

ENHANCING THE CONTRIBUTION OF SMALL-SCALE
GROWERS IN THE SUGAR INDUSTRY

by

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PREFACE

The research work for this thesis was conducted in the Sugar Industry of the Province of KwaZulu/Natal, South Africa, with small-scale growers, Mill Cane Committees and the South African Cane Growers' Association, Durban, from January 1993 to December 1998, under the supervision of Professor Charles Breen, University of Natal, Institute of Natural Resources, Pietermaritzburg.

This study represents original work by the author and has not otherwise been submitted in any form for any degree or diploma to any University.

Where use has been made of the work of others, it is duly acknowledged in the text.

TABLE OF CONTENTS

LIST OF FIGURES	viii
LIST OF TABLES	x
ACKNOWLEDGEMENTS	xii
LIST OF ABBREVIATIONS	xiii
ABSTRACT	xiv
CHAPTER 1: PURPOSE OF THE STUDY; RESEARCH OBJECTIVES	1
CHAPTER 2: HISTORICAL BACKGROUND OF GROWER ORGANISATIONS AND THEIR SUPPORT SERVICES	
2.1 INTRODUCTION	6
2.2 THE SOUTH AFRICAN CANE GROWERS' ASSOCIATION	7
2.3 THE NATAL CANE GROWERS' ASSOCIATION	7
2.4 THE KWAZULU CANE GROWERS' ASSOCIATION	9
2.5 THE MANGETHE CANE GROWERS' ASSOCIATION	10
2.6 ORGANISATION OF THE SOUTH AFRICAN CANE GROWERS' ASSOCIATION 1986-1992	11
2.7 ORGANISATION OF THE SOUTH AFRICAN CANE GROWERS' ASSOCIATION AFTER 1992	11
2.7.1 Member organisations	13
2.7.2 The Local Grower Councils	13
2.7.3 Board of Directors of the South African Cane Growers' Association	14
2.8 ORGANISATION OF THE SOUTH AFRICAN SUGAR INDUSTRY	15
2.9 GROWER SUPPORT SERVICES	18
2.9.1 The South African Sugar Millers' Association Limited	19
2.9.2 The South African Sugar Association	19

2.9.2.1	The South African Sugar Association Experiment Station	20
2.9.2.2	The Small Growers' Financial Aid Fund	20
2.9.3	The South African Cane Growers' Association and the Small Grower Development Trust	23
2.9.3.1	Main components and objectives of the Small Grower Development Trust	24
2.9.3.2	Organisational structure of the Small Grower Development Trust	26
2.9.3.3	Divisions of the South African Cane Growers' Association	28
2.10	FUTURE OF THE SOUTH AFRICAN CANE GROWERS' ASSOCIATION	29
CHAPTER 3: A CONCEPTUAL FRAMEWORK FOR THE RESEARCH AND TRENDS INFLUENCING THE DEVELOPMENT OF SMALL-SCALE FARMERS		
3.1	INTRODUCTION	32
3.2	PERSPECTIVES ON SMALL-SCALE GROWERS' ORGANISATIONS	32
3.3	CONCEPTUAL FRAMEWORK	37
3.4	TRENDS INFLUENCING THE DEVELOPMENT OF SMALL-SCALE FARMERS	42
3.4.1	Productivity and small sizes of land	42
3.4.2	Pricing and marketing	43
3.4.3	Cooperatives	44
3.4.4	Adding value	46
3.4.5	Diversification	47
3.4.6	Contribution of sugar cane to rural development	48
3.4.7	Infrastructure	49
CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY		
4.1	INTRODUCTION	52
4.2	APPLICATION OF THE AUTHOR'S EXPERIENCE TO PLANNING THE STUDY	52
4.3	CHOICE OF RESEARCH AREAS	54

4.4	INFORMATION SOURCES	54
4.5	ORIENTATION OF THE MILL CANE COMMITTEES AND DEVELOPMENT OFFICERS	55
4.6	SELECTION AND TRAINING OF INTERVIEWERS	55
4.7	QUESTIONNAIRE OBJECTIVES AND DESIGN	56
4.8	THE SURVEY	57
4.9	NORMS FOR SUCCESS	58
4.10	SAMPLING PROCEDURE	58
4.10.1	Method of sampling	58
4.10.2	Interviewing procedure	58
4.11	DATA ANALYSIS	59

