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**MULTI-NATIONAL CORPORATIONS AND SUSTAINABLE DEVELOPMENT  
IN THE RURAL ECONOMY OF LESOTHO: THE CASE OF SMALL-SCALE  
PEASANT COMMERCIAL FARMING (ASPARAGUS CULTIVATION) IN THE  
MASERU DISTRICT**

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### ABSTRACT

Many of the Third World countries are characterised by high levels of poverty in the rural areas. So, many government strategies are geared towards improving the living standards of the poor rural masses through introduction of cash crops in the agricultural sector. These are meant to create employment opportunities and provide a sustainable supply of income for the rural poor. Asparagus production in Lesotho is one of those strategies that was used by the government to combat rural poverty. In the past years, especially during the initial years of implementation of the asparagus project, the peasants achieved sustainable livelihoods. However, in the last decade, the asparagus project was confronted with many difficulties that made it less beneficial to the peasants.

## DECLARATION

In conformity with the regulations of the University of Natal, I hereby state that what follows is my own work. Where use has been made of other people's work it has been acknowledged and referenced in the text.

Date 12 February 01

## LIST OF ABBREVIATIONS

<b>ABS</b>	Australian Bureau of Statistics
<b>BC</b>	Basotho Cannors
<b>EU</b>	European Union
<b>FAO</b>	Food and Agricultural Organization
<b>FSS</b>	Foodgrain Self-sufficiency Programme
<b>GDP</b>	Gross Domestic Product
<b>GNP</b>	Gross National Product
<b>GOL</b>	Government of Lesotho
<b>HEI</b>	High External Input
<b>HVCP</b>	High Value Crops Project
<b>HYV</b>	High Yield Varieties
<b>IFAD</b>	International Fund for Agricultural Development
<b>KTDA</b>	Kenya Tea Development Authority
<b>LDC</b>	Less Developed Countries
<b>LNDC</b>	Lesotho National Development Corporation
<b>MOA</b>	Ministry of Agriculture
<b>MNCs</b>	Multi-National Corporations
<b>RSA</b>	Republic of South Africa
<b>SBFC</b>	Setla-Bocha Farmers Co-operative
<b>TBIRDP</b>	Thaba-Bosiu Integrated Rural Development Project
<b>UNDP</b>	United Nations Development Programme
<b>WCED</b>	World Commission on Environment and Development

## DEFINITION OF CONCEPTS

### **Poverty:**

- According to Ravallion (1995), poverty refers to a situation when a person or group of persons fall short of a level of economic welfare deemed to constitute a reasonable minimum, either in some absolute sense or by standards of a specific society.
- The World Bank (1990) defines poverty as an inability to attain a minimal standard of living, measured in terms of basic consumption needs or income required to satisfy them. Poverty is thus characterized by the inability of individuals; households or entire community to command sufficient resources to satisfy their basic needs.

### **Sustainable development:**

- Neumayer (1999) defines sustainable development as development that maintains the capacity to provide non-declining per capita utility for infinity.
- Sustainable development refers to improvement in livelihoods which does not undermine the livelihoods of future generations, and which can be sustained over time (Shepherd, 1998).
- On the other hand, according to Pearce, (1997) the World Commission on Environment and Development (WCED) defines sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- Literally, sustainable development refers to maintaining development over time (Elliott, 1999)
- From these definitions, one can see that sustainable development is development that does not last for a short period but development that is sustained over a long period of time. And for the purposes of this research, sustainable development is applied from a non-ecological perspective or definition. It is used in the context of meaning the

development that lasts for a long time in order to improve the living standards of the rural poor by generating income, creating employment and reducing the poverty rate. Therefore, the meaning defined by Elliot (1999) will be used.

**Employment:**

- Todaro (1989) defines full employment as employment at the equilibrium wage and only at this wage will all people willing to work be able to obtain jobs so that there is no involuntary unemployment.
  
- When defining unemployment Lindbeck (1994) argues that generally an individual may be regarded as unemployed if he or she is not only out of work but is available for work and, in fact, seeks work at the prevailing wage.
  
- At this juncture one can say that employment is the ability of a person to obtain waged work.

**Social exclusion:**

- The process by which particular groups are deprived of access to socially provided goods and services, including employment, education, health and welfare, and political structures. The concept also includes issues of deprivation and poverty in developing countries (Elliott, 1999).

**Income:**

- According to Gordon and Spicker (1999), the Australian Bureau of Statistics (ABS) says income comprises those receipts accruing (in cash and in kind) that are of a regular and recurring nature, and are received by the household or its members at annual or more frequent intervals. Income includes regular receipts from employment, own businesses and from the lending of assets.
  
- According to Halsey (1965), income is the net return on or product of economic activity, in the form of services received in terms of money, such as wages, interest,

or profit income, or in terms of the benefits in the form of economic goods yielded by material wealth or human activities used in production.

- Brooman (1973) argues that for an individual person, income can be defined as whatever receipts he can spend or give away over a given period of time without becoming poorer than he was to start with.

**Food security:**

- According to the Ministry of Economic Planning's Report (1997), household food security implies a commercialized and diversified agriculture that revolves around an efficient marketing system not hampered by excessive government control.
- According to Foster (1992), Reutlinger defines food security as access by all people at all times to enough food for active healthy life.

**Peasant:**

- Ellis (1988) defines peasants as household agricultural producers characterized by partial engagement in incomplete markets.
- Peasants are rural producers who produce for their own consumption and for sale, using their own and family labour, though the hiring and selling of labour power is also quite possible and compatible with peasant society (Harriss, 1982).

**Livelihood:**

- Livelihood is defined as adequate stocks and flows of food and cash to meet basic needs (Elliot, 1999)
- Shepherd (1998) says livelihoods refer to more than just income and wealth: quality of live and of society, security, and dignity might be just as important to those whose livelihoods need improving.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Relevance of the Topic

#### State of the Rural Sector in Lesotho

The total land area of Lesotho is 30,355 square kilometres and 9 per cent of the land is suitable for cultivation. Lesotho is not endowed with many mineral resources besides diamonds. However the country is well endowed with water. The country has one of the largest water reservoirs in Africa, the Katse Dam. But water is not utilized in such a way that it benefits the country. There are for example very few irrigation schemes. Topography and financial constraints make it impossible to harness water from the flowing rivers for irrigation purposes; so, agriculture relies heavily on rainfall. As a result, the country is confronted with massive poverty because agriculture gives very little returns. Decline in productivity has a severe impact on the rural households because they depend heavily on agriculture for survival. Therefore, some people in the rural areas are living under abject poverty. The country is also dependent on food imports and donations to ensure that there is food security among the poor households. Furthermore, in order to make a living some people from Lesotho are working in South Africa as migrant labourers, but of late the number has declined because of retrenchments. However, the migrant remittances still constitutes a large percentage to the Gross National Product, 30 per cent (World Bank, 2000).

There are high levels of degradation of land in Lesotho caused by overpopulation, overstocking and over utilization of the land. The contribution of agriculture to Gross Domestic Product has been in decline since the 1970s (Selinyane, 1995). From 1991 even the small manufacturing sector contributed more to GDP than agriculture which is the sector employing the largest proportion of the labour force according to official statistics (Central Bank of Lesotho 1997). Self-sufficiency in major staples such as maize and wheat has fluctuated between 40 per cent and 50 per cent for maize and 15 per cent to 50 per cent for wheat (Ministry of Economic Planning, 1997).

In Lesotho there are few development activities taking place in the rural hinterlands for the well being of the rural community, for example rural industries. Many people are performing informal activities and they are also engaged in petty commodity production. Most of the investment or firms are concentrated in urban areas. There is an urban bias caused by inappropriate policies of the state. Over-investment in urban areas, and under-investment in rural areas, has caused massive rural-urban migration. At the moment there is a high retrenchment of Basotho from South African mines and this has contributed to the high level of unemployment stated at 35 per cent in 1994 by Sechaba Consultants. Therefore, lack of job opportunities in the country and in the rural sector in particular resulted in both rural and urban social problems such as rapid urbanization, congestion, hooliganism and theft (Sechaba Consultants, 1994). Rural areas are depopulated and there is a loss of an active and able-bodied labour force in urban areas.

Most of the industrial activities in Lesotho are labour intensive. But the industries are few and employ a limited number of people; the economy is based on light industries that constitute clothing, footwear and textiles. So, there is little labour absorbed in the small-scale industrial activities and the majority of people have to seek some means of livelihood from tilling the soil. Therefore, the economy of Lesotho is predominantly subsistence-based where agriculture generates part-time employment for about 80 per cent of the rural population. Yet despite absorbing the highest percentage of the labour force, agriculture accounted for only 21 per cent of GDP in the pre-drought year of 1990 (Johnston, 1996:119). Subsistence agriculture has failed to improve the living standards of the rural households and the sector is characterized by malnutrition and poverty where 54 per cent of the people live below the poverty line (Ministry of Economic Planning, 1997: World Bank, 1996). People in the rural hinterlands practise animal husbandry and crop production which is characterized by low returns because of the lack of modern agricultural inputs. Peasants produce traditional crops like sorghum, maize, beans and so forth. At the same time these agricultural products lack accessible markets in the rural sector because there are scarce agroindustries and most of them are located on the periphery of urban areas.

Subsistence agriculture has failed to improve the living standards of the rural households. The agricultural sector is vulnerable to some natural hazards like drought. Therefore, the rural sector is taken as a source of cheap labour to South African commercial farms (permanent workers and seasonal migrants) and mines. Many people are moving into towns to seek wage employment and this causes a scarcity of labour in some areas. Migration into towns and to South African mines is considered as a comparative advantage to some people because they migrate when agriculture provides very little benefits and when they realize potential benefits in towns and mines. The income derived from the migrant labour systems is considered as the main source of rural livelihood while agriculture is offering a supplementary source of income. The heavy reliance on migrant incomes illustrates that the rural sector is confronted with a high level of impoverishment. To obviate a potential disaster of mass unemployment and national food insecurity arising from agriculture's decline, since the 1970s the government encouraged the production of high value agricultural crops and the development of agroindustry (Uwechue 1991:1102).

## **1.2 Agricultural Development as a Strategy of Reducing Rural Poverty**

In the past years, the Lesotho Government through the Ministry of Agriculture (MOA) tried by all means to improve peasant farming. There was the development of rural development projects that focus on poverty alleviation. These include among others the Thaba-Tseka Integrated Rural Development Project, Thaba-Bosiu Integrated Rural Development Project and many others. The main concern of these rural projects was to switch peasants from producing subsistence crops to cash crops like wheat and peas (Ferguson, 1990). Agricultural based institutions like the Lesotho Cooperatives (Coop Lesotho) were formed to promote peasant agriculture in the country. This institution was acting as a marketing board for the purchase of peasant produce. It was also providing farmers with some credit, and agricultural inputs, all at subsidised prices. However, these cooperatives collapsed in the early 1990s because of poor management and corruption (Selinyane, 1995). The Lesotho Agricultural Development Bank was established in 1980. Its task was to improve agricultural development by providing farmers with some loans, unfortunately the bank also collapsed in 1998.

In the 1980s the Government established some agricultural schemes, such as the “Foodgrain Self-sufficiency Programme” (FSSP), throughout the country, under the name of “Mantsa-tlala Project”, meaning getting rid of hunger. The project received financial aid from China, and it specialized in the production of wheat and maize. The government provided farming inputs like tractors, seeds, fertilizers and insecticides. And the farmers provided their labour during weeding and harvesting. The returns were shared on an equal basis; it was a form of sharecropping between the government and the peasants. Therefore, many peasants produced for self-consumption and the market. At that time the country reached a stage of self-sufficiency in food production. There were few food donations coming from outside into the country. Schools also consumed locally produced maize, and that reduced dependence on foreign food supplies (Morakeng, 1984).

However, this project collapsed in 1988 after the toppling (coup) of the ruling party in 1986. The new ruling Military government could not afford to manage it; as a result peasants faced increased difficulties in food production. Although the MOA subsidized the costs of seeds, fertilizers and hiring of tractors during ploughing for peasants, the subsidies were not enough, as many farmers could not even afford the subsidized prices. Therefore, peasant farming moved from expanded commodity production for the market to simple reproduction of the household. So, many households lacked a source of income that could be used to purchase basic needs.

In the mid 1970s, the country introduced asparagus as a cash crop. During its first or initial phase asparagus production was a most viable scheme, both in productivity and generation of income. However, starting from the middle of the 1980s till the 1990s, the asparagus project experienced some problems. The terms of trade or exchange relations between the peasants and the agribusiness became unfavourable. As a result, asparagus production is no longer a sustainable scheme in Lesotho. Some peasants have been driven out of the scheme because of unfavourable economic and social relations with the agroindustry. Therefore, the living standards of the peasants have deteriorated.

### **1.3 Research Topic**

Multi-National Corporations and Sustainable Development in the Rural Economy of Lesotho: The Case of Small-Scale Commercial Peasant Farming (Asparagus Cultivation) in the Maseru District.

### **1.4 Research Objective**

The main objective of the study is to assess whether contract farming is sustainable in improving the living standards of the rural communities in Lesotho.

### **1.5 Research Question**

Are contract farming schemes in a position to reduce the existing poverty in the rural sector?

Can a contract farming project achieve sustainable rural development?

### **1.6 Subsidiary Questions**

Do peasants benefit from asparagus cultivation?

How can contract farming be made to ensure food security among poor households?

### **1.7 Hypotheses**

Contract farming (asparagus cultivation) improves the living standards of the rural poor.

Asparagus cultivation creates employment opportunities and income for the rural masses.

### **1.8 Major Assumptions**

Income derived from asparagus production is used for meeting basic needs.

Peasants produce for the market.

### **1.9 Structure of the Report**

The thesis is divided into six main chapters. The first chapter is an introduction and is concerned with the purpose of the research. It deals with discussion of the objective of the research, the

relevance of the study, research questions, statement of research hypotheses and methods of data collection. Research methodology is also discussed in the first chapter, it shows how data collection was carried out. The second chapter deals with the general background of the state of the agricultural sector in developing countries. It shows how the agricultural sector was underdeveloped, and the strategies used to improve the rural sector by small-scale commercial farming. The third chapter is concerned with the literature review, that is a review of related literature on contract farming. The fourth chapter shows the evolution of asparagus farming in Lesotho. It deals with the nature of asparagus cultivation and its objectives. Most of data in this chapter is collected from key informants, especially from the management of Basotho Cannery (BC) and High Value Crops Project (HVCP). The fifth chapter is based on the interpretation of the findings of the study. This covers the benefits and problems encountered by the asparagus farmers, participation of the people in the scheme and their relationship with agribusiness and Ministry of Agriculture. The sixth and final chapter gives the major concluding remarks and recommendations based on asparagus production in Lesotho.

### **1.10 Research Methodology**

This research was carried out in nine asparagus-growing villages in the Maseru District, namely Maliele, Ha Liile, Ha Ramaghanyane, Ha Motanyane, Ha Sekete, Ha Motloheloa and Ha Nko, Ha Paki, Thaba-Khupa, given as Annex I. In order to get information from the respondents various instruments were used.

Most of the primary data was collected through the use of a structured questionnaire, and interviews. The questionnaire had two sections. The first part contained questions that were directed to the peasants who grow asparagus, while the second section contained questions that were directed to the management of the agroindustry (Basotho Cannery) and the Ministry of Agriculture (High Value Crops Project).

Since there was no asparagus farmer known by the researcher, the technique of snow balling was

used. Any person who was found in the villages was asked to identify a person who was cultivating asparagus, and that person would identify the next asparagus farmer. Many farmers have withdrawn from the scheme, so some former asparagus farmers were also interviewed. The former asparagus farmers interviewed numbered 10, and those who were still producing asparagus numbered 80. As a result, a sample of 90 people was covered. This sample covered 65 females and 25 males. Furthermore, two officials were interviewed from the HVCP and one from BC, thus three people from the management were interviewed.

A lot of useful additional information not included in the questionnaire was gathered through probing. In other words, light was shed on aspects not covered in the questionnaire but deemed important nonetheless. However, the questionnaires remained the key tool for gathering information. The study dealt with rural farmers, many of whom did not have reading and writing skills. As a result, there was no self-administered questionnaire. Individuals were not expected to fill in the questionnaire. The study used structured interviews. The questions were directed to the respondents and their answers were filled in on the blank spaces. Any additional information was written on the back of the questionnaire.

In addition to the use of interviews, focus group discussions were held. The researcher gathered together about 12 peasants in one community to discuss the benefits and problems that are encountered in asparagus cultivation. Very useful information came-up from the discussions, because people were able to express their feeling about the asparagus project. The focus group discussion was carried out at Thaba-Khupa where the chief had called his people to the meeting (discussion with me). I had a chance of spending a few hours with peasants while they were weeding their asparagus fields, thus enabling me to observe, albeit at a superficial, some aspects of asparagus growing at first hand.

The agro-industry (Basotho Cannery) management and the High Value Crops Project management were asked questions using self-administered questionnaires. Follow-up visits were undertaken for clarification of ambiguous answers. These centres were visited several times.

Some documents available at the agroindustry and Ministry of Agriculture were used in the study. These were information publications concerning the relationship between the firm and the peasants, including inter alia, sheets showing producer prices used when buying asparagus from the peasants, and others indicating the features of asparagus that is required by the firm. In addition, there were sheets or invoices used by the farmers showing how much each peasant earned from their asparagus production. These are attached to the report as Annexes A, AI, B, C, D, E and F. Invoices that were used here were for 1996 and 1998.

Besides these methods, additional primary data was collected through the use of archival material, at the National University of Lesotho while secondary data was collected by reading some related literature and documents on contract farming in the Third World.

### **1.11 Problems and Limitations of the Study**

Data collection was very tough and tedious. It clashed with the winter harvesting season of staple crops like maize and sorghum. As a result, it was very difficult to get hold of some respondents.

A lot of expenses were incurred revisiting the same area several times. Many respondents thought that the research would help them to solve their problems with the management of Basotho Cannery and the High Value Crops Project. So, information provided to the researcher may not always reflect realities and may over-emphasize certain aspects or shortcomings. The method of data collection was very time consuming because I did not know people who grew asparagus. So, I had to go from household to household asking people whether they grew asparagus and identify people who grew asparagus.

As I have said, the study was very tough, it was extremely hazardous to carry out research on the people who were not satisfied with their relations between Basotho Cannery and High Value Crops Project. The respondents said that the management of these institutions cheat them. As a result, I was taken as an intruder or a spy by the peasants. They said that I was a worker of BC and HVCP and had disguised myself by saying that I was a student from the University of Natal. Some threats

were made to me by some respondents, while others ignored my questions. I was like a foreigner in the peasant communities. One asparagus growing peasant at Ha Ramaqhanyane, after interviewing him, asked me to write down my name before I left.

## CHAPTER TWO

### GENERAL BACKGROUND ON THE STATE OF THE AGRICULTURAL SECTOR IN DEVELOPING COUNTRIES

#### 2.1 Income and Surplus Extraction During and After Colonialism in Africa

Rural areas in the Third World, especially in Africa were often disadvantaged during colonialism, and some post-colonial governments inherited these colonial legacies. However, some countries participated in rural development projects that were meant to correct the imbalances that were left by the colonial regimes. So, this chapter outlines and shows how the problem of rural poverty came into being among the African states and how some post colonial states attempted to tackle it through the improvement of the agricultural sector. So, improvement of small-scale peasant farming through government subsidies was seen as the best way to make small producers self-sufficient in food production. The Green Revolution package played an imperative role in the rural development process, especially in agricultural development. Small-scale asparagus farming in Lesotho is one of the strategies that the government employed to develop the rural sector, so it fits well into this debate.

In developing countries especially in African states the colonial government introduced a number of policies to improve the productivity of farmers. This was done by introducing: conservation measures intended to reduce soil erosion, such as compulsory tie-ridging and terracing; destocking; other measures aimed at improving methods of cultivation and animal husbandry, such as the introduction of compulsory dipping fees; and the forced growing of cash crops (Saul and Cliffe, 1972). Some of these policies were meant to reduce poverty in the rural sector and to increase the productivity of African agriculture. However, they often worked in a negative way, instead of curbing a high rate of poverty, they aggravated it. These regulations were to ensure an adequate supply of raw materials to the colonies and colonising countries. Many of the interventions interfered with the traditional life of communal ownership of land for subsistence purposes and turned communal land into private property. The greatest impact was on the side of women farmers

because they had few resources to implement the required measures (Feierman, 1990).

Income transfer from the agricultural to industrial sector during colonialism in some African states exacerbated an alarming rate of poverty in the rural sector. In countries like Kenya, the colonial government also introduced the hut and poll tax to generate revenues. This indirect expropriation of an agricultural surplus and subsequent income transfer left the peasants trapped in a vicious circle of poverty, as some of the farmers also had to sell their livestock in order to pay the hut and poll tax (Ensminger, 1996). Therefore, income transfer from the agricultural sector to the industrial sector has caused a serious problem in the rural sector since colonialism. In this case, the rural sector was disadvantaged at the expense of the industrial sector. Moreover, this created a dual economy within the Third World states, the modern and traditional sectors. This point is clearly stated by Mamdani (1996) who uses a concept of indirect rule in his argument. In this case the traditional authorities in the developing countries contributed in the exploitation and underdevelopment of their countries by implementing the colonial rules.

