyl (1996), have shown how access to support services provided under the Farmer Support Programme has led to increased household production of staple foods. This is often viewed as the major benefit and a measure of a programme's success. Contrary to general perceptions, the majority of SMMEs that use support programmes appear to be satisfied with the assistance they obtained (Mago & Toro, 2013). The support given covered “the entire value chain in the agricultural sector, and all economic activities” (Kepe, 2004).

According to Patel (2012), the impact of education and training can only be seen over time, and certainly lead to increased capacity and the improved efficiency of co-operatives.

## 1.6 Rationale for the Study

In 2010, the Farm Together Programme was hatched, aimed at enhancing the performance of agricultural co-operatives in order to alleviate poverty and food insecurity in South Africa through skills development.

Education is generally regarded as the most important form of human capital; workshop training is usually for human capital improvement. Training has an economic value because it could result in a more efficient use of resources and a more productive agribusiness (Okorie, 2005). The Farm Together Programme was founded with the intention of capacitating agricultural co-operatives. The Minister of Higher Education and Training, Dr Nzimande, also highlighted the potential and importance of co-operatives as primary vehicles for the creation of a range of economic opportunities in rural areas in his keynote address at the National Conference on Co-operatives, held in Midrand in April 2011.

Statistics published in April 2010 (Stats SA) showed that there were approximately 22 619 registered co-operatives, of which 22 030 were reflected on the register of the then Companies and Intellectual Property Registration Office (CIPRO) (now Companies and Intellectual Property Commission (CIPC)) as being active at the time. However, a baseline study carried out by the dti revealed that only 2 644 of these were operational (merely 12%). Agricultural co-operatives constituted the majority, representing 25% of all co-operatives. These trends demonstrate a need for efforts around the capacitation of co-operatives in various ways. Despite the many setbacks faced over time, “co-operatives remain the enterprises of choice in many countries for the majority of people who want to satisfy their common needs by maximising on economies of scale and the synergy that arises from joint action” (Gicheru & M’Imanyara, 2012:166).

Even though this programme has been active for three years, no evidence exists to show that any studies have been undertaken to evaluate or assess the effectiveness of the programme in terms of the development and growth enhancement of the co-operative, and whether or not the objectives were achieved. It is therefore imperative that an impact study be done to ascertain the extent to which participants have

acquired the necessary skills and the extent to which they are applying them in their agricultural co-operatives.

### **1.7 Significance of the Study**

The study is significant in that it builds up knowledge showing the effectiveness and relevance of some public programmes that are designed to promote agricultural development. The findings of this study would also be useful to policymakers and intervention programme designers. The study will provide insights into the strengths and weaknesses of the Farm Together Programme as a strategy to help in the development of agricultural co-operatives. The findings may also assist the government with consolidating the support given to the co-operatives in order for them to be sustainable and also to achieve their objectives. The study will contribute towards extensive research that has been undertaken to understand the importance and usefulness of the FSP. Since the DAFF has run many such programmes, this research adds to the academic debates on the impact of the Farm Together Programme in supporting co-operatives.

### **1.8 Statement of the Problem**

Since the dawn of the new democratic South Africa, Government has introduced a number of programmes, policies, strategies and a legislative framework to deal with support and development of the co-operative. However, not much has been achieved to date, according to Machethe (1990), Ortmann and King (2007), Chib et al. (2009) and the dti (2012), co-operatives are facing challenges and are failing to fulfil their co-operative principles.

The Farm Together Programme is one of the fundamental co-operative capacity-building tools introduced in South African around the year 2010 to capacitate agricultural co-operatives through skills development. The programme has entered into its fourth year and, according to the statistics released in the *2<sup>nd</sup> Annual Report on the Status of Co-operatives in the Sector 2012/13* (DAFF, 2013) 316 co-operatives have been trained in financial management, 206 in marketing, 154 in co-operative governance, 153 in planning and control, and 127 in business

management. However, there is little evidence, if there any that exists, to attest that studies have been undertaken to evaluate the impact of the farm together intervention programme on the development and growth of the cooperatives that participated on the program.

Given this background, the objective of this research is to assess the impact the DAFF programme is making and/or not making on developing and growing Agricultural co-operatives in the Capricorn District Municipality and to suggests solutions to the challenges faced by the co-operatives

### **1.9 Aim of the Study**

The main aim of this study is to evaluate the impact of the Farm Together Programme on the growth and development of the selected agricultural co-operatives in the Capricorn District Municipality (CDM) of Limpopo Province.

### **1.10 Specific Objectives**

Under the broad aim of evaluating the impact of the Farm Together Programme, the study will assess the effectiveness of the farm Together Programme

- on agricultural co-operative
- growth in the CDM in Limpopo Province; and
- development in the CDM in Limpopo Province.

### **1.11 Research Question**

The central question of this study may be concisely stated as follows:

- Does the DAFF's Farm Together Programme impact the growth and development of agricultural co-operatives in Limpopo Province?

More specifically the study will focus on:

- Has the Farm Together Programme been effective in growing agricultural co-operatives in the province?
- Is the Farm Together Programme effective in developing agricultural co-operatives in the province?

### **1.12 Hypothesis**

The null hypothesis (H<sub>0</sub>) for the study is that the Farm Together Programme has no positive impact on the development and growth of agricultural co-operatives. The alternative hypothesis (H<sub>A</sub>) is that the programme has a positive impact on the development and growth of agricultural co-operatives.

### **1.13 Definition of Key Concepts**

For the purpose of this study, three key concepts will be defined, namely (i) impact (ii) sustainable agriculture, (iii) impact evaluation.

#### **i Impact**

Valla, cited by (Matube, 2005:60) define impact as the expected effect (or effects) of a project on a target population. Impacts can further be classified as short-term and long-term (depending on when they occur and how long they last); intermediate and final (depending on the objectives of the project); intended and unintended (depending on whether they were planned or expected” IDASA in their attempt to define “impact” make reference to cause-and effect relationship.

#### **ii Sustainable agriculture**

Louw and Ndanga (2010:3) define ‘sustainable agriculture’ as a system that “over the long term, enhances the environmental quality and the resource base on which agriculture depends; provides for basic human food and fibre needs; is economically viable; and enhances the quality of life for farmers and society as a whole”. ‘Sustainable agriculture’ is taken to mean systems that maintain environmental integrity and provide for sustained increases in household income (Young & Burton, 1992:14). It is defined simply as farming systems that are maintaining their productivity and benefit to society indefinitely, and it has three basic features, namely (i) maintenance of environmental quality, (ii) stable plant and animal productivity, and (iii) social acceptability (Lichtfouse, 2013:44)

#### **iii Impact evaluation**

The World Bank poverty/net website defines ‘impact evaluation’ as “assessing changes in the well-being of individuals, households, communities or firms that can be attributed to a particular project, programme or policy” (Stem et al., 2012). White (2006:1) gives the following four different meanings for impact evaluation as the most common during the past 20 years:

- An evaluation which looks at the impact of an intervention on final welfare outcomes, rather than only at project output, or a process evaluation which focuses on implementation;
- An evaluation concerned with establishing the counterfactual, i.e. the difference the project made (how indicators behaved with the project compared to how they would have been without it);
- An evaluation carried out some time (five to ten years) after the intervention has been completed so as to allow time for impact to appear; and
- An evaluation considering all interventions within a given sector or geographical area.

Impact evaluation is the process of assessing the progress of a programme toward its goals (i.e., measuring the immediate changes brought about by the programme in the target population).

#### **1.14 Chapter Outline**

This study is composed of five chapters:

Chapter 1 is an introduction; it covers the research problem, research objectives, rationale, hypothesis, aims and the significance of the study. Definitions of key concepts used for this research are also provided.

Chapter 2 discusses the appropriate literature review, providing a theoretical perspective on the agricultural support programmes and co-operative sector development; the evidence in agricultural support programmes; and the impact on co-operatives. It also highlights gaps and contributes to the knowledge on the study area.

Chapter 3 describes the research methodology used in the research study to gather field data and the analytical methods used.

Chapter 4 comprises an interpretation of the research findings, and an analysis of both qualitative and quantitative data.



Chapter 5 discusses the conclusions derived from the findings and the recommendations.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1. Introduction**

This chapter provides an overview of farming co-operatives in South Africa and their central role in mobilising resources, skills and sharing experiences among members. Small-scale farmers in South Africa have been facing many constraints besides their potential to contribute significantly to food security. The chapter highlights how the FSPs in Africa in general and South Africa in particular empower farmers to overcome these constraints. It will also introduce the DAFF's Farm Together Programme, assess how the programme works with co-operatives, and its contributions towards building the capacity of co-operatives and improve productivity.

### **2.2. Theoretical Perspective on the Agricultural Support Programmes**

Agriculture support programmes or FSPs are designed to support the implementation of regional and country interventions to empower farmers. The overall objective of FSPs is to allow populations to provide for their own food needs either through self-production or exchange. The programmes generally target more rural contexts. However, they can also exist in urban and semi-urban contexts when land is available (World Bank, 2010)

In Ethiopia the programme was targeted at rural women, the youth and other vulnerable sections of communities to better cope with the adverse impacts of climate change. In Zambia, the Farmer Input Support Programme (FISP, formerly the Fertiliser Support Programme) targeted the smallholder farmers, while China used several types of input subsidy schemes to target support for the small-scale producers. The main subsidy programme for China was the Comprehensive Subsidy on Agricultural Input, which was established in 2006 to compensate grain producers for increases in input prices such as fertilizers, pesticides, plastic films, and diesel (World Bank, 2010).

The Western Cape Farmer Support and Development Programme encompasses the broad development agenda of the Department of Agriculture, meaning that the design and implementation are predominantly for supporting black farmers in the Western Cape Province but does not exclude the commercial sector. This support to beneficiaries ranges from land reform to institutional capacity building (Western Cape Government, 2014)

FSPs in South Africa are aimed at ensuring that smallholder farmers have access to comprehensive agricultural support services. The objectives of the FSPs in South Africa were to supply appropriate technologies and alleviate smallholder farmers from the constraints facing them and allowing for efficient utilisation of agricultural resources (Kirsten, 1994).

According to Kirsten et al. (1997) and van Rooyen (1995), the constraints were addressed according to six elements, which are as follows:

- i Production input and capital to farmers
- ii Mechanisation services
- iii Marketing support
- iv Extension services, demonstration and research
- v Training and education
- vi Policy formulation.

Owing to the inequitable access of black farmers to agricultural support systems in South Africa, it was argued that measures such as the FSP, which could rectify these imbalances and provide fair access to the market, could improve economic efficiency (van Rooyen et al., 1987). According to van Rooyen et al. (1987), the FSP was demand-driven, with a wide range of organisations providing services to farmers. The aims of the FSP were capacity building among local participants, followed by an integrated approach to alleviating the poverty among small-scale black farmers in rural areas of South Africa.

In many sub-Saharan countries, including South Africa, agriculture, just like mining, is the backbone of the economy, contributing to overall economic growth; creating

jobs; supplying labour, food, and raw materials to other growing sectors of the economy; and helping to generate foreign exchange. However, despite these significant contributions, many farmers, especially small-scale rural farmers, are the most marginalised and have limited support structures to enhance productivity.

Zambia runs a farm input scheme under the FSP for smallholder farmers (Nyamfalila, 2010). To qualify for assistance, farmers must be members of a co-operative society or a farmer organisation within an agricultural camp. The co-operative leadership manages engagement with government agencies to access the input. However, evaluation of the distribution of fertiliser in Chongwe District under the farmer input scheme shows that small numbers of farmers (28% out of the 23 000) benefitted from the FSP during the 2006/2007 farming season. However, the scheme had some positive contributions. Surplus maize in the CDM rose during the 2006/2007 farming season from 48% to 61.6% after the farm input scheme. However, the author identifies weaknesses with the FSP. They are as follows:

- a) There was a scaling up to increase the number of beneficiaries of the programme
- b) The programme failed to fulfil its intension of empowering small-scale farmers to graduate to the next level that is medium-scale farmers. The programme therefore created a dependency where small-scale farmers expect input every farming season.
- c) There was no monitoring of the farm input scheme after the distribution of fertilisers. The district offices had no funds for monitoring and evaluation of the exercise.
- d) The programme suffered from political interference from councillors, Members of Parliament and Ministers who wanted to determine who accessed the input. Some politicians wanted to get input themselves.
- e) Poor logistics by government institutions and local transporters in delivering input led to some fertilisers being delivered in March the following year instead of October, when they were needed (World Bank, 2010).
- f) The farmers themselves suffered from challenges on marketing, poor roads to transport produce and funds for other farming-related input.

- g) A World Bank (2010) evaluation of the project identified a 20% discrepancy between records on fertilisers that were delivered to districts and disbursed to co-operatives.

### **2.3 Agricultural Support Programmes in South Africa**

According to Sikwela (2013), FTPs were started in rural households in South Africa in 1986 by the Development Bank of Southern Africa (DBSA) to help farmers to improve their agricultural production in former so-called homeland areas (van Rooyen, Vink & Christodoulou, 1987; Singini & van Rooyen, 1995). The FSPs were designed to address the problem of rural farmers who are faced with limited access markets, finance, communications infrastructure and skills development facilities. These various initiatives would strengthen agrarian transformation and household food security, which included a focus on the growth of the agrarian economy in the former homelands. Sikwela (2013) observes that experiences in the Southern African region, for instance in Zimbabwe, Malawi and Kenya, highlights the potential for FSPs to promote the development of agriculture.

Some of the FSPs in South Africa include the Comprehensive Agriculture Support Programme, Ilima/Letsema. The underlying driving force for the Farm Together Programme capacity building in co-operatives is to maximise efficiency and effectiveness to ensure both short- and long-term sustainability of co-operatives and adapting to a changing environment. Lack of capacity building has been identified as one of the main factors hampering progress in co-operatives.

In an attempt to address this challenge, DAFF designed and implemented the Farm Together Programme, to assist co-operatives in the sector in improving operational efficiency and effectiveness. In 2010/2011, 109 co-operatives were trained on the Farm Together Programme and this number rose by 217 more co-operatives in 2012/2013, bringing the total number of co-operatives trained on the programme to 326.