CHAPTER 5: EFFECTIVENESS OF SMALL-SCALE GROWER
DEVELOPMENT AS PERCEIVED BY THE MILL CANE
COMMITTEES

5.1	INTRODUCTION	60
5.2	CHARACTERISTICS OF THE MILL CANE COMMITTEE	61
5.2.1	Number of members in the Mill Cane Committee	61
5.2.2	Years of service on the Mill Cane Committee	63
5.2.3	Educational levels of the Mill Cane Committee members	64
5.2.4	Working experience prior to becoming a Mill Cane Committee member	65
5.2.5	Experience of growing sugar cane	66
5.2.6	Composition of the Mill Cane Committee members by gender	67
5.2.7	Perceptions of the functions of the Mill Cane Committee	68
5.2.8	Problems encountered by the Mill Cane Committee members	69
5.2.9	Issues attended to most by the Mill Cane Committees	70
5.2.9.1	Responsibility to attend to the Mill Cane Committee issues	71
5.2.10	Perceptions of functions of the Mill Cane Committee Development Officers	71
5.2.10.1	Perceptions of needs to improve performance of Development Officers	72

5.2.10.2	Methods of auditing Development Officers' work	73
5.2.10.3	Changes in the Mill Cane Committee after the employment of Development Officers	74
5.3	INTERACTION BETWEEN THE MILL CANE COMMITTEES AND THE LOCAL FARMERS' ASSOCIATIONS	75
5.3.1	Introduction	75
5.3.2	Number of growers per Local Farmers' Association	75
5.3.3	Perceptions of functions of the Local Farmers' Associations	76
5.3.3.1	Promoting membership of the Local Farmers' Associations	78
5.3.3.2	Local Farmers' Associations perceptions of responsibility for increasing membership	79
5.3.3.3	Methods used by MCC members to promote membership of the Local Farmers' Associations	80
5.3.3.4	MCC members' perceptions of the functions of grower facilitators	81
5.4	INTERACTION BETWEEN THE MILL CANE COMMITTEES AND THE LOCAL GROWER COUNCILS	82
5.4.1	Introduction	82
5.4.2	Mill Cane Committee members perceptions of functions of the Local Grower Councils	83
5.4.3	Mill Cane Committee members expectations from the Local Grower Councils	84
5.4.3.1	Problems encountered by the Mill Cane Committee representatives on the Local Grower Councils	86
5.5	INTERACTION BETWEEN THE MILL CANE COMMITTEES AND OTHER SERVICE PROVIDERS	86
5.5.1	Introduction	86
5.5.2	Support services from the South African Sugar Association	87
5.5.2.1	Financial services	87
5.5.2.1.1	Perceptions about financial services	88
5.5.2.1.2	Perceived solutions	90
5.5.2.1.3	The FAF retention system	91
5.5.2.1.4	The Sugar Industry cane payment system	92
5.5.2.2	Training services from the South African Sugar Association	94

5.5.2.2.1	Perception about training services	94
5.5.2.2.2	Perceptions of needs to meet expectations	95
5.5.3	Sugar cane contracting services	95
5.5.3.1	Introduction	95
5.5.3.2	Small-scale cane contractors	96
5.5.3.2.1	Perceptions about small-scale cane contractors	98
5.5.3.2.2	Perception of needs to solve problems	100
5.5.3.2.3	Training needs of small-scale cane contractors	100
5.5.4	Extension services	101
5.5.4.1	Introduction	101
5.5.4.2	Perception about extension services	102
5.5.4.3	Perception of needs to solve problems	102
5.5.5	Support services from the South African Cane Growers' Association	104
5.5.5.1	Introduction	104
5.5.5.2	Benefits received from training	111
5.5.5.3	Implementation of benefits from training	112
5.5.5.4	Implementation of the training programme	114
5.5.5.5	Improving sugar cane productivity	115
5.5.5.6	Contribution towards the costs of training	115
5.5.5.7	Training needs of growers	116
5.5.5.8	Perception about the support services	117
5.6	INTERACTION BETWEEN THE MILL CANE COMMITTEE AND MILL EXTENSION AND DEVELOPMENT SERVICE PROVIDERS	118
5.6.1	Introduction	118
5.6.2	Problems encountered by the Mill Cane Committee members when interacting with mill extension and development companies	119
CHAPTER 6: IMPROVING EFFECTIVENESS OF THE MILL CANE COMMITTEES 122		
6.1	INTRODUCTION	122
6.2	CHARACTERISTICS OF THE MILL CANE COMMITTEE	122
6.3	INTERACTION BETWEEN THE MILL CANE COMMITTEE AND THE LOCAL FARMER'S ASSOCIATION	123
6.4	INTERACTION BETWEEN THE MILL CANE COMMITTEE AND THE LOCAL GROWER COUNCIL	125