After independence, and in order to increase agricultural productivity and assure the direct marketing of peasants' produce some of the African governments maintained the various conservation measures and marketing boards. Other rural development initiatives were also introduced, geared primarily towards enhancing rural productivity. For instance, the post-colonial government in Tanzania tried to improve the agricultural sector through a villagisation process. The government said the peasants should work together and share the proceeds of their work. Bernstein (1981) identified state-peasant relations in Tanzania as impinging negatively on the peasantry. He argues that the Tanzanian state was faced with a plethora of developmental functions in the post independence era, and at the same time lacked the necessary resource base to execute these functions. The state could get most of its revenues from the peasants as the predominant producers in the economy. This was done by, for example using state marketing boards which engaged in unfair exchange with the peasants. Marketing boards bought peasants' produce at lower than market prices, the balance going to the state (Coulson, 1982; Shivji, 1975). The use of marketing boards to extract surplus from peasants has been observed elsewhere in Africa, for example in Zimbabwe (Cliff, 1990). The use of

marketing boards has, in the majority of cases, tended to be a way for state extraction of a surplus and income from the peasantry to finance mainly industrial development (Bates, 1981:13).

## **2.2 Urban Bias as a Result of Income and Surplus Extraction**

In order to illustrate the unequal distribution of national resources in society at independence Lipton in 1977 coined the now famous phrase of “urban bias”, where peasants are seen as fuelling the development of the urban areas through unequal market exchange mediated by the state, government imposed taxation, and voluntary savings (mainly through state-owned banks) which are expropriated by the state but not invested in the rural areas. The urban bias hypothesis suggests that the main reason why poor people stay poor in developing countries is because the urban elite comprising mainly of businessmen, politicians, bureaucrats, trade-union leaders and a supporting staff of professionals, academics and intellectuals can, in a modern state, substantially control the distribution of resources (Lipton, 1982:66). One can further argue that national resources are distributed unevenly in society; some people are favoured more than others are. In this case, the urban areas are more favoured than the rural areas in the distribution of resources. People in the agricultural sector are excluded from access to some basic needs or facilities and this contributes to the low levels of living. Those who control the state machinery have a monopoly of power to exclude disadvantaged areas from access to public amenities. This behaviour is usually associated with politics, for example, party affiliation and ethnic diversity. As has been argued by IFAD (1991) national policies and institutions often entail built-in biases which exclude the rural poor from the benefits of development.

In many societies, mainly developing countries, rural people are more numerous than urban people, but they are much more dispersed, poor and unorganized. Therefore, they are unable to challenge the decisions made by the state and exert pressure on the politicians. That is why there is an unbalanced distribution of resources and services between the rural and urban areas. Lipton (1982) further argues that resources, investment, doctors, teachers, and clean water are allocated between city and country in ways not merely inequitable but also inefficient. Lipton also added that

agriculture with an average 70 per cent of workers and 40-45 per cent of GNP has in most poor countries received barely 20 per cent of investment. Agriculture is the backbone of many rural areas in developing countries, but it is neglected in policy formulation. Surplus transfer in many African countries is done at the expense of the rural poor. In developing countries, small-scale farmers specialize in the production of agricultural products. Therefore, taxes on their exports reduce the amount of income they could have earned and this means less income would be available for the maintenance of their families. The same is true of cheap food imports which depress the prices paid to small farmers for their food crops (IFAD, 1991). One can further argue that the weakness of the rural poor in the decision making process has contributed in the transferring of their income to more socially influential groups thus leaving them in chronic poverty. When finding a solution to the problem of urban bias, Lipton (1982) argues that the needs of peasants should be articulated. In order to redress the issues of urban bias, especially the unequal distribution of resources and services, decentralization of resources and services can be advocated to reduce the imbalances that were left by the colonial legacy and inappropriate post-colonial states' policies that favour urban areas.

### **2.3 Rural Development in the Third World**

In the post colonial era there is still a great dichotomy between the urban and rural sectors of the Third World economies. The rural areas are characterised by a high level of poverty and high population pressure. The rural areas of the Third World are usually described as the home of impoverished people engaged in agriculture (Dixon, 1990; Todaro, 2000). The combination of high population pressure and levels of poverty have a detrimental effect on the state of the environment, causing the depletion of natural resources.

The agricultural sector plays a very crucial role in the economies of LDCs. However, it is characterized by low productivity because of the lack of modern agricultural inputs. Lack of farm inputs and inaccessibility of the markets act as impediments for generalized commodity production within Third World peasantry. Therefore, the agricultural sector has failed to reduce the high level of unemployment and alarming incidence of poverty in the countryside, and therefore to act as an

engine of economic growth. There are some institutions that aggravate the existing rural poverty and act as some impediments to the rural development process. These include among others, the traditional institutions like land tenure, and women's lack of access to social and economic assets. Therefore, real development in the rural hinterlands could be achieved through land tenure reform and land redistribution that targets the most disadvantaged and poor people.

Rural development strategies in the Third World countries put more focus and emphasis on improving the agricultural sector. Todaro (2000:364) argues that if development is to take place and become self-sustaining, it will have to start in the rural areas in general and the agricultural sector in particular. There are many policies that aim at developing the rural sector, and these include inter alia, the development of rural industries, cottage industries, petty commodity production and many others. But for the purpose of this paper the development of agriculture will be given priority. Dixon (1990) argues that rural development strategies can be grouped under different approaches. These are the technocratic approach that aims at increasing productivity by introducing new innovations in agriculture. This approach is accused of exacerbating inequality of income and resources because the richer peasants will be the ones who will have access to the new technologies. Furthermore, in order to achieve sustainable rural development, some scholars and policy makers argue for a radical approach. This approach emphasizes social and revolutionary change. It rejects capitalism as a mode of production because it creates poverty by causing exploitation and social differentiation. Another approach that is now used by many African states in the rural development process is the reformist approach. In this case more emphasis is put on the redistribution of resources, power and income to address the inequities and imbalances of the past years. This can be seen in the land reform and decentralization process of some African countries like Namibia, Kenya and South Africa.

## **2.4 Green Revolution in the Rural Development Process**

Agriculture plays an imperative role in the development and survival of many Third World countries. The economies of these states depend heavily on the export of primary products and raw materials

for revenue generation. Therefore, since the last century Third World countries have tried to improve the agricultural sector. In this process of improving the productivity of the sector, developed countries are playing a very decisive role. So, in order to increase productivity in the agricultural sector, the “green revolution” package was adopted by some poor countries during the 1950s and 1960s. However, there is a great debate on the benefits of the Green Revolution on the host countries with some protagonists claiming that many countries did not see the potential benefits from this agricultural technology (Shiva, 1991).

The utilization of technology on the land in suitable socio-economic enabling environments resulted in greatly increased yields and incomes for many farmers in Asia and in developing countries elsewhere. This was achieved by using high yielding hybrids, chemical fertilisers, new crop strategies and harvesting methods. The Green Revolution was a shift from the traditional use of agricultural methods to modern technologies where farmers could increase their productivity. Glaeser (1987) argues that during the Green Revolution countries like Pakistan reduced their dependence on wheat imports from the United States, and countries like Sri Lanka achieved potential benefits from the Green Revolution. In India, food production per capita increased by about 30 per cent, and from being a net importer of grains from 1951 to 1975, there were 30 million tonnes of grain in government reserves in 1984-85 (Bernstein, 1992). This increase in productivity was important to achieve national food sufficiency, and reduction in malnutrition, hunger and starvation in the country.

The Green Revolution was also concerned with industrializing agriculture where-by farming practices were modernized by introducing machinery which would replace labour, the specialization of operations, and changing practices to ensure high productivity. The economies of scale were greatly enhanced by increased farm size and with the use of hybrid seedlings the best yields were generated. The potential of plants to be more productive would be increased by breeding a variety of seed which would have the characteristics of high yield, resistance to stem and leaf rust, be drought resistant and a high adaptability to different conditions (Goldman and Smith, 1995). During the Green Revolution more attention was not put only to crop production especially maize hybrids,

rice and wheat, but there was also an improvement in animal husbandry. As has been pointed out by Goldman and Smith (1995), the number of animals that provided food increased drastically. However, there was a decline in a number of animals used for irrigation power and ploughing because of mechanization. Mechanization of agriculture increased productivity because of the use of inputs such as fertilisers and new irrigation methods. The HighYield Varieties (HYV) packages gave better results than traditional farming because of the new innovations. Therefore, Glaeser (1987) points out that, India avoided a severe famine in 1967 because it produced surplus grain within a period of five years to support its growing population. Furthermore, the 1979 drought did not have a great impact because imports were not needed.

The experiences and benefits of the green revolution are varied. There have been winners and losers. Hence Shiva (1991) infers that the Green Revolution has had profound and often unforeseen effects in farming communities beyond the production sector. She argues that this process shares the pros and cons of many technological advances that have built and changed modern global societies.

The benefits of the Green Revolution are largely linked with increased productivity, therefore farmers received more income from the sale of their produce and the urban consumers benefited from the adequate supply of food. Bernstein (1992) points out that HYV packages enabled at least three harvests per year. So, there was a decline in real food prices effected by the cost reducing technologies built around improved seed-fertilizer-weed control components. In countries where agricultural inputs were subsidized (through credits and loans) many poor farmers had an opportunity of accessing the Green Revolution package. The agricultural incentives and the Green Revolution package in particular benefited the poor mostly because they now had the means of producing their own food and this reduced their dependence and spending on food sourced elsewhere. Some of the Green Revolution technology also had a very positive effect on women. Bernstein (1992) postulates that new innovations such as stationary threshers have, for example replaced womens' labour thus releasing women from the tedious task of manual threshing. So, the Green Revolution technology reduced the drudgery of women whose labour could be now made available for other developments.

## **2.5 Constraints of the Green Revolution in Improving the Lives of the Poor**

The Green Revolution like other development strategies has some limitations. There is no development activity that can be entirely efficient and effective. Despite the potential benefits, the Green Revolution often failed to solve the problems related to high levels of poverty, of inequality and inequity. Although there has been success in food productivity during the Green Revolution, it did not persist. The growth rates that have been highlighted were just a feature of the 1970s (Shiva, 1991) and were not sustained in the decades that followed. The Green Revolution did not ensure a sustainable supply of food, so the problem of food security was not solved in the long run.

It is clear that the success story only lies in the higher productivity of the HYV package. The Green Revolution became a failure because of the contradictions that accompanied it and the risks that were associated with it. This includes the failure to solve the problems of food security and alleviating the plight of the peasant communities. Citing Saith, Bernstein (1992) points out that there was high government spending to reduce rural poverty during the Green Revolution in India. There were many people below the poverty line, so government intervention through the provision of funds improved their lives rather than the HYV packages. Furthermore, the Green Revolution was meant to increase productivity in the agricultural sector through the use of modern technologies. However, as has been argued by Glaeser (1987) these modern farming inputs were often unevenly distributed in society. The poor peasants were often excluded from having access to them because they have less economic power. On the other hand the rich peasants, because they have economic power and resources can afford these technologies for their own use. For instance, Dixon (1990) points out that the implementation of the Green Revolution strategies that involved training extension workers and farmers, was not only for the most favourable areas but also on the most receptive farmers.

The distribution of benefits between the poor and the rich peasants is a matter of affordability and power. So, the Green Revolution was blamed for causing and perpetuating social differentiation (Goldman and Smith, 1995). The application of the HYV package was meant to modernize the agricultural sector (introduction of capitalist agriculture). In capitalism the market favours those who are competent, in this case it is the productive farmers (rich ones) who reap the benefits of the

Green Revolution strategy, while the incompetent ones (the poor) were driven out of the market. Therefore, one can argue that inequality cannot be solved in the modernization process. This is because accumulation of capital is the main motive, and this could only be done through the exploitation of poor peasants. However, the state can intervene by subsidizing the poor farmers so that they can be more productive. When showing the impact of the Green Revolution on the lives of the people Bernstein (1992) argues that the Green Revolution increased rural poverty, rural struggles and the marginalization of the poor in developing countries.

Development projects that are carried-out in the rural sector are meant to be labour intensive, so that they can absorb the high rate of unemployment. But during the Green Revolution, in order to increase productivity, a capital intensive technology was used. This caused massive unemployment to those people (labour tenants) who depend on wages from agriculture for survival, as they lost their means of livelihood (Barrow, 1995). The biochemical package also displaced rural employment as mechanized agriculture replaced, and became less dependent on, manual labour. Other contradictions that are highlighted are that, where there was an increase in employment this was not complimented by an increase in real wages, therefore there was no improvement in the levels of consumption and welfare. Even-though the new innovations release women's labour to perform other tasks, there are contradictions raised by the Green Revolution and these include the lack of mechanization in certain tasks in the technical package such as weeding, harvesting and transplanting that still require more labour from women (Bernstein, 1992).

Many studies have shown a gender bias in the development of the Green Revolution. The established roles of women in the farming systems were challenged by the new technologies and new economic structures. Efforts to introduce the new technology may often have overlooked the rights of women who should have benefited from the technological advances yet instead experienced a reduction in their power base (Shiva, 1991). This had an impact on the side of women, it undermines their ability to earn some income.

The environmental impacts of the Green Revolution are widely known. The impact of the Green Revolution is contrary to the concept of “green” that is used by the environmental conservationists to mean ecological conservation (Barrow, 1995). The HYV packages could be very detrimental to the environment. The application of agro-chemicals like inorganic fertilizers, pesticides, and herbicides can cause the extinction of some plant and animal species. In many cases where large-scale commercial farming is practised, there arise problems associated with the use of chemical inputs. Some of them are very harmful to the environment and human life (Kirkby et al, 1996). They can cause pollution of the air and contamination of ground and surface water thus causing problems for human and animal consumption. Pesticides and herbicides can kill some animal species that are important for nitrogen fixation and cross-pollination, and plants that are useful to human beings as a resource (Barrow, 1995). So, the natural processes in the reproduction of plants will be undermined and hindered. The use of agro-chemicals does not only get rid of the weeds that are harmful to the plants. Other useful plants that are used for human consumption and medicinal purposes are also affected. Therefore, environment sustainability is reduced. So, one can argue that the use of these chemicals does not take into consideration the importance of intergenerational equity, conservation of natural heritage for the future generations. Asparagus production in Lesotho uses chemical fertilisers and they also have an impact on the environment and the soil (Glaeser, 1987). Furthermore, the application of inorganic chemicals and the monocropping that is practised by asparagus production has devastating effects on the soil, and the exhaustion and depletion of mineral salts.

The over use of artificial fertilizers can cause the exhaustion of the mineral salts in soil, and make it very vulnerable to the agents of erosion such as wind and water. Soil erosion can be aggravated by the use of heavy farm machinery that causes the compaction and loosening of soil particles. In addition, careless application of fertilizers may contribute to the acidity of soil that will lead to soil degradation (Barrow, 1995). Furthermore, the Green Revolution advocates the use of irrigation schemes. When there is poor management, the use of such schemes can result in water logging that will contribute to low production in agriculture. Farm machinery like tractors often release heavy smog that causes air pollution. The release of these chemicals is often associated with the prevalence

of greenhouse gases that are said to be harmful by causing the depletion of the ozone layer that protects human beings and animals from ultra-violet rays.

## **2.6 Africa and the Green Revolution**

The Green Revolution package was adopted by some African countries to increase agricultural productivity. In this process the state played a major role to assist farmers with HYV packages and peasants were advanced with credit, loans and subsidies. Most of the African and Asian states do not have the capacity to develop their own technologies, so the technological transfer of the HYV package was dependent on developed countries. In most of the cases this technology is often inappropriate to the needs of the poor countries. However, many African states responded very positively to the Green Revolution and they developed diversified agricultural production, mainly crop production, animal husbandry and livestock rearing and ranching. Kirkby et al (1996) point out that the technological transfer in Africa was based on the production of “high-external input (HEI) systems of agriculture.” African countries that use HEI are specializing on the large-scale commercial farming of cereals and livestock. Many of the farmers produce crops such as rice, wheat, cotton, banana, pineapple and others on plantations.

In many African states the Green Revolution was less successful because of the international and internal problems. At a local level one can argue that most of the African countries are characterized by unresponsive policies, institutional bottlenecks, rigid government structures, and managerial incompetence. For example, in Nigeria the local bourgeoisie was not committed to agricultural development. As has been pointed out by McDougall (1990), the extension workers did not perform their duties well. Their work was confined within the office, but not out in the field. So, peasants had little access to information on how to cultivate and manage crops. In order to promote productivity in agriculture subsidies must be very high so that each and every farmer can afford farming inputs. But in Nigeria, institutions that gave credit to farmers offered them at high interest rates, so many farmers reduced the use of improved farming methods. At the international level most of the poor countries face a problem of dependency and reliance on inappropriate foreign

technology. The technological transfer from the developed countries is very expensive and it replaces too much labour, creating massive unemployment. Besides these problems, many of the poor countries are disadvantaged because of their position in the international division of labour. Many of them occupy a subservient position in the world market because they specialize in the production of raw material, and the terms of trade for primary products have deteriorated in the world market (Dinham and Hines, 1985).

Contract farming in Lesotho experienced similar problems with the introduction of agricultural strategies as Nigeria and other African countries did. During the study it was learnt that the extension officers are no longer accountable to the asparagus production. Peasants are no longer receiving the extension services so that they can improve their productivity. Many of the extension officers are not active like in the previous years when the scheme was beginning, they are now occupying the “white collar jobs”. For the international trade, I think asparagus outgrowers cannot compete with commercial farmers who use sophisticated technology. Furthermore, Lesotho is not an exception from other Third World countries. Asparagus production is a way of integrating peasants into international trade. But it is well known that producers from the poor countries are occupying a low position in the world market. In addition, the value of raw materials from the poor countries has gone down.

## **2.7 Small-Scale Commercial Farming in the Third World**

Asparagus cultivation in Lesotho is an example of small-scale peasant farming geared towards export in the international market. So, farmers in Lesotho are incorporated into the international trade regime. This shows that farmers are not conservative, or risk averse, they are open to change and the introduction of new technologies. Therefore they are commercializing where there is a transition from subsistence agriculture to diversified crop production for market purposes. It is at this point where small-scale agriculture has to be defined. According to the Benson Institute Programme (nd), small-scale agriculture is an agricultural activity where people produce a variety of food crops and animals for food security and provision of nutrition for the household. In cases

where there is excess of production, the surplus is marketed to bring some cash into the household. But this definition does not apply to many contract farming schemes because the crops that are grown are not consumed within the household. For example asparagus in Lesotho has a limited market, it is not consumed within the farmers' households. In this case, the situation is contrary to conventional expectations. In most contract farming schemes production is geared toward income generation not food security and self-sufficiency. However, the discussion below will follow the original definition of small-scale agriculture.

The social and commercial institutions under which peasants are working play a very important role for their transformation. Peasants are willing to participate in the market when the working conditions are conducive to everybody and when they realize the potential benefits from the market transactions. There must be fair competition in the market where the peasants are not subordinated in the exchange transaction. Furthermore, as some scholars like Todaro (1989) point out there must be some enabling incentives like credit and capital, inputs like fertilizer and irrigation facilities, and marketing outlets that will motivate the peasants to participate in generalized commodity production. When the working conditions are favourable there is no reason why peasants cannot respond to the new innovations and be integrated into the capitalist economy.

In many countries large scale commercial farming is seen as the main contributor to the national income, GNP and GDP with minor yet important contributions from small-scale peasant farming. It is the engine for other non-agricultural sectors' growth. Peasant farming together with commercial agriculture enlarges the domestic market for the output of manufacturing and facilitates the emergence of some local industries. Output from agriculture is supplied to the processing plants, so this also results in the development of many agroindustries that process agricultural raw material. Many emerging small-scale farmers will also increase the demand for farming machinery from the industrial sector. In many cases, when there is a surplus of food peasants often trade on the local markets (within the country) with consumers. This shows that, small-scale farming has a potential to supply food to industrial workers and the urban population. The increased demand for agricultural products can stimulate the supply of raw materials to agroindustries thus opening job opportunities

where people can be deployed in agricultural activities such as planting of crops and many others.

Another role that small-scale farming can play is to increase the supply of domestic savings thereby enhancing capital formation and consequently economic growth. Technology that is purchased from the industrial sector can make farmers more competitive internationally. Therefore, the concerned countries will earn foreign exchange through international trade. Small-scale commercial farmers do not bring in foreign exchange only into the country through trade, they also act as import substitutes. The farming equipment is manufactured locally to meet the local demand this saves money that could have been used to purchase foreign technology (Ghatak and Ingersent, 1984). In addition, when food is produced by the local farmers imported food is no longer required. Furthermore, the agricultural sector is more labour intensive than the industrial sector that is more capital intensive, so it employs many people. The labour force is utilized in such a way that it contributes to national development. Therefore, revenues extracted from agriculture are invested in national development like building schools, infrastructure, hospitals and creating employment opportunities for a massive number of people. The transfer of labour to other sectors is also listed among the contributors of agriculture to economic development.

The economics of small-scale commercial agriculture state that there is a transition from subsistence to mixed, to specialized farming which represents the form which is exclusively engaged in high productivity, specialized agriculture catering entirely for the market (Todaro, 1989). However, small-scale commercial farming in developing countries is still at a mixed-market state, moving towards the sustained specialized production. Peasants transit from producing subsistence crops to production of cash crops like coffee, sugar, tea, rice and others where part of the produce is sold in the market while the other is used for household reproduction. Furthermore, Carney (1998) points out that peasants in Gambia are no longer relying on erratic and unreliable rainfall for rice growing but there is the use of irrigation schemes during dry seasons.