To increase the number of co-operatives trained using this programme, DAFF has entered into a partnership with the DRDLR and the AgriSETA. In terms of this partnership, DAFF is responsible for training officials from both DAFF and DRDLR as facilitators on the programme. DRDLR is responsible for training identified co-operatives in the provinces, while AgriSETA is acting as the project manager.

Over and above the Farm Together Programme, 316 co-operatives have been trained in financial management, 206 in marketing, 154 in co-operative governance, 153 in planning and control, and 127 in business management. In general, the number of co-operatives trained on the various programmes increased in 2012/2013 (DAFF, 2013).

#### **2.4 Farmer Support Programmes for Co-operatives in the Department of Agriculture**

In developing countries, attempts to organise farmers into co-operatives have often failed, although co-operatives have the potential to supply farm input and market farm products that are both important for agricultural development (Hoyt, 1989). Akwabi-Ameyaw (1997) suggests that in Africa farmer co-operatives have often failed because of problems in holding management accountable to the members (i.e., moral hazard), leading to inappropriate political activities or financial irregularities in management (Ortmann & King, 2007). Van Niekerk (1988) reports that co-operative failures in the former (less-developed) so-called homelands of South Africa were due mainly to lack of management experience and knowledge, lack of capital resources, and disloyalty of members due to ignorance.

The first co-operative in South Africa was a consumer co-operative that was established in 1892 under the Companies Act, as no co-operatives Act existed at the time. Several more co-operatives, particularly agricultural co-operatives, were registered under the Companies Act until 1908 when the first Co-operative Act was passed. This was followed by the Co-operative Societies Act 28 of 1922, which focused mainly on agricultural activities. Following recommendations by the Commission of Inquiry into Co-operatives and Agricultural Credit of 1934, the Co-operative Societies Act 29 of 1939, which still focused on agricultural activities, was

passed by the South African Parliament. This Act, in turn, was repealed by the Co-operatives Act 91 of 1981 (1981 Act), which also made provision for trading co-operatives. The 1981 Act was amended on at least eight occasions (Ortmann & King, 2007).

According to Ortmann and King (2007), several large co-operatives in South Africa have converted to investor-orientated firms (IOFs) in recent years and there is still considerable controversy in the agricultural community over the merits of co-operatives versus IOFs.

#### **2.4.1 Role played by agricultural co-operatives**

Agricultural co-operatives play an important role in food production and distribution, and in supporting long-term food security. Co-operatives are widely regarded as having a potential impact on development and poverty reduction. According to the United Nations (UN), these organisations have a wide-reaching direct and indirect impact on socio-economic development. Co-operatives can create productive employment, raise incomes and help to reduce poverty. Some agricultural co-operatives improve farm productivity by obtaining input at low cost; encouraging sustainable farming techniques and developing members' management and organisational skills (United Nations, 2009).

Agricultural co-operatives also promote the participation of women in economic production which, in turn, helps in food production and rural development. Through co-operatives, women are able to unite in solidarity and provide a network of mutual support to overcome cultural restrictions, predominantly in African countries to pursue economic or commercial activities (United Nations, 2009).

Smallholder farmers are able to increase their productivity and income by collectively negotiating better prices for input such as fertiliser, seeds, transport and storage through co-operatives. They can also help farmers expand market access and capture more of the value chain, for example, by getting involved in value adding or agro-processing activities. Co-operatives have been found to be effective

organisations in assisting smallholder farmers to deal with the challenges they face (United Nations, 2009).

Agricultural co-operatives face real challenges, among other things, in a form of limited access to credit, and the inability to scale up their activities and to penetrate markets. Lack of liquidity is one of the key constraints facing co-operatives. Coupled with this is the issue of capacity. Elite capture and male domination, especially in management and leadership roles, are some of the common problems. (DAFF, 2011).

Sikwela (2013), quoting DAFF (2010), highlights the following reasons for the department's FSPs:

- a) Most national programmes within Agriculture, Forestry and Fisheries fall short because they are not designed to impact at the scale required to make a difference at a socio-economic level, and have acted in isolation of each other, leaving beneficiaries seeking support from a fragmented array of projects and programmes.
- b) There is lack of capacity within government and state-owned enterprises to reach and offer efficient and sufficient support, limiting their scope to achieve the scale required.

The FSPs were introduced to smallholder farmers as a way of addressing the challenges that they face with regard to agricultural production. The programme focused on ensuring that smallholder farmers had access to comprehensive agricultural support services (Sikwela, 2013). With this broad framework, the FSP sought to supply appropriate technologies and ensure efficient utilisation of agricultural resources (Kirsten, 1994). Sikwela (2013), quoting Kirsten *et al.* (1997), and van Rooyen (1995) note that small constraints are addressed according to six elements, which are as follows:

- (i) Production input and capital to farmers,
- (ii) Mechanisation services,
- (iii) Marketing support,
- (iv) Extension services, demonstration and research
- (v) Training and education and



- (vi) Policy formulation.

## 2.5 The Farm Together Agricultural Co-operative Training Programme

The Farm Together Programme, as the name suggests, was designed for co-operatives with communal ownership of the means of production or with a desire to work together to achieve a common purpose. The programme was developed with agriculture development in mind. However, the execution/implementation would well suit different sectors. The Farm Together Programme is implemented through a partnership between the DAFF; the DRDLR and the AgriSETA; and DAFF (DAFF, 2013).

The programme intended to train co-operatives on the Comprehensive Rural Development Programme sites as defined by the DRDLR and has as its target to train 189 officials. So far, 82 officials have received training as shown in Table 2.1:

**Table 2.1: Number of officials trained in each province**

<b>Province</b>	<b>No. of delegates</b>	<b>Programme</b>	<b>National Qualification Framework</b>
Eastern Cape	22	Farm Together Programme	4
KwaZulu-Natal	13		4
Mpumalanga	20		4
Northern Cape	15		4
North West	12		4
<b>Total</b>	<b>82</b>		

Source: DAFF (2013)

The programme accommodates all levels of literacy as it is more of a simulation course that encourages participation by all involved. It allows participants to derive solutions to their unique problems in a collaborated manner and help them to document lessons learnt and resolutions of collective decision-making processes undertaken. In addition to the mentioned areas of focus, the programme further strengthens the following areas: co-operative governance, social/community networking and agri-business functions and management of agricultural co-

operatives. According to DAFF' Integrated Growth and Development Plan (DAFF, 2012) various support programmes have been initiated over the past few years to support agricultural co-operatives. The Presidential Growth and Development Summit, held in July 2003, also endorsed special measures to support co-operatives as part of strategies for job creation in the South African economy (Phillip, 2003:1).

According to the DAFF' 2012/2013 Annual Report, smallholder farmers are key players in meeting food demand in developing countries. However, they need to overcome considerable constraints to compete in modern markets. Smallholder farmers generally face major challenges such as poor access to land, lack of on- and off-farm infrastructure, lack of access to finance for production input, mechanisation, transport logistics, extension and research support, and limited access to high-value markets (DAFF, 2013). To overcome these barriers, smallholder farmers need to organise themselves into co-operatives, which are effective organisations to help them deal with the challenges they face. In the agricultural sector co-operatives contribute to food production, distribution and in supporting long- term food security initiatives.

### **2.5.1 Objectives of the partnership**

The DAFF' 2012/2013 Annual Report (DAFF, 2013) states that the main objectives of the partnership in the Farm Together Programme were to

- a) Ensure that the number of officials trained as facilitators of the programme in the provinces are increased.
- b) Build capacity in as many co-operatives as possible to ensure that they are able to manage their businesses effectively and efficiently.

The specific objectives of the project were to

- Assist both the Department of Agriculture, farmers and other relevant stakeholders who are the beneficiaries of the programme, by making sure that co-operatives as commodity groups understand the tools and methodology of maintaining their co-operatives as business entities

- Develop the skills and capacity of the previously disadvantaged people to direct commercially viable enterprise and engage effectively with the markets
- Equip members of co-operatives with the necessary skills that enable them to address the key issues affecting co-operative performances on their daily operations.
- Ensure that co-operative members gain the knowledge and skills to make informed production and investment choices.
- Equip them to be able to evaluate how well they are doing in their enterprises using generic focus areas, e.g. land issues, systems, resources, markets, skills, support, etc.
- Provide co-operatives with highly skilled people and address the skills gaps within the agricultural co-operative sector.
- Demonstrate a high level of managerial skills and increased employment opportunities. (DAFF).

### **2.5.2 Targeting and selection of participants in the Farm Together Programme**

The Farm Together Programme targeted 2 300 beneficiaries from co-operatives focusing on the Comprehensive Rural Development Programme sites in the first phase of the programme (DAFF, 2013).

The identification of the participating enterprises was a joint responsibility of all the partners: DAFF, DRDLR and AgriSETA, which also included the PDAs. Training sites were identified in all the provinces. Each training site comprised two co-operatives, represented by 5 members each, two Communal Property Associations (CPAs) each represented by 5 members and one Self-Help Group (SHG), also represented by 5 members (DAFF, 2013).

### **2.5.3 Assessment of selected co-operatives' prior training**

The Department of Agriculture conducts a skills audit exercise in order to provide appropriate training packages for participating co-operatives prior to the implementation of the Farm Together Programme (DAFF). Farmer co-operatives are assessed, profiled and captured in the DAFF's Co-operative Data Analysis System

(CODAS). Only after completing the assessment or skills audit can appropriate rescue packages be proposed. Hence, the Farm Together Programme was identified as a first intervention programme to build capacity and strengthen enterprises for various gaps identified during the assessment process.

#### 2.5.4 Planning and preparation phase

A committee comprising DAFF, DRDRL and AgriSETA was constituted at national level together with provincial agriculture departments to sensitise them before project implementation (DAFF). At a provincial level the same partners also constituted provincial committees which include the PDAs. During the planning phase, a list of agricultural co-operatives with potential for growth and development was drawn from the CODAS.

#### 2.5.5 Implementation

AgriSETA engaged accredited service providers who facilitated the programme. These service providers were grouped into ten batches per province each with the responsibility of training 25 participants per session for the period of ten days. Trainees were clustered into according to provinces as shown in Table 2.2.

**Table 2.2: Clustering of co-operatives by provinces during training**

Province	Cluster		
	Cluster 1	Cluster 2	Cluster 3
	Eastern Cape	Limpopo	Free State
	KwaZulu Natal	Mpumalanga	Gauteng
	Northern Cape	North West	Western Cape

Source: DAFF (2013)

### **2.5.6 Budget**

The Department of RDLR contributed the bulk of the funding amounting to R10 980 000 for the training of co-operatives in provinces. The DAFF funded the Train the Trainers Course for the training of officials in provinces drawn from DAFF, PDAs and DRDLR. Additionally, R1,5 million was used for contracting services to train officials, securing venues and providing catering during training (DAFF).

### **2.5.7 Challenges**

According to DAFF' 2012/2013 Annual Report, the implementation of the Agricultural Co-operative Development programmes had the following challenges:

- Only five of the six provinces initially targeted for training officials received the training due to delays during procurement processes
- Delays in transferring funds from the Department of Rural Development and Land Reform to AgriSETA resulted in training of five provinces in the 2012/13 financial year.
- Extension workers used in the training exercise were also required in their areas of work and could not be away from their areas of jurisdiction for two weeks. This limited the number of officials that were trained in the programme.
- Provincial Departments of Agriculture and the Department of Rural Development and Land Reform could not send all the required number of officials to be trained, affecting the teams that were establish to team in provinces.

## **2.6 Identification of Knowledge Gaps**

There is unanimous agreement that skills development has a key role to play in addressing the triple challenges in South Africa of unemployment, poverty and inequality, and of the urgent need to accelerate growth and equity in the context of an underperforming economy within a fragile global economy. NSDS III (2011:4). The basic premise of human capital theory is that investment in human resources

results in improved productivity in an organisation (Wanyama, Nassiuma & Zakayo, 2014:102).

Although there is a lot of information and research on the FSPs in different countries, and in South Africa in particular, relatively little research had been done on agricultural co-operatives in South Africa during the decade 2005 to 2015; for example, according to Ortmann and King (2007), since 2000 only three articles that refer directly to co-operatives have been published in *Agrekon*, the official journal of the Agricultural Economics Association of South Africa (AEASA). There has been some research on agriculture co-operatives and small-scale framers but not in the context of the impact of FSPs on primary co-operatives. A gap exists in that research has been dominated by information on co-operatives' history and FSPs, and tends to focus on the two separately.

This study seeks to address this gap by focusing on the impact of the Farm Together Programme on the agricultural co-operatives in Limpopo Province and to add to the body of knowledge. Furthermore, the research attempts to uncover the impact of training on the growth and development of agrarian co-operatives and the work outcomes produced by the knowledge work. The aim of this dissertation is to examine, evaluate and assess the impact of the Farm Together Programme on the development and growth of agricultural co-operatives in Limpopo Province. Under-development and growth are some of the major challenges that these co-operatives in South Africa are faced with, more specifically in Limpopo Province. As a result, the government has made these challenges a matter of priority and also put in place measures to address them.

As in any other developing economy, the biggest challenge facing South Africa in the new millennium is that of rebuilding the economy. This process can only be successful if companies raise performance and productivity standards through skills enhancement and development (Nehemia, 2010:1085).

## 2.7 Conclusion

This chapter examined the constraints that agrarian co-operatives face, FSPs and the roles that FSP interventions play in the development of agriculture and some of the targeted beneficiaries of such programmes. FSPs have been used and are still being used in many countries as a way of supporting agriculture in the rural areas and in some urban areas; the empowerment of women and vulnerable groups; and creating productive employment. These efforts take various forms such as input schemes, mechanisation, training, land access, funding, extension services and policy formulation. Primary empirical findings from related previous studies indicate that from farming projects headed mainly by male farming households farming knowledge was popular to most respondents.

From the empirical perspective, Mengezi (2013) found that there are numerous social factors that demonstrate considerable influence on management and effectiveness of distinct farming activities. The level of education frequently remained the most dominant factor, with significant association with farming activities such as marketing, planning, revenue generation, stakeholder interaction and management of time. Accordingly, the level of education, gender and age group also overall emerged as the most significant factors that determined success of implemented government agricultural programmes in Ndlambe local municipality in South Africa.