6.5	INTERACTION BETWEEN THE MILL CANE COMMITTEE AND OTHER SERVICE PROVIDERS	127
6.5.1	Support services form the South African Sugar Association	127
6.5.1.1	Financial services	127
6.5.1.2	Training services	129
6.5.2	Sugar cane contracting services	129
6.5.3	Extension services	131
6.5.4	Support services from the South African Cane Growers' Association	133
6.5.5	Interaction between the Mill Cane Committee and the mills' extension and development service providers	135
CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS		
7.1	INTRODUCTION	136
7.2	STRENGTHS AND WEAKNESSES	137
7.3	IMPROVING SMALL-SCALE PRODUCTION	139
7.4	REVISIONING THE INDUSTRY	141
7.5	CONCLUSIONS	143
REFERENCES	147
APPENDIX 1:	INTERVIEW QUESTIONNAIRE	158
APPENDIX 2:	POTENTIAL FOR COOPERATIVES IN SMALL SCALE GROWER DEVELOPMENT	167
APPENDIX 3:	SUGAR CANE EXTENSION SERVICES WORKSHOP	175
APPENDIX 4:	SCALE FOR MEASURING SELF MANAGEMENT	187

LIST OF FIGURES

FIGURE:

2-1.	Organisational structure of the NCGA - 1996	8
2-2.	Organisational structure of the KCGA - 1996	10
2-3.	Organisational structure of the SACGA 1986-1992	12
2-4.	Organisation of the SACGA after 1992	12
2-5.	Organisation of the South African Sugar Industry - 1996	16
2-6.	Sugar Cane Producing Regions of South Africa - 1996	17
2-7.	Distribution of land planted under sugar cane - 1996	18
2-8.	Increase in the number of small-scale growers and cane production between 1973 and 1994	22
2-9.	Total commitments and outstanding loans for the period 1973 to 1996	23
2-10.	The FAF bad debts as a percentage of amount of money advanced each season - 1994	24
2-11.	Organisational structure of the SGDT - 1996	27
2-12.	The organisational divisions of the SACGA - 1996	28
3-1.	Characteristics of small farmers associations (SFA)	38
3-2.	Phases of small farmer association development.	39
5-1.	The structure of the small-scale grower sector - 1996	60

5-2.	The distribution of members in MCCs - 1995	62
5-3.	Years of service on the MCC - 1995	63
5-4.	Educational levels of MCC members - 1995	65
5-5.	Working experience prior to becoming an MCC member - 1995	66
5-6.	Years of experience of growing sugar cane - 1995	67
5-7.	Gender composition of the MCC members - 1995	68
5-8.	Responsibility to attend to MCC issues - 1995	71
5-9.	Numbers of growers in Local Farmers' Associations - 1995	76
5-10.	Local Farmers' Associations perceptions of responsibility for increasing membership - 1995	80
5-11.	Stages in the granting and repayment of a FAF loan to small-scale growers - 1995	89
5-12.	Stages of sugar cane payment system - 1995	93
5-13.	Stages of sugar cane contracting services to small-scale growers - 1995	97
6-1.	Needs Driven Farmer Led Programme. Implicit in the provision of extension services in comprehensive monitoring and evaluation	132
7-1.	A framework to improve functioning of the SACGA organisational structures with particular reference to the small-scale growers	145

LIST OF TABLES

TABLE:

2-1.	Sources of funds (excluding interest earned) for the SGDT up to 1995	26
3-1.	Comparison of the dimensions of Farmer Association viability between large-scale and small-scale growers in the Sugar Industry as at 1996.	36
4-1	Steps in the interviewing process 1993-1996	59
5-1.	Perceptions of functions of the MCC -1995	68
5-2.	Problems encountered by the MCC members - 1995	69
5-3	Issues attended to most by the MCC - 1995	70
5-4	MCC members perceptions of needs to improve performance of Development Officers - 1995	73
5-5.	Methods of Auditing Development Officers' Work - 1995	74
5-6	Changes in the MCCs after the employment of Development Officers - 1995	75
5-7.	LFAs perceptions of their functions - 1995	77
5-8	MCC members' perceptions of promoting membership of the LFAs LFAs - 1995	79
5-9.	Methods used by MCC members to promote membership of the LFAs - 1995	81
5-10.	MCC members' perceptions of the functions of grower facilitators - 1995	82

5-11.	MCC members' perception of the functions of the LGCs - 1995	84
5-12.	MCC members' expectations from the LGCs - 1995	85
5-13.	Problems encountered by the MCC representatives in the LGCs - 1995	86
5-14.	MCC members' perceptions of the problems encountered when requiring financial services for growing sugar cane - 1995	90
5-15.	MCC members' perception of the solutions to financial problems - 1995	91
5-16.	Problems encountered when acquiring inputs for growing sugar cane - 1995	92
5-17.	MCC members expectations from the Sugar Association Experiment Station - 1995	95
5-18.	Problems encountered by small-scale growers in small-scale cane contracting services - 1995	99
5-19.	Training courses recommended for cane contractors - 1995	101
5-20.	Problems encountered when requiring extension services -1995	103
5-21.	Perceptions of advantages of community "driven" extension services - 1995	104
5-22.	Training needs of the MCC identified in 1989	106
5-23.	Perceived benefits from training - 1995	112
5-24.	Implementation of benefits from training - 1995	113
5-25.	Training needs of growers - 1995	116
5-26.	Problems encountered by the MCC from the mill extension and development companies	121