Small-scale commercial farming is seen to be more productive than the large-scale commercial farms, for example Muchambo (1998) points out that in the cotton company competition that was

held in Zimbabwe in 1996 the competition was won by small-scale producers. The small landholdings yielded higher returns per hectare. Therefore, small landholdings are perceived to be productive for a number of reasons. Firstly it is mostly practised on a small piece of land, and this gives it the advantage of been more manageable. Secondly, it is also labour intensive and often uses an adapted form of technology. Therefore, it creates self-employment. Finally, there are less transaction costs incurred in the supervision of labour because small-scale farming exploits mostly household labour, and more specifically children and women's labour (Mbiba, 1995). In the past, most government policies were working against small-scale farming. Therefore, many people assume that large-scale agriculture is more efficient and productive than small-scale farming. This is because small sized farms were seen to be uneconomic, producing low average crop yields as a result of poor land quality, lack of fertilizer input, absence of machinery, and poor public sector funding. However, some scholars like Moyo (2000) argue that small-scale farming can be more productive than large-scale farming which is inefficient and under-utilizes the land. So, when land and other economic incentives are made available to small-holders they can outcompete the large-scale farmers. When there is competition between the small-scale and large-scale commercial farmers, there will be surplus food and this will reduce prices on foodstuffs. Therefore, this will reduce the level of hunger and starvation in the developing countries. This is because a large proportion of the African population is made-up of children and women and they are the ones vulnerable to malnutrition. So, small-scale peasant farming will extend the degree of self-reliance in food production because it is more labour intensive, constituting a long-term solution for nutritional deficiencies (Rogerson, 1992).

In Third World countries, especially in Africa, the majority of the people live in the rural areas and more than 70 per cent of the labour force finds its livelihood in agriculture (Dixon, 1990). In many countries small-scale farming is used as a rural development strategy. This is because it ensures that poor people have some means of livelihood (incomes derived from agriculture can be used to meet household basic needs and the food products can be used for simple reproduction of the household) and good nutrition, while problems relating to food insecurity are solved. This type of farming provides households with a sufficient and reliable food supply. This makes the producers to be less

dependent on the government for food handouts and other social transfers. Most of them will grow crops for consumption and the market, and this will improve their living standards.

Development projects in order to be sustainable must promote self-reliance. They must ensure that people do the work by themselves. In order for small-scale agriculture to be central to the needs of the people and reduce the level of unemployment, it must be capital saving and allow peasants to have autonomy in the decision making process concerning the type of crops they want to grow. However, this is not practised in the cash cropping schemes, where contractors specify the type of the crops that have to be grown. For instance, in Lesotho asparagus is not an indigenous or a native crop, it was introduced by the foreign companies. Another argument that is raised within small-scale agriculture is that, the peasants are not dependent on remuneration after the work is done, and this means that small-scale commercial farmers are not subject to being hired and fired. When assessing this argument one can say that, in cash cropping schemes peasants are self-employed but they are dependent on agribusiness for the marketing of their produce. In order to realise good productivity from their investment in land peasants usually give most of their attention on the crops they have grown, so this develops some skills in managerial and technical competence. The interaction with the environment teaches them new methods of coping with natural disasters like drought, hail and frost.

Despite the fact that small-scale commercial farming is very useful in the rural development process and the maintenance of the peasant household in particular by providing cash income, it causes exploitation of labour. This is because some scholars like Mbiba (1995) and Moyo (2000) admit that small-scale agriculture exploits family labour. Peasant households use mostly family labour, especially child and women's labour in agriculture in order to minimize some costs. So, in order to maximize profits, people (women and children) who participate in agriculture are exploited by working long hours. Furthermore, the labour of women and children is exploited in the sense that it is not remunerated according to the work done. Sometimes their labour is completely unpaid because men control the produce and the benefits. This illustrates the subordination of women and

Cotton  
farmer

children in the rural development process where they are separated from their produce and the benefits of their labour.

## 2.8 Development of Small-Scale Commercial Farmers in Zimbabwe

Peasant farming in Lesotho consists of subsistence farming with some production for the market. So it is important to learn how Zimbabwe improved small scale farming after independence and during its land reform process. In order to perform well economically in agriculture and other developments, strategies used by other countries could sometimes be copied, replicated or modified in some way to suit local conditions. What is very interesting in the Zimbabwean case study is how the government helped small-scale farmers, to produce cash crops (cotton, tea and other crops) for the international market. Strategies

After independence, the Zimbabwean government tried to improve small-scale agriculture, both in the Communal Areas and in the new resettled areas. Cliffe (1990) points out that most of the productive land in Zimbabwe is occupied by the White settlers. While the majority of peasants are confined and concentrated on unproductive and infertile land that is suitable primarily for grazing. Even-though the peasants are occupying land with poor soils in the overcrowded regions, since independence their productivity has increased in response to the economic incentives they received from the government. The diffusion of new innovations into the peasant farming communities include inter alia, the use of hybrid maize seed, fertilizers, insecticides, and credit to purchase these inputs. These have been provided on a significant scale for the first time (Cliffe, 1990:5). Therefore, there was an increase in the production and contribution of maize, cotton and sorghum from peasant agriculture. Development of small-scale agriculture in Zimbabwe represents a very interesting case. Government intervention through the provision of agricultural inputs tried to make small-producers more competitive. Therefore, competition between the small-scale and large-scale farmers might develop a kind of specialization and adoption of new innovations, where those who are unproductive would be driven out of the market. In Lesotho there are no large-scale farmers, so this stifles

competition among small-scale farmers resulting in low productivity. Where competition is very weak farmers become uninnovative and inflexible to new technologies.

In Zimbabwe government policies were geared towards the development and promotion of agriculture in the Communal Areas. The extension services as well as the development of marketing outlets were provided through the assistance of the Agricultural Finance Corporation. However, the peasants were expected to repay their loans and credit through a stop order system. This was done using the marketing boards. I have discussed the role of the marketing boards in the previous sections. The Zimbabwean government like other African states was using the marketing outlets so that it could generate some revenue. Repayment of loans through stop orders ensured that peasants traded with the marketing boards only, not any other market. The means of ensuring repayment for loans through stop orders, is to insist that borrowers are registered as regular sellers to the official Marketing Boards (Cliffe, 1990:7).

Contract farming schemes in Africa and asparagus cultivation in Lesotho in particular is following this system of agricultural development through marketing boards. Basotho Cannery is like a marketing board where peasants are obliged to sell their produce at the stipulated prices. It is the only purchaser and the sole market for asparagus in the country. Some people would argue that African governments would face a challenge from peasants when extracting surplus because such measures (for example, forced conservation and Improved Farmers' Schemes in Tankanyika) were resisted during colonialism. But it should be taken into consideration that after independence the peasants' movements became very weak. When improving the agricultural sector the post-colonial governments also established the marketing outlets. Furthermore, civil society militants were often co-opted into the state organs, thus reducing their autonomy.

In order to increase productivity in the Communal Areas the mechanization of agriculture was advocated as well as the reduction of land for grazing purposes, as these areas have a high potential for crop production especially in Mashonaland. Cliffe (1990) points out that farmers were urged to reduce the size of their livestock and they were also advised to grow fodder and keep oxen for

cultivation purposes. The farmers were taught how to practise minimum tillage of the soil and mixed cropping in order to conserve the soil from erosion. Private tenure or individual land ownership was seen as the best way of making peasants manage and invest in their land effectively. They would develop management techniques that would prevent soil and land degradation (Cliffe, 1990), and this would also give them a security of credit.

This case study shows how government intervened in small-scale peasant farming in Zimbabwe after 1980. Government played a very vital role in the production and marketing of farmers' output. So, this study will enable us to assess and tell whether the government of Lesotho is committed to the improvement of small-scale agriculture, especially asparagus production through subsidies, inputs and other agricultural incentives. In Lesotho asparagus is grown under an informal contract between the farmers and the agribusiness (Basotho Cannery), but the government still plays a very important role in improving peasant farming. The government through the Ministry of Agriculture (MOA) is working in collaboration with Basotho Cannery and peasants in asparagus production. Basotho Cannery is a market outlet for the peasants' produce, but it does not supply agricultural inputs like other agribusinesses in the Third World. Division of tasks and responsibilities of the MOA and Basotho Cannery will be discussed in detail in chapter four.

## **2.9 Summary**

Many people blame the existing poverty among African states to the advent of colonialism on the continent. The greatest impact of colonial rule was mostly felt in the countryside where local people were forced off their lands and obliged to destock and undertake other conservation measures imposed by colonial regime. Some of these colonial development strategies were inherited by post-colonial governments, through the policies that promote urban bias. However, after independence some African states introduced development projects that were geared towards the improvement of the agricultural sector through increasing productivity. Agricultural development was seen as the only development strategy that could upgrade the living standards of the poor communities. Some studies (Hyden, 1980) show that during colonialism in countries such as Kenya peasants were denied

the opportunity to cultivate cash crops. This was meant to restrict the availability of cash income within peasant households. So, after independence some governments intervened by providing peasants with agricultural incentives. Where cash cropping was promoted, contract farming schemes were developed. Lesotho was not an exception in the development of rural areas through the introduction of cash cropping.

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In the past years the colonial governments exploited the rural sector in the Third World countries through the introduction of compulsory cash cropping. However, during the era of globalisation Multi-National Corporations (MNCs) come and invest into the agriculture sector of many poor countries in order to extract surplus. This is done through contract farming schemes. The role of MNCs in the cash cropping schemes and rural development process will be discussed in the next chapter.

## CHAPTER THREE

### CONTRACT FARMING IN THE THIRD WORLD

#### 3.1 Introduction

According to Hansen and Marcussen (1982), multinational agribusiness firms are involved in every aspect of Third World agricultural development. Their activities entail direct agricultural production, the production and sale of technological inputs such as fertilizers, pesticides, insecticides, and agricultural raw materials, and their distribution and marketing. Very often it is these agribusinesses that initiate contract farming schemes with local peasants. Where successful the relationship between agroindustry and peasants could play a very important role in the development of the rural sector. It acts as a market for agricultural products and it processes agricultural raw materials, fruit and livestock products. The degree of processing can vary tremendously, ranging from the cleaning and grading of apples to the milling of rice, to the cooking, mixing and chemical alteration required to create a textured vegetable food (Austin, 1987:3).

This study does not deal with the broader and more complex role of multinational agribusiness in development, but rather focuses more specifically on the benefits and problems of contract farming schemes and how these schemes are integrated into processing regimes. These include among others, employment creation, relationship between peasants and the limited components of agribusiness, and how the scheme impacts on the peasants (both men and women). This will introduce the aspect of gender in the contract farming schemes. In most cases women participate fully in contract schemes while men generally participate partially in such rural development schemes. Case studies will be used to illustrate gender and labour relations in various other contract farming schemes in developing countries.

#### 3.2 The Nature of Contract Farming

To start with, contract farming is a production system where subsistence farmers or commercial farmers engage in formal or informal agreements with agribusiness or agro-industry (Rugege and

Santho 1989; Konings 1998). Contract farming schemes are usually private business relationships although sometimes they may entail a joint venture with local government. In some countries the state is the contractor working with the peasants and it controls the agribusiness. As a result, the state has the power to intervene between the firm and growers to make the relationship more beneficial to both parties. Contract farming is very important in weak economies, it employs many people, and they are able to earn some income. But contract farming also has some negative impacts on a host country.

In contract farming an agro-industry purchases produce from local farmers which supplements or substitutes for the company's own production. In some cases agribusiness owns some plots which are then leased to local producers. In this situation peasants still reach an agreement with the agribusiness on the amount and quality of produce to deliver and specified procedures for producing and handling them (Barker, 1989:20). For example, in Lesotho some peasants cultivate asparagus on the Basotho Cannery's plots.

### **3.3 Contract Schemes and Creation of Employment Opportunities**

It is argued that contracts give benefits to both the firm and the growers. First of all, it creates employment opportunities in the rural sector. In most Third World countries, there is massive unemployment and under employment. In order to assess the benefits of contract farming in employment creation, Hoekom (1982) suggests that it is important to look at the unemployment figures in the different regions. Furthermore what is needed is also to examine the income levels of people in the different regions. The introduction of contract farming schemes assures that farmers are given a chance to venture into new innovations and technology so that they can increase their productivity. In order to absorb the high rate of unemployment in the countryside, technology that is used must be labour intensive. However, this argument often contradicts the concept of introducing new techniques of production (sophisticated technology) in the agricultural sector which is generally capital intensive. It is also stated that the introduction of cash crops into peasant agriculture usually introduces and opens new opportunities for processing plants that usually employ

many people for packing of finished products in manufacturing-style operations. As has been argued by Dinham and Hines (1985) these activities are generally labour intensive.

Austin (1987) also points out that the introduction of a processing plant in the rural sector can open new crop opportunities to farmers. This will enable subsistence farmers to supplement their low incomes by producing commercial crops. In most cases the firm is usually rural based in nature. The fact that it transforms primary goods into secondary products does not mean that it assures a viable economy, either in the rural sector or the national economy. This is because rural industries are usually lacking sufficient external linkages to the local economy. In addition, these industries lack an adequate local market because products produced are not consumed locally.

According to the experts (Watts, 1994; Rugege and Santho, 1989) and local governments, contract farming seems to provide greater local involvement because of the farming and income opportunities it offers. McFadden (1990) points out that cotton cultivation in Swaziland has become one of the means by which the peasant households can improve their subsistence incomes because cotton does not rely on irrigation and it exploits family labour. By absorbing a high level of unemployment, contract farming may promote good public relations for the agribusiness concerned. One can say that many people would perceive the scheme as a way of generating income and alleviating the persisting poverty in developing countries and rural areas more specifically.

From the discussion on contract farming schemes one can observe that it is not only important to the local farmers, but to the national economy as a whole. Revenues or capital accumulated from contract farming contributes to the national income. On the national scale, products processed from agro-industries are used for export and generate foreign exchange for the country. As a result, the national income of a country will rise and the domestic and foreign financial reserves will be increased. In addition, one can point out that, contract revenues are used for capital formation that will be used for investment, and in the case of weak economies goods produced from contract farming can be the main sources of foreign exchange earnings.

### 3.4 Can Contract Farming Assure Sustainable Rural Livelihoods?

*Put before  
small  
family*

Despite its merits, contract farming poses many problems to the local farmers and the economy as a whole. The objectives and benefits of contract farming in theory are very enticing and very important for those families that do not have sources of revenue. But in practice not all these merits are realised. The shortcomings from contract farming make one see the scheme as a source of underdevelopment in the host countries. Kinsey (1987) argues that agribusiness is aimed at improving the lives of the rural poor. But one can say that contract farming negates this objective of improving the lives of the rural poor and instead it often worsens them as it favours urban dwellers more than the targeted group, the rural poor. Barker and Halfani (1984:60) further highlight that technology used in agribusiness has a low employment generating effect. As has been argued earlier this is because technology that is used by the multinationals replaces more labour. The benefits that are held by the contract relationship for the rural poor are very few and not satisfactory at all, and these benefits are realised at the expense of the exploitation and oppression of rural communities.

Farmers are often exploited in the market in the exchange transaction with agribusiness. It is commonly observed that for private enterprises profit making is the main concern. Therefore, in contract farming the contractor seeks to maximize profits and minimize costs. This is exacerbated by the fact that contracts in some places are usually "signed" by illiterate rural farmers who are vulnerable to exploitation because they lack basic skills in numeracy and literacy. Many rural farmers do not have basic nor formal education, so they are mostly at a disadvantage when dealing with agribusiness and contract farming. In addition, prices for the produce and amount to deliver are often set by agribusiness before the planting season begins. White (1997) points out that by purchasing produce from the family farms rather than labour from wage-workers, the contracting agency tries to minimize and avoid the costs of recruitment by indirectly utilizing the unpaid and cheap labour of smallholders.

As has been argued by McFadden (1990) producing some cash crops like cotton is time consuming and labour demanding. This kind of crop needs a lot of attention. As a result, farmers are only focusing on these crops and often have to abandon other income generating activities. Cotton requires the availability of labour at all seasons during the growing period. As a result, this affects the rural economy adversely, because almost all the labour force is concentrated on cotton only, which eventually has very low returns from the market. In this case one can argue that the opportunity cost of labour in relation to contract farming is rather high.

Contract farming is a mechanism for proletarianising the peasantry of the Third World countries. Peasants are transformed from being subsistence farmers into wage labourers. For example, Copans (1980) pointed out that in Senegal the government and the private sector were working together in trying to abolish the independent small farmer and turn him or her into a labourer on the estates in the country. This argument illustrates how peasantry is at a risk of being driven out of production as an independent producer. So, the main question is how will peasantry survive when is turned into a wage labourer. This is because the wages that are paid for his/her labour cannot sustain the reproduction and the maintenance of the household for a long time. Hansen and Marcussen (1985) also show that with the introduction of contract farming there is a rapid increase in the price of land because there is a high influx of people into the scheme. The implication of this is that the less successful peasants are obliged to sell their land to the more successful and become wage labourers.

When arguing against contract farming White (1997) postulates that many contract farming schemes have resulted in the shortage of food supplies in Third World economies. The introduction of foreign crops for manufacturing can make many farmers shift away from producing traditional crops or staple foodstuffs for local consumption. This results in a low supply and a high demand for food, thus prices of foodstuffs rise. The prices of basic foodstuffs become high and unaffordable to the poor. Therefore, the nutrition of low-income, landless workers or urban consumers may suffer from such a rise in the price of staples (Austin, 1987:13). As a result, peasants lose food self-sufficiency. This point is reiterated by Barker and Halfani (1984) who state that contract farming causes the loss of producers' autonomy of producing for direct consumption. To reinforce this point, one can say

that most of the goods produced under contract are not locally consumed, they are rather exported to some foreign countries. In addition, those crops that are used to some extent in rural communities, once processed become very expensive for the rural sector because they have added value. As a result, rural farmers are alienated from their produce. Their labour is converted into a commodity. Therefore, one can further say that contract farming causes labour alienation, where worker-farmers are remunerated at rates pre-set by agribusiness, often at the expense of the farmers. The prices are set in such a way that they are in favour of the producers, but not the consumers.

As will be described below one can argue that asparagus production in Lesotho has not provided poor households with a sustainable income and employment. The asparagus scheme is paying very a meagre income that cannot keep the household surviving. So, poor people have to fend for themselves by participating in informal activities like street vending and beer brewing in order to generate income and make a living.

From the discussion above it is debatable as to whether contract farming schemes usually follow the grassroots development approach (bottom up approach) where peasants decide on what kind of cash crops to grow. Development projects, especially agricultural schemes, are meant to solve the immediate needs of the people, hunger and food shortage. Where there is little popular participation of the target population in the decision making process, projects often fail. This point is clearly illustrated by Ferguson (1990), where he studied agricultural projects in Lesotho. The failure of the Thaba-Tseka agricultural project (cash cropping) was associated with lack of involvement of peasants in the planning process. It is argued that the locals did not need cash crops like wheat and peas, but they wanted provision of social services like water, health services and others.

### **3.5 Diffusion of Agricultural Inputs into Peasant Farming**

The availability of technology is very central to any development project. Like other development activities contract farming schemes try to encourage the use of modern technology in order to increase productivity. This is because as Glover and Kusterer (1990) state, small farmers are

unwilling to adopt new innovations by themselves, because they are afraid to take a risk. As a result, they are unable to compete with large-scale farmers. Also, they lack income to avail themselves with these new technologies offered by the MNCs. This point is supplemented by Barker and Halfani (1984) who argue that through the adoption of new innovations, the peasant's productivity will increase. There is limited use of modern inputs in LDCs, so through contract farming, farmers will be in a position to have access to them and agricultural extension services. The provision of these services is always weak in LDCs under the public sector, although even the private sectors are not always capable or prepared to offer this service efficiently and sufficiently.

It is very difficult for the small producers to have access to credit in poor countries. In cases where there is availability of credit it is generally rationed because there are many farmers who want to access it. Here arises competition, between those farmers who have extra capital and will thus have access to the resources (agricultural inputs) but poor farmers who do not have the same purchasing power will be at a disadvantage. So, the solution is in contract farming where credit is provided homogeneously to all farmers, rich and poor alike.

Donors perceive contract farming as a way of channeling and distributing some scarce resources to smallholders. The system is commended for being more helpful as a way of providing smallholders with services they need to face competition from large commercial farmers. So, some scholars like Watts (1990) point out that services like credit, technical assistance, inputs, quality control and marketing make farmers more competitive. The company offers these services, and the grower provides his or her labour power and land. So, one can argue that there is a symbiotic relationship between the agribusiness and peasants. However, peasants are compelled to abide by the conditions set by Multi-National Corporations (MNCs) with regard to cultivation, marketing, and pricing (Barker and Halfani 1984:48). The implication of this is that contract farming forces farmers to work with the laws of supply and demand. They must stick to the quantity and quality products required by the company.