A similar international study conducted by Muhammad, Tegegne, and Ekanem (2004) on factors that contributed to success of small farm operations in Tennessee reported that production strategies based on diversification and cost control, financial plans that keep debt low and good record keeping, and marketing strategy aimed at achieving the highest possible profit were significant in enhancing the success of government programmes for promoting the agricultural sector. Moreover, the study by Garnevska, Liu and Shadboltc (2011) around factors for successful development of farmer cooperatives in North West China reported that both external environment and political approaches to cooperative promotion exerted substantial influence on the success of government agricultural support programmes. Results reported in the respective study indicated that stable legal environments, dedicated initiators, farmer understanding and participation of cooperative activities and appropriate external

support from professional non-governmental organisations were the fundamental factors for the successful development of farmer cooperatives in Northwest of China



## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

Research methodology outlines the process that is followed in order to collect the information that will be used to answer the objectives of the study. Thus it outlines the way in which the research will be undertaken.

This chapter will therefore outline the research design (section 3.2). Section 3.3 defines the study area. This involves explaining the location of the study and justifying why that area was selected. Section 3.4 explains the target population and why it was selected. Section 3.5 provides a description of the data collection methodology, and explains step by step why these methodologies were selected and how they would complement each other in collecting adequate information to answer the objectives of the study. Section 3.6 explains the data analysis approaches followed. All the limitations that were encountered during the process of conducting the study and the implications on the study are discussed in section 3.7. When conducting a study, the rights of the study subjects have to be protected as determined by the research ethics considerations. Thus the chapter is concluded with section 3.8, which outlines the ethical considerations in the study.

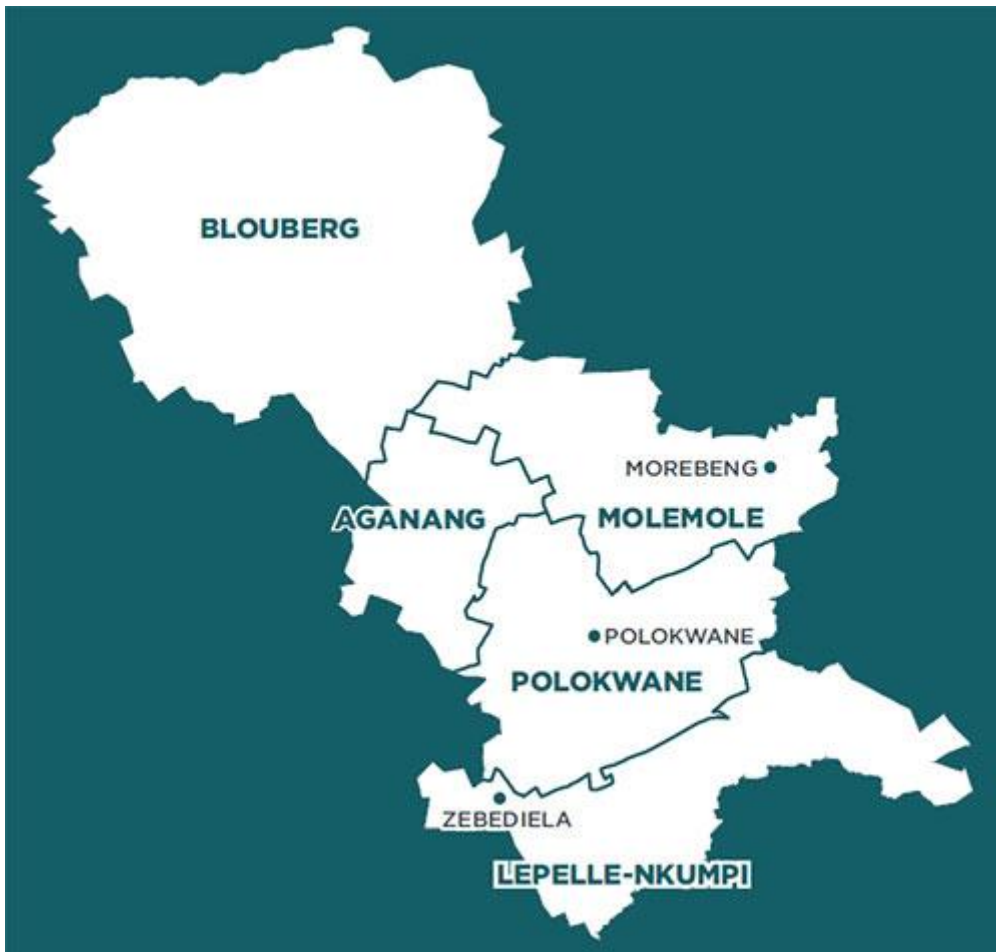
### **3.2 Research Design**

A research design outlines the plan according to which one obtains participants (subjects) and collects information from them (Welman & Kruger, 2002: 46). In it there is a description of what is going to be done with the participants, with a view to reaching conclusions about the research problem (Welman & Kruger, 2002:46). According to Babbie and Mouton (2006:72), research design addresses the planning of scientific inquiry and strategy for investigation. There are two major aspects to research design: (i) the researcher must specify as clearly as possible what he or she wants to find out, and (ii) the researcher must determine the best way to do it (Babbie & Mouton, 2006:72). According to Babbie and Mouton (2006: 72), “as mathematicians say, a properly framed question contains an answer”.

The purpose of the research and questions to be answered should drive the choice of methods (van Dyke, 2005). To that end, the present researcher found that both quantitative and qualitative research methodologies were best suited to reveal the impact of the Farm Together Programme, based on specific indicators of performance, with their triangulation as the specific method. De Vos 2002 (quoted by Ablort-Morgan (2003)) defines triangulation as the multiple methods of data collection with a view to increasing the reliability of observation. Ablort-Morgan (2003:8) further states that triangulation allows researchers to be more confident of their results as it may help to uncover the deviant or off-quadrant dimension of a phenomenon and can lead to a synthesis or integration of theories. The dominant paradigm of the study was quantitative. De Vos (in Ablort-Morgan, 2003) defined this model as the researcher presenting the study within a single, dominant paradigm with one small component of the overall study drawn from the alternative paradigm. Matchanya and Perotin (2013:82:83) and Human Resource Development Canada (1998) classifies evaluation methods into (i) methods that aim to determine if the programme has been implemented as planned (process evaluation) and (ii) methods that measure whether the programme has succeeded in meeting its objectives (summative evaluation). This paper focuses on the summative evaluation and not the former. According to Stem et al. (2012), impact evaluation (IE) aims to demonstrate that development programmes lead to development results.

### **3.3 Area of Study**

The study was conducted in the CDM in the Limpopo Province of South Africa. The district municipality is situated in the heart of the Limpopo Province, located in the north of South Africa. It is a district municipality that is predominately rural in nature and is made up of five local municipalities, namely Aganang, Blouberg, Lepelle-Nkumpi, Molemole and Polokwane. These municipalities are quite different in terms of their levels of socio-economic development. It has 547 settlements distributed as follows: 167 in Polokwane, 138 in Blouberg, 109 in Lepelle–Nkumpi, 96 in Aganang and 37 in Molemole. The district was selected because of its accessibility to the researcher and the researcher believed it could provide the information necessary to address the research questions. Out of the 39 co-operatives that participated in the Farm Together Programme in Limpopo Province, 7 are located in the CDM.



Source: Local government.co.za, (2014). [online] Available at:  
[http://www.localgovernment.co.za/img/districts/capricorn\\_big.jpg](http://www.localgovernment.co.za/img/districts/capricorn_big.jpg) [Accessed  
3 December 2014].

**Figure 3.1: Area of study**

### **3.4 Target Population**

According to Welman, Kruger and Mitchell (2005) (cited in Queen-Mary & Mtapuri, 2014:5), a population consists of “objects that may be individuals, groups, organisations, human products and events, or the conditions to which they are exposed”. The population for the quantitative component of the present study consisted of the members of the seven agricultural co-operatives that received the Farm Together Programme training and are based in CDM. The qualitative study targeted stakeholders for the programme and these included DAFF, Department of Rural Development and Land Affairs, AgriSETA and service providers who participated in the Farm Together Programme.

### **3.5 Methodology for Collecting Secondary Data**

According to Patzer (1995), 'secondary data' refers to "data that was first collected for another purpose and is now being used again to address current objectives". This data compliment the data that will be collected on the current project (primary data). Secondary data assisted in gaining an understanding and context of the programme. The information fed into the design of the impact evaluation. Thus a literature search was conducted (Chapter 2 of the report) in which some project reports that were prepared during the conceptualisation, implementation and monitoring of the Farm Together Programme were reviewed. Policy documents around the topic of co-operatives and agriculture were also reviewed. More specifically, some of the documents reviewed include the following:

1. Briefing on the development and support programmes for co-operatives.
2. Status of co-operative support and development in South Africa (21 February 2012, Portfolio Committee on Economic Development, Cape Town).
3. South African Production Strategy, 2011–2025
4. RDLR Strategic Plan 2011–2014
5. A Co-operative Development Policy for South Africa, 2004
6. Limpopo Employment, Growth and Development Plan, 2009–2014
7. Strategic Plan 2012/13–2016/17 for the DAFF
8. Annual Report on the Implementation of Farm together Co-operative Training Programme.

### **3.6 Methodology for Collecting Primary Data**

#### **3.6.1 Quantitative survey**

Since the study targeted only seven co-operatives, everyone who was available to participate was requested to participate.

Table 3.1 shows the profile of the co-operatives in the CDM. Bakwena, which sells farmers goods, has the highest membership but which has shrunk in size over the

years. Now only 35 members are active. The next in biggest is Mashashane Balemi, which focuses on buying and selling, and has 20 members. Rampitjiesfontein used to have 32 members but it has shrunk to 9 members only.

**Table 3.1: Characteristics of the seven co-operatives in the CDM**

<b>Name of Co-operative</b>	<b>Total number of members</b>	<b>Year established</b>	<b>Type of co-operative</b>	<b>Main farming activity</b>
Rampitjiesfontein	Started with 32 Now 9 (7 women and 2 men)	2006	Primary	Mixed farming: goats, cattle, vegetable, field crop and poultry
Matlou Matlala	Started with 50 Now 11 (8 women and 3 men)	2000	Primary	Broilers
Korton	Started with 75 Now 13 (12 women and 1 man)	1997	Primary	Broilers
Ramoshoane	(7 women and 7 men)	1997	Primary	Poultry farming: layers and broilers
Seopa	(6 women and 3 men)	2002	Primary	Broilers
Bakwena	Started with 1 010 Now 118 Only 35 active (70 women and 48 men)	1983	Primary	Has a shop and sells farmers goods
Mashashane Balemi	12 women and 8 men	1981	Consumer	Buys and sells. Services farmers. Diesel, paraffin, petrol, oil, green mealies, grocery, storage.

A database of the co-operatives and their members' contact details was acquired from DAFF and was used to access the participants. Interviews were set up telephonically followed by face-to-face interviews at a scheduled time and place.

In order to collect information that would quantify the impact of the programme, a questionnaire was developed. The themes of the questionnaire were guided by the specific objectives of the Farm Together Programme. Thus the questionnaire contained the following sections:

- Section A: Demographic information

- Section B: Participation in the Farm Together Programme training
- Section C: Programme impact
  - Subsection C1: Impact on growth of co-operatives
  - Subsection C2: Impact on development of co-operatives.

In each section the data were measured through sets of categorical variables as well as open-ended questions. The levels of the categorical variables were either nominal (unordered) or ordinal (ordered). A number of the ordinal variables used Likert scales to determine perceptions. Bertram (2006) defines a 'Likert scale' as "a psychometric response scale primarily used in questionnaires to obtain participant's degree of agreement with a statement or set of statements". An example of a five-point Likert scale would be when respondents are asked to indicate their level of agreement to a statement, with the options being: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

### **3.6.1 Structured interviews with stakeholders**

According to Strydom et al. (2002:292), interviewing is the method of data collection most often used in qualitative research. Babbie (2004:299) describes this technique as qualitative field interviewing. Strydom et al. (2002:292) depict the interview in the qualitative research sense as a conversation that presents a two-sidedness. Babbie (2004:300) explains that qualitative interviewing implicates the interaction between the interviewer and the respondent.

As Babbie (2004:300) advises, the interviewer had a general idea about questions to be posed and guided the interview accordingly. A closer relationship between the interviewer and the respondent was possible. The interviewer could show his human side when asking questions and answering. He could show feelings. Oakley (1884:49) describes this as the reciprocal character of interviewing. Such interviews provided a greater range of information deep insight about the respondents. The respondents became participants in this nature Frey (1994:370).

A semi-structured questionnaire or interview guide was designed. The themes of the interview guide were as follows:

- *Theme 1:* Background information, including involvement in the Farm Together Programme
- *Theme 2:* Perceptions on the impact and sustainability of the programme
- *Theme 4:* Suggestions and recommendations on improving the programme.

As mentioned earlier, a representative of each of the stakeholder departments was requested to participate. Only representatives who were directly involved in all the phases of the programme: from conceptualisation, implementation and monitoring to evaluation were included. Thus these individuals were expected to have in-depth knowledge of the programme. Table 3.2 contains information about the representatives that were interviewed. A total of six were interviewed.

**Table 3.2: Information about the representatives that were interviewed**

<b>Department</b>	<b>Role in the Farm Together Programme</b>
DAFF	Custodian of the programme
AgriSETA	Implementing agent
DTI	Co-operative development, not involved in the programme
Training providers (x 2)	Provided the training

### **3.6.2 Direct observation by the researcher**

Apart from collecting information from interviews and key informants, the researcher also collected information through direct observation. According to Balbach (1999), observation allows one to see and experience directly what one otherwise would try to learn in an interview. Balbach (1999) further states that interviews are often complemented with observation and/or an analysis of documents. Both observation and document reviews are useful supplements to interviews and, in fact, sometimes turn out to be more important than interviews.

The observation sheet that is shown in Table 3.3 contains a list of items that had to be checked.