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LIST OF ABBREVIATIONS

BATAT	-	Broadening Access to Agricultural Thrust
CCA	-	Cane Contractors Association
EU	-	European Union
FAF	-	Small Growers' Financial Aid Fund
FAO	-	Food and Agricultural Organisation (of the United Nations)
GDP	-	Gross Domestic Product
GEAR	-	Growth Equity and Redistribution
KCGA	-	KwaZulu Cane Growers' Association
LFA	-	Local Farmers' Association
LGC	-	Local Grower Council
MCC	-	Mill Cane Committee
MCP	-	Miller-cum-Planter
NAFFA	-	North American Free Trade Agreement
NCGA	-	Natal Cane Growers' Association
ODA	-	Overseas Development Administration
RDP	-	Reconstruction and Development Programme
ROAP	-	Rural Organisations' Action Plan
SACGA	-	South African Cane Growers' Association
SADC	-	South African Development Community
SASA	-	South African Sugar Association
SASEX	-	South African Sugar Association Experiment Station
SASMAL	-	South African Sugar Millers' Association Limited
SDI	-	Spatial Development Initiative
SFA	-	Small-scale Farmers' Association
SGDT	-	Small Grower Development Trust
STRADA	-	Smith Training and Development Associates
USAID	-	United States Agency for International Development
WCARRD	-	World Conference on Agrarian Reform and Rural Development

ABSTRACT

In the South African Sugar Industry, small-scale sugar cane growers outnumber large-scale growers by more than 10:1. They farm approximately 33% of the total area planted to sugar cane, but produce approximately 10% of sugar cane reaching the mills. Special institutional and support services have been developed to promote the interests of small-scale growers. This study assessed the effectiveness of small-scale grower development as perceived by the Mill Cane Committees (MCCs) who represent the Black small-scale grower organisations.

The study focussed on the MCCs. Information from members of these committees was gathered by way of questionnaires, group discussions and key informant interviews with support services representatives. Findings were contextualised in an historical perspective which indicated social, economic and political marginalisation, which has had profound consequences.

Some of the more important findings were:

1. Small-scale growers were neglected, marginalised and isolated in the Sugar Industry until 1973, and were excluded from using support services available to other growers until 1983.
2. The organisational structures of small-scale growers are ineffective.
3. Small-scale growers had a low level of trust in the support services offered by the Sugar Industry to support their operations.
4. Interaction between the Mill Cane Committees, the local farmers' associations, the local grower councils, and service providers, mainly small-scale cane contractors and extension services, were considered poor.

5. Support services were not directed by small-scale growers' needs.
6. Training programmes, whilst beneficial to small-scale growers, were shown to be too technical and narrow. They concentrated too strongly on elements of sugar cane production and not sufficiently on the people and their operations.
7. Small-scale growers perceived cooperatives as a means of empowerment. Without significant increase in profitability (better sugar cane and more of it), this was shown to be questionable as cooperatives are unlikely to be self sustaining.
8. Small-scale growers did not understand the interrelationships between the aims of the Sugar Industry and their own operations. The mills aim to make profits from sugar cane and the South African Cane Growers' Association wishes to maintain a good political image to protect import tariffs, whereas small-scale growers want more emphasis on support systems and community development.

Small-scale growers must realize that the Sugar Industry is not responsible for providing improved education and training and support services neither for sugar production nor for activities outside of the Sugar Industry. The Sugar Industry may choose to assist small-scale growers if it believes that by doing so it will increase its own profitability and improve its political image. Small-scale growers should control their destiny and be committed to self management of small-scale grower development in the long term. This may be achieved by developing effective organisational structures, proper interaction with support service providers and less dependency on the Sugar Industry.

The findings of this research are considered to be relevant to most if not all developing countries, because sugar cane production requires a mill, the mill requires assured sugar cane supply; this is most efficiently supported by estates and large-scale growers. Small-scale growers remain a convenient "top up" when sugar cane is in short supply and an inconvenient and expensive burden when sugar cane is not required.

CHAPTER 1: PURPOSE OF THE STUDY; RESEARCH OBJECTIVES

In South Africa approximately 33% of land planted to sugar cane is farmed by small-scale growers. However, they only produce approximately 10% of the sugar cane reaching the mills. Small-scale growers outnumber large-scale growers by more than 10:1 in the South African Sugar Industry. Special institutional structures and services have been developed to promote the interests of the small-scale growers.