Rugege and Santho (1989) argue that contract farming generally involves some form of monopsony, in which a single firm works with a large number of usually unorganized farmers. Peasants are usually not working collectively, as a result, are difficult to manage. Through contract farming schemes peasants can be organized so that they can sell their produce to the single marketing outlet. The fact that contract farming schemes concentrate on the production of relatively high value goods for export, rather than basic foods for local consumption has resulted in the integration of the peasants into the global economy.

A major assumption that one can raise is that contract farming schemes are meant to reduce inequalities and inequities, where every peasant has an option of participating in the scheme. However, Watts (1990) and Bernstein (1994) have observed a contradiction in this assumption. They argue that contract farming relations may systematically exclude large segments of the rural poor and target middle peasants or local capitalist farmers. This is because these groups are more advanced in the production system. They can produce good quality products better than poor peasants who are not used to sophisticated technologies and innovations. Poor peasants are perceived to be more risky to deal with. In order to reinforce this point that Watts and Bernstein have raised, one can say that illiteracy and problems of communication between the contractor and the outgrower during learning (extension services) programmes and handling new technologies are often cited. In addition, the grower provides labour, and land while the contractor come with inputs and production, and holds title to the product. In this sense, the contract is clearly a means of subordination. Tandon (1998) blames the underdevelopment in the Third World agricultural sector to modernization and globalization because they have allowed MNCs a monopoly of power. These multinational corporations are interested in profit generation, and not the welfare of the affected people. Mbilinyi (1990) further states that MNCs in Tanzania monopolise upstream and downstream activities in peasant and state farming.

Watts (1994) states that the contract rejects the substandard production, that is, it does not buy it. In addition, if farmers have produced in excess, the agroindustry just takes the quality and quantity it needs, and the rest becomes waste. (Asparagus production in Lesotho has the same specifications.

The low quality asparagus is not bought at Basotho Cannery. At this point one can say that these situations make farmers indebted. They won't be able to service their debts once their produce is rejected. Asparagus farmers in Lesotho usually have to repay the costs of asparagus investment after harvesting, and the industry will then take 5 per cent of the total amount from every annual harvest till the farmer has finished paying his/her debt after four years (Khathi, 1984)).

### **3.6 Agribusiness and the Development of the Rural Economy**

Many Third World countries are confronted with the problems of massive rural-urban migration. People often migrate into urban areas in search of paid employment. So, the introduction of cash crops in the rural sector can curb the problem of rural-urban migration that often results in urban social problems including hooliganism, theft and anarchy. Many people could be retained in the rural sector, and utilize their lands more productively as contract farming introduces or expands a cash economy in the rural hinterlands. As a result, many farmers could become more self-sufficient, self-propelling and self-sustaining. By expanding a cash economy in the rural sector, many uncultivated or fallow lands would be cultivated responding to the laws of supply and demand. Therefore, contract farming can lead to equal population distribution and regional equality in terms of employment opportunities.

Labour issues are probably more important in contract farming because the scheme uses underutilized labour in the rural sector (Hansen and Marcussen, 1985). The unskilled labour is employed in contract farming. Lastly conservation techniques introduced by the state give the peasants the advantage of putting unused land into operation. This can be achieved through the supply of farming implements, through loans, and teaching peasants land management and conservation practices (Morvaridi, 1995).

Establishment of the agribusiness in the rural sector can make these areas more accessible. Many of the rural areas in Africa lack basic infrastructure like good roads, water and others. Location of the processing plant in the countryside will bring these services closer to the rural poor. (For

instance, during the introduction of asparagus production in the rural areas in Lesotho there was development of water supplies, and construction of roads that lead to the asparagus growing villages. These will be discussed later in chapter four. Furthermore, as has been pointed out by Ferguson (1990), Thaba-the Tseka Rural Development Project promoted the construction of the road leading into the mountain areas. This was meant to facilitate the marketing of farmers' produce, and transportation of agricultural inputs at the project. However, the rural networks have been cited to create problems for rural producers. Once there is an easy movement of goods and services, foreign goods penetrate the rural market and reduce the prices of commodities. The implication of this is that rural producers will be outcompeted and therefore run a loss. Some of these problems are cited by Ferguson (1990)).

Even-though contract farming schemes are meant to solve the problem of rural and urban imbalances and those associated with migration into the cities, the investment is not done in the whole country or region. As has been argued by Hansen and Marcussen (1985) MNCs usually come and invest in the Third World. So, these corporations are looking for areas that have a potential in maximising profits and minimising costs. These are areas that have a locational advantage. As a result, contract farming causes rural and regional inequalities, because some areas are excluded. Barker and Halfani (1984:60) argue this point less strongly by saying that contract farming causes rural inequality only. Those areas that have well established markets and fertile soils are preferred, and these areas are that are easily accessible. While inaccessible areas are not targeted. As a result, poverty alleviation is a very low priority in contract farming, whereas profit generation is the main concern.

Furthermore, one can disagree with Barker and Halfani (1984:60) when they state that the multiplier effect of agro-industries helps expand the industrial base in Africa. Obviously the physical presence of agro-industries contribute to an industrial base yet profits that are generated by MNCs are mostly repatriated abroad to the company's home. This causes capital leakage and limits local capital accumulation. Most of the investable surpluses generated from the agribusiness or contract farming is not invested in the host countries thus making no contribution to capital formation in the host countries. Profits that are generated by these MNCs therefore have little impact on the multiplier

effect in the Third World countries. Contract farming is usually controlled by foreign companies, and this creates an economy that is controlled from the outside by foreign investors.

Asparagus production in Lesotho was controlled by a foreign company called Langeberg Food Processor. So, in the context of this section it can be stated that it was mainly concerned with profit making, and that is why most of the peasants could not benefit from asparagus production (see ANNEXES B,C,D,E, and F).

### **3.7 Labour and Gender Relations in Contract Farming Schemes: The Cases of Kenya and Gambia**

Gender and labour relations are very important issues in cash crop farming. So, these case studies will enable us to assess whether asparagus production in Lesotho is oppressive in terms of women's access to resources and control of their own labour. One can say that asparagus is a women's crop because there are so many of them participating in the scheme. So it is crucial to see whether women in asparagus cultivation in Lesotho share similar problems with women in tea growing in Kenya and those in rice production in Gambia. It is important to look at the position of women in cash cropping in Kenya and Gambia and how they resist the domination and control of men over their labour and the produce.

In order to have a clear understanding of the position played by women in rural development, it is very important to look at the characteristics of the household. The household is taken as a basic unit where members live, eat and work together (Crehan, 1992). There is a sexual division of labour within the household between women, men and children. Yet the household is a unit which performs all economic activities cooperatively. The members work jointly in the fields to produce agricultural goods in order to avoid famine and starvation. Eventually, after the harvest the household consumes the proceeds of its labour. In order for production to occur, there must be an adequate supply of labour and sufficient food. This enables workers to perform duties very well because food provides energy.

Women play a very crucial role in maintaining rural households. As a result, rural livelihoods prosper because of women's participation in the households' activities. Tasks that are performed within the household are women's responsibilities, while men do very little duties. However, in many Third World societies women are taken as subordinates and men as superiors who have control and power in the decision making process. So, women are considered to be inferior to men by traditional institutions, and they are supposed to surrender all their rights to their husbands. Men can therefore control and decide on what women shall do and what they are supposed to do.

Land tenure systems in the rural areas hinder women to participate fully in development. This is because traditional tenures deprive women from having access to useful economic resources like land and capital. So, these biases against women confine them to participating in unpaid domestic labour and also to provide their free labour on their husbands' cash fields. In cases where women have a small piece of land, returns from their work is meant for family maintenance. Income from their labour is used for family consumption, and buying household basic needs.

### **3.8 Tea Growing in Kenya**

Sorensen and Von Bulow (1993) argue that women in outgrower schemes in Kenya are confronted with problems similar to other women in Third World countries. They point out that many studies have neglected the issues of labour and gender relations at the household level. So many studies have not addressed the issue of labour from a gender perspective. Women have problems in relation to the land as an economic asset and also to their labour power. Many women in African societies do not have control over their labour, and the returns produced from their labour. This labour alienation is caused by their husbands, or other males in what is essentially a patriarchal society.

The discriminatory laws that deny women access to some factors of production (capital, labour and land) are still prevalent in tea growing schemes in Kenya. Sorensen and Von Bulow (1993) point out that the company that is working with smallholders in tea growing, KTDA only issue licenses

of ownership of the land to the male household heads. Furthermore, the income that is accrued from the schemes is also deposited into the man's bank account. However, most of the activities relating to tea production are carried-out by women. The company (KTDA) also provides extension services to male tea farmers exclusively. Women are not targeted even though they are the main agriculturalists in these societies. Sorensen and Von Bulow (1993) further point out that the company (KTDA) does not support them to be independent outgrowers, but it argues that they must work under the control of their husbands. This is because when a woman is an independent producer the husband won't be in the position to control her labour and profits from tea growing. As will be discussed below, the position occupied by women in asparagus production in Lesotho is different from their Kenyan counterparts. In Lesotho the asparagus scheme is dominated by women farmers, but Basotho Cannery and HVCP do not exclude them from the decision making process. The cheques were written in the women's names, and there is no discrimination in the provision of extension services. They are provided homogeneously between both male and female farmers.

On other occasions, during the cultivation process on the Kenyan tea farms, men and women work together. In most of the cases, men do heavy tasks such as pruning while weeding and harvesting is often done by women. Even-though there is a gender division of labour in tea growing schemes, men control the farms and production. Sorensen and Von Bulow (1993) argue that tea growing on small landholdings has created a dichotomy in relation to the control over household resources by men and women. In asparagus cultivation in Lesotho, there is also a division of tasks between men and women. Like in Kenya men do the heavy tasks like ploughing while women perform activities like weeding and harvesting. But some men also help their wives during the peak seasons. In Kenya the differentiation (inequality) of the peasantry is not only observed during the decision making process only. As has been pointed out by Sorensen and Von Bulow (1993) the social differentiation is also observed among the peasants, where the tea growing scheme seldom include poor peasants. The rich ones are often targeted, thus giving them an alternative source of livelihood while the marginalised in society-women and the poor-continue to be excluded.

As I have said earlier, women are responsible for the social reproduction of the households in

peasant communities. They participate in agricultural activities as well as family maintenance. Therefore, their involvement in tea growing schemes gives them an extra load. Tea is labour demanding, so there is severe pressure on women's labour during the peak seasons of weeding and harvesting. Women often neglect or abandon some household chores, and alternative activities that generated some extra income in the past, and focus on outgrower schemes only.

As has been argued by Sorensen and Von Bulow (1993), in many rural communities, especially those involved in cash cropping women do their work cooperatively. This strategy helps them to conquer some problems related to labour shortages. However, lack of income in many households has resulted in the decline of these cooperative institutions because labour is now remunerated. After all, women have less control over household income. Therefore, they are not in a position to hire labour.

Communal work has been very successful among women working groups in many Africa societies. But many authors have failed to show the impact of communal work on the social lives of the people. Community development works have been cited as promoting "free-rider" problems. There are many people who want to benefit from something they have not contributed to. So, Sorensen and Von Bulow (1993) do not tell us how women cope with this problem. There could arise some disagreements between the members, so quarrels and conflicting interests are very important when assessing the viability of women's cooperatives.

Sorensen and Von Bulow (1993) also emphasize the importance of children in rural development. Children play a very vital role in helping their parents (mothers) in household reproduction. However, increasing enrolments in schools have caused a decline in child labour. In order to facilitate production and reduce the labour burden, some rich families often resort to hired labour. This gives women a chance of performing other income generating activities. But in poor households the hiring of additional labour is not possible and as tea growing affects women's work at all times, not only during weeding and harvesting, this results in the failure of performing important household activities efficiently.

There is evidence that suggested that women involved in tea growing in Kenya were involved in the intra-household struggles against their husbands' control over their labour and profits generated from the schemes. Women expected the income earned from tea growing to be spent on the household's needs, but men often squander it on their personal needs (Sorensen and Von Bulow, 1993). To emphasize their struggle, women withdrew their labour from tea farms. They refused to work on their men's farms for a period of time unless their labour was compensated in cash. So, their labour withdrawal resulted in a decline in production. In order to conquer the problem of labour shortage Sorensen and Von Bulow (1993) postulate that men responded by hiring labour to compensate for the loss of their household's labour. On the other hand, some men forced their wives to work on the tea farms. Furthermore, men wanted to control their wives' labour by preventing them from working in the collective groups and instead demanded them to harvest tea on their farms.

This case study tries to show the power relation between men and women in the rural (agricultural) development process. Even-though women are predominant producers; they have less control on the royalties. So, in order to have autonomous control on the proceeds of their labour, women have to challenge the power of their husbands.

### **3.9 Rice Production in Gambia**

In Gambia donors targeted women in rice production schemes in order to ensure gender equity in allocation of resources. According to Carney (1988) women were supposed to be allocated irrigated rice plots, but during the distribution most of the plots were allocated to male household heads. Therefore, there was gender conflict, between men and women and between donors and the management of the schemes because the objective was not met. Women were denied from having access to land even-though they were the main targets of the project. Men did not want women to be independent producers, and they were supported by the traditional rulers. Some plots where women used to earn an alternative source of income by cultivating rice were incorporated into the irrigated rice scheme, and that reduced their autonomy in relation to control of their labour and

individual ownership of land. So, land distribution that aimed at promoting women's private ownership of land failed. Carney (1998) states that IFAD intervened so that the project could be a success. So, in 1984 most of the plots in the scheme were reallocated and re-registered in women's names.

However, the reallocation and re-registering of the project's plots in the women's names did not solve the problems of women's control over their labour, their plots and their produce. Women provided their labour on the rice farms, but their husbands were reluctant to give them crop rights. They did not allow them to sell what had been produced. So, in order to avoid the same incidence of unremunerated labour and crop alienation in the next cropping season, women demanded to have their own plots in the rainfed areas. However, the traditional authority was also disinclined to allocate the land to women (Carney, 1998). So, women provided their labour in the fields, while men were responsible for marketing the output and controlling the benefits.

Women in Gambia, like those in the Kenyan outgrower schemes, challenged their husbands' claims to their labour on project plots through intra-household struggles. Working in the irrigated men's fields was unremunerated. So, women started demanding some compensation for their labour on the pump-irrigated plots. This move was a struggle against their husbands' control of their labour power. Carney (1998) points out that, after the third cropping season there were some changes in the Mandinka households in relation to access to benefit women. They demanded their labour to be compensated by having access to the land where there were no irrigation facilities, so that they could grow their private crops. In places where there were many pump-irrigated lands, women were given a certain share of the produce or yield. On the other hand, Carney (1998) further stated that Wellingara households had sufficient land to provide for subsistence needs and cash. However, women did not get their labour paid from the household plots. Therefore, they withdrew their labour from the rice fields. Female labour withdrawal has had a far-reaching impact on the social organization of household production (Carney, 1988). Men were moving into rice production in large numbers, so that replaced the female labour. However, the shortage of skilled women's labour caused a severe problem, especially when men were busy working on the groundnuts fields. So, they

resorted to hired labour as a substitute for women's labour on rice fields. Carney (1998) argues that the loss of household labour (women's labour) resulted in hired labour for harvesting and threshing.

### **3.10 Benefits of Contract Farming: Learning From the Case Studies of Tea Growing in Kenya and Rice Production in Gambia**

In the case of Kenya Hansen and Marcussen (1982) argue that contract farming in tea and sugar production have uniformly upgraded the socio-economic situation of the peasants participating in the scheme. In addition, the project has contributed a lot to national wealth accumulation. The economy of Kenya prospered because of tea and sugar production. In other words the national economy expanded because of contract farming in Kenya. As a result, the consumption levels of the peasants improved, and so did the investment in the country (Hansen and Marcussen 1982:24).

Yet contract farming in Kenya also accelerated differentiation among the peasants. Some sections of the peasantry obtained considerable amounts of income, while other sections realized relatively low levels of income. This resulted in different patterns of consumption with some peasants achieving healthier life styles than others. Such peasants were able to accumulate more wealth.

Hansen and Marcussen (1985) further argue that especially among the tea growing peasants it was obvious that their level of self-reproduction increased considerably as a result of incomes from cash crop production. There was expanded commodity production taking place in the peasants communities in Kenya. Money that was obtained from contract farming was used to purchase basic need commodities as well as luxurious goods.

This is substantiated by Glover and Kusterer (1990:106) in their study on tea growing in Kenya who argue that the scheme is viable and benefits many peasants. The project has been cited as a successful one combining profitability with benefits to smallholders. Many peasants obtained satisfactory incomes from the tea project and, as a result they were able to send their children to schools and fulfill their basic needs. As a result, the nutritional status of outgrowers improved

because of better incomes obtained from contract farming. Yet as noted above broader benefits often came at the expense of women's attempts at greater independence as well as the many impoverished households who could not access the potential benefits generated through cash crop farming.

In many cases, women are marginalised in many things and denied access to means of making a living. These can range from job opportunities to decision making in public matter and household issues. So, it can be observed that rice production in Gambia tried albeit unsuccessfully to reduce gender inequality by providing women with sustainable source of income. Targeting of women in rice production was meant to ensure that they become less dependent on men. In addition, those households that were headed by females could make a living. Yet as was illustrated in both cases the attempt by women to gain greater security for themselves was often thwarted by well established patriarchal institutions.

### **3.11 Summary**

This chapter is concerned with contract farming in the Third World. It looks at how contract farming schemes can potentially improve the living standards of the poor and how the benefits of the scheme in the host countries are perceived to stimulate economic growth. It is argued that such schemes are creating employment opportunities for the rural people and increasing the GNP of a country. In many contract farming schemes, the Multi-National Corporations play a very decisive role. Most of the agribusinesses in the developing countries are Multi-Nationals, they are Western companies working in the agricultural sector of many poor countries. So, most of these Multi-Nationals come into the LDCs with the idea of maximizing profits, with less emphasis on improving the lives of the poor masses. This is considered to be one of the disadvantages of many contract farming schemes in the poor countries.

In many countries MNCs through contract farming schemes work together with peasants in the agricultural sector. Therefore, it is argued that MNCs bring new innovations into the world of peasant agriculture. Yet, it has to be questioned whether these new technologies create employment

opportunities as this technology is capital intensive. As a result it does not absorb labour in the poor countries, and may even contribute to unemployment (Abedian and Biggs, 1998).

A further point that one can raise is that in many contract farming schemes crop rotation is not practised. Therefore, the scheme introduces a monoculture type of farming to the society involved. These cash crops are grown frequently year after year without planting crops like beans, peas and others for crop rotation and nitrogen fixation. As a result, this monocropping affects the soil structure. The soil loses fertility and mineral salts become depleted, as a result this brings little profits or yields from investment. Massive soil erosion may take place in this kind of farming. In addition when the specific cash crop is no longer viable, it may be difficult to switch crops because the land is overutilized and fertilizers are no longer available. Soil may have become exhausted because of overutilization, exacerbated by the monoculture type of farming promoted by contract farming, and had become dependent on expensive fertiliser inputs for fertility.

I am not against the contention that contract farming creates employment opportunities in the rural hinterlands and expands the cash economy, as it is postulated by Bosiu (1984). But one can argue that this is the development of a dependency relationship. As has been argued by Mbilinyi (1990:114) all public corporations involved in large farming in Tanzania are dependent on MNCs for management and inputs. One can further argue that many farmers become dependent on contract farming for income, technical inputs and credit. This poses a problem when the agro-industry closes down because of possible financial problems.

The main partners in the contract farming schemes are the outgrowers and the agribusiness. The agribusiness provides the agricultural inputs, while the peasants provide their labour and land. There is also a division of labour in the contract farming schemes between men and women. Therefore, gender and labour relations are very important concepts that need to be looked at in the contract farming schemes. This is because, there is an unequal distribution of power in the decision making process between men and women. This power relation determines how benefits from the schemes are shared between both sexes. Furthermore, men are endowed with the traditional power to control

the household proceeds and women's labour. Parts of this chapter show just how power in some societies is distributed between men and women and how men use their traditional power to suppress and control their wives' labour. So, when looking at the contract farming schemes, one has to look at how women as predominant producers in the agricultural sector are excluded in the decision making process and how they are alienated from the benefits and produce of their labour. Examining this particular relationship was a key component of the research conducted on the asparagus growers in Lesotho.

## **CHAPTER FOUR**

### **THE EVOLUTION OF ASPARAGUS CONTRACT FARMING IN LESOTHO**

#### **4.1 Why Asparagus Outgrower Scheme**

Contract farming schemes in developing countries are concerned primarily with small-scale commercial outgrowers. Asparagus production in Lesotho is an example of small-scale commercial agriculture where farmers are producing for the local and the international market. Furthermore, asparagus outgrowers' schemes fit the concept of contract farming schemes, where farmers are engaged in an informal "agreement with agribusiness", in this case Basotho Cannery.

#### **4.2 Background of Asparagus Cultivation in Lesotho**

After independence the Government of Lesotho (GOL) promulgated agricultural policies in order to promote agricultural production. The main focus was on rural development. The government was concerned with establishing a cash economy in the rural sector. It was during the Second Five Year Development period of 1975/76 - 1980/81 that the GOL introduced some cash crops in the rural sector. That was meant to alleviate poverty and create employment opportunities for the rural poor, and become a source of income. Asparagus was listed as a crop that could be tested.