**Table 3.3: Observation checklist**

Check list	Name of co-operative					
Registration documents						
Constitution						
Business plan						
Marketing strategy						
Sales contracts						
Financial recording						
South African Revenue Service certificate						
Funding letters						
Visitors register						
Farming equipment/tools						
Minutes of meetings						
Production plan						
Conflict management procedures						

The researcher visited all seven co-operatives and observed how they were run, the policies in place and any other observable evidence of the impact of the programme.

### **3.6.3 Pre-testing of instruments for data collection**

The three instruments, namely (i) survey questionnaire, (ii) in-depth interview guide and (iii) observation sheet, were pre-tested in order to check for consistency of questions, level of understanding of the questions by respondents and whether they made it possible to collect the required information. Instruments were adjusted based on the results of the pilot and finalised for data collection.

### **3.7 Data Analysis**

The researcher tested the hypothesis that the Farm Together Programme has a positive impact on the development and growth of co-operatives.



The survey data collected in this study were analysed using Statistical Package for Social Science (SPSS) version 21 statistical program following the procedural steps outlined herein.

### 3.7.1 Structural validity

The structural validity of the measurement instrument was examined through factor analysis; a process by which total correlation analysis of items is evaluated (Beavers et al, 2013). Prior to conducting factor analysis, the Keiser Meyer Olkin–Measure of Sampling Adequacy (KMO–MSA) analysis was undertaken to determine suitability of the size of sampling for factor analysis. The KMO–MSA value was used to indicate whether the data was suitable for factor analysis. The values were computed in the statistical program based on the function specified below:

$$KMO = \frac{(\sum \sum r_{ij}^2)}{(\sum \sum r_{ij}^2 + (\sum \sum a_{ij}^2))}; \text{ where } a_{ij} = (r_{ij} \bullet 1, 2, 3, \dots, k) \quad (1)$$

Where  $a_{ij} \approx 0.0$ , then the variables measure a common factor and the KMO–MAS value  $\approx 1.0$ . Conversely, where  $a_{ij} \approx 0.0$ , then the variables do not measure a common factor and the KMO value  $\approx 0.0$ .

Proceeding further, the Bartlett’s test of sphericity was conducted to determine whether surveyed data could sufficiently be analysed using factor analysis. Computation of the KMO–MSA was based on the function of exploratory factor analysis, which is a multivariate statistical method that examines the dimensionality of a set of variables, for which latent variables are unobserved constructs referred to as factors (Beavers et al, 2013). Operationally, the technique explored the dimensionality of a measurement instrument by finding the smallest number of interpretable factors that explained the correlations among a set of variables.

$$\begin{bmatrix} X_1 \\ \dots \\ X_n \end{bmatrix}_{n \times 1} = \begin{bmatrix} \lambda_{11} & \dots & \lambda_{1m} \\ \dots & \dots & \dots \\ \lambda_{n1} & \dots & \lambda_{nm} \end{bmatrix}_{n \times m} \begin{bmatrix} F_1 \\ \dots \\ F_m \end{bmatrix}_{m \times 1} + \begin{bmatrix} e_1 \\ \dots \\ e_n \end{bmatrix}_{n \times 1} \quad (2)$$

The matrix of the factor analysis model shown above indicates that given n variables  $X_1, \dots, X_n$  measured on a sample of m subjects will be specified based on the following assumptions.

a) The measurement error has a constant variance and on average equals zero

$$\text{Var}(e_j) = \sigma_j^2 ; E(e_j) = 0 \quad (3)$$

b) No association between the factor and the measurement error

$$\text{Cov}(F, e_j) = 0 \quad (4)$$

c) No association between errors

$$\text{Cov}(e_j, e_k) = 0 \quad (5)$$

Given the factor, observed variables are independent of one another such that...

$$\text{Cov}(X_j, X_k | F) = 0 \quad (6)$$

The exploratory factor analysis method specifies only latent variables by placing no structure on the linear relationships between the observed variables and on the linear relationships between the observed variables.

### 3.7.2 Scale reliability

In order to evaluate the degree to which the chosen set of items measured a single one-dimensional latent construct, internal consistency or scale reliability of the items of the research instrument was examined using the Cronbach's alpha criterion (Cronbach, 1951). The Cronbach's alpha value was computed to examine the homogeneity of internal consistency of the underlying items given by the function:

$$\alpha = \frac{K}{K-1} \left( 1 - \frac{\sum_{i=1}^K \sigma_{Y_i}^2}{\sigma_X^2} \right) \quad (7)$$

Where:

$K$  = number of items

$\sigma_X^2$  = variance of observed total scores

$\sigma_{Y_i}^2$  = variance of item  $i$  for the current sample

### **3.7.3 Quantitative data analysis**

The impact on development from the perspective of the members of the co-operatives was assessed by asking them for their perceptions regarding co-operative governance, agri-business functions, management and extent of operating within the community. This information was cross-checked with the observed information.

The impact on the growth of co-operatives was also measured based on the perceptions of members of co-operatives, and observations on sales volumes, assets, membership, earnings, return on investments and number of employees.

Data were captured using Microsoft Excel and exported to the SPSS for analysis (Babbie & Mouton, 2006:583).

Descriptive statistics were used. Leedy and Ormrod (2006) describe this as entailing ordering and summarising the data by means of tabulation and graphics representation, and calculation of descriptive measures. In this way the inherent trends and properties of the observed data emerge clearly.

Statistical tests such as *t*-tests and chi-squared were also applied in analysing the data. The *t*-test is a test that is used to determine whether two sets of data are significantly different from each other. The chi-squared test is used to check whether a significant relationship exists between two categorical variables before they are reported on.

### **3.7.4 Qualitative data analysis**

Information deduced from analysis of survey data was complemented by perceptions of stakeholders who were interviewed and observations made by the researcher. The information was analysed in order to get views on their assessment of programme impact on the development and growth of co-operatives.

### **3.8 Study Limitations**

Not all the members of the co-operatives were available to participate in the study. Therefore, the sample size realised was small (46 interviews). This limited the level of confidence of reporting on the results. It also limited the level of data disaggregation that could be done. Analysis was limited to mostly descriptive statistics since most exploratory data analysis techniques require bigger sample sizes.

### **3.9 Ethical Considerations**

“Every researcher has a responsibility to protect the participants in an investigation” ([http://www.sagepub.com/upm-data/26094\\_3.pdf](http://www.sagepub.com/upm-data/26094_3.pdf)). The proposal for the research was submitted to SHDC for ethical clearance. The purpose of the study, data collection method and the expectation of the researcher were explained to the research participants. The participants were informed that participation was voluntary; they could withdraw from the study at any time. Direct verbal consent was sought from each participant. Confidentiality of respondents' views was guaranteed as no respondents could in any way be linked to any particular view or finding. Names of respondents were not asked or recorded in any way. The information collected was destroyed as soon as the study was finalised and the report had been accepted. The researcher understood that it was important to respect the rights, dignity and privacy of research participants. Furthermore, prior consent was sought for any recorded information or photographs that were used. Participants were also informed that the results of the study would be shared with their co-operatives.

Apart from instrumentation and procedural concerns, the collection of data from research participants raise ethical concerns that need to be observed with a high degree of diplomacy. Such concerns include avoidance of harm to participants, observing due respect for participants' privacy, respecting participants as individuals, and avoidance of subjecting participants to unnecessary research. Against this background, consent from all respondents and participants was obtained prior to commencing the distribution of the questionnaires. All the targeted research

participants were briefed clearly on the purpose of the research prior to data collection in a manner in which no influence was exerted on the respondents.

Overall, the following ethical issues were observed during the research survey:

- *Right to privacy:* Participants were given the opportunity to choose whether or not to participate in the study and whether or not to complete the questionnaire.
- *Right to anonymity and confidentiality:* The informants remained anonymous and the responses of all participants were kept confidential. Codes were used instead of participants' names and surnames.
- *Right to full disclosure and informed consent:* Participants were given an informed consent form explaining the details of the study after adequate, truthful and accurate information about the study had been disclosed.
- *Right to fair treatment:* All participants were treated fairly, without discrimination, and the researcher was accountable for upholding the participants' rights.

## CHAPTER 4: PRESENTATION AND INTERPRETATION OF RESEARCH FINDINGS

In this chapter the data that were collected are presented. The first section describes the profile of the respondents and is followed by a section discussing the findings from the survey of co-operative members, interviews with stakeholders and observations made by the researcher.

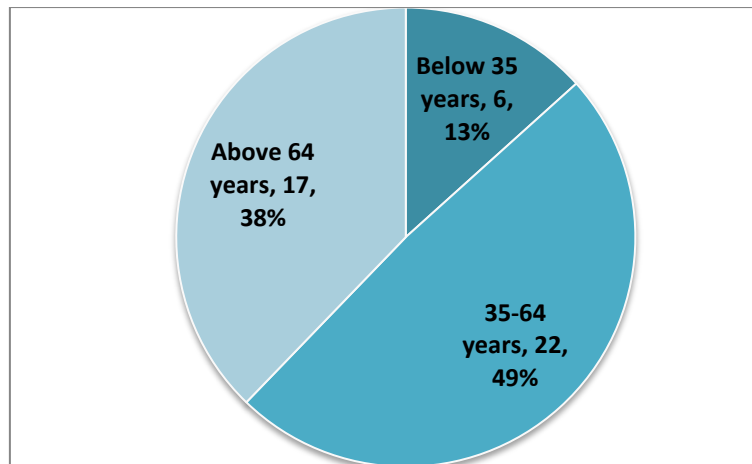
### 4.1 Profile of Respondents

Out of the seven co-operatives in the CDM, Bakwena Primary has the highest membership (35), followed by Mashashane Balemi (20) and then the others. Put together, the co-operatives have a total of 111 members. Of these members, 41% (46 out of 111) participated in the survey and 70% of them (32 out of 46) were women as shown in Table 4.1.

**Table 4.1: Survey respondents by co-operative and gender**

Co-operative	Total number of active members	Members who participated in the study		
		Women	Men	Total
Ramoshoane Agric	14	6	3	9
Seopa Primary	9	5	3	8
Mashashane Balemi	20	3	4	7
Matlou Matlala Primary	11	6	1	7
Korton Poultry Project	13	4	1	5
Bakwena Primary	35	3	2	5
Rampitjies Fontein Agric	9	5	0	5
<b>Total</b>	<b>111</b>	<b>32</b>	<b>14</b>	<b>46</b>

Few young people are involved in co-operatives (only 13%). Most of the respondents (49%) are in the 35–64 year age group as shown in Figure 4.1.

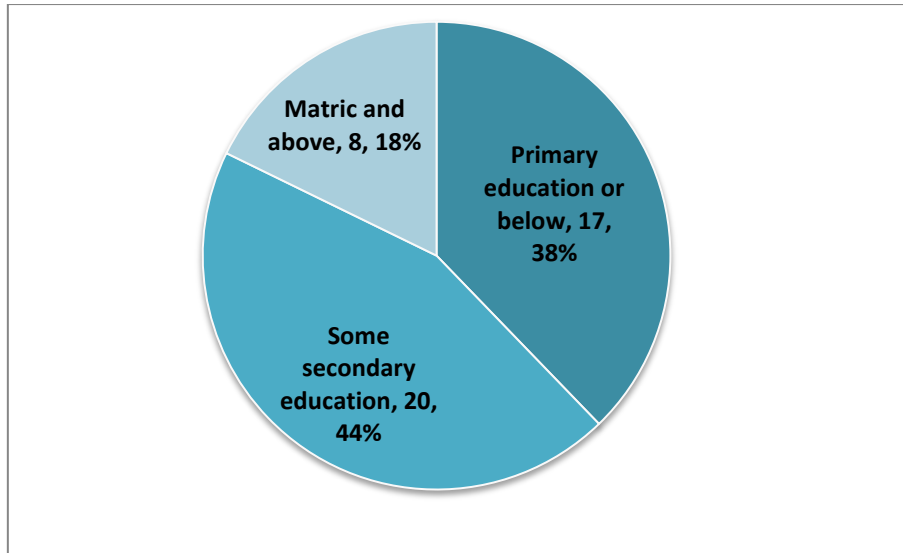


**Figure 4.1: Respondents by age group**

A split of the respondents by level of education is shown in Figure 4.2. Most of the respondents (20 = 44%) had some secondary education but without Matric. This was closely followed by those who fell in the category of up to primary education (17 = 38%). This category was made up of those who did not have any education or had some primary education. Only 8 out of the 45 had at least a Matric. When an official from the Department of Agriculture was asked to specify the challenges that were still being faced by co-operatives, he had this to say:

Most agricultural co-operative members are elderly people with low levels of literacy or no literacy at all, and it becomes difficult to train them in modern technologies and application.

However, the design of the Farm Together Programme catered for this weakness as expressed by a training provider who explained that the training facilitation was designed to accommodate members with low levels of literacy.



**Figure 4.2: Level of education of respondents**

Most of the members of co-operatives are older women who have low levels of literacy. This is in line with the literature that finds educational levels in farming communities is generally low. Even though the Farm Together Programme was designed to cater for all levels of literacy, this is a limitation on its own in terms of the technical skills that can be imparted during the training, for example, the use of computers, project, and human and financial management techniques.

#### **4.2 Programme Participation and Comprehensiveness**

As highlighted earlier, the sample realised was very small (46) and therefore the data could not be disaggregated by the demographics. Most of the respondents did not attend the training (74% = 34). However, the majority of the 12 who reported that they had participated were satisfied with the training received (11 out of 12). Everyone who attended perceived that the training was relevant and all of them reported that most of their training needs were met. Respondents identified their further training needs as computer training, training in finance and also training in the marketing of products. According to a training provider, the Farm Together Programme training was custom-designed to address the challenges that agriculture co-operatives in Limpopo are facing. The training provider summarised these as follows:



Governance issues, strategic direction, establishment of projects that support strategic objectives, resource mobilisation, financial management, access to markets and marketing of co-operatives products, reporting and low literacy.

The same training provider also explained that even though the syllabus for the training was as comprehensive as possible, a single programme could never address all existing skills gaps but should be improved as time goes on. He summed it up by saying:

Farm Together Programme alone cannot address all the training gaps. There is still technical training necessary in the form of learnerships. Farm Together Programme forms the basis of understanding co-operatives and how they function but not technical aspects of farming.