The Sugar Industry has been engaged in a process of deregulation and has agreed to, and adopted, a number of major and important deregulatory measures. In 1998 the last phase of the deregulation will be implemented and as a consequence growers and millers will have to develop new local level arrangements for managing sugar cane supplies in a deregulated environment. Because there will be no quotas, a grower will be able to deliver to any mill and furthermore a miller will not be obliged to accept a growers' cane unless there is a prior agreement.

At present, small-scale growers have very little influence on mills and milling capacity and there is no provision in the Sugar Industry Agreement¹ relating to capacity or length of milling season. Both small-scale growers and large-scale growers need to establish a collective bargaining unit at a local level for all growers. This will enable decisions on how much sugar cane will be milled and how long any particular mill will remain open each year to be decided by collective bargaining. The outcomes of collective bargaining depend entirely on the effectiveness of grower structures. If small-scale growers are to be influential they need to be

¹ Sugar Industry Agreement signed in October 1934 provides for:

- a) "The compulsory settlement of all questions of mutual interest to millers and planters collectively by agreement between a large majority of them, failing which, by judicial arbitration.
- b) The application of any such agreement or decision throughout the industry, in the discretion of the proper Minister, and subject to such safeguards as he may impose." South African Sugar Association 1934 p1.

educated about the Sugar Industry to address these issues. The research reported here was conducted in order to inform both the small-scale growers and the industry on strategic action.

The problem to be investigated is that small-scale growers were marginalised and separated from the mainstream of the Sugar Industry until 1983. Organisational structures, training and support services have been dominated by large-scale growers. As a consequence it is anticipated that organisational structures, training and support services emerging from the dominance of large-scale growers will not adequately service small-scale growers as they emerge into the mainstream of the Sugar Industry. The Sugar Industry needs to revise the provision of support services which at present might not meet the needs of small-scale growers.

The Mill Cane Committees (MCCs), which are small-scale grower member organisations in the Sugar Industry, were identified as critical for the development of small-scale growers. This research focussed on the MCCs and through analysis of their effectiveness was used to conceptualise a restructuring of the small-scale grower sector of the Sugar Industry and to guide revision of support services.

The position and important role of the MCCs in the Sugar Industry is identified in Chapter 2. They are the most influential representatives of the small-scale growers in that they are directly accountable to the Local Farmers' Associations (LFAs) and they elect the individuals who serve as directors in the South African Cane Growers' Association (SACGA). They are also sufficient in number, and are widely spread throughout sugar cane growing regions, that their views are likely to provide a reliable indication of the concerns of members. For these reasons the MCCs were selected as the level of enquiry in this research.

The objective of this research was to:

- assess the institutional structures of the South African Sugar Industry as they relate to

small-scale growers

- determine the characteristics of MCC members and assess how effective they are in promoting the activities of small-scale growers
- assess the effectiveness of institutional training and other training programmes on small-scale growers
- analyse the interaction between support services and small-scale growers, in order to propose a comprehensive yet achievable strategy for small-scale grower development, based on empowerment (meaningful participation and real involvement) of this sector of the Sugar Industry with self managing small-scale grower structures.

It is anticipated that the outcomes of this research will provide some solutions for the important issues of small-scale grower development which motivated the study, namely:

- The development of small-scale growers in the Sugar Industry has been unique in South Africa if not in the whole of Africa. It has contributed to the organisational structures of growers and millers which forms the basis of the Sugar Industry Agreement. A question which arises is what needs to be done to ensure that small-scale grower structures are effective in representing their members in the Sugar Industry?
- There are several influences which motivate a study of this nature at local, regional, national and international levels. Of particular importance is the price of sugar and the manner in which fluctuations influence profits to the small-scale growers. About 40% of the Sugar Industry production of two million tonnes of sugar is exported. Questions which arise are :
 - Do small-scale growers understand how their return is related to the sensitivity of the world price of sugar?
 - At regional level - what would the consequences be if more sugar was produced?
 - At national level - how would small-scale growers be affected if tariff protection

were done away with?

- At international level - how would small-scale growers substitute for lost income if the world price became very low?
- Small-scale growers are not trained to direct the provision of support services. Are the small-scale growers' associations effective enough to manage the provision of support services?
- There are more than 50 000 small-scale growers in the province of KwaZulu-Natal. Given that without effective communication small growers may never achieve significant influence in the Sugar Industry, how can communication be ensured?
- Small-scale growers are not trained on how the Sugar Industry conducts its business, for example marketing of sugar and division of sugar proceeds. Are the training programmes enabling small-scale growers to sustain their position in the Sugar Industry?
- The MCCs do not decide on how development of small-scale growers should occur. Are the MCCs in a position to take control of the development process which affects small-scale growers and be accountable to and responsible for delivering goods and services to their members?

Clearly, ensuring that the support services of the Sugar Industry are adequately preparing the small-scale growers for effective participation is of vital importance.