The main objective of the government was to encourage the growing of cash crops not vulnerable to drought, hail and frost and which had high returns in terms of market potentialities. As a result, the GOL approached the United Nations Food and Agriculture Organisation (FAO) on types of cash crops that could be grown in the country. In 1971 the FAO sent a mission into the country to test which of the three cash crops, asparagus, peanuts and sunflowers could be favourable to the climatic conditions of Lesotho. Out of those three, asparagus was identified as a crop that could suit the climatic conditions of Lesotho. One of its major advantages besides being drought, hail and frost resistant, was that it was not vulnerable to insects (Bosiu 1984:10).

During the soil survey, it was discovered that it could be favourably planted in the Thaba-Bosiu catchment area. Asparagus cultivation at Thaba-Bosiu overlapped with the establishment of the Thaba-Bosiu Integrated Rural Development Project (TBIRD). As a result, asparagus was cultivated under the umbrella of that scheme. In 1973 an asparagus committee was elected in the project area and in early 1974 15 farmers were planting asparagus seedlings (Rugege and Santho, 1989). Those seedlings were imported from the Republic of South Africa (RSA). By the year 1975/76 the project established a small processing unit. Processed asparagus was exported to the European Union (especially to countries like West Germany). In 1976 through the help of the Del Monile Cooperation from Germany, an agribusiness (Basotho Cannery) was established during the expansion of the project at Masianokeng to facilitate the extensive processing of asparagus. The small processing plant at Thaba-Bosiu was then closed down. The construction of Basotho Cannery was funded by the UNDP and the FAO (Khati 1984:08). Lesotho National Development Corporation (LNDC) took over Basotho Cannery in 1980 after the departure of the Del Monile Corporation back to Germany (Khati, 1984:08).

At present asparagus cultivation is only practised in some areas in the Maseru District. There are no other districts where asparagus cultivation is done besides Maseru, but the government intends to introduce the crop in the Northern Districts of Bera and Leribe<sup>1</sup>. According to the management of HVCP asparagus favours soils where moisture is not kept for a long time<sup>2</sup>. That is why clay soil and humus soils are not suitable for the crop. Asparagus gives out high yields where there is low rainfall, but not prolonged drought.

### **4.3 Asparagus Production and Development**

Traditional crops like maize and sorghum do not have a high potential for generating foreign exchange or income for the farmers through exports. But asparagus is seen to be a more marketable crop internationally and in addition is more labour intensive, therefore this gives it an advantage of reducing high levels of unemployment in the labour market by providing some part time jobs for the

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<sup>1</sup> Interview with Mr Ntsoti and Mr Malebelle from the Ministry of Agriculture (HVCP), 22<sup>nd</sup> June 2000

rural poor. Local farmers are integrated into the global economy where they can compete with farmers from other parts of the world including large-scale farmers from both developing and developed countries. The competition will give them the chance of adopting useful technologies so that they can be more productive and competitive in international trade. Producers in the world market must produce under the law of supply and demand. So, farmers are producing enough goods to meet the demand in the market, and this gives them an opportunity to earn some income from asparagus production.

During good harvests, the marketing of the products ensures that people have some income that can be used to purchase goods and services. Income derived from asparagus production is used to meet different needs. It can be used for household reproduction, buying basic needs like clothes, food and health facilities. Some children are educated through income obtained from asparagus.

Asparagus cultivation became a common phenomenon in the country in the early 1980s. It was financed by the EU countries, and the funds channelled through the Ministry of Agriculture (MOA) under the High Value Crops Project (HVCP). At the moment 80 per cent of asparagus which is produced and processed in Lesotho is exported to the European Union. Some of the asparagus is exported to the RSA (15 per cent) and a small proportion (5 per cent) is consumed locally where it is sold to hotels on special occasions, to foreign guests and tourists. The main buyers of this asparagus in the country are hotels like the Victoria Hotel and the Lesotho Sun<sup>3</sup>.

As far as the market is concerned, the management of Basotho Cannery says that there is no problem relating to competition with other asparagus producers such as China and Peru because the asparagus seasons are different in both countries. Another important factor that contributes to the adequate marketing of asparagus in Lesotho is the peeling process which is not done by China and Peru, nor by South Africa. This makes the product to be of a high quality because value has been added<sup>4</sup>.

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<sup>2</sup> Interview with Mr Ntsoti and Mr Malebelle from the Ministry of Agriculture (HVCP), 22<sup>nd</sup> June 2000

<sup>3</sup> Interview with the former management of Basotho Cannery Mrs 'Mabataung, 20<sup>th</sup> June 2000

<sup>4</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

In previous years Basotho Cannery (BC) processed and canned asparagus, beans and peaches. It also processed fruit jam. These products were packaged and exported to the European Union and RSA. Canned beans and fruits were also sold locally in shops, hotels and supermarkets. In 1993 the firm stopped processing peaches and in 1994 it closed the processing and canning of beans section. The processing of these agricultural goods was stopped because they were not marketable and therefore the firm incurred a loss because employees were many but the profits were little<sup>5</sup>. At the moment the firm processes and exports asparagus only.

The management of HVCP stated that in the 1980s, before the European Union handed over full responsibility of the asparagus project to HVCP the farmers were sponsored for asparagus cultivation without the requirement that they repay the money. The European Union helped farmers by paying transport costs of asparagus, paying for inputs and harvesting material, but not labour costs related to asparagus cultivation. The EU sent money to the concerned parties that had provided such services, and also helped farmers by installing community pumps for washing and cleaning their asparagus. In addition, the EU established sheds at the delivery points, in the villages to protect the crop from severe sun rays. In addition, the European Union contributed to the construction of roads leading to the asparagus villages<sup>6</sup>.

Since the drying out of aid from the EU many farmers face a lot of problems in asparagus cultivation because they have to shoulder all their costs, and fully repay their loans. The fund had to replace itself. As a result, many asparagus farmers have been confronted with many problems.

From 1996 efforts to privatise Basotho Cannery were made and the firm fell under the management of the South African company called Langeberg Food Processors. The advantage of that company was that it was very much experienced in the cannery business. For instance, Koo and All Gold products are processed by this company. However, due to the strategy of the company bringing in

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<sup>5</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

<sup>6</sup> Interview with Ministry of Agriculture (HVCP), Mr Ntsoi and Mr Malebelle, 22<sup>nd</sup> June 2000

its own skilled labour force, there had been a reduction in the number of people employed by the firm, such as technicians. Before privatisation there were 45 permanent workers who were paid even during the asparagus off-season. After retrenchment there were 3 permanent workers left. These were the result of the company's effort to cut excess costs and hence maximise profits. The terms used for buying asparagus from local farmers in Lesotho were determined by the management of BC and the Langeberg processing plant. Since 1980 asparagus is transported from the RSA to add to that which is produced in the country by local farmers for processing at Masianokeng because most of the local farmers' produce is often rejected because of poor quality, this creates a scarcity of asparagus supplied to Basotho Cannery<sup>7</sup>.

Basotho Cannery's permanent employees were responsible for doing some administrative work, stock control, accounting and one was a security guard. Many labourers were employed seasonally, and their number ranged between 650 and 700 per year. Men only made up 5 per cent and women 95 per cent of the labour force in the firm. Men mostly engaged in activities that require some muscle power like lifting heavy boxes containing asparagus cans or tins to the stores and loading them for export. They also did other heavy duties. No man was involved in activities like peeling asparagus, processing or canning it. In 1997 and 1998 there were 600 and 400 workers respectively. In 1998 production fell as well as employment due to the political instability that prevailed which unfortunately coincided with the peak season of harvesting. During the processing season, the firm operated 24 hours a day 7 days a week and the workers were divided into 3 groups to facilitate the equal distribution of workers of work hours<sup>8</sup>. The wages were a sort of "piece-rate system" that is the more you produce, the more you are paid. Starting from September this year (2000) Basotho Cannery is under the new management of a company called Saxon Park Farming Operations from South Africa.

As indicated earlier, the main objective of the HVCP is to introduce high value crops in the country. The HVCP channels loans to grow crops (asparagus) that are produced for the market. It is

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<sup>7</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

<sup>8</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

concerned also with helping farmers who produce on a cooperative basis for the market. Farmers are restricted to produce for Basotho Cannery only as this is the only available and ready market for their products, so that at the end they can obtain some income and service their loans.

#### **4.4 Absence of a Formal Contract and its Impact**

The previous chapters, especially chapter three, discussed the nature of contract farming. The discussion outlined the role of agribusiness in development, especially contract farming schemes.

This would give one a chance to realize some similarities and differences between contract farming in Lesotho and some other African countries (or contract farming in general).

Some contract farming schemes in the Third World and Africa in particular entail large Multi-National Corporations working together with local capitalist farmers (Watts, 1990). The crops are usually grown on large commercial estates where irrigation is very common. However, in less developed countries (African countries) like Lesotho, farmers are growing cash crops on a small piece of land with little irrigation facilities or none at all.

Contract farming in Lesotho presents a very interesting study because it is not similar to other contract farming schemes in Africa. By not being similar I do not mean that it is exceptional or unique, but it practises a system that is less commonly practised in many Third World countries.

First of all, the absence of a formal agreement between farmers and the agribusiness (Basotho Cannery) illustrates a less commonly practised system in the context of contract farming schemes in Africa or in the Third World countries as whole. It is because of this that people will ask why this system is called contract farming and what are the implications of this relationship. Another peculiarity could be illustrated here, Basotho Cannery does not perform all the duties that are supposed to be done by many agribusinesses in the Third World, especially in Africa. There is a division of tasks between the agribusiness and the Ministry of Agriculture (MOA). These will be discussed later. Basotho Cannery only does the limited duties of processing, canning and packing

the finished products, and these activities are commonly done by many agribusinesses. However, the activities concerning cultivation and the provision of farming inputs are done by another body (MOA). So, one could wonder why Basotho Cannery is called an “agribusiness” when it only performs limited tasks, unlike those generally associated with a large-scale multi-national agribusiness concern. That is why I agree that asparagus production in Lesotho presents a very interesting and a less commonly practised system. So, the implication of these differences will be given more attention in the study than the similarities.

When there is no formal agreement signed between the farmer and the agribusiness one could expect some problems to arise out of this relationship. Therefore, the absence of the contractual relationship between the firm and the farmers has some limitations. When there is no document that shows the rights of the farmer in the schemes and the extent to which the firm will compromise with the risks that the farmer faces in the scheme there could arise some disagreements and conflicts in the future. The lack of a contract gives the firm and the MOA a history of not sticking to the terms of the “agreement” because the farmer won’t have proof to support his/her arguments when litigations arise. Rugege (1988) presents the problems that are experienced by the HVCP, BC and the farmers in this relationship and the anticipated limitations of this verbal contract in his work. According to Rugege (1988) absence of the written contract can result in the variation of the terms of the “agreement” without notification of the farmer as a stakeholder. So farmers are not clear as to what are supposed to be their rights. Basotho Cannery and the Ministry of Agriculture (HVCP) can change or violate some of their agreements with the peasantry. This is because the power relation between HVCP, BC and the farmers is uneven in such a way that the farmers are subject to these conditions. The firm does not bear responsibility for the provision of farm inputs. Rugege (1988) for instance points out that the absence of a written contract is advantageous to Basotho Cannery and the HVCP because the former has a chance to renege on agreements on the provision of knives, washing basins, spades and other related equipment.

In most of the cases the manner in which the relationship between the farmer, HVCP and Basotho Cannery are structured, in favour of the firm, and are at the disadvantage of the farmers. Most of the

farmers that participate in asparagus production are poor, but provision of the farming implements by HVCP on credit obliges farmers to purchase inputs from the HVCP, whereas they could get cheap inputs elsewhere at lower prices. Furthermore, Rugege (1988) highlights that the conditions under which either party might withdraw from the scheme are not stated because of the lack of the written contract. Some farmers withdraw from the scheme whenever they feel or so desire. So, a formal contract could oblige the farmers to produce for the firm for a certain period. Sometime the firm does not buy the produce from the farmers, so there would be clear conditions under which Basotho Cannery may refuse to continue buying the asparagus of a particular farmer (Rugege, 1988). During asparagus cultivation farmers are not supposed to grow any other crop besides asparagus on the plots. Asparagus promotes a monoculture type of farming. When there is no formal agreement it is not clear whether farmers would be compensated for the loss of soil fertility when they withdraw from the scheme. There should also be an agreement that states whether the farmer is supposed to pay for the services that have been provided by HVCP when she/he withdraws from the scheme and how much that would cost. The absence of such documents has some drawbacks on the side of the farmer, the HVCP and BC respectively. But the farmer is at the greatest disadvantage.

#### **4.5 Relationship Between BC and HVCP**

Basotho Cannery works in conjunction with the High Value Crops Project in asparagus production. In other words asparagus farmers work with the help of HVCP. They work under HVCP supervision and technical assistance, but farmers do the work of producing asparagus. HVCP advise the farmers on how to grow asparagus and demonstrate how this crop can be grown. The main tasks of HVCP also include among others to tout farmers for the cultivation of asparagus, it recruits farmers to produce asparagus for Basotho Cannery. Furthermore, it provides the necessary technical support services and technological equipment to farmers at subsidised prices for services like ridging the soil, cultivation and other activities.

On the other hand BC is a market for the asparagus produced by farmers. Its main function is to can and process asparagus and sell it to outside countries. Basotho Cannery is a cannery and HVCP a

facilitator of production. BC is only concerned with the purchasing of asparagus from farmers, it does not supply technological inputs, extension services and technical advice to farmers as is more common to many agribusiness in the Third World. These services are provided by the MOA through the HVCP.

#### **4.6 Relationship Between HVCP and Farmers**

The HVCP provides farmers with extension services, inputs, technical advice and loans. Loans that are provided by HVCP to farmers are from European Union and come as foreign aid to help small scale projects. The HVCP uses this money as a revolving fund. This fund is meant to help farmers in the production of high value commercial crops. In this case the fund is used for asparagus production in the country.

The HVCP provides extension services to farmers free of charge. Normally extension workers come to villages and teach farmers the techniques of managing asparagus. Induction courses are normally held at the Basotho Cannery compound in Masianokeng, and at the Thaba-Khupa Vocational Centre for those who are growing asparagus for the first time. Farmers are expected to participate in the induction courses before every harvest of the year. At these induction courses farmers are taught techniques of harvesting because this process requires a lot of caution. Asparagus is a very labour demanding crop, and requires the availability of labour at all the time during the growing period, for weeding and harvesting. The recruits have to register with the office of the Setla-Bocha Farmers Coop. This office is made up of members of the asparagus project (farmers). In previous years to register as an asparagus grower with the Setla-Bocha Farmers' Coop, one had to have sufficient family labour, not hired labour. The minimum labour requirement was three people. Nowadays there is no minimum number of people required in order for one to qualify as an asparagus farmer.

As stated earlier there is no formal contract signed between the HVCP and farmers. According to the HVCP officials, Mr Ntsoti and Mr Malebelle, the contract that is signed between the HVCP and farmers is not formal: "it is just a gentlemen's agreement" said Mr Ntsoti. That is, there are no

specifications required that have been written on paper. Mr Ntsoti said that farmers have an option to withdraw from the scheme or sell their produce wherever they wish. But they also said they are not disturbed by this possibility because farmers are obliged by circumstances to sell their produce to Basotho Cannery<sup>9</sup>. There is no alternative market for asparagus in the country.

For purposes of servicing debts, HVCP works with the office of the Setla-Bocha Cooperative. Deduction decisions are agreed upon by farmers as to whether they want Setla-Bocha Cooperative or Basotho Cannery to make the deductions, but the sum to be deducted is determined by the HVCP. Repayment is normally begun after two to four years after the initial harvest because the first years of harvest have no satisfactory returns. Farmers have to pay for the establishment of the asparagus plot including the supply of fertilizers, seedlings, tractors, and equipment like rulers for measuring asparagus.

On the issue concerning the signing of contracts, Mr Ntsoti said that HVCP signed contracts with farmers during the early years of asparagus cultivation, when there were few asparagus farmers. In the 1980s because of a high influx of asparagus farmers, the HVCP has abandoned the procedure. The HVCP is thinking of reviving the contract system, for a number of reasons. Firstly, the number of asparagus farmers is declining so they will be more manageable. Secondly, there are some disputes between HVCP and farmers surrounding the provision of services. For instance, in 1996 HVCP did not send tractors to prepare the soil for that season. Finally, there must be some consensus on the terms of repayment between farmers and the HVCP<sup>10</sup>.

The HVCP is responsible for the “establishment” of asparagus fields. This process takes roughly two years. It includes the use of tractors, fertilizers, seedlings and other activities that are done before harvesting. Establishment also entails soil surveying since asparagus is not grown on every type of soil. The most suitable type is red and sandy soil. “This process is interest free”, said Mr

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<sup>9</sup> Interview with Ministry of Agriculture (HVCP), Mr Ntsoti and Mr Malebelle, 22<sup>nd</sup> June 2000

<sup>10</sup> Interview with Ministry of Agriculture (HVCP), Mr Ntsoti and Mr Malebelle, 22<sup>nd</sup> June 2000

Ntsofi. Mr Ntsofi further points out that establishment costs roughly M5000.00<sup>11</sup> for the largest plot. The main dimensions of this plot size is 2 hectares. But small plots cost less. The statement given to me by Mrs Mateboho Mpipe, the secretary of Setla-Bocha Farmers Cooperative, was that in 1997, the EU channelled some M25 500.00 through the HVCP to asparagus farmers to carry out the cultivation process of asparagus, and the HVCP ordered that the loan had to be repaid after three months, that is, after the first harvest to the last harvest spanning the period from September, November and December that year<sup>12</sup>. (This was a special loan, it was not channelled to farmers through HVCP but SBFC. The procedure between HVCP and SBFC is not the same).

Deductions that are made from farmers' produce for technical inputs are channelled to HVCP until the farmers have finished paying. But those who can afford to purchase the inputs for cash can do that and no deductions will be made. The farmer does not have a choice on how much must be deducted, this is determined by the HVCP. These deductions often leave farmers with no or little income. An example of the deductions can be seen in ANNEX "D" and ANNEX "E". In these ANNEXES, deductions made for field operation services are very high. These are the services provided by the HVCP during the establishment, ridging up and levelling off during harvest, and application of fertilizers. As one can observe in ANNEX "E" deductions for field operations were so high that deductions for other services were not included even though they were supposed to be. The farmer would otherwise have gained nothing. From ANNEX "F" it can be seen that the farmer obtained zero pay after the deductions had been made.

Transport and weighing personnel are hired by the Setla-Bocha Farmers Coop (SBFC). (A sentence to explain their tasks.) Other activities like ridging up and ridging off the soil or supply of fertilizers can also be done by the SBFC through hiring privately owned tractors and buying fertilizers from the suppliers of their choice. The SBFC has to make some deductions from farmers' incomes after harvest in order to pay for these services. Sometimes the SBFC advances farmers with some money to repay their debts, but this is done in very rare cases.

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<sup>11</sup> M1.00 is equivalent to R1.00

<sup>12</sup> Interview with the secretary of Setla-Bocha Farmers' Coop, Mrs 'Mateboho Mpipe, 3<sup>rd</sup> July 2000

## 4.7 Relationship Between Basotho Cannery and Farmers

Basotho Cannery acts as a market for asparagus produced by farmers. According to the management of the BC, in previous years the firm and farmers signed a contract of delivery. The contract was usually for five years and renewable after that time. It obliged farmers to provide a certain quantity and quality of asparagus to BC and to no one else. The BC was obliged to buy asparagus from farmer for a period of five years according to the contract. The contract approach was abandoned because of some adversarial relations that emerged between farmers and the agribusiness. This theoretically gives farmers an opportunity to sell wherever they like, but as described above alternative marketing opportunities in Lesotho are limited.

## 4.8 The Product

Seed beds are made at the BC yard for the preparation of seedlings. In preparing to grow asparagus, seedlings are grown on the seed beds. Asparagus seedlings take about a year to grow in the nurseries after which they are transplanted to the fields or plots. During transplanting a little fertiliser is sprinkled around the plant. The space allowed between the lines is two metres and between the seedlings is thirty centimetres. In preparing the crops for harvest fertiliser is added on the sides of the crop through a process called "top dressing".

According to the management of Basotho Cannery, asparagus production has declined year after year. For instance, in 1991 asparagus production was estimated at 1930 tons. But in 1996 it was 256 tons, while in 1997 only 207 tonnes were produced<sup>13</sup>. This decline was taking place on an area of 70 hectares. The number of farmers producing asparagus in 1996 was 600, and the number declined to 333 in 1997. In 1999 there were 276 asparagus farmers, and they cultivated asparagus on an area of 65.1 hectares and produced 40.11 tons. At the moment there are 182 farmers who are still cultivating and producing asparagus<sup>14</sup>. The decline in the number of farmers who are producing asparagus is the major factor that has led to a decline in output. An additional factor is drought. From 1994 to 1997 the country was experiencing unreliable and erratic rainfall, and long dry

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<sup>13</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

seasons. This situation was aggravated by the fact that there is a heavy overdependence on rainfall. Asparagus production does not use irrigation schemes.

A further factor is the exhaustion of fields or plots. Asparagus takes two years to mature, then after two years of planting it can be harvested over 15 years without replanting. What is done is ridging up and ridging off the soil, top dressing, and the general application of fertiliser. Usually after the eighth year of harvesting yields decline. During this period asparagus becomes too thick, and not marketable<sup>15</sup>. As a result, farmers are advised to re-establish their plots through transplanting new seedlings and they are urged to dig out asparagus in their plots after the eighth year and start planting new seedlings. Asparagus is meant for creating incomes for the rural poor, so it is important to produce the required asparagus that will be marketable instead of leaving it for many years in the soil and using it for animal feed when it is not marketable.