Thus he made some recommendations on the programme, among others, the following:

It is only offered at level 1. One would like to see the same programme going to levels 2, 3 and 4.

Another training provider identified further gaps in the programme:

It does not address the basic principles of co-operatives, it does not address governance problems, it is very thin on financial management, the focus is more on record keeping, it is very thin on by-laws and compliance, it does not cover issues of leadership and management.

When asked to recommend how these gaps could be addressed, he said:

Farm Together Programme must be part of a package, and not a stand-alone programme. Other courses such as on basic co-operatives, finance for co-operatives, governance, management and leadership should be facilitated together with the Farm Together Programme.

Respondents were asked to rate indicators of growth and development before and after the co-operative had been involved in the programme. They rated each indicator on a scale of 1 to 5 where 1 = Poor, 2 = Fair, 3 = Good, 4 = Very good and 5 = Excellent. In order to assess whether the ratings before and after were different, a t-test for paired samples was applied. It compared the mean (average) scores from each respondent before and after their participation.

### 4.3 Scale reliability of instrument's items explaining corporate governance

**Table 4.2: Scale reliability of items per dimension**

Dimension	Items	Cronbach's alpha	No. of Items
Leadership	Effective management by director Approval by directors Strategic director not involved with operations Division of roles and responsibilities Effective management by directors Cooperative member engagement	0.571	6
Working effectively	Understanding of duties by members Information and advice dissemination to members Cooperative has skills knowledge and experience New member training, support and induction Cooperative manager supervision remuneration Cooperative and member performance review Does cooperative have renewal strategy Transparent cooperative recruitment policy Cooperative chair and honorary defined roles Selection of senior post done by cooperative Cooperative sets sub-committees term of reference Regular monitoring of delegated authorities by cooperative Cooperative compliance	0.664	13
Exercising control	Cooperative has appropriate internal controls Protection of assets by cooperative Review of risks by governing body Maximization of diversity by cooperative Cooperative allows delegated authority Cooperatives takes professional advice for decisions	0.810	6
Integrity	Are values and ethos enshrined in cooperative policies Cooperative supports constructive challenge Cooperative Acts openly in all matters Approval of funding model no stakeholder can influence Separate personal views when representing cooperative Clear whistle blowing policies	0.515	6
Openness and accountability	Effective communication strategy available Cooperative supports learning process Equality and diversity Community and environmental responsibility	0.663	4
Overall Scale Reliability		0.860	35

To determine the degree to which the chosen set of items measured a single unidimensional latent construct, internal consistency of the questionnaire items was examined using the Cronbach's alpha criterion. The overall value of the Cronbach's alpha ( $\alpha = 0.894$ ) indicate that all 35 survey instrument's items were statistically reliable; thus all items explored in the study measured a single unidimensional latent construct of the research study. Overall, the scale reliability score indicate that data generated and used in the respective study was statistically reliable.

#### 4.4 Statistical validity of items explaining corporate governance

**Table 4.3: Statistical validity of items per dimension based on KMO-MSA criteria**

Dimension	Items	KMO-MSA value	No. of Items
Leadership	Effective management by director Approval by directors Strategic director not involved in operations Division of roles and responsibilities Effective management by directors Co-operative member engagement	0.480	6
Working effectively	Understanding of duties by members Information and advice dissemination to members Cooperative has skills knowledge and experience New member training, support and induction Cooperative manager supervision remuneration Cooperative and member performance review Does cooperative have renewal strategy Transparent co-operative recruitment policy Cooperative chair and honorary defined roles Selection of senior post done by cooperative Cooperative sets sub-committees term of reference Regular monitoring of delegated authorities by co-operative Cooperative compliance	0.480	13
Exercising control	Cooperative has appropriate internal controls Protection of assets by co-operative Review of risks by governing body Maximization of diversity by co-operative Cooperative allows delegated authority Cooperatives takes professional advice for decisions	0.832	6
Integrity	Are values and ethos enshrined in cooperative policies Cooperative supports constructive challenge Cooperative Acts openly in all matters Approval of funding model no stakeholder can influence Separate personal views when representing co-operative	0.556	6

Dimension	Items	KMO-MSA value	No. of Items
	Clear whistle-blowing policies		
Openness and accountability	Effective communication strategy available Cooperative supports learning process Equality and diversity Community and environmental responsibility	0.614	4

The Keiser-Meyer-Olkin (KMO) approach was used to determine suitability of the size of sampling for factor analysis. The distinct measures of sampling adequacy indicated by the computed Keiser-Meyer-Olkin values confirm that the sample of items explored under each dimension were adequate for the study. The KMO result computed in measuring the sampling adequacy indicates that the questionnaire items as per each given construct satisfied the criteria for appropriateness of performing exploratory factor analysis for variance analysis. From a statistical perspective, all the items used in the research survey were adequate to explain the aspects deemed necessary in providing the outlook of the impact of the Department of Agriculture “farm together programme” on development and growth of selected agricultural cooperatives in Capricorn District Municipality in Limpopo.

#### 4.5 Total variance explained

**Table 4.4: Total variance explained: Corporate governance<sup>a</sup>**

Leadership									
Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Var	Cumulative %	Total	% of Var	Cumulative %	Total	% of Var	Cumulative %
1	2.219	36.991	36.991	1.664	27.738	27.738	1.614	26.906	26.906
2	1.639	27.318	64.309	1.328	22.127	49.865	1.378	22.959	49.865
Exercising control									
1	3.565	59.424	59.424	3.338	55.639	55.639	-	-	-
Integrity									
1	2.406	40.108	40.108	1.471	24.514	24.514	2.141	35.689	35.689
2	1.941	32.354	72.462	2.164	36.060	60.574	1.493	24.886	60.574

a. Total variance explained statistics for dimensions “working effectively” and “openness and accountability” could not be computed as in certain iterations, commonalities of certain variables exceeded 1.0 hence extractions were terminated.

Results from final iteration of leadership items indicate presence of two eigenvalues greater than 1; thus two factors were extracted from items in the data set. Based on cumulative rotation sums of squared loadings; approximately 50% of total variance in the dataset containing items describing leadership was accounted for by two factors. From the total 50% variance, factor 1 individually accounts for 26.91%; while factor 2 account for 22.96% of the variance in the data set. With regards to items describing exercise of control, only one factor was extracted and accounted for 55.64% of the total variance based on extraction sums of squared loadings. For the dimensions “integrity”, only two factors were extracted, yielding a cumulative rotation sum of squared loadings of 60.57% of total variance in data set of items explaining integrity.

#### **4.6 Impact of the Farm Together Programme on Growth**

The impact on growth was assessed by exploring members’ perceptions on productivity, revenue generation/sales, household income and own food production.

##### **4.6.1 Respondents’ perceptions on productivity**

Respondents were asked to compare overall productivity of the co-operative before their co-operative was involved in the programme and after it had participated in the programme. The t-test results show a  $p$  value of 0.474. Since the  $p$  value is greater than 0.05, it implies that there is no significant difference between productivity before and after participation. Therefore, the conclusion can be derived at that the programme participation did not significantly improve the perceived productivity of the co-operatives.

A production plan is an important asset to improving productivity. As observed by the researcher on the premises of the co-operatives, only three had a production plan and these were Matlou Matla, Korton and Ramoshoane.

##### **4.6.2 Respondents’ perceptions on revenue generation**

When asked to compare the revenue generation or the sales that were being made before participation and those that are currently being made, there was no significant

change in them as the  $p$  value of 0.091 was obtained from the t-test. Thus, according to the results of this study, participation in the programme did not significantly improve revenue generation or sales.

In order to be able to monitor sales, a business plan needs to be in place that could be used to monitor progress. According to observations that were made, all the co-operatives had business plans and financial records in place. However, none of them had sales contracts in place.

#### **4.6.3 Respondents' perceptions on household income**

The  $p$  value for perceived household income was 0.021, which is less than 0.05 and therefore at a 95% confidence level, it showed significant improvement. Thus members of co-operatives perceived that household income improved after their co-operative had participated in the Farm Together Programme. This can be interpreted as that participation in the programme improved the household income of co-operative members.

#### **4.6.4 Respondents' perceptions on own food production**

The  $p$  value for perceived own food production was 0.422. Thus, based on the  $p$  value, it can be concluded that at a 95% confidence level there was no significant impact on own food production before and after participation in the programme. Participation in the programme had no significant impact on own food production.

#### **4.6.5 Respondents' perceptions on household nutrition**

A  $p$  value of 0.14 implies that there was no significant difference between the mean ratings of the household nutrition level before and after the co-operative had participated in the programme. Thus participation in the Farm Together Programme did not necessarily increase the household nutrition levels of co-operative members.

## **4.7 Respondents' Perceptions on the Impact of the Farm Together Programme on Development**

The impact of the Farm Together Programme on development of the co-operatives was measured in terms of members' perceptions on farming-related skills, time management skills, marketing skills and stakeholder interactions.

### **4.7.1 Respondents' perceptions on farming-related skills**

There was a positive change with a  $p$  value of 0.0005. The farming-related skills improvement shows a statistically significant change after the Farm Together Programme intervention at 95% confidence interval. It can be concluded that participation in the programme improved farming-related skills.

### **4.7.2 Respondents' perceptions on time management skills**

The t-test results yielded a  $p$  value of 0.002. The improvement is statistically significant at 95% confidence level. This shows that the intervention was perceived to have improved the participants' time management skills.

### **4.7.3 Respondents' perceptions on marketing skills**

According to the t-test results, marketing skills are perceived to have improved after the training (as shown), with a  $p$  value of 0.0005. The improvement in marketing skills was statistically significant at 95% confidence interval. Participation in the programme improved co-operatives' marketing skills.

The researcher observed that none of the co-operatives had a marketing strategy in place. However, there are efforts that have started addressing this gap, as explained by the official from the dti, who said:

The dti, through the co-operatives unit, is currently assisting co-operatives with access to markets, finance and proper training for agricultural co-operatives.

All the co-operatives, except Bakwena Primary, had a visitors register in which reasons for visits and enquiries made by these visitors were recorded.

#### **4.7.4 Respondents' perceptions on stakeholder interaction**

In terms of stakeholder networking, the  $p$  value was 0.209, which is higher than 0.05. This implies that the change in stakeholder interaction was not statistically significant at the 95% confidence interval. It can be concluded that participation in the programme did not significantly improve stakeholder interaction.

#### **4.7.5 Respondents' perceptions on community participation in farming**

The perceived community participation in farming had a  $p$  value of 0.403, which indicates that this improvement was not statistically significant at the 95% confidence interval. In short, participation in the programme is perceived not to have necessarily improved community participation in farming.

When the official from AgriSETA was asked whether the implementation of the Farm Together Programme had any impact on the community, he responded by saying:

Our focus has been narrowed towards co-operatives; the programme is a fairly new intervention. As such, the general impact thereof on the broader communities might not be easily measured at this point. Again, it is very difficult to measure the impact of only a particular intervention within the broader co-operative development movement. The development of these entities is a result of a number of variables, including but not limited to, finances, infrastructure, skills, and other variables.

When the same question was posed to a training provider he said:

It is difficult to answer this question. I deal more with co-ops than with the community. My answer is that should a co-op be sustainable, the community will benefit through sustainability job creation.



#### **4.7.6 Respondents' perceptions on attitudes towards farming work**

According to members, attitudes towards farming work improved significantly after co-operatives had participated in the programme. The  $p$  value was 0.004, which shows that this improvement is significant at a 95% confidence level. Thus participation in the programme improves attitudes towards farming work.

#### **4.7.7 Respondents' perceptions on effectiveness of the training**

The results show that there was a significant positive change in the effectiveness of the co-operative after the training intervention with a  $p$  value of 0.0005. This was a statistically significant improvement at a 95% confidence interval. This shows that members perceived that after the training the co-operatives were more effective than before the training.

#### **4.7.8 Respondents' perceptions on institutional arrangements**

The institutional arrangements varied from one co-operative to another. Of the co-operatives, four of the seven co-operatives had open memberships. These are Mashashane Balemi, Korton Poultry Project, Bakwena Primary and Ramoshoane Agric. All co-operatives but two, Matlou Matlala Primary and Seopa Primary, had voting power that was proportional to the number of shares. In three of the co-operatives members were rewarded according to their labour input. All the co-operatives but one (Bakwena Primary) distributed the net profits from the co-operative as shown in Table 4.2. Mashashane Balemi had all the institutional structures in place, while Seopa Primary lacked most institutional structures.

**Table 4.5: Institutional arrangements in co-operatives**

<b>Co-operative</b>	<b>Open membership</b>	<b>Voting power proportionality</b>	<b>Members rewarded for labour input</b>	<b>Net surplus distribution</b>
Mashashane Balemi	x	x	x	x
Korton Poultry Project	x	x		x
Matlou Matlala Primary			x	x
Bakwena primary	x	x	x	
Ramoshoane Agric	x	x		x
Rampitjies Fontein Agric		x		x
Seopa Primary				x

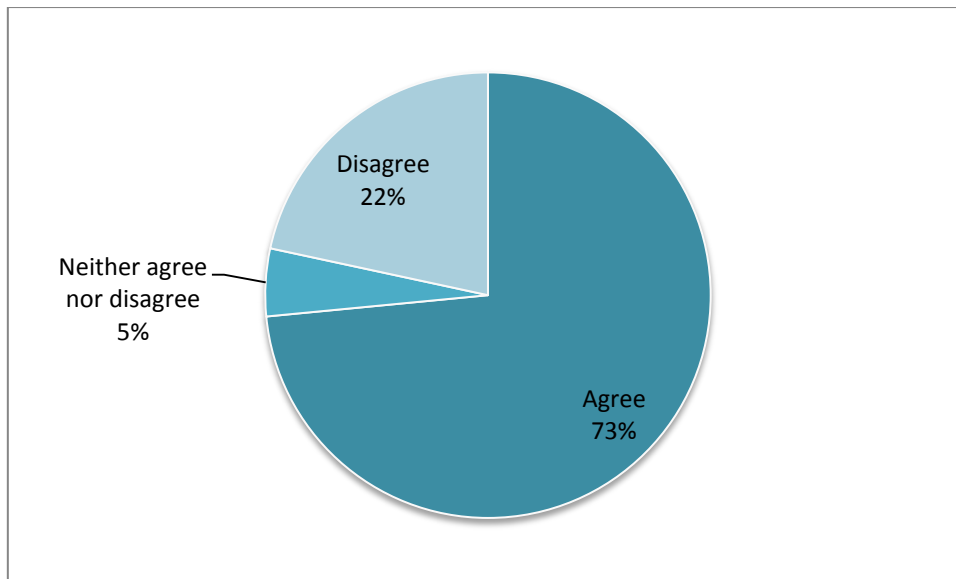
According to an official from AgriSETA,

the programme was well received by all the recipients, and from all the responses received we seem to have designed a programme that is very basic and assists in shaping people's understanding of the concept of collective planning and decision-making.