There are six major research questions which form the basis of this study, namely:

1. To what extent have the characteristics of the MCCs and their membership, (e.g. education, large numbers of small-scale growers, age etc.) contributed to marginalisation of small-scale growers in the Sugar Industry; and do they continue to contribute to this marginalisation?
2. To what extent does interaction between the MCCs and the LFAs determine the

effectiveness of the MCCs?

3. To what extent does interaction between the MCCs and the Local Growers' Councils (LGCs) determine the effectiveness of the MCCs?
4. To what extent does interaction between the MCCs and support service providers determine the effectiveness of the MCCs?
5. From the findings of the four investigations listed above, what are the strengths and weaknesses of the MCCs?
6. From the findings of the five investigations listed above, what should be done to move the small farmer sector into "self reliance"?

This dissertation provides:

- an historical background of grower organisations and their support services (Chapter 2)
- a conceptual framework for the research and trends influencing the development of small-scale farmers (Chapter 3)
- research design and methodology (Chapter 4)
- effectiveness of small scale grower development as perceived by the Mill Cane Committees (Chapter 5)
- Conclusions (Chapter 6).
- The appendices included are interview questionnaire (appendix 1), potential for co-operatives in small grower development (appendix 2), sugar cane extension services workshop, (appendix 3) and scale for measuring self management (appendix 4).

CHAPTER 2: HISTORICAL BACKGROUND OF GROWER ORGANIZATIONS AND THEIR SUPPORT SERVICES

2.1 INTRODUCTION

The present structure of the South African Sugar Industry, and the position of small-scale growers in it, is best understood against a brief historical background of grower organizations and their support services.

The forefathers of our current Black small-scale growers were the first people to grow "sugar cane" in Natal, even before Edmund Morewood in 1852 started the first commercial sugar cane, *Saccharum officinarum*. The "sugar cane" grown by the people was of two types namely *imfe* or sweet sorghum and *umoba*, thought to be of the same generic stock as the sugar cane which is grown today. These early "sugar cane" growers are not recorded as ever having made sugar, the sweet sticks being grown for chewing with the possibility that the juice was sometimes mixed in with food or used in making traditional Zulu beer.

"In 1861 the Natal Government erected the Umvoti Sugar mill to crush the sugar cane produced by the Black growers farming in the Groutville area. This mill subsequently became better known as the Melville mill. It ceased to operate in 1979" (Osborne, RF 1964).

The 1860's and '70's saw six Black owned and operated mills on the South Coast, some of which were steam driven. The last of these closed in 1880. Noble (1893:381) cited the *Grahamstown Journal* of July 21, 1865, on the American Mission at Amanzimtoti:

"The station is remarkable as having now in full operation within its presence the first sugar mill owned by natives, and entirely managed by native hands. This mill belongs to the natives Nembula and Ncaijana, and has been purchased and erected by them upon their own responsibility at a cost of twenty pounds. The mill will manufacture seven tonnes of sugar this season ... Nembula had only three days instruction from an engineer in the management of his machinery and now works the mill entirely by himself. All the knowledge he has otherwise, he has gathered by visiting the largest mill in the neighbourhood."

2.2 THE SOUTH AFRICAN CANE GROWERS' ASSOCIATION

The South African Cane Growers' Association (SACGA) was initially constituted in 1927 to represent the interests of large-scale growers who had previously been members of regional groupings of growers. However, the SACGA only represented the interests of the "White" large-scale growers. Indians and Blacks formed their own associations; the Natal Cane Growers' Association (NCGA) and the Natal and Zululand Black Cane Growers Associations respectively.

2.3 THE NATAL CANE GROWERS' ASSOCIATION

The NCGA was founded on 8 December 1935 and registered as a limited company with the Registrar of Companies on 12 December 1936. The NCGA marked its 60th Anniversary in December 1996.

The NCGA owes much of its present success to the late Mr Harry Bodasing, founding member and president from 1944 until 1969. He was the largest scale Indian sugar farmer in the country and he "dedicated nearly 40 years of his life to promoting the welfare of Indian Cane Growers" (Stanger Weekly 1992:6).

The current president of the NCGA is Mr Pat Bodasing. He has held the position for 14 years in succession and was vice-President for 10 years. Mr Bodasing stated that

"it was no easy task in 1936 for eight farmers to band together to establish the Association and to encourage all the (Indian) farmers between the Umzimkulu and Tugela Rivers to become levy paying members of the newly formed organisation. The Association was established with a specific purpose namely to ensure that the Indian cane farmer obtained a "fair deal" in the Sugar Industry and that he received a fair price for his produce" (Stanger Weekly 1992:11).