Many asparagus farmers have withdrawn from the scheme, causing a shortage in the output of asparagus. As a result, BC is importing asparagus from South Africa. As pointed out earlier, BC was working under the management of the South African based Langeberg, and the management said that it was not expensive to transport the asparagus produced from South Africa into Lesotho. From my investigations I discovered that asparagus produced in RSA was of higher quality than that produced in Lesotho. Some seasonal workers at BC said it is soft which makes peeling easy, while the one produced locally is of low quality and is hard to peel even though it attracts people or consumers by its white colour. The manager of Basotho Cannery said that local farmers are producing poor quality asparagus because of the exhaustion of soils in the asparagus field. The plots were established many years ago<sup>16</sup>.

A further dynamic to consider in the production of asparagus is the need for a particular draft animal. According to Mr Koalepe, an asparagus farmer at Ha Motloheloa, extension workers forbid farmers

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<sup>14</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

<sup>15</sup> Interview with Ministry of Agriculture (HVCP), Mr Ntsoi and Mr Malebelle, 22<sup>nd</sup> June 2000

<sup>16</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

to use cattle for ridging the soil because they tread on the lines of asparagus and this causes the crops to bend<sup>17</sup>. At BC damaged asparagus adds to asparagus faults and creates more deductions of money. He said extension workers urged farmers to use a donkey or a horse for cultivation. This is because a donkey or a horse pulling a cultivator ambles between the lines without getting out and eventually treading on the lines, when one person is leading it. But cattle (even if when they are led by a person) are not properly controlled and end up treading on the lines and causing asparagus to break. Sometimes the lines are not perfectly parallel, so cattle will walk on the lines. The damaged asparagus is less marketable.

BC and farmers do not agree on prices for each grade of asparagus. Prices are set by BC after looking at the market prices in the European Union. The market (EU) will influence prices on different grades. If the demand is low prices will fluctuate downwards. And if demand is high for a particular grade prices will increase. The European Union set their own prices at which they will buy asparagus from Lesotho. This can be seen or observed in ANNEX "A" I where the demand for some grades of asparagus in the market (EU) is indicated. One can see that grade 1A in 1996 paid M3.10 but in 1997 it paid M3.25, while grade 1B paid M2.40 in 1996 but M2.51 in 1997. The increase occurred in the case of grade 2A, 2B as well as in salad cut (SC). The only grade that did not experience an increase was grade 1C. From the comparisons in ANNEX "A" I one can see that all grades of asparagus were in demand in 1997 with the exception of grade 1C.

Basotho Cannery and farmers usually quarrel over prices. There are specifications that are looked at in asparagus, and these are classified into six categories, 1A, 1B, 1C, 2A, 2B and Salad Cut. The factors that are looked at in order to classify asparagus are: colour, length and thickness. These grades differ in prices. From ANNEX "A" for 1996 prices, grade 1C brought a higher income than other grades. But for 1997 prices, the grade that paid most was 2A, as indicated in ANNEX "A" I. This means that asparagus classified in this grade was facing a higher demand in the market (EU). But asparagus in grade 1C was in high demand in 1996<sup>18</sup>. Grade 1C consists of mostly good white

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<sup>17</sup> Interview with a male farmer, 18<sup>th</sup> July 2000

<sup>18</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

asparagus. Grade 2A comprises also of good white asparagus but a portion of it is green.<sup>19</sup> For 1996 prices there was no great disparity between grades 1C and 2A. The margin was only 9 Lisente, but in 1997 the difference was 27 Lisente. The percentage increase for grade 2A was 10.11 per cent from 1996 to 1997. The lowest grade, the salad cut, paid M1.25 in 1996, and M1.40 in 1997, scoring a percentage increase of 12 per cent. The more asparagus gets longer and thicker, the less money it fetches.

The farmer in ANNEX "E" received low returns because her asparagus was mostly classified into the lowest grade the (salad cut) that paid M1.25 per kg, while she had nothing on grade 1C which offered better returns. The same happened to the farmer in ANNEX "D", but as one can observe, for the farmers in ANNEXES "B" and "C", their asparagus seemed to fall into better grades that is why their earnings were higher before deductions were made. For instance, the farmer in ANNEX "C" had asparagus mostly in grade 1A which paid M3.00 per kg and 1C which was M3.65 per kg. There are many factors that lead asparagus to be slotted into these different grades. Asparagus is a very sensitive crop, it is very sensitive to the sun's rays once it is harvested. Once it is exposed to the scorching sun's rays it loses weight, and it also loses its original white colour. It could either turn into pinkish, blue and green colours depending on the length of time over which it was exposed to the sun's rays. At this stage it becomes less marketable. Weight loss is a very crucial factor, after harvest asparagus must be kept in water and be well protected from severe sun rays so that it does not lose weight. That is why asparagus is usually harvested early in the morning before the sun rises. Asparagus must be transported to the plant promptly after harvest so that it does not suffer substantial weight loss. Any asparagus that spends a whole day after harvest without being delivered to the plant is rejected by Basotho Cannery.

One can see that in ANNEX "B" and ANNEX "C" weight loss was very high. That was why farmers' incomes went down drastically after deductions were made. For instance, in ANNEX "B" deductions due to weight loss was M182.69 and field operations M33.47. When deductions were

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<sup>19</sup> Interpretation of Annex "A"

made from field operations and weight loss, the farmers' income reduced drastically. That is because before deductions the pay was M288.33, and after deductions of M269.97 the net pay was M18.36. In ANNEX "C" weight loss was M252.75, and before the deductions were made the farmer was supposed to receive M399.03. Deductions amounted to M373.21 and the net pay became M25.81.

As can be observed in ANNEX "E" the farmer obtained an income that cannot purchase any basic good. Whereas, the farmer in ANNEX "F" her labour was not compensated at all. So, one can wonder whether asparagus production can ensure sustainable source of income.

The BC classifies very large, very thick and very small asparagus into the lowest grade. These classes of asparagus are not marketable. There is a stipulated diameter and length for marketable and non marketable grades. The most preferred size in the market is the normal size because is more palatable. According to BC officials, disputes often arise between farmers and BC because the asparagus does not conform to these required specifications of colour (white), length (not too long), and thickness (medium)<sup>20</sup>. Then farmers' and BC also come into price disputes because sometimes prices of asparagus have to be lowered from their original levels because of market problems, where asparagus is sold overseas. Farmers end up quarrelling over stagnant prices when there is less demand in the market. Sometimes, farmers wrongly grade their asparagus. Farmers often classify their asparagus into grades that have high returns. This is because farmers are given a chance to grade their asparagus in their villages when the weighing personnel are not available. It is the responsibility of the SBFC to look for qualified weighing personnel, but if they are not found farmers do the task for themselves. As a result, a farmer can deliberately place a low grade asparagus into a high grade category (for 1996 prices), leading to a price dispute when regrading is done at BC<sup>21</sup>.

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<sup>20</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

<sup>21</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

Asparagus loses weight between the point of loading and delivery, so when re-grading is done at the BC it is usually not similar to that done by the farmers or weighing personnel. BC weighs asparagus again because once it is out of the soil it loses weight each and every minute. So distance counts, if plots are very far from the plant asparagus will lose more weight. According to a BC official problems or faults (what makes prices to go down, for example broken asparagus or insect bites) that the agribusiness can tolerate from each grade of asparagus range between 1-14 per cent. If faults are above this maximum the prices will fluctuate. This means that, if grade 2A costs M3.92 and if faults fall within 1-14 per cent range the buying price will still be a constant M3.92. But if faults exceed the maximum or required percentage asparagus falling in this grade may be classified under the next inferior grade due to deviation from standard. There are many specifications that are looked at to determine whether faults are within the required percentage range or exceed this percentage.

A statement put forward by the BC official regarding deviation in weighing was contradicted by Mr Ntsoti, an HVCP official. The BC official confirmed that tolerable faults within asparagus range between 1-14 per cent, and added that faults above 14 per cent error margin cause a price drop. She claimed that they even discovered faults of up to 36 per cent<sup>22</sup>. Mr Ntsoti however said that ever since he began working with asparagus production he had never discovered a high percentage such as 36 per cent. He said that faults he has come across that cause grading loss were in the range of 3-6 per cent, not anything up to 14 per cent<sup>23</sup>. He concluded that, BC degrade farmers' asparagus to inflate its own profits. He said that ironically where farmers wrongly grade their asparagus into lower grades when it was supposed to be in the upper grades the BC did not correct that mistake. But BC usually regrades this asparagus into the appropriate grades in the absence of farmers without rewarding them. Mr Ntsoti said this from his own observations because his office interacts most of the time with BC. Every grade of asparagus is processed and canned separately. As a result, they earn different incomes in the market (EU). By regrading the degraded asparagus, the BC obtains some additional profits.

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<sup>22</sup> Interview with the former management of Basotho Cannery, Mrs 'Mabataung, 20<sup>th</sup> June 2000

<sup>23</sup> Interview with Ministry of Agriculture (HVCP), Mr Ntsoti and Mr Malebelle, 22<sup>nd</sup> June 2000

## 4.9 Marketing and Farmers' Revenue

BC is the only agro-industry that deals with asparagus processing in the country. It buys asparagus from local farmers, processes and cans it. Since asparagus is not consumed in large quantities in the country farmers have a limited market. They cannot sell it to the people in the informal sector, fruit and vegetable markets, and other places that sell vegetables. As a result, farmers are obliged by circumstances to sell their asparagus to Basotho Cannery. The process here is a literal monopsony; this is why farmers and BC do not sign contracts. The absence of contracts is to the advantage of BC and to the disadvantage of farmers.

Concerning the bargaining, farmers have no say in determining prices or having any influence on them. BC sets the prices at which it will buy asparagus from farmers. On the other hand BC has no say in determining prices at which the EU will buy asparagus from it. The EU is a consumer, and it sets the prices at which it will buy asparagus from Lesotho as is determined by their demand. If asparagus is in high demand they increase prices. So, BC will look at market prices (EU), if they are favourable it will then raise the prices at which different grades of asparagus are bought from farmers. But if they are unfavourable, BC will then lower the prices at which it buys from farmers so that it does not run at a loss. BC monopolises the terms of trade, and farmers occupy the subservient position.

Farmers receive their incomes only after processed asparagus has been exported and sold on the market (EU). That is why farmers wait for a long time for their dividends. These royalties come in the form of a lump sum cheque from Europe. Then BC or SBFC distribute cheques to individual farmers according to what each one deserves. After weighing is done, information from each farmer is recorded and kept till pay time. Money that comes from BC is classified according to villages that produce and send asparagus to the plant. This money reflects how much income each village receives in relation to the asparagus it supplies, and each area is given a lump-sum cheque. Lately, BC started issuing numerous pay cheques to SBFC for distribution to individual farmers. But the management said that for the coming years BC will not write or sign cheques to farmers because this

process is tedious and time consuming. So, the SBFC will be responsible for this duty.

#### **4.10 The Balance Sheet for the Farmers**

In terms of profits, farmers gain next to nothing lately from participating in asparagus cultivation. The returns that they receive are so meagre as not to maintain their families. A lot of money is deducted for the services rendered by the HVCP and farmers are left with very little income. Farmers complain that asparagus cultivation equates with the subordination and exploitation of their labour. They are obliged by circumstances to supply BC with asparagus, and they suspect that the BC in turn does not work favourably with them, it cheats them. Farmers spend most of their time weeding and harvesting asparagus, but eventually the returns (income) are very little. But in cases when farmers produce excess asparagus, it is thrown away. The farmers complained that in the past when they overproduced the surplus was not bought. The substandard produce is also not bought at BC<sup>24</sup>. Farmers are provided with fertilisers, extension services, pesticides and taught farming techniques so that they can increase their productivity and produce quality asparagus, but if due to these services asparagus produced is very thick, very long and production is too much, this asparagus is not bought. Yet the implication of applying fertilisers and all these other services was to increase productivity.

Farmers are expected to service their debts after harvest, but the income they receive from participating in asparagus cultivation is so little that they could not service their debts. In the case of rejected produce farmers are confronted with the crisis of servicing their debts with the HVCP. As a result, some farmers sell their private properties so that they could be able to service their debts. In the case where the crops are exposed to vandalism and natural disasters like drought, floods and others, farmers bear the costs of these.

At the end of the season, farmers have to repay some farming inputs, and the deductions are very high. In previous years, before 1995 farmers said that they realised profits from participating in

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<sup>24</sup> Interview with a female farmer, 14<sup>th</sup> July 2000

asparagus cultivation. They obtained good incomes that enabled them to maintain their families and to send their children to schools.

#### **4.11 Summary**

Asparagus production in Lesotho started in the mid 1970s. The main objective of the government was to develop the rural sector by creating sustainable employment opportunities. The 1980s marked the climax of asparagus production in the country. Many people were recruited into the scheme because they perceived potential benefits.

Unlike in many contract farming schemes where the signing of a formal contract is more common, asparagus production in Lesotho is following an informal or oral “agreement” between the farmers and the agribusiness. So, this kind of “agreement” has resulted in the antagonistic relationship between the firm and the outgrowers. The producers complain that Basotho Cannery cheats them when they are selling their asparagus. This relationship has resulted in many farmers abandoning the scheme because many of them are paid little income for their produce.

# CHAPTER FIVE

## FINDINGS OF THE STUDY

### 5.1 Introduction

My study on asparagus cultivation was carried out in nine villages in the Maseru District. These villages are Maliele, Ha Ramaqhanyane, Ha Sekete, Ha Motanyane, Ha Motloheloa, Ha Lüle, Ha Paki, Thaba-Khupa and at Ha Nko. In almost all these villages farmers grow asparagus on their fields, except at Ha Nko and Ha Paki where some farmers, who do not have fields are lent small plots that belong to the agribusiness (Basotho Cannery) in the Thota-Moli Air-Port area.

### 5.2 Sample

Out of 90 interviews conducted with farmers, 20 per cent of respondents are growing asparagus at Thota-Moli Air-Port where they are allocated plots by the company. In this area, each farmer is given only one plot, but the plots differ in size. Farmers are allowed to select the size of a plot according to their capabilities, and what they will manage best. If a farmer withdraws from asparagus cultivation and he/she leaves the plot, it will be allocated to an interested farmer who needs it for asparagus cultivation. In order for farmers to qualify for Basotho Cannery's plots that are at the Thota-Moli Air-Port area, they must have family labour of at least three people. The land is not rented nor hired by farmers but is only allocated for asparagus production. As a result, no farmer is allowed to grow any cash or subsistence crops besides asparagus.

Farmers in other areas also grow asparagus on their fields. Those who grow asparagus on their fields use a small portion of the field. During the study no farmer was found using a whole field for asparagus production. However, one former asparagus farmer said that during the climax of asparagus production in 1986 he had six fields for asparagus, and the biggest one was twelve hectares<sup>25</sup>. At the moment those who are still in the project grow asparagus on a minimum of nine

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<sup>25</sup> Interview with a male farmer, 23<sup>rd</sup> July 2000

(0.5ha) long lines and on a maximum of two hectares (18 lines). A large number of the respondents own one field, and use a portion of it for growing asparagus. Data that show the hectares or portion of land that is allocated for asparagus cultivation are presented in Table 4.1 below.

**Table 4.1: Area of Land Cultivated with Asparagus**

AREA	FREQUENCY	PERCENTAGE
3 HECTARES	0	0
2 HECTARES	15	17
18 LINES (1 ha)	19	20
9 LINES (0.5 ha)	29	26
<9 LINES (0.5 ha)	33	37
TOTAL	90	100

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

Table 4.1 above illustrates hectares of land that farmers are cultivating. As can be observed from the table, no farmer cultivates asparagus on 3 hectares and above. This is because asparagus cultivation needs a lot of attention and is also labour demanding. In addition, the farmer must not produce more than what the company needs and has undertaken to buy from him.

People who grow asparagus on nine lines (0.5 ha) make up 26 per cent of the farmers participating in asparagus production. Small plots are more favoured than large ones because they are more manageable. In addition, some farmers grow asparagus on less than 0.5 hectares, that is, they grow less than nine lines of asparagus on their fields. These range between 0.3 ha and 0.4 ha of land. Farmers who grow asparagus on less than 0.5 ha make up 37 per cent. These grow between four to eight lines of asparagus. Asparagus grown on this size gives good yields because the land is more manageable.

Only a minority of farmers (20 per cent) grow asparagus on land of 1 hectare and above. A hectare is perceived to be very large, and requires a large amount of labour to operate and manage it. Sometimes the output obtained from this amount of land can exceed the required quantity. As a result, a large part of the produce can be rejected. Very few farmers grow asparagus on 2 hectares, the maximum hectarage that farmers are allowed to cultivate by the company. In fact farmers are urged to grow asparagus on less than 2 hectares so that they can avoid the risk of excess produce. Farmers who grow a 2 hectare area of asparagus comprise 17 per cent of the total sample population. These people face a risk of not only producing more than what is required by the agro-industry but also produce that may be of poor quality, because their land is not very manageable. There are exceptions and some among them also manage their fields well and produce good quality asparagus.

In asparagus production, there is a sexual division of labour. Men and women engage in asparagus cultivation, but women participate fully, meaning that they are the ones who do a lot of work. Data that show participation of men and women in asparagus production are presented in Table 4.2 below.

**Table 4.2: Participation in Asparagus Production by Gender**

<b>SEX</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>MALE</b>	<b>25</b>	<b>28</b>
<b>FEMALE</b>	<b>65</b>	<b>72</b>
<b>TOTAL</b>	<b>90</b>	<b>100</b>

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

As the table shows, women are more represented at 72 per cent than men at 28 per cent in asparagus cultivation.

There are a number of reasons for such a disparity in participating in asparagus production. Firstly, most households in the areas of study are female headed. This is because men are out working in the mines and in towns. As a result, farming is left in the hands of women and young children.

Some households do not have a male head at all, and it is the responsibility of women to see that their families survive. In cases where the male is present at all times, there is sexual division of labour. Men do the heavy tasks such as ridging the soil and harrowing using cattle, while women do most of the tasks from planting, weeding to harvesting. So, there is a heavy workload for most women who are participating in the scheme especially during the peak seasons. They spend about ten hours in the fields during harvesting<sup>26</sup>. Most of them cope with household activities and asparagus cultivation through the help of relatives and their children who perform household duties while their parents are in the fields.

### **5.3 Characteristics of the Population**

Households do not follow similar strategies in their social reproduction. From the study, it was discovered that 65 per cent of households do not depend on asparagus only for generation of income. Some people are participating in informal activities like beer brewing and selling some vegetables to earn extra income. After all, asparagus is harvested and marketed from September to December, so outside this time people perform activities that will help them to survive. Those who have livestock, especially sheep and goats sell them so that they can make a living. There are few alternative ways of earning income during the asparagus off-season besides involvement in informal activities. Lesotho has no social transfers, but the government is planning to give an amount of M30.00 per month starting from the year 2001 to people who are above sixty years as an old age security. Starting in April this year the government also provided an amount of M100.00 per month to the soldiers who fought in the First and Second World War (for those who are dead, money is given to their wives). However, most households in the study area are not entitled to this benefit.

Asparagus cultivation is taken as a means of generating a livelihood by families where the household head is not working. In cases where the household head is working, it is a supplementary source of income. Most of the respondents had other means of generating income besides asparagus cultivation. Data that show whether the household head is employed anywhere outside the asparagus

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<sup>26</sup> Interview with the female farmer (focus group discussion), on the 15<sup>th</sup> July 2000.

sector are summarised in the Table 4.3.

**Table 4.3: Employment Status of Household Head**

<b>EMPLOYMENT STATUS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>EMPLOYED</b>	<b>32</b>	<b>36</b>
<b>NOT EMPLOYED</b>	<b>58</b>	<b>64</b>
<b>TOTAL</b>	<b>90</b>	<b>100</b>

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

From Table 4.3 above, one can see that 64 per cent of the household heads are not employed in the formal sector, but their households eke some living from asparagus production. Families where the household head is working either in the mines or in towns comprise 36 per cent of the respondents. These households do not depend heavily on asparagus incomes.

Age is very important in production. In order to assess the viability of asparagus production, age of farmers must be taken into consideration. Those who are participating in asparagus production include young children who are between 5 to 15 years, and old people between 60 years and above. In some other countries the age group which is between 5 to 15 years is perceived to be unproductive, but in Lesotho this age group is very active in production and performs a number of crucial tasks. Table 4.4 shows the age of those participants in asparagus production.

**Table 4.4: Age Groups in Asparagus Production**

<b>AGE</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
5 – 15	12	13
15 – 25	11	12
25 – 35	14	16
35 – 35	15	17
45 – 55	18	20
55 - 65	12	13
65 - 75	8	9
<b>TOTAL</b>	<b>90</b>	<b>100</b>

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

The Table reveals that children who are aged between 5 years to 15 years constitute 13 per cent of the total population involved in asparagus production.