A training provider also reported that there was more collaborative decision-making. There is more farm and production planning in co-operatives as compared with before the implementation of the programme. As per observation by the researcher, all seven co-operatives have registration documents and a constitution. Five of the co-operatives had South African Revenue Service (SARS) certificates, except Matlou Matlala and Seopa, which did not have a certificate.

#### **4.7.9 Corporate governance**

The Farm Together Programme also included training on corporate governance. Corporate governance was measured in terms of whether the co-operative adhered to principles of leadership, working effectively, exercising control, integrity, openness and accountability. Respondents were asked to rate adherence in several questions that were used as proxy for corporate governance. Figure 4.3 shows that most (73%) of the respondents perceived that there was corporate governance in their co-operative, which is far higher than the 22% who perceived that corporate governance did not exist. The remaining 5% were undecided.



**Figure 4.3: The existence of corporate governance in the co-operative**

The respondents in this study ranked exercising control highest: 88.8% among all the constructs used for corporate governance. Exercising control included having appropriate systems of internal controls, performance reporting, policies and procedures, protection of assets, regular review of risks, diversity, proper delegation of authority, and taking appropriate professional advice before making important decisions.

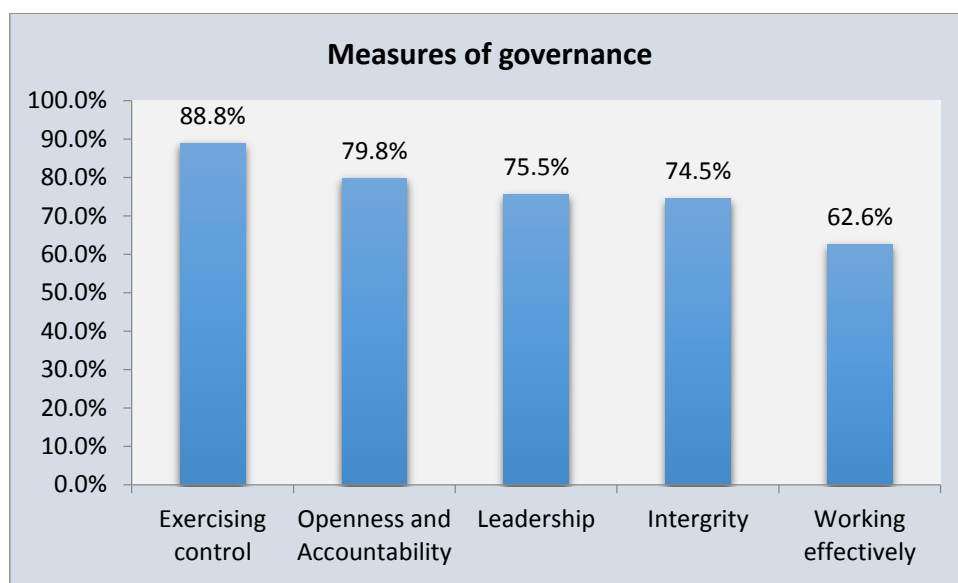
Openness and accountability were ranked second with 79.8% of the respondents maintaining that their co-operative was practising transparency in its operation. This included application of equality and diversity, accountability of the co-operative to the community and active communication.

Leadership was ranked third with 75.5% of the respondents in agreement that there was good leadership. This attribute looked at co-operatives with directors with ultimate responsibility for directing the affairs of the co-operative, approval of vision, mission and values, one director responsible for strategic direction of the co-operative, division and roles, and active participation.

Integrity was ranked fourth with 74.5% in agreement that their co-operative upheld integrity. Integrity was measured in terms of enshrining co-operative values and

ethos in policies and practices, fostering an environment that supports constructive challenge, openness and honesty in all matters, and that no one has personal views that are confused with the organisational views.

Lastly, working effectively was ranked the lowest, with 62.6% of the respondents in agreement that there was effective teamwork. This included understanding cooperative member duties and responsibilities, getting the right advice, diversity in skills and experience, giving induction and training to new members, regular performance appraisals, and compliance with statutory regulations.



**Figure 4.4: Measures of governance**

According to a key informant from AgriSETA,

[t]he Farm Together Programme was designed as a training intervention to support the governance structures/committees of co-operatives to better understand the concept of corporate governance, collective planning and decision making. It has been hailed by most co-operative members as an eye opener and a useful programme for co-operatives and other communal property institutions.

#### **4.7.10 Sustainability of the Farm Together Programme**

In order for the Farm Together Programme to continue, it should be sustainable. To measure the perceptions of respondents in terms of sustainability of the programme, they were asked if they would be willing to pay for such training in future. More were not prepared to pay (55.8%). However, almost all the respondents who attended the training reported that they were in a position to train others after the training they had received. In terms of whether the manner in which Farm Together Programme was run was sustainable, a training provider noted the following:

Farm Together Programme facilitated [by] a person with passion is the best skills programme ever designed for agricultural co-ops. I have witnessed where Farm Together Programme is facilitated by someone with no passion; the result left too much to be desired. Wrong people are facilitating Farm Together Programme. We should understand that Farm Together Programme is a business course, and not an agricultural course, so the facilitator should be someone who understands business.

An official from AgriSETA had this to say:

The programme is designed to provide a sustainable impact in the lifespan of co-operatives. However, the actual implementation thereof requires commitment from both the recipients and the training providers. If quality is compromised, this will result in a fruitless intervention.

The training provider went on to say:

Many co-operatives that have implemented the knowledge and skills acquired through Farm Together Programme have improved from being a project to sustainable enterprises.

#### **4.8 Other Gaps Identified and Suggestions Put Forward**

As long as co-operatives are not formed for the correct reasons, they cannot succeed. A training provider had this to say as reasons why the impact of the Farm Together Programme was not reaching the anticipated levels:

- Wrong co-ops are formed; 99% of co-ops are workers co-ops, where a rent-a-crowd system is used.
- Many co-ops are formed to access grants, so they are not viable and sustainable.
- Many co-ops are formed by elderly people with a low level of literacy and no business skills.
- Many co-ops are formed by government officials, so it is not co-op members who wish to form a co-op, but a co-op is imposed on them.
- Many government officials have no business skills, so they form co-ops for members which have no chance of sustainability.
- The majority of co-ops are production-oriented, instead of market-oriented.

He further went on to explain that most co-operatives are driven top-down. This is because officials are instructed to form co-operatives as per government policy, for members and not for profit and sustainability. According to him, less than 1% of registered co-operatives are profitable and sustainable.

An AgriSETA official agreed with this view:

If the learners and recipients can be assessed first to ascertain their status as members of co-operatives so as to avoid rent-a-participant approach by some training providers. If proper monitoring processes can be in place to uphold the quality of the programme.

The course is regarded as lacking a mentorship aspect which would help participants put theory into practice with guidance from mentors.

## **4.6 Conclusion**

This chapter presented the results of the primary data collection that was conducted. Data from the quantitative survey of co-operative members were interrogated with the assistance of the SPSS. The results were interpreted and complemented with qualitative data from the researcher's observations and also the interviews with programme stakeholders.

Thus the chapter started with a description of the respondents in terms of their demographic characteristics. This was followed by an exploration of the programme participation and comprehensiveness which revealed some of the gaps in the programme. The next section looked into the impact of the Farm Together Programme on growth and development of the cooperatives. Towards the end of the chapter, further gaps in the Farm Together Programme were identified and suggestions put forward.

## **CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

The research aimed to assess the impact of the Department of Agriculture's Farm Together Programme on the growth and development of selected agricultural co-operatives in the CDM of the Limpopo Province. The key questions the research aimed to answer were as follows:

- Has the Farm Together Programme been effective in growing agricultural co-operatives in the Limpopo Province?
- Has the Farm Together Programme been effective in developing agricultural co-operatives in the Limpopo Province?

In order to answer these questions, a survey was conducted with co-operatives that participated in the programme and are based in CDM. This was complemented by in-depth interviews with key stakeholders in the programme. The researcher also observed the institutional arrangements at the participating co-operatives.

This chapter summarises the key research findings of the study and draws conclusions. Recommendations are then suggested in terms of how to improve the programme so that it makes a bigger impact on farmers and areas of future research are also identified.

### **5.2 Key Research Findings**

#### **5.2.1 Relevance of the Farm Together Programme**

The overwhelming response was that the programme was relevant. Farmers appreciated the opportunity to receive skills in running their co-operatives. The programme formed the basis for understanding co-operatives and how they functioned. Even though further training and support needs were identified, all participants perceived that the programme was relevant.



### **5.2.2 Comprehensiveness of the programme**

The results show that the Farm Together Programme was not considered to be comprehensive because of lack of coverage of some training areas that farmers considered fundamental to their work. Beyond understanding co-operatives and how they function, there is a need for technical training in farming in the form of learnerships. The programme was considered lacking in mentoring support. Furthermore, it was pointed out that the Farm Together Programme was thin on financial management, by-laws and compliance.

### **5.2.3 Design features**

The Farm Together Programme was custom-designed to address challenges that are being faced by agricultural co-operatives in Limpopo Province. However, the Farm Together Programme as a stand-alone programme cannot address all the needs of co-operatives. It needs to be part of a package of which other courses such as finance for co-operatives and governance, management and leadership are part. Co-operatives are unique entities and therefore beyond the group training, each co-operative needs to be treated as such and be individually mentored.

## **5.3 Impact of the Farm Together Programme on the Growth of Co-operatives**

The programme has not resulted in significant improvement in productivity of co-operatives which is in contrast to literature findings that point to increased productivity due to FSPs. Some of the co-operatives did not have a production plan even though this was included in the training as an important asset to map and plan how production would be improved. It is necessary that a plan with clear deliverables and timelines for each co-operative be put in place. This should have been followed up immediately with an adherence assessment of the co-operatives.

The same is true for revenue generation or sales. According to the perceptions of co-operative members, sales did not improve significantly even though business plans and financial records were in place. Sometimes plans and records are put in place

but are not used or followed. This can only be addressed with much on-the-job mentoring and monitoring.

It is encouraging to note that there has been an improvement in household income, which is an achievement on the part of the programme. However, members noted that the production of own food did not improve. It is important to investigate further and explore why food production has not improved as this can be interpreted to imply that the focus is solely on commercial crops, resulting in low food production. This is complemented by the realisation that household nutrition has not improved, even though household income has improved. Co-operatives should be encouraged to include efforts to improve their food production and household nutrition.

#### **5.4 Impact of the Farm Together Programme on the Development of Co-operatives**

Members of co-operatives perceived that their farming, time management and marketing skills had improved after participation in the programme. However, co-operatives do not have marketing strategies in place. This could be due to lack of skills to use technology such as the Internet to establish markets and new marketing skills. Bringing in the youth, who are more literate, could assist in this aspect of developing co-operatives. Other existing efforts by stakeholders, such as the dti, which include exposing co-operatives to markets, should be encouraged and expanded upon in order to complement the Farm Together Programme.

Stakeholder interaction with co-operatives has not improved even after participation in the programme. Stakeholders should be encouraged to follow up on co-operatives and continue mentoring them beyond attending a training programme. Community participation has not improved either. However, this can be attributed mainly to the fact that the programme focused on co-operative members and not community members. It is important to find a way of reaching out to communities, which could be achieved through community meetings to educate them about co-operatives. This could also educate and encourage the young ones to join co-operatives. However, it is encouraging that community attitudes towards farming have improved. This should be used to encourage more community participation in co-operatives.

Overall, co-operative members perceive that the training was effective. Their co-operatives are functioning more effectively than before. Progress has been made in setting up institutional structures in the co-operatives. There has been a marked improvement in people's understanding of the concept of collective planning and decision-making. Registration documents and constitutions have been put in place. However, this has not yet been achieved 100% in all co-operatives and for those co-operatives that lack one structure or another. They should be assisted in setting them up and applying them in the running of the co-operative.

Co-operatives are perceived by their members to be adhering to corporate governance principles. This is because the Farm Together Programme was designed around imparting those skills related to setting up corporate governance systems.

Co-operative members are in a position to pass on the skills gained from the programme to other co-operative members. This is a good indicator of the sustainability and continuity of the programme as those who received training can train others too. However, members do not put a financial value on the programme because all of them would not pay for a similar programme in future. This could imply that they do not see any value-add from attending the programme. Further investigation is necessary to learn why they view the programme in that way. It is important that appropriate facilitators with relevant skills facilitate the training. Already there is a perception that some of the trainers do not have the relevant skills and therefore their training is not effective.

## **5.5 Policy and Strategic Implications**

Some of the co-operatives were formed for the wrong reasons. Some were formed in the days leading up to the training. It is important to screen the co-operatives properly and to relook at the recruitment strategy so that the skills are imparted to people who need them, and would appreciate and apply them in their respective co-operatives.

A gap was identified in the mentorship of co-operatives. Even though skills are imparted during training, it is important that on-site mentoring be made available. Usually when delegates are in class, everything seems simple and understandable. However, when it comes to application of the skills in the co-operative, this can become highly challenging to the elderly and less literate members who are dominating the membership of co-operatives.