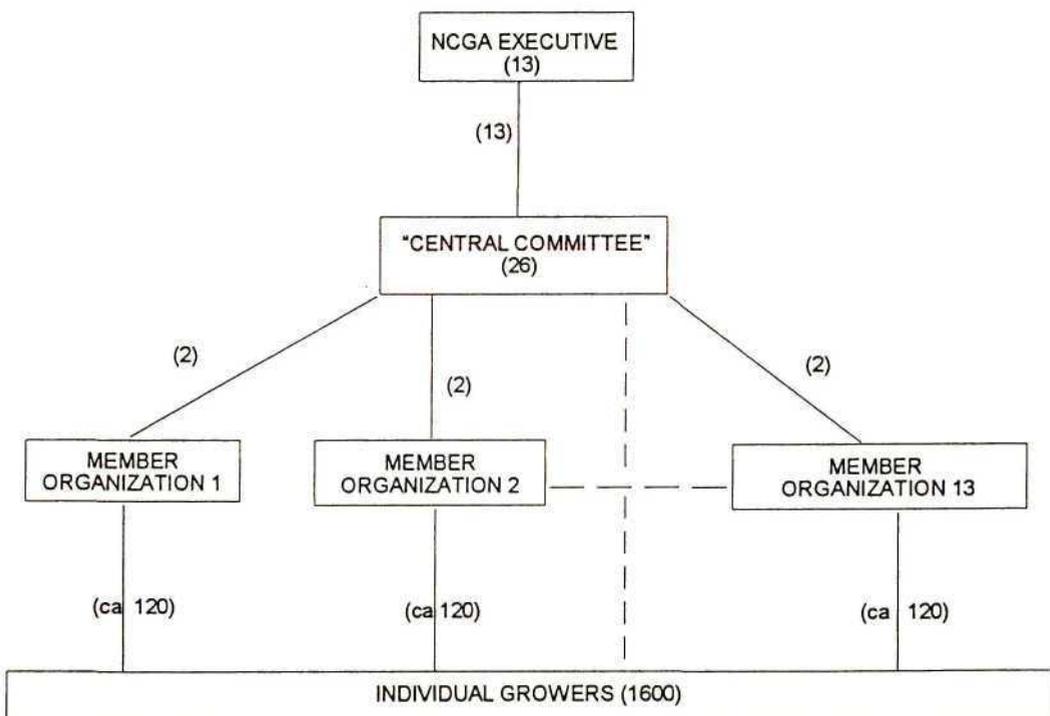


FIGURE 2-1. Organisational structure of the NCGA - 1996

The NCGA in 1996 had approximately 1600 members organised into 13 Member Organisations (Figure 2-1). The average number of members per Member Organisation is 120. Each Member Organisation elects two representatives to the Central Committee which in turn elects 13 of its members to the Executive Committee.

2.4 THE KWAZULU CANE GROWERS' ASSOCIATION

The Black sugar farmers who had been so innovative in the late 1850's were effectively marginalised by the SACGA and the NCGA. As a consequence, in 1936 the Natal and Zululand Black Cane Growers' Association was founded with the purpose of serving the interests of Black cane growers. Two of the founding fathers were the late Chief Albert Luthuli, Nobel Peace Prize laureate and first president of the African National Congress, and the late Bishop Alpheus Zulu, first Black Bishop in the Anglican Church in South Africa.

For almost 40 years the Natal and Zululand Black Cane Growers Association was not very active, reflecting the extent to which they had been isolated in the Sugar Industry and more generally in the country. In 1971 a small-scale grower from Sezela area, Mr Wilson T V Luthuli (cousin of Chief Albert Luthuli), with the late Mr Anson Lloyd, founded the Small Cane Growers' Financial Aid Fund (FAF) which is responsible for financing small-scale growers to establish sugar cane. In 1973 Wilson Luthuli was appointed an Executive Member of Natal and Zululand Cane Growers' Association. In 1975 the name of the Natal and Zululand Cane Growers' Association was changed to the KwaZulu Cane Growers' Association (KCGA). This reflected the political reality of the Homeland Policy of the National Government of that time. Wilson Luthuli was the Chairman of the KCGA from 1975 until 1995 when he retired.

In 1981 the KCGA was afforded official recognition by the KwaZulu Legislative Assembly in the passing of the KCGA Act (Act 12 of 1981) which enabled the KCGA to collect levies. Mr Wilson Luthuli played an important role in representing Black small-scale growers' interests and in 1986, when the KCGA became affiliated to the SACGA, he was appointed to the Board of the SACGA. In 1991 he became a member of the Executive Committee of the SACGA and of the Council of the South African Sugar Association (SASA), and served in these positions until 1995. He was also nominated to serve on the South African Sugar Association Experiment Station (SASEX) Committee. The KCGA established an office in Durban, employing administrative staff until 1992 when the offices closed. This closure was due to a

growing bond between KCGA and SACGA which finally resulted in the SACGA providing administrative services for the KCGA.