In most rural or peasant communities child labour is preferred because it is not remunerated. Children help during weeding and harvesting of asparagus. The economically active labour force is generally perceived to fall between 15 years and 64 years. But in Lesotho those who are between 5 to 14 years and those who are above 65 years are still economically active. Young and old people constitute 22 per cent of the labour force in asparagus production. Persons above the age of 45 who participate in asparagus production, make a total percentage of 42 per cent. But during the field establishment process, farmers help each other in order to quicken the process. For weeding and harvesting, farmers use their own labour which may be family or hired labour.

Outgrower schemes are characterised by a large number of people who have little or no education. The sector is labour intensive and therefore it absorbs a high rate of unemployment among the uneducated people in the rural sector. So, in asparagus production in Lesotho the situation is similar. Table 4.5 below illustrates the level of education of farmers.

**Table 4.5: Level of Education of Farmers**

<b>LEVEL</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>PRIMARY</b>	<b>48</b>	<b>53</b>
<b>SECONDARY</b>	<b>12</b>	<b>13</b>
<b>HIGH SCHOOL</b>	<b>0</b>	<b>0</b>
<b>NONE</b>	<b>30</b>	<b>33</b>
<b>TOTAL</b>	<b>90</b>	<b>100</b>

Source: Personal Survey of Contract Farming in Maseru District, June – July 2000

From the Table above it can be observed that most of the farmers have primary education, some 53 per cent while those with no education make up the second highest percentage of 43 per cent. People with secondary education make up a small percentage, 13 per cent. There is no one who has obtained a high school education. Those with no education constitute 33 per cent of the population under study. The implication from these statistics is that, asparagus production employs people who are illiterate and those with little formal education. But those with primary and secondary education cannot quit asparagus cultivation and seek employment in the formal sector of the economy because they are not competitive.

#### **5.4 Usage of Labour and Technology**

Availability of labour is very central to asparagus production, and provision of adequate labour helps to speed up the work during the peak seasons. Many asparagus farmers depend heavily on family labour. However, there are some farmers who use hired labour only. These constitute people who

can afford to pay hired labour, those who are busy with other income generating activities, and those who have little family labour. On the other hand some farmers use both family labour and hire the labour of people who do not have asparagus fields. Most of the labour is required during harvesting since asparagus is sensitive to the sun, more labour will speed up harvesting so that the crop is harvested quickly before midday when the sun's rays are so severe. Asparagus production has created social differentiation within the peasantry because those who do not have fields are obliged to sell their labour to those who have fields. Data that show usage of labour in asparagus production is given in Table 4.6 below.

**Table 4.6: Usage of Hired and Family Labour by Farmers**

<b>TYPE OF LABOUR</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>FAMILY LABOUR ONLY</b>	<b>35</b>	<b>39</b>
<b>HIRED LABOUR ONLY</b>	<b>25</b>	<b>28</b>
<b>HIRED AND FAMILY LABOUR</b>	<b>30</b>	<b>33</b>
<b>TOTAL</b>	<b>90</b>	<b>100</b>

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

It can be seen from the Table that most farmers use only family labour. This is because it is free and available at all times. Since household members are working for simple reproduction. Many farmers prefer family labour because nowadays asparagus does not deliver a significant income, so it poses difficulties for paying workers. In the words of one farmer at Maliele, "asparagus these days gives us very meagre incomes, in order for one to pay hired labour one has to sell his/her cow"<sup>27</sup>. Hired people work fewer hours, from 6:00 A.M to 10:00 A.M, and they are paid M10.00 per day. Some farmers (6 per cent) have to sell their wealth like sheep, pigs and so forth in order to pay workers. If the worker is paid after a month, he/she will earn,  $M10.00 \times 30 \text{ days} = M 300.00$  per

<sup>27</sup> Interview with a male and female farmers, 14 July 2000

month<sup>26</sup>. This hired labour also works over weekends in order to maximize profits. Many asparagus farmers fail to raise these amounts because of the heavy deductions made on their incomes. As a result, these farmers incur losses when hiring people, because they have to use their other sources of income in order to pay their workers. This also hinders the accumulation potential of these farmers.

Asparagus farmers engage in self-exploitation, they work very hard during harvesting and they wake up very early in the morning. This is done to harvest as much asparagus as possible in order to avoid the exposure of asparagus to the heat of the day.

Smallholder agriculture in many countries is often neglected because farmers are considered to be not creditworthy by the lending institutions. This leads to the use of simple and primitive technologies that are not productive in peasant agriculture. However, many governments have played a very important role in improving small-scale peasant farming by providing them with some agricultural incentives. But the farmers are supposed to pay for these services before or at the end of the harvest<sup>29</sup>. In Lesotho asparagus farmers are advanced with some agricultural inputs so that they can increase their productivity. But provision of these services is not reliable (sometime tractors do not show up), so farmers use different types of equipment for the cultivation in asparagus fields. Table 4.7 below shows technologies that are used in asparagus production.

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<sup>28</sup> Interview with a female farmer, (the average price for hired labour was M10.00 per day), 23<sup>rd</sup> July 2000

<sup>29</sup> Interview with a male farmer, 20<sup>th</sup> July 2000

**Table 4.7: Technology that is used in Asparagus Production**

<b>TECHNOLOGY</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
TRACTORS ONLY	40	44
CATTLE ONLY	16	18
SHOVELS AND MANUAL LABOUR	14	16
TRACTORS & CATTLE	20	22
TOTAL	90	100

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

As can be observed from Table 4.7, a large percentage (44 per cent) of farmers use tractors only for cultivation, that is for the ridging up and ridging off the soil. Some farmers use cattle for the same tasks. Cattle are sometimes used when tractors do not show up, whereas some farmers prefer to minimize expenses by using their cattle for cultivation. Farmers who use cattle only for cultivation make up 18 per cent of the sample. Those who have small plots use manual labour and shovels for cultivation and ridging up and ridging off the soil. Farmers who use shovels constitute a substantial minority, that is some 16 per cent. This is the case where farmers do not have cattle for cultivation and no money to hire tractors.

Some farmers use tractors and cattle for cultivation. They use tractors during the establishment process of the asparagus field and when ridging the soil; and cattle are used as an alternative. This is meant to quicken hoeing. The advantage of using cattle and manual labour for cultivation and ridging the soil is that, after harvest there would be no deductions made on ridging and cultivation, though deductions can be made on other services that are provided to the farmers. These can be for fertilizers, insecticides, harvesting equipment and others. Using cattle and manual labour for ridging and cultivating however has some pitfalls. Firstly, cattle drawn-ploughs do not dig up a sufficient quantity of soil so that the crop can be exposed to rich soils. Soil that is ridged up by a cattle drawn-plough is too shallow and crop growth is hindered. Cattle also often tread on the crops thus causing

damage to them and the damaged crop is rejected by the agribusiness<sup>30</sup>. So farmers might often be constrained to use the technology they cannot afford, namely tractors. Manual labour and the use of shovels can also be very time consuming, and the work may adversely affect the crop.

## 5.5 Farmers' Working Relations with the Agribusiness

In many development schemes where there are two parties involved, there often arise some discontents or conflicts. One party will complain about the working relationship saying that is not favourable or conducive to them. Table 4.8 sums up the attitude of the farmers about their relations with the firm.

**Table 4.8: Working Relations Between Farmers and Basotho Canners**

RELATIONS	FREQUENCY	PERCENTAGE
GOOD	6	7
BAD	84	93
TOTAL	90	100

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

Most farmers are not satisfied with the working relations between the company and farmers. People who are not satisfied make up 93 per cent. They complain that BC cheats them during the exchange transaction. In addition, some of their produce is thrown away. On the other hand there are a few people (7 per cent) who did not have a complaint about the working relations with agribusiness. Yet they are not fully satisfied with the relationship, because they said that they are not entirely satisfied with the little income that the company gives them. This is because they have no other way of generating income besides engaging in some informal activities like beer brewing, (they make 10 per cent). Most farmers (93 per cent) also complain that their produce is often rejected by the firm. Some of the farmers' produce is often assessed as being of substandard and poor quality by the company, and rejected. This "substandard" and "poor quality" asparagus rejected by the Basotho

<sup>30</sup> Interview with Ministry of Agriculture (HVCP), Mr Ntsoti and Mr Malebelle, 22<sup>nd</sup> June 2000

Canners, is not returned to the farmers but is allegedly dumped somewhere in the garbage storage, according to the manager of BC. Farmers (93 per cent) believe that this is a trick played by the firm in order to take their produce without paying them. They suspect that eventually the firm regrades that “reject” and processes it for export<sup>31</sup>.

Many farmers (93 per cent) complain that they are not benefiting by participating in asparagus production. They say that the only solution is to withdraw from this scheme. They say that they toil very hard under the scorching sun, during rainy days, on holidays and Sundays and even on Saturdays when they are supposed to attend funerals. One elder farmer at Ha Ramaqhanyane said:

My son! A wife leave her husband ill and when he is on the brink of death and when it is raining heavily and go for asparagus harvesting, but in return wages are so little that no one can make a living out of it<sup>32</sup>.

Older farmers (9 per cent) added that asparagus cultivation needs brisk young people. They complain that during weeding and harvesting they suffer from aching shoulders and their sight fails because of the effects of the sun on the white colour of the crop. In addition, the old farmers say that they become dizzy under the scorching sun; and this also contributes to the failure of sight. These old farmers complained that asparagus cultivation is a means of subordination where BC has the monopoly of dominating the market in order to suit and satiate its interests, while suppressing their interests.

From 1995 many asparagus farmers were withdrawing from the scheme. For instance, at Ha Ramaqhanyane there were 120 asparagus farmers in 1995. However, in 1996 there were only 2 farmers who engaged in asparagus production while 118 farmers had abandoned their asparagus fields. They did not manage them for that year. Fifteen farmers were starting to dig out and

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<sup>31</sup> Interview with a female farmer, 18<sup>th</sup> July 2000

<sup>32</sup> Interview (translated in English) with a male farmer, 18<sup>th</sup> July 2000

exterminate asparagus roots on their fields, and they started to grow traditional and subsistence crops like maize and sorghum. Some farmers (15 per cent) were thinking of withdrawing from the scheme and eradicate the asparagus in their fields and grow other crops. All these were the results of the low incomes that are obtained from asparagus production<sup>33</sup>.

Data that reflect whether farmers are satisfied with the incomes they receive from asparagus production are in the following Table 4.9.

**Table 4.9: If Income is Satisfactory**

INCOME	FREQUENCY	PERCENTAGE
SATISFACTORY	5	6
NOT SATISFACTORY	85	94
TOTAL	90	100

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

From Table 4.9 it can be seen that the majority of farmers are not satisfied with the incomes they receive from the scheme. Many farmers (94 per cent) complain that the deductions on their incomes are made so callously that they have nothing left for the maintenance of their families. While 6 per cent of farmers said that they are not bothered by low prices, as long as they received something, they are satisfied. These are the most desperate farmers who have no other ways of generating some income besides participating in asparagus production and some informal activities like beer brewing. One farmer complained that she was credited with M1200.00, but after deductions she only received M50.00. These deductions render many farmers unable to service their debts and pay people they hire. Some farmers even receive zero pay from BC after deductions. As a result, many asparagus farmers are thinking of growing subsistence crops rather than asparagus<sup>34</sup>. Therefore, the hypothesis which wants to test whether asparagus cultivation creates employment and income for the rural

<sup>33</sup> Information from focus group discussion, 23<sup>rd</sup> July 2000

<sup>34</sup> Interview with a female farmer, on the 30<sup>th</sup> July 2000

masses can conclude that these aims have not been satisfactorily met. This is because the employment and income that is created by the scheme is not satisfactory and sustainable. Farmers (56 per cent) say that in previous years, before 1994, in the 1980s when loans were subsidised by the EU asparagus rewards were good and very enticing to many land holders. As a result, many people joined the scheme. They were able to send their children to schools and maintain their families with incomes obtained from asparagus production. Nowadays with the withdrawal of the subsidy things have changed for the worse.

Besides receiving low rewards from asparagus production, farmers wait for a long time to get paid from the agribusiness. The length of time that farmers wait for their pay is shown in Table 4.10.

**Table 4.10: Time Interval Between Harvesting and Pay**

<b>TIME</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>1 MONTH</b>	-	-
<b>2 MONTHS</b>	<b>39</b>	<b>43</b>
<b>3 MONTHS</b>	<b>51</b>	<b>57</b>
<b>TOTAL</b>	<b>90</b>	<b>100</b>

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

As can be observed from the table no farmer responded that the incomes come within a month after harvest. Farmers wait for two to three months for their pay from the agribusiness. Farmers who said that their incomes come two months after harvest make up 43 per cent. On the other hand the majority of farmers (57 per cent) said that their incomes come three months after harvest. Farmers said when their pay is early it comes two months after harvest, but in most of the cases it is very common that they receive their pay three months after harvest. There were no farmers who were satisfied about this length of waiting time. The management of BC admitted that the EU takes a long time to pay, so this delays cheques from being processed in time.

Asparagus is normally harvested for three months, from September, November and December. By December every farmer is expected to have completed the harvesting. This process is officially ordered by the agro-industry to stop. The incomes from the first harvest are frequently delayed till November and December. The payments for November and December are often delayed until March of the following year. These delays are caused by the fact that asparagus is paid for after it has been processed and exported to the European countries. Once these countries have received the asparagus they pay Basotho Cannery who will channel this money to SBFC who will then distribute it to the farmers. Before distribution takes place, HVCP makes its deductions from remittances from Europe.

One of the main objectives of any development project is to benefit the participants by improving their standards of living. When people realise tangible benefits from their work, they are more likely to participate fully and energetically. They can sacrifice many household activities and perform the work that improves their living standards. So, in asparagus production, farmers will participate actively whenever the scheme assures sustainable livelihoods.

In asparagus cultivation however, many farmers (91 per cent) say that they are not benefiting by participating in the scheme. Data that show farmers' opinion about whether they are benefiting from the scheme is interpreted in the following Table.

**Table 4.11: Whether Farmers Benefit From the Scheme**

BENEFIT	FREQUENCY	PERCENTAGE
YES	8	9
NO	82	91
TOTAL	90	100

Source: Personal Survey of Contract Farming in Maseru District, June- July 2000

Many farmers complain that asparagus production is not benefiting them. Farmers who are not satisfied with the benefits of the scheme make up 91 per cent. They say that the scheme benefits the agribusiness and HVCP instead of benefiting them. In addition, they complain that the scheme is a way of subordination where the firm has a monopoly of setting prices and rejecting some of the farmers' produce. On the other hand, some farmers (9 per cent) say that they do not always incur losses. Sometimes they benefit as their produce is bought at satisfactory prices. At other times they run losses, but they think that they still benefit because they have no other means of generating income besides participating in some informal activities like the selling of vegetables<sup>35</sup>, these farmers make up 13 per cent. At this juncture one can argue that asparagus production is like gambling, the benefits are unreliable, sometime farmers incur severe losses and at other times gain unsatisfactory incomes. Therefore, this undermines the hypothesis which says contract farming (asparagus cultivation in Lesotho) improves the living standards of the rural poor.

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<sup>35</sup> Interview with the female farmers (focus group discussion), on the 23<sup>rd</sup> July 2000

## **CHAPTER SIX**

### **SUMMARY AND RECOMMENDATIONS**

#### **6.1 Concluding Remarks**

The main objective of this research was to assess whether asparagus production alleviates poverty in the rural economy. Asparagus was introduced in Lesotho in 1974 in order to improve the living standards of the rural communities. Asparagus was meant to expand the cash economy in the rural hinterlands. Most rural communities in the country live below the poverty line, and asparagus production was seen as a way of improving their living conditions. In Lesotho asparagus production was seen as a viable scheme during its early stages. Farmers obtained good revenues from asparagus production in the periods from the late 1970s till the early 1990s. During this period there was an influx of people joining the project. Many farmers saw asparagus production as a viable means of generating a livelihood.

Asparagus production became a common phenomena during the 1980s in the country. This is the time when returns of asparagus satisfied most rural cultivators. At that time the cultivation of asparagus expanded to many parts in the Maseru district where soils are good and favourable for the crop. The 1980s can be seen as the decade that marked the climax in asparagus production in the country. The subsidies from the EU made the asparagus project more sustainable. As a result, the scheme was very viable and the economy as a whole prospered.

Some changes in the production of asparagus in the country came in the mid 1990s. At this time many asparagus farmers began to complain that the incomes they received from asparagus were not satisfactory, and many people began withdrawing from the scheme. The deductions that were made on the farmers incomes by the HVCP were very heavy and this may have led many farmers to run into debts. At this juncture asparagus production deteriorated. Many farmers began to dig out the asparagus crop from their fields and plots so that they could grow subsistence crops like maize, sorghum and others. The results of these were the low pay that farmers obtained from asparagus production and others like declining production. Due to the limited supply of asparagus from local

producers to Basotho Cannery, some asparagus is imported from the RSA in order to add to that produced by the local farmers in the country.

The working relationship between the farmers and agribusiness is not harmonious. This is caused by the fact that farmers and agribusiness do not sign a contract stipulating quantity and quality of supply that farmers have to follow. The lack of a formal agreement between the farmers and Basotho Cannery on the prices at which the firm would buy asparagus from farmers is the main problem. So the firm has a monopoly to control and dominate the market, it can alter prices from time to time. As a result, the firm might run short of raw materials because there is no contract signed between it and the farmers. Theoretically this also gives farmers an opportunity to withdraw from the scheme at any time they wish. The HVCP is the main contributor in the exploitation and suppression of farmers. This is because the deductions that are made on the farmers' incomes are determined by HVCP.

There are many women than men actively participating in asparagus production in Lesotho. This is caused by the fact that men are away working in the mines and in town. As a result, many households in the peasant communities are female headed. In cases where men are present there is a sexual division of labour. Furthermore, asparagus cultivation is meant to create employment opportunities in the rural sector. So, some farmers derive their incomes directly from the scheme, and asparagus cultivation is taken as the main source of income, but they do not depend on asparagus income solely, they also participate in some informal activities for income generation. In cases where the household head is working revenues obtained from asparagus production are used as a supplementary source of income. But nowadays the scheme no longer provides a sustainable supply of household income.

In asparagus production the household members, especially father and mother decide on how money should be used. There is no one who has more power or control over the income generated from asparagus production. During the study there was no woman who said she was marginalised in the decision making process, that is on decisions concerning what kind of crops to grow on the fields,

and how to use the money for household maintenance. Women in asparagus production in Lesotho are more empowered and autonomous in decision making process than their counterparts in tea growing in Kenya and rice production in Gambia.

The availability of labour is very central in asparagus cultivation. The scheme entails participation of all active age groups. Children help their parents during weeding and harvesting, but their labour is not paid, it is taken as an addition to household labour. In order to make a living old people are participating actively in the scheme so that they are able to earn some income. Some of them do not have people who are taking care of them, so they have to fend for themselves. In peasant communities family labour is more preferred. Many farmers use family labour for weeding and harvesting. Family labour is preferred because it is less costly and is available at all times. But farmers who can be in the position to hire labour can do that. Farmers who use hired labour in asparagus production make up a small percentage of the total population. In the past years when asparagus production was at its peak, there were many people employed in the scheme. Many people were employed by Basotho Cannery as seasonal workers, while some were employed directly by the farmers to work on the fields. One former farmer stated that he had six fields of asparagus, and on each field he employed four people.

Most of the farmers who are producing asparagus, and those who have withdrawn from the scheme argue that the existing management of Basotho Cannery is cheating them. That is why many farmers are now exiting the project. Those who have withdrawn from the asparagus project said that they will not produce asparagus again unless the existing management is changed. The management of Basotho Cannery should be accountable to the viability of the asparagus scheme and they must ensure that it delivers development to the people concerned. The conclusion that is drawn from the study is that, asparagus production is no longer a viable scheme in the country. Many farmers are no longer benefiting from the scheme, rather they run into losses because even when they have gained nothing from the harvest they are expected to pay their debts. At this point one can argue that the objective of the study of assessing whether asparagus production is sustainable in improving the living standards of the rural people in Lesotho is not met.

## 6.2 Recommendations

The asparagus project is meant to improve the living standards of the rural communities and also to alleviate the existing poverty. The project is not targeted at exploiting, suppressing and dominating the farmers. So, the state should intervene when the project does not meet its objectives of improving the living standards of the farmers. Therefore, it is the duty of the government to interfere in the asparagus production in the country. The government should intervene between the agribusiness and the farmers, to make the relations conducive to both parties. At this point BC is aiming at the maximization of profits through the exploitation of farmers. Therefore, rural development projects cannot solve the problem of unemployment and hunger in the market driven economies. Free market economies favour privatization and other economic measures that exacerbate rural poverty rather than alleviating it.