## **5.6 Conclusions**

It is encouraging to note that the Farm Together Programme in Limpopo Province was relevant to the co-operatives. Most of the beneficiaries of this programme have a disadvantaged background and therefore appreciated the skills that were availed to them. The programme was tailor-made to address specific skills and institutional gaps that existed, and therefore made it more relevant and comprehensive. However, this one programme alone may not be in a position to address everything since it was meant to make basic skills available in running co-operatives. Further follow-up training on more advanced skills needs to be done. The basic skills offered by the programme are more often than not insufficient to run a co-operative successfully. An example was that in the financial management module, the main focus is on book keeping. However, there is more to finance management than book keeping, hence the need for further training. The programme needs to be complemented by extensive mentoring as this was cited as one of the shortcomings of the programme. Co-operative members need to be monitored in terms of the implementation of skills and be mentored in a longer-term period.

The Farm Together Programme did not significantly improve the growth of co-operatives. This is because there was no evidence of improvement in productivity, revenue generation or sales, household nutrition or own food production. Some of the co-operatives did not have the basic structures to facilitate the anticipated improvements such as production plans. Even though there were some with business plans and financial records in place, it seems as though they were there for the purpose of being there but not being adhered to.

Even though household income was noted to have improved, it is disconcerting that production of own food did not improve. One of the key objectives of co-operatives is to improve food production. This could be an indication that members focus on financial gain and therefore commercial crops, resulting in low food production. This re-emphasises the need for co-operative mentoring. The programme should go beyond group training, and follow up trainees with a monitoring and evaluation plan tailor-made for each co-operative. It is one thing to have the skills and another to implement them; the latter can be effectively achieved with adequate monitoring and coaching.

Participation in the programme had some level of impact on development because farming, time management and marketing skills improved. However, as long as this is not showing in the improvement in productivity, revenue sales and so forth, it cannot be counted as an achievement. A key challenge to exposing co-operatives to key markets is the low levels of literacy among co-operative members. This limits the use of technology such as the Internet in searching for possible markets and new ways of doing business. Co-operatives are failing to attract the youth who could bring in such skills. It is important that there be an effort to reach out to other community members (including the youth) and help them identify projects in which they can come together and work on. Unemployment among the youth continues to increase but co-operatives are failing to attract them.

It is encouraging that most members who received training on the programme are in a position to pass on the skills acquired to those members who did not participate. Thus the programme is self-sustainable in future. The criterion for identifying co-operatives to benefit from the programme should be made clear and transparent to ensure that the resources are spent for the correct cause.

## **5.7 Recommendations**

There is a need for follow-up programmes for trainees. The Farm Together Programme, as a basic course, lays the foundations and gives the basic skills but there is a need for training in advanced skills if the co-operatives are to grow and expand. Considering that most of the trainees have low levels of literacy, on-the-job

mentoring becomes an important aspect of the programme. More time and resources should be invested in monitoring and evaluating the progress being made by the co-operatives in terms of implementing the skills gained from the training received. Group training is important. However, co-operatives are different, depending on the type of business it engages in. Thus mentoring, monitoring and evaluation allow for focus on each co-operative's unique issues.

Co-operatives should be encouraged and supported to produce food for own consumption. This would allow the income generated to go towards other human needs rather than towards buying food. An effort should be made to attract the youth to co-operatives. Suggestions include government subsidising those co-operatives that employ the youth by paying them an allowance.

Availability of markets for co-operatives' produce remains a limiting factor for most co-operatives. Existing efforts by the dti to expose co-operatives to markets should be strengthened and supported. This is key to the growth of co-operatives.

There is a need to constantly review the content of the training programme and upgrade it in line with the ever-changing trends in businesses. Co-operatives are varied and this should be taken into consideration when designing content for each training wave. A situation analysis of the co-operative members should be done before delivering the training as members are also varied, especially in their literacy levels.

It is of concern that the youth are not getting involved in the co-operatives since unemployment among them is increasing. Further research is required in order to understand the underlying factors. This would now feed into designing approaches to encourage youth participation in co-operatives.

## APPENDICES

### APPENDIX A QUESTIONNAIRE:

#### ASSESSING THE IMPACT OF THE DEPARTMENT OF AGRICULTURE FARM TOGETHER PROGRAMME ON DEVELOPMENT AND GROWTH OF SELECTED AGRICULTURAL CO-OPERATIVES IN CAPRICORN DISTRICT MUNICIPALITY IN LIMPOPO PROVINCE

Dear Attendee of the FTP program,

Please help us assess the impact of the FTP Program. The questions refer to how you have benefited from participating in the program and if it has had an impact on your life. The impact on your life should be taken in its broadest definition, including use of acquired information, skills, changed attitudes, etc.

Where indicated, we kindly ask you to provide at least one concrete example or reason supporting your answers. This will be essential for us to understand which aspects of the program have been most useful and how we may improve it.

If you have any questions about the questionnaire, please contact Mr Manankele Nchabeleng email: [manankele@gmail.com](mailto:manankele@gmail.com) and or Cell: 0721831623

Thank you for your time and cooperation.

Name of ward \_\_\_\_\_

Name of Cooperative \_\_\_\_\_

How many directors are in the cooperative \_\_\_\_\_

How many members are in the cooperative including directors -----

#### Section a: Demographical information

1. What is your gender?

1 Female

2 Male

2. What is your age?

1-18 to 24

2- 25 to 34

3- 35 to 44

4- 45 to 54

5- 55 to 64

- 6- 65 to 74
- 7- 75 or older

**1. Which of the following best describes your current employment status?**

- 1 Full time
- 2 Part time
- 3 Unemployed
- 4 Self employed

**1. What is the highest level of education you have completed?**

- 1- Did not attend school
- 2- attended but did not Completed grade 3
- 3- Completed grade 3
- 4- Completed grade 5
- 5- Completed grade 7
- 6- Completed grade 8
- 7- Completed grade 11
- 8- Completed grade 12
- 9- Degree

**1 Other training attended please specify**

---

**SECTION B PROGRAMME PARTICIPATION**

**6. Did you attend the FTP?**

- Yes
- No

**7. When did you attend the FTP?**

- 1- 2009
- 2- 2010
- 3- 2011



- 4- 2012
- 5- 2013
- 6- 2014

1. **Did you complete the FTP?**

- Yes  No

9. **If not how many days did you attend? \_\_\_\_\_**

10. **How relevant /useful was the training program**

- 1- Not relevant at all
- 2- Not relevant
- 3- Neither relevant or irrelevant
- 4- Relevant
- 5 Very relevant

11. **Were all your training needs addressed?**

- Yes  No

12. **What else do you feel the program should have included?**

\_\_\_\_\_

13. **Do you think that after the training you can also train other cooperatives members in your community and have same knowledge and skills you have gained**

- Yes  No

14. **How satisfied are you with the FTP?**

- 1- Very dissatisfied
- 2- Dissatisfied
- 3- Neither dissatisfied nor satisfied
- 4- Satisfied
- 5 Very satisfied

15. Do you think the community is talking a leading role in the programme?

Yes

No

16. What should be done to improve the program that was provided?

---

17. Evaluate the following including your skills and knowledge before and after the program?

1 = Poor 2 = Fair 3 = Good 4 = Very Good 5 = Excellent

Self-assessment of your knowledge and skills	Before program					After program				
	1	2	3	4	5	1	2	3	4	5
Farming related skills	1	2	3	4	5	1	2	3	4	5
Management of time	1	2	3	4	5	1	2	3	4	5
Overall productivity	1	2	3	4	5	1	2	3	4	5
Effectiveness	1	2	3	4	5	1	2	3	4	5
Attitude towards farming work	1	2	3	4	5	1	2	3	4	5
House Hold income	1	2	3	4	5	1	2	3	4	5
Sales/revenue	1	2	3	4	5	1	2	3	4	5
Own food production	1	2	3	4	5	1	2	3	4	5
HH Nutritional (health diet)	1	2	3	4	5	1	2	3	4	5
Community participation in farming	1	2	3	4	5	1	2	3	4	5
Marketing skills	1	2	3	4	5	1	2	1	4	5
Stakeholder Interaction / networking	1	2	3	4	5	1	2	1	4	5

18. Would you be willing to pay for such program in future?

Yes

No

19. Do you have any suggestions for improving performance of your cooperative?

---

## SECTION D: INSTITUTIONAL ARRANGEMENTS

20. Is there open membership

- Yes  No

21. Is the Voting Power proportional to the number of share?

- Yes  No

22. Net surpluses are/will be distributed in proportion to individual equity contributions?

- Yes  No

23. Members are rewarded according to their labour input?

- Yes  No

## SECTION E: CORPORATE GOVERNANCE

### Leadership

24. There is one Director with ultimate responsibility for directing the affairs of the organization, ensuring it is solvent, well run and delivering the outcomes for which it has been set up.

- 1- I strongly agree  
 2- I agree  
 3- I neither agree nor disagree  
 4- I disagree  
 5 I strongly disagree

25. The directors have approved our mission and values and assesses all proposed activities against them.

- 1- I strongly agree  
 2- I agree  
 3- I neither agree nor disagree  
 4- I disagree  
 5 I strongly disagree

**26.** There is one director who focuses on the strategic direction of the organization and do not become involved in day-to-day operational decisions.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**27.** The division of roles and responsibilities between Directors and Cooperative members and staff is clear

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**28.** The directors have ultimate responsibility for directing the affairs of the organisation, ensuring it is solvent, well run and delivering the outcomes for which it has been set up.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**29.** The Cooperative encourages and enables the engagement of key stakeholders, such as users and beneficiaries, in the organisation's planning and decision making.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

### Working effectively

30. The Cooperative members understand their duties and responsibilities and have a statement defining them

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

31. The Cooperative members receive the advice and information that they need to make good decisions.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

32. The Cooperative has the diverse range of skills, experience and knowledge that it needs to run the Organisation effectively.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

33. New members receive the necessary induction, training and ongoing support that they need to discharge their duties.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**34.** The Cooperative has proper arrangements for the supervision, appraisal and remuneration of its manager

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**35.** The Cooperative regularly reviews and assesses its own performance and that of individual members

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**36.** The Cooperative has a strategy for its own renewal.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**37.** The recruitment of new members is open and focused on creating a diverse and effective Cooperative

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**38.** The Cooperative has defined the roles and responsibilities of the chair and other honorary officers in writing

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**39.** The Cooperative selects and appoints the senior post in the organisation.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**40.** The Cooperative sets clear terms of reference for sub-committees, advisory panels etc.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**41.** All delegated authorities are subject to regular monitoring by the Cooperative

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

42. The Cooperative ensures that it complies with your governing document, relevant laws and the requirements of any regulatory bodies.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

### Exercising control

43. The Cooperative ensures that we have appropriate systems of internal controls, performance reporting, policies and procedures and that these systems are reviewed regularly.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

44. The Cooperative acts prudently to protect the assets and property of the organisation and ensures that they are used to deliver our objectives.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

45. The governing body regularly reviews the risks to which we are subject and takes action to mitigate the risks identified.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree



46. The Cooperative maximizes its diversity to bring different perspectives to risk management.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

47. The Cooperative allows the proper exercise of delegated authority without undue interference, whilst ensuring appropriate monitoring and feedback.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

48. The Cooperative takes appropriate professional advice before making important decisions.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

### **Integrity**

49. The Cooperative ensures the organisation's values and ethos are enshrined in its policies and practices.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**50.** The Cooperative fosters an environment that supports constructive challenge and welcomes different points of view.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**51.** The Cooperative acts openly and honestly in all matters, and interests are declared even if the relevance or impact is unclear.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**52.** The Cooperative has approved a funding model in which no single stakeholder exercises undue influence.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**53.** Where Cooperative members represent the organisation, they ensure their personal views are never confused with those of the organisation.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**54.** The Cooperative has clear policies and procedures for whistle blowing.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**Openness and accountability**

**55.** The Cooperative ensures there is a strategy for regular and effective communication with all stakeholders –audiences, customers, funders etc.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**56.** The Cooperative supports the process of learning from mistakes and successes, ensuring external views are taken into account.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**57.** The Cooperative upholds and applies the principles of equality and diversity and ensures that we are fair and open to all sections of the community.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**58.** The Cooperative recognises the organisation's responsibilities towards its wider communities, society and the environment.

- 1- I strongly agree
- 2- I agree
- 3- I neither agree nor disagree
- 4- I disagree
- 5 I strongly disagree

**APPENDIX B**

**ASSESSING THE IMPACT OF FARM TOGETHER PROGRAMME ON  
DEVELOPMENT AND GROWTH OF SELECTED AGRICULTURAL CO-  
OPERATIVES IN CAPRICORN DISTRICT MUNICIPALITY  
IN LIMPOPO PROVINCE**

**Key informant**

1. From your experience what are the main challenges facing agriculture cooperatives in South Africa in general and Limpopo in Particular?

---

---

---

---

---

---

---

---

2. What are some the interventions that were ever done by stakeholders to address some of the challenges?

---

---

---

---

---

---

---

---

3. In what ways has the Farm together program been able to address some of the challenges you mentioned above?

---

---

---

---

---

---

---

---

---

---

4. What are some of the shortfalls if any that the current farm together program has?

---

---

---

---

---

---

---

---

5. What impact did the FTP have on the

a. Agric cooperatives?

---

---

---

---

---

---

---

---

b. The community?