In addition, in order to promote asparagus production in the country the state should introduce more than one marketing outlet. This will enable competition between the various processing plants and other agents. Each plant will try by all means to provide good services and interaction with producers so that it can attract many producers to engage in contract with them. There must be formal contractual relationship signed between the agribusiness and farmers so that no party can be cheated in the scheme. Furthermore, the extension services, inputs, technical advice and all others should be provided by a single body that works directly with the farmers, and this must be the state. Lastly, it must be ensured that there is accountability in the institution that works with the farmers. This is because farmers are confronted with a number of bodies that work with them in the production of asparagus, and each body specialise in different tasks. These are Basotho Cannery, the HVCP and the European Union. So it creates confusion to who is supposed to be blamed for the cheating of the farmers. This is because Basotho Cannery will say that European Union is responsible for the determining of asparagus prices. On the other hand Basotho Cannery blame the HVCP for high deductions that are made on the farmers' incomes. And the HVCP also blames Basotho Cannery that it rejects a lot of farmers' produce and that is why they are not able to obtain good incomes and service their debts. At this point I think when farmers are working directly with

Basotho Cannery there might be some changes. The agribusiness should be responsible and accountable for direct paying, provision of technical inputs and the processing of asparagus. The activities that are done by HVCP must be transferred to Basotho Cannery. In addition, farmers should not be told to wait for their pay once the asparagus has been processed, canned and exported to Europe like it is happening now. There is some confusion concerning the delay in paying the farmers. BC blames the EU for not bringing the cheques in time so that the farmers could have their income.

Asparagus production in Lesotho has created regional inequalities; the crop is grown in the lowland regions, especially in the Maseru district. Many rural areas in the country are impoverished, and they need some form of development. The climate in Lesotho is homogeneous but the mountain areas are very cold during winter. However, this does not hinder some crops that are grown in the lowlands to be grown in the highlands. The country does not have different climates like South Africa. But asparagus production is only suitable in the sandy and red soil that is found in the lowland regions. Even-though there are many areas in the lowlands that have this type of soil; the scheme is only practised in the Maseru district. Therefore, people in other rural areas do not observe the potential of asparagus in the alleviation of poverty, and they do not have access to the benefits that other rural dwellers in the Maseru districts have. So, the main objective of introducing asparagus as a cash crop that will create employment opportunities and improve the living standards in the rural sector has not been fully met. So, in order to create homogeneous and sustainable rural livelihoods, the government should have introduced other crops that are suitable to the soil found in other rural regions so that people can generate some income. These crops could be sold locally or in the regional market. For example, the soil and climate in Lesotho is suitable for the growing of sunflowers that can be used to process cooking oil.

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ANNEX "A"

LIHLOPHA TSEO LEHONYELI LE TLA AMOHELOA KA TSONA LE LITHEKO SEBAKENG SA 1996

LIHOAI TSE KHABANE, NAKONG EA LITHUPELO PELE HO KOTULO KE ILE KA LE FA LITHEKO TSA LEHONYELI SEBAKENG SA 1996, ME KA TSEPISA HO FANA KA LIPAMPIRI TSE NGOTSOENG BAKENG SA LEPHEPHA KA LENG HO LE THUSA HO HOPOLA LICHELETE TSEO. KE EELLOA HORE LIHLOPHENG TSE PELI E LENG TA LE SALAD KEILE KA FANA KA LICHELETE TSE FOSAHETSENG. LITHEKO TSE NEPAHETSENG LI JOALO KA LETHATHAMONG LE HLAHLAMANG.

SEHLOPHA	BOTELELE (MM)	BOTENYA (MM)	MALA OA HLOOHO LE BOTELELE BA BOTALA	THEKO (MALOTI)
1A	140	12 - 20	BOSOEU LE BOTALA BA 3 CM	3.00
1B	140	21 - 30	BOSOEU BOTALA BA 3 CM	2.40
1C	170	12 - 20	BOSOEU BOPUTSOA BA LEEBA	3.65
2A	100	10 - 25	BOSOEU LE BOTALA BA 2 CM	3.56
2B	60	10 - 25	BOSOEU LE BOTALA BA 2 CM	2.70
SALAD	140, 60	10 - 20	BOTALA BO BOTELELE HO FETA KAHOLIMO	1.25

KE KOPA TS'OARELO KA TS'ITISO E BAKILOENG KE PHOSO EO.

*M. Sekoli*

21/10/96

M. SEKOLI

# LANGEBERG FOOD PROCESSORS LTD

## ASPARAGUS GRADING & PRICES FOR 1997 SEASON

GRADE	DIAMETER	LENGHT	1996 PRICE LES.	1997 PRICE LES.	PRICE LES. 97 vs 96
1 a	14 - 20	120 - 140	3.10	3.25	<sup>% INCREASE</sup> ↑ 4.84%
1 b	21 - 30	120 - 140	2.40	2.51	4.58%
1 c	14 - 20	160	3.65	3.65	0.00
2 a	12 - 25	100	3.56	3.92	10.11%
2 b	12 - 25	60	2.70	2.97	10.00%
S.C.	12 - 20	120	1.25	1.40	12.00%

## ANNEX "B"

## SETLA - BOCHA COOPERATIVE

Statement for period: FIRST PAYMENT 1996

Farmer Code: B0300412

Farmer Name: KEMAKETSE RAMATABOE

Collection Shed: LIILE &amp; MOTANYANE

Plot Size: 0.21ha

Yields per hectare:

522.00kgs

---

DELIVERIES	FIELD WEIGHTS	VALUE	
1A	29.40	91.14	
1B	9.90	23.76	
1C	6.10	22.27	
2A	24.40	86.86	
2B	10.02	27.05	
Salad Cut	29.80	37.25	
TOTALS:	109.62		288.33
DEDUCTIONS			
Off Grades:		21.34	
Weight Loss:		182.69	
Field Operations:		33.47	
Transport:		16.44	
Harvesting Equipment:		0.00	
Weighing Personnel:		4.56	
Admin & Computer Ledger Fees:		5.00	
Setla - Bocha deductions:		6.47	
Revolving Fund:		0.00	269.97
Net Pay:			18.36

---

SETLA - BOCHA COOPERATIVE

Statement for period: FIRST PAYMENT 1996

Farmer Code: B0301036

Farmer Name: MANGOAJANE RAMATABOE

Collection Shed: LIILE & MOTANYANE

Plot Size: 0.09ha

Yields per hectare:

1,526.67kgs

DELIVERIES	FIELD WEIGHTS	VALUE	
1A	34.10	105.71	
1B	22.82	54.77	
1C	27.98	102.13	
2A	26.00	92.56	
2B	7.40	19.98	
Salad Cut	19.10	23.88	
<b>TOTALS:</b>	<b>137.40</b>		<b>399.03</b>
<b>DEDUCTIONS</b>			
Off Grades:		29.53	
Weight Loss:		252.75	
Field Operations:		14.35	
Transport:		20.61	
Harvesting Equipment:		11.25	
Weighing Personnel:		4.56	
Admin & Computer Ledger Fees:		5.00	
Setla - Bocha deductions:		6.47	
Revolving Fund:		28.69	373.21
<b>Net Pay:</b>			<b>25.81</b>

## ANNEX "D"

## SETLA - BOCHA COOPERATIVE

Statement for period: SECOND PAYMENT 1996  
 Farmer Code: B0282306 Farmer Name: MAKINTANE KUMI  
 Collection Shed: MALIELE  
 Plot Size: 0.15ha Yields per hectare: 207.33kgs

---

DELIVERIES	FIELD WEIGHTS	VALUE	
1A	9.30	28.83	
1B	0.00	0.00	
1C	0.00	0.00	
2A	8.50	30.26	
2B	0.90	2.43	
Salad Cut	12.40	15.50	
<b>TOTALS:</b>	<b>31.10</b>		<b>77.02</b>
<b>DEDUCTIONS</b>			
Off Grades:		3.53	
Weight Loss:		18.03	
Field Operations:		28.13	
Transport:		4.67	
Harvesting Equipment:		11.25	
Weighing Personnel:		2.44	
Admin & Computer Ledger Fees:		5.00	
Setla - Bocha deductions:		3.24	
Revolving Fund:		0.00	76.29
<b>Net Pay:</b>			<b>0.73</b>

---

## ANNEX "E"

## SETLA - BOCHA COOPERATIVE

Statement for period: SECOND PAYMENT 1996

Farmer Code: B0282225

Farmer Name: MASEPONONO MONOKOA

Collection Shed: MALIELE

Plot Size: 0.15ha

Yields per hectare:

62.67kgs

DELIVERIES	FIELD WEIGHTS	VALUE	
1A	6.90	21.39	
1B	0.00	0.00	
1C	0.00	0.00	
2A	5.70	20.29	
2B	0.00	0.00	
Salad Cut	11.80	14.75	
<b>TOTALS:</b>	<b>24.40</b>		<b>56.43</b>
<b>DEDUCTIONS</b>			
Off Grades:		3.05	
Weight Loss:		12.40	
Field Operations:		28.13	
Transport:		3.66	
Harvesting Equipment:		8.93	
Weighing Personnel:		0.00	
Admin & Computer Ledger Fees:		0.00	
Setla - Bocha deductions:		0.00	
Revolving Fund:		28.69	56.17
<b>Net Pay:</b>			<b>0.26</b>

## ANNEX "F"

## SETLA - BOCHA COOPERATIVE

Statement for period: FIRST PAYMENT 1998

Farmer Code: B0660803

Farmer Name: MAKHOABANE LIPHOLO

Collection Shed: THABA KHUPA B

Plot Size: 0.12ha

Yields per hectare:

291.92kgs

DELIVERIES	FIELD WEIGHTS	LOSS %	PAID WEIGHTS	PRICE	VALUE
1A	12.20	8.03	11.22	3.35	37.59
1B	0.00	0.00	0.00	2.69	0.00
1C	0.80	100.00	0.00	3.65	0.00
1D	0.00	0.00	0.00	3.60	0.00
2A	7.70	13.64	6.65	4.04	26.87
2B	0.00	0.00	0.00	3.09	0.00
Salad Cut	17.40	1.38	17.16	1.40	24.02
TOTALS:	38.10		35.03		88.48

## DEDUCTIONS

Field Operations:	23.40
Transport:	6.66
Fertiliser Cost:	58.42
Weighing Personnel:	0.00
Admin & Computer Ledger Fees:	0.00
Setla - Bocha deductions:	0.00
Establishment Cost:	0.00
	88.48

---

Net Pay: 0.00

---

## ESTABLISHMENT COST

Balance at start of season.	0.00
Total Repayments:	0.00
New Balance:	0.00

---

8 November 98

18 : 34 : 30

## ANNEX "G"

### Questions to Farmers

#### Household Data

Name	Age	Sex (F/M)	Marital Status	Relation to H/hold	Migration Reasons	Employment status

1. What is your level of education?  
(a) primary (b) secondary (c) high school (d) no education (e) Mention others \_\_\_\_\_
2. Which age groups (e.g children, youth, old people) mostly participate asparagus cultivation?  
\_\_\_\_\_
3. Are you the actual landowner, if no, who owns the land?  
\_\_\_\_\_
4. How many fields do you have?  
\_\_\_\_\_
5. How many fields are used for asparagus?  
\_\_\_\_\_
6. What area do you cultivate with asparagus?  
\_\_\_\_\_
7. Which months do you grow asparagus?  
\_\_\_\_\_

8. Do you use asparagus for personal (household) consumption?

---

9. What crops do you grow besides asparagus (traditional or staple crops)?

---

10. Which crops are more valuable for your survival, asparagus or staple crops?

---

11. How much labour do you have for agriculture in general?

---

12. How much labour do you use for asparagus production in particular?

---

13. How much family labour do you have?

---

14. Do you practise sharecropping in asparagus production?

---

15. If you use hired labour, how many people do you employ?

---

16. How much do you pay each worker?

---

17. Do you gain from using hired labour or incur a loss? (Please explain)

---

18. Do you use child labour (5 - 15year old) and is it remunerated?

---

19. Which sex mostly participates in asparagus cultivation?

---

20. Is the household head or any household member employed in town or mines to supplement asparagus income (migrant remittances)?

---

21. If there is no one employed elsewhere, do you depend on asparagus cultivation only to earn income?

---

22. Which of the following assets or activities do you have?

(a) livestock (b) rental of land or equipment (c) informal business- beer brewing

23. Do you sell other goods and labour to earn some income/ what are they?

---

24. Do you have access to any social transfers ( e.g pensions, disability grants, food donations)?

---

25. What do you use for cultivation (cattle;tractors;shovels)?

---

26. Explain or describe your relationship with the agribusiness (Basotho Cannery)?

---

27. How is the working relationship with the agroindustry (Basotho Cannery)?

Good

Bad

28. How long do you wait to get paid by the agroindustry?

---

29. How do you get paid (cash, cheque, etc.)?

---

30. Where do you spend the income obtained from asparagus production?

---

31. What is your monthly household expenditure on reproducing the household including school fees etc.?

---

32. Is the income enough for maintenance of your family

Yes

No

Please explain (if the answer is yes or no above)

---

33. Do you think you benefit from asparagus scheme?

Yes

no

Please explain (if the answer is yes or no above)

---

34. If you do not benefit from the asparagus cultivation, what are your suggestions so that the scheme can be made more profitable?

---

### **Sexual Division of Labour in Asparagus Cultivation**

#### **Women**

35. Which activities do you carry out in asparagus production?

---

36. How do you cope with household activities and asparagus cultivation?

---

37. How many hours do you spend working in the fields (e.g weeding, harvesting)?

---

38. Do you have access to means of production (especially capital and land)?

---

39. Who controls the revenues (income) accrued from asparagus production?

---

40. Who decides on what kind of crops to grow (man, woman or both)?

---

41. Do you think asparagus production provide sustainable employment (please explain)?

---

#### **Men**

42. Do you participate fully (full-time) in asparagus cultivation?

---

43. How many hours do you spend working in the fields(e.g weeding, harvesting)?

---

44. Do you have access to means of production (especially capital and land)?

---

45. Which activities do you perform in asparagus cultivation?

---

46. Who decides on what kind of crops to grow (man, woman or both)?

---

47. Who controls the revenues (income) accrued from asparagus production?

---

48. What do you do besides participating in the scheme?

---

49. Do you think asparagus production can provide sustainable employment (please explain)?

---

**Questions to Management of the Agribusiness (BasothoCanners)**

50. How many asparagus farmers are registered with your company?

---

51. How long have they been involved in supplying your company with the raw material?

---

52. Do they have an agricultural background, especially in asparagus cultivation?

---

53. What is the maximum number of years you expect the farmers to supply your firm with asparagus?

---

54. Is the number deteriorating or increasing?

---

55. How many people do you employ in the company?

---

56. What do they do (how many are in each of the division of labour categories)?

---

57. Do you provide seasonal or permanent jobs?

---

58. What is your relationship with contract asparagus cultivators?

---

59. Are you satisfied with the relations between farmers and your company?

Yes

No

Please explain (if the answer is yes or no above)

---

60. What kind of problems arise out of this working relationship?

---

61. Do you sign a contract with the farmers, if no why?

---

62. How do you pay farmers (e.g cheques, cash)?

---

63. After how long do you pay farmers?

---

**Questions to the Ministry of Agriculture and High Value Crops Project**

64. Do you provide extension services to farmers every year (subsistence and commercial)?

---

65. Are asparagus farmers included in technical training (extension services)?

---

66. If yes, are they expected to pay for training/services?

---

67. What are their attitudes towards extension services?

---

68. Do you advance farmers with some inputs?

Yes

No

69. What kind of inputs (if yes above)?

---

70. Are the farmers expected to pay back these inputs?

Yes

No

71. What are the terms of payment (if yes above)?

---

72. Do you experience some difficulties when farmers are supposed to pay back?

---

73. Is there any contract signed between you and the farmers? (can I have a copy)

---

74. What are the conditionalities or terms of the contract?

## ANNEX “H”

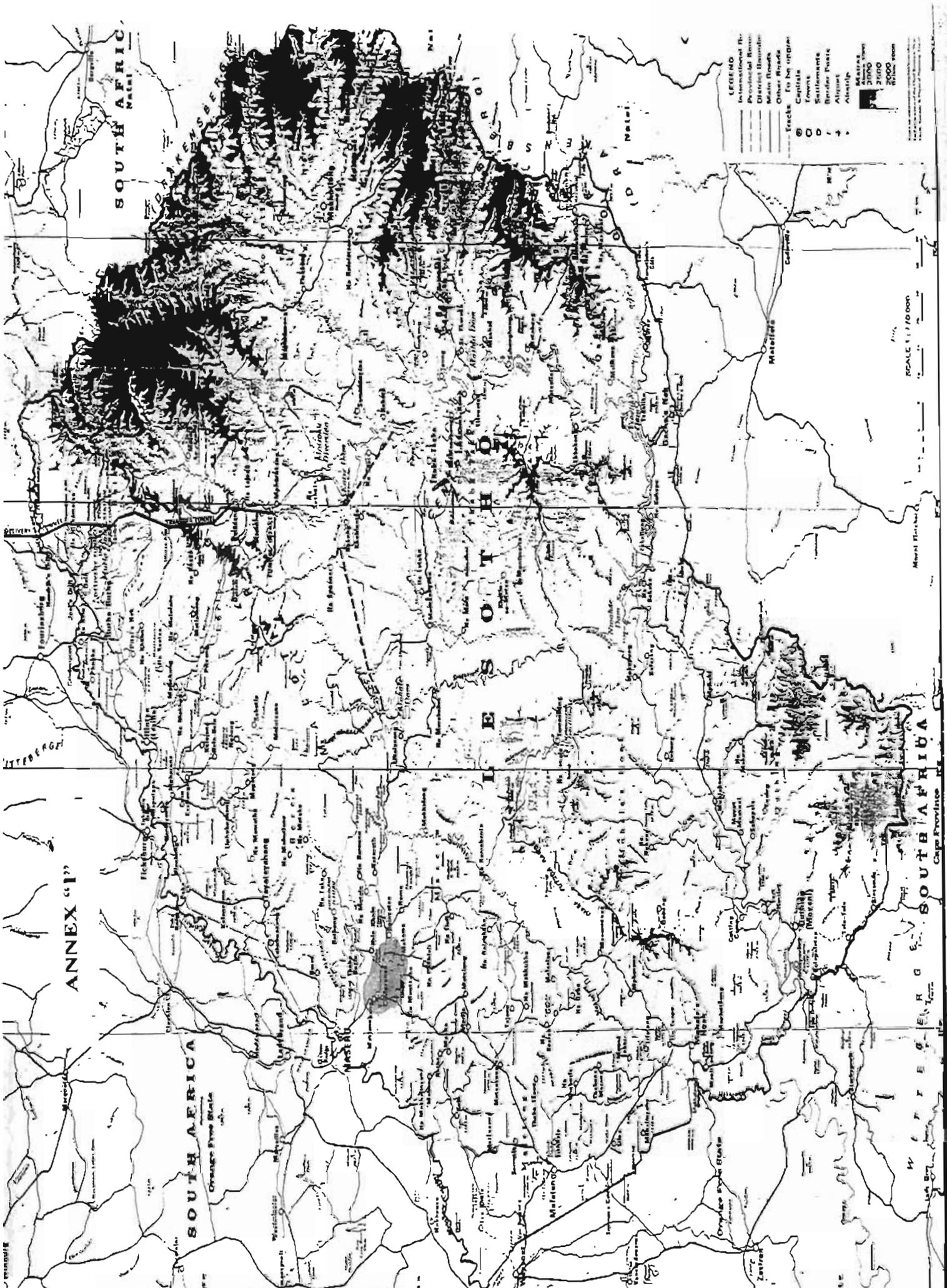
Details of the footnotes in Chapters Four and Five

### Officials:

<b>Name</b>	<b>Position</b>	<b>Date</b>	<b>Place</b>
Mr Ntsoti	Official (HVCP)	22 <sup>nd</sup> June 2000	Masianokeng
Mr Malebelle	Official (HVCP)	22 <sup>nd</sup> June 2000	Masianokeng
Mrs ‘Mabataung	Former Manager (BC)	20 <sup>th</sup> June 2000	Masianokeng
Mrs Mpipie	Secretary (SBFC)	23 <sup>rd</sup> July 2000	Maliele

### **Farmers:**

<b>Interview</b>	<b>Gender</b>	<b>Date</b>	<b>Place</b>
A	Male	15 <sup>th</sup> July 2000	Ha Motlobeloa
B	Female	14 <sup>th</sup> July 2000	Maliele
C	Male	23 <sup>rd</sup> July 2000	Thaba-Khupa
D	Female	15 <sup>th</sup> July 2000	Thaba-Khupa
E	Female	15 <sup>th</sup> July 2000	Ha Nko
F	Female	14 <sup>th</sup> July 2000	Maliele
G	Female	23 <sup>rd</sup> July 2000	Ha Motanyane
H	Male	20 <sup>th</sup> July 2000	Ha Sekete
I	Female	15 <sup>th</sup> July 2000	Ha Nko
J	Female	14 <sup>th</sup> July 2000	Maliele
K	Male	18 <sup>th</sup> July 2000	Ha Ramaqhanyane
L	Female	30 <sup>th</sup> July 2000	Ha Liile
M	Female	23 <sup>rd</sup> July 2000	Thaba-Khupa
N	Female	30 <sup>th</sup> July 2000	Ha Liile
O	Female	23 <sup>rd</sup> July 2000	Thaba-Khupa



- LEGEND**
- International Boundary
  - Provincial Boundary
  - District Boundary
  - Main Road
  - Other Roads
  - Other Brands
  - Capitals
  - Seaports
  - Border Posts
  - Airports
  - Altitude
- (C) Circle for No origin  
 (O) Circle  
 (D) Circle  
 (S) Circle  
 (A) Circle
- Asparagus growing area  
 20000  
 25000  
 30000

SCALE 1:170,000

MAP OF SOUTH AFRICA

SOUTH AFRICA

Orange Free State

ANNEX 'I'

Asparagus growing area

Asparagus growing area