---

---

---

---

---

---

---

---

6. Do you think the way the FTP is run is sustainable, explain?

---

---

---

---

---

---

---

---

7. In what ways can the FTP be made more effective?

---

---

---

---

---

---

---

---

8. Do you think the FTP has been enough to address all the training gaps?  
Explain

---

---

---

---

---

---

---

---

9. What other types of interventions do you think can be beneficial in future

---

---

---

---

---

---

---

---

## REFERENCES

- Ablort-Morgan, C. 2003. The impact of music within play therapy on the classroom behaviour of autistic children. MA dissertation. University of Pretoria.
- Aref, F. 2011. A theoretical study of rural capacity building for rural co-operatives in developing countries. *Indian Journal of Science and Technology* 4(9):1179–1181.
- Balbach, E. 1999. Balbach, E., (1999). *Using case studies to do program evaluation*. Stanford Centre for Research in Disease. Prevention and California Department of Health Services. From:  
<http://www.case.edu/affil/healthpromotion/ProgramEvaluation.pdf>
- Beavers, A.S., Lounsbury, J.W., Richards, J.K., Huck, S.W., Skolits, G.J., and Esquivel, S.L. (2013). "Practical considerations for using exploratory factor analysis in educational research," *Practical Assessment, Research & Evaluation* 18(6):1-13.
- Bellù, Lorenzo. 2011. Development and development paradigms: A (reasoned) review of prevailing visions. Issue Papers. *EASYPol*, Module 102/. Rome: FAO. p.2.From:  
[http://www.fao.org/docs/up/easypol/882/defining\\_development\\_paradigms\\_102\\_en.pdf](http://www.fao.org/docs/up/easypol/882/defining_development_paradigms_102_en.pdf) .
- Byerlee, D., de Janvry, A. & Sadoulet, E. 2009. Agriculture for development: Toward a new paradigm. *Annu. Rev. Resour. Econ.* 1(1):15–31.
- Chaminuka, P., Senyolo, G., Makhura, M. & Belete, A. 2008. A factor analysis of access to and use of service infrastructure amongst emerging farmers in South Africa. *Agrekon* 47(3):365–378.
- Chib, A, M., Ortmann, G. and Lyne, M. 2009. Institutional and governance factors influencing the performance of selected smallholder agricultural cooperatives in KwaZulu-Natal. *Agrekon*, 48(3):293–315.
- Chirwa, E., Dorward, A., Kachule, R., Kumwenda, I., Kydd,, J., Poole, N., Poulton, C. & Stockbridge, M. 2005. Walking tightropes: Supporting farmer organizations for market access. *Overseas Development Institute (ODI) Natural Resource Perspectives* 99. From: <http://www.odi.org.uk/NRP/99.pdf>
- Cobbinah, P., Black, R. & Thwaites, R. 2011. Reflections on the six decades of the concept of development: evaluation and future research. *Journal of Sustainable*



- Development in Africa*, 13(7):134–149.
- Cronbach, L. J. (1951). "Coefficient alpha and the internal structure of tests," *Psychometrika*, 16, 297-334.
- DAFF see Department of Agriculture, Forestry and Fisheries.
- Department of Agriculture, Forestry and Fisheries. 2004. *Progress report on the implementation of the comprehensive agriculture support programme*. Pretoria: Department of Agriculture, pp. 1–21.
- \_\_\_\_\_. 2011. *Annual report on the status of agricultural co-operatives 2010/2011*, Pretoria: Department of Agriculture Forestry and Fisheries: Directorate Co-operative and Enterprise Development.
- \_\_\_\_\_. 2012a. *A framework for the smallholder farmers through co-operative development*. Pretoria: Department of Agriculture Forestry and Fisheries: Directorate Co-operative and Enterprise Development, pp.1–5.
- \_\_\_\_\_. 2012b. *A report on the National Co-operatives Indaba "Towards the creation of as model to enable smallholder farmer to play a critical role in the establishment of sustainable co-operative enterprises"*. Pretoria: DAFF.
- Derr, J. 2013. The co-operative movement of Brazil and South Africa. *Sustainable Development*, 1(2013):1–14.
- Develtere, P. 1994. *Co-operation and development: With special reference to the experience of the Commonwealth Caribbean*. Leuven: Acco.
- Drew, Clifford J, Hardman, Michael L& John L. Hosp. 2008. *Designing and conducting research in education*. Chapter 3. *Ethical issues in conducting research*. New York: Sage. From: ([http://www.sagepub.com/upm-data/26094\\_3.pdf](http://www.sagepub.com/upm-data/26094_3.pdf) (accessed 17 February 2015)).
- Department of Trade and Industry. 2012, *Integrated Strategy on the Development and Promotion of Co-operatives*. Pretoria: dti. ISBN: 978-0-9869824-3-9
- \_\_\_\_\_. 2004, *A Co-operative Development Policy for South Africa*. Pretoria: dti.
- dti see Department of Trade and Industry.
- Garnevskaja, E., Liu, G. and Shadbolt, N. M. (2011). Factors for Successful Development of Farmer cooperatives in Northwest China, *International Food and Agribusiness Management Review*, 14(4): 69-84.
- Gicheru, Esther. & M'Imanyara, Kirianki. 2012. The co-operative difference: Impact and role of research in building sustainable co-operative enterprises. *International Journal of Humanities and Social Science* 2(24) (Special Issue –

December 2012):162–167.

Goyal, S. 1972. *Consumers' co-operative movement in India*.

Groenewald, J., Gundidza, M., Mmbengwa, V. & van Schalkwyk, H. 2009. Factors affecting extension workers in their rendering of effective service to pre- and post-settled farmers in government initiated and supported farming small, micro and medium enterprises. *The South African Society for Agricultural Extension (SASAE)* 38:1–14.

International Labour Office, (2003). *Working out of poverty: Views from Africa*. Addis Ababa: International Labour Office. ISBN 92-2-115191-3.

Jacobs, P., Lahiff, E. & Hall, R. 2003. Evaluating land and agrarian reform in South Africa. PLAAS Occasional Paper Series, No. 10. Belville: Programme for Land and Agrarian Studies, School of Government, University of the Western Cape.

Kepe, T. (2004). Land restitution and biodiversity conservation in South Africa: The case of Mkambati, Eastern Cape Province. *Canadian Journal of African Studies/Revue Canadienne des Études Africaines* 38(3):688.

Kirsten, J. & van Zyl, J. 1996. The costs and benefits of providing agricultural support services to rural households in the developing areas of South Africa. *Development Southern Africa* 13(3):415–428.

Lerman, Z. 2013. Co-operative development in Central Asia. *FAO Regional Office for Europe*

Lichtfouse, E. 2013. *Sustainable agriculture reviews*. New York: Springer, p. 12.

Liverpool-Tasie, L., Kuku, O. and Ajibola, A. 2011. *A review of literature on agricultural productivity, social capital and food security in Nigeria*.

Lohbauer, R. & Schoeman, D. n.d. *A system-based approach towards sustainable economic development in rural areas of South Africa*.

Louw, A. and Ndanga, L. 2010. 'Importance of sustainability on agriculture in southern Africa'. Poster presented at the Joint 3rd African Association of Agricultural Economists (AAAE) and 48th Agricultural Economists Association of South Africa (AEASA) Conference, Cape Town, South Africa, 19–23 September 2010.  
<http://ageconsearch.umn.edu/bitstream/96810/2/200.%20Sustainability%20in%20agriculture%20in%20Africa.pdf>.

Machethe, C. (1990). Factors contributing to poor performance of agricultural co-operatives in less developed areas/Faktore wat bydra tot die swak prestasie

- van landboukoöperasies in minder ontwikkelde gebiede. *Agrekon* 29(4):305–309.
- Machethe L, 2004. Agriculture and poverty in South Africa: Can agriculture reduce poverty? Pretoria: Department of Agricultural Economics, Extension and Rural Development and Postgraduate School of Agriculture and Rural Development, University of Pretoria.
- Mago, S. & Toro, B. 2013. *South African government's support to small, medium micro-enterprise (SMMEs): The case of King William's Town area.*
- Marie-France Couture, 2003. *Cooperative business associations and their potential for developing countries.* Geneva: International Labour Organization.
- Matube, J. (2005). Impact measurement: Ithuba Trust Grant making strategy towards poverty eradication and sustainable development. PHD. Pretoria.
- Mengezi, T. (2013). An investigation skills, knowledge and farm support programmes of land reform beneficiaries: A case study of Forest Hill farmers in Kenton-On-Sea in the Ndlambe Local Municipality, University of Fort Hare, South Africa.
- Miller, R. & Brewer, J. 2003. *The A-Z of social research.* London: SAGE.
- Muchara M 2010. Agrarian transformation in smallholder agriculture in South Africa: A diagnosis of bottlenecks and public policy options. Conference Paper presented at 'Overcoming Inequality and Structural Poverty in South Africa: Towards Inclusive Growth and Development,' Johannesburg, 20–22 September 2010.
- Mudi-Okorodudu, O. 2007. A critical analysis of the 'co-operative' strategy to poverty reduction: A case study of co-operatives in Lagos, Nigeria. MA dissertation. University of Jyvaskyla.
- Muhammad, S., Tegegne, F., and Ekanem, E. (2004). Factors Contributing to Success of Small Farm Operations in Tennessee, 42(4):1-6.
- Nehemia, N. 2010. Justification for skills transfer and validating a specific developed measuring instrument. *African Journal of Business Management*, 4(6):1085–1094.
- Nganwa P; Lyne M; Ferrer S (2010), What will South Africa's new Cooperative Act do for small producers? An analysis of three case studies in KwaZulu-Natal, *Agrekon* 49(1).
- Nyamfalila, S. 2010. The impact and efficiency of the fertilizer support programme (FSP) on food security among small scale farmers in rural Zambia: A case

- study of Chongwe district. MA dissertation. University of Zambia.
- Okorie, A. 2005. Skills training workshops as a viable strategy for improving smallholder and cooperative agribusiness management: A case study of Vhembe District, Limpopo Province, South Africa. *South African Journal of Agricultural Extension* 33(1):30--39.
- Ortmann, G. and King, R. 2007. Agricultural co-operatives: History, theory and problems. *Agrekon* 46(1):18–46.
- Patel, D. 2012. Cooperative Sector and Economic Development. *Streams Research Journal* 2230-7850(2):1–5.
- Pote, P. 2008. Technical constraints to smallholder agriculture: Case study of Nkonkobe Municipality, Eastern Cape.
- Proctor, F. & Lachesi, V. 2012. *Small-scale farming and youth in an era of rapid rural change*. London/The Hague: IIED/HIVOS.
- Queen-Mary, T. & Mtapuri, O. 2014. Teachers' perceptions of the Integrated Quality Management System: Lessons from Mpumalanga, South Africa. *South African Journal of Education* 34(1):5.
- Saïssset, L.A., Couderc, J.P. & Bou Saba, M., 2011. Cooperative performance measurement proposal (a test with the *cooperfic*© tool for wine cooperatives in Languedoc-Roussillon). Working Paper, UMR MOISA 2011-4.
- Schoeman, N. 2006. The co-operative as an appropriate form of enterprise for Black Economic Empowerment. MA dissertation. Free State University.
- Sikuka, W. 2010. *The comparative performance of selected agribusiness companies and co-operatives in the Western Cape, South Africa*. Hdl.handle.net. From: <http://hdl.handle.net/10019.1/4267> (accessed 28 October 2014).
- Sikwela, M. & Mushunje, A. 2013. The impact of farmer support programmes on household income and sustainability in smallholder production: A case study of the Eastern Cape and KwaZulu-Natal farmers, South Africa. *African Journal of Agricultural Research* 8(21):2502–2511.
- South African Treasury, 2014. *Budget 2014: Estimate of national expenditure, vote 26 Agriculture, Forestry and Fisheries*. Pretoria: National Treasury.
- Stem, E., Stame, N., Mayne, J., Forss, K., Devies, R. & Befani, B. 2012. Broadening the range of design and methods for impact evaluation. Department of International Development, Working Paper No. 38. Glasgow G75 8EA.
- Terblanche, S. 2006. The need for a new generation of farmers and agriculturists in

- South Africa and the role of agricultural extension. *S. Afr. J. Agric. Ext.* 5(2):134–153.
- Thamaga-Chitja, J., Dlamini, T. & Makanda, I. 2011. Qualitative elements constituting effective agricultural co-operatives among rural smallscale farmers. *Indilinga African Journal of Indigenous Knowledge Systems: Indigenous Knowledge Systems: The Challenge* 10(1):1–16.
- Thompson, T. 2007. Co-operatives: By the people, for the people; Main feature. *Dairy Mail Africa: Publication for the Dairy Industry in Africa*, 2(1):12–15.
- Todaro, M. and Smith, S. (2009). *Michael Todaro, Economic development*. Tenth edition. Reading, Mass.: Harlow: Addison-Wesley.
- Tregurtha, N., Vink, N. & Kirsten, J. 2010. *Presidency fifteen year review project: Review of agricultural policies and support instruments 1994-2007*. Pretoria: The Office of the President, pp.1–3.
- United Nations. 2009. Co-operative in social development: Report of the Secretary General. A/64/132. New York: United Nations, pp. 6–10.
- Van Dyke, M. 2005. Toward a theory of just communication: A case study of NATO, multinational public relations, and ethical management of international conflict. PHD thesis. University of Maryland, College Park.
- Van Zyl, J. & Kirsten, J. 1992. Food security in South Africa. *Agrekon*, 31(4):170–184.
- Villiers, A. et al. 1980. Agricultural development strategy. *Africa Insight* 10(2):54–58.
- Wanyama, F., Develtere, P. & Pollet, I. 2009. Reinventing the wheel? African co-operatives in a liberalized economic environment. *Annals of Public and Co-operative Economics* 80(3):361–392.
- Wanyama, W., Nassiuma, D. & Zakayo, C. 2014. Impact of motivation as HR bundle on performance of teachers of public schools in Bungoma County. *African Journal of Business Management* 8(3):101–112.
- Welman, J. & Kruger, S. 2001. *Research methodology for the business and administrative sciences*. Cape Town: Oxford University Press.
- Westerncape.gov.za, (2014). *Farmer Support and Development: Overview | Western Cape Government*. From: [http://www.westerncape.gov.za/your\\_gov/89](http://www.westerncape.gov.za/your_gov/89) (accessed 3 December 2014).
- White, H. 2006. *Impact evaluation: The experience of the Independent Evaluation Group of the World Bank*. Washington: World Bank.

World Bank. 2007. World Development Report 2008: Agriculture for Development.

Washington, DC. © World Bank. From:

<https://openknowledge.worldbank.org/handle/10986/5990> License: CC BY 3.0

IGO. Washington, DC: World Bank.

\_\_\_\_\_. 2010. *Zambia impact assessment of the fertilizer support programme: Analysis of the effectiveness and efficiency*. Sustainable Development Agriculture and Rural Development Africa Region

Young, T. & Burton, M. 1992. *Agricultural sustainability: Definition and implications for agricultural and trade policy*. Rome: Food and Agricultural Organization of the United Nations. ISBN: 92-5-103080-4.