Under the current chairmanship of Mr Cyprian Buthelezi, of Amatikulu, the KCGA comprises more than 50 000 small-scale growers organised into 300 Local Farmers' Associations (LFAs) which elect two representatives to a MCC (Figure 2-2). Each MCC represents all small-scale growers in a mill area. The KCGA Central Committee is formed by two representatives from each MCC, normally the Chairman and the vice-Chairman. The KCGA represents more than 90% of Black growers in the Sugar Industry.

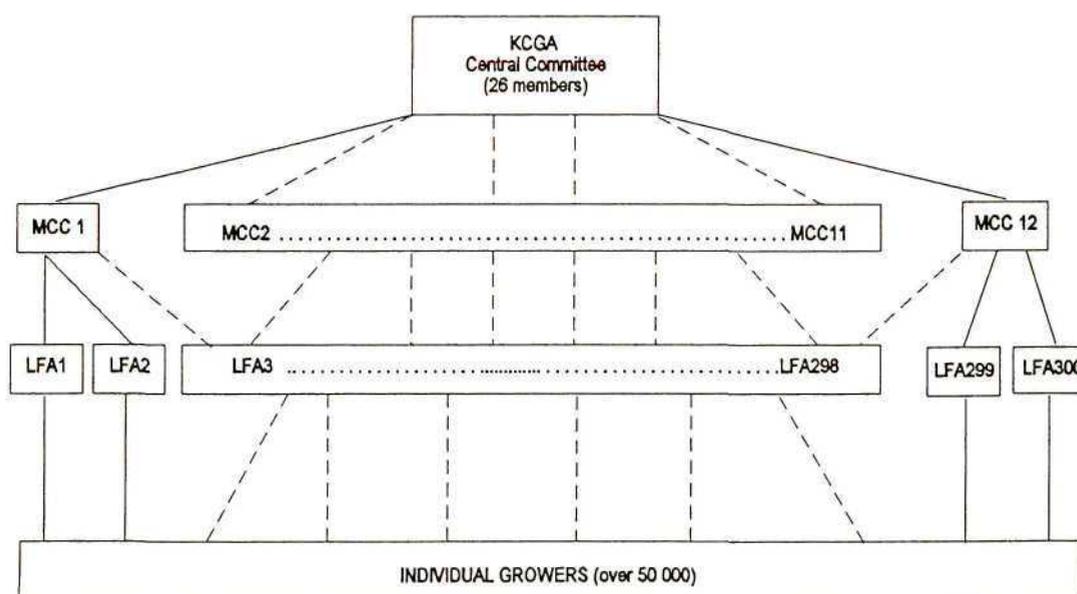


FIGURE 2-2. Organisational structure of the KCGA - 1996

2.5 THE MANGETHE CANE GROWERS' ASSOCIATION

Whilst the SACGA, the NCGA and the KCGA looked after the interests of the White, Indian and Black cane growers, people of mixed blood (the Coloured people) were isolated from the mother industry. In about 1938, "the Mangethe Cane Growers' Association with Dominic Dunn

as the first chairman was formed mainly to assist in the struggle to get recognition for the Dunn growers as well as to encourage Dunn descendants to plant sugarcane" (Minnaar 1992 p65). Mangethe Cane Growers' Association joined Darnall Cane Growers' Association in 1992. The Darnall Cane Growers' Association is a member organisation of the SACGA. The growers of NCGA, KCGA and Mangethe Cane Growers' Associations are predominantly small-scale grower organisations according to the definition of small-scale growers in the Sugar Industry.²

2.6 ORGANISATION OF THE SOUTH AFRICAN CANE GROWERS' ASSOCIATION 1986-1992

In 1986 an amendment to the Constitution of the SACGA resulted in the NCGA and the KCGA becoming full members of the SACGA with the right of representation on the Board of Directors. Representation was based on sugar cane production, i.e. those groups producing most sugar cane had the greatest representation on the Board. The Board of Directors had 37 members of which 32 were from White grower groups, three from the KCGA (Black), and two from the NCGA (Indian) as shown in Figure 2-3. There were no Directors representing the Coloured growers.

2.7 ORGANISATION OF THE SOUTH AFRICAN CANE GROWERS' ASSOCIATION AFTER 1992

In 1992 the constitution of the SACGA was amended to change the basis of representation from one where voting for representatives was determined by production, to a regional representation with small-scale and large-scale growers being assured of equal representation. Growers were now represented through member organisations at each mill. They were no longer elected through their Association e.g. the KCGA. This altered the nature of organisations electing members and expanded the number of member organisations from 23 to 51. The new Board of Directors has 68 members (Figure 2-4).

² A small-scale grower in terms of the Sugar Industry partnership Agreement is defined as 'a grower who produces less than 450 tonnes of sucrose per annum'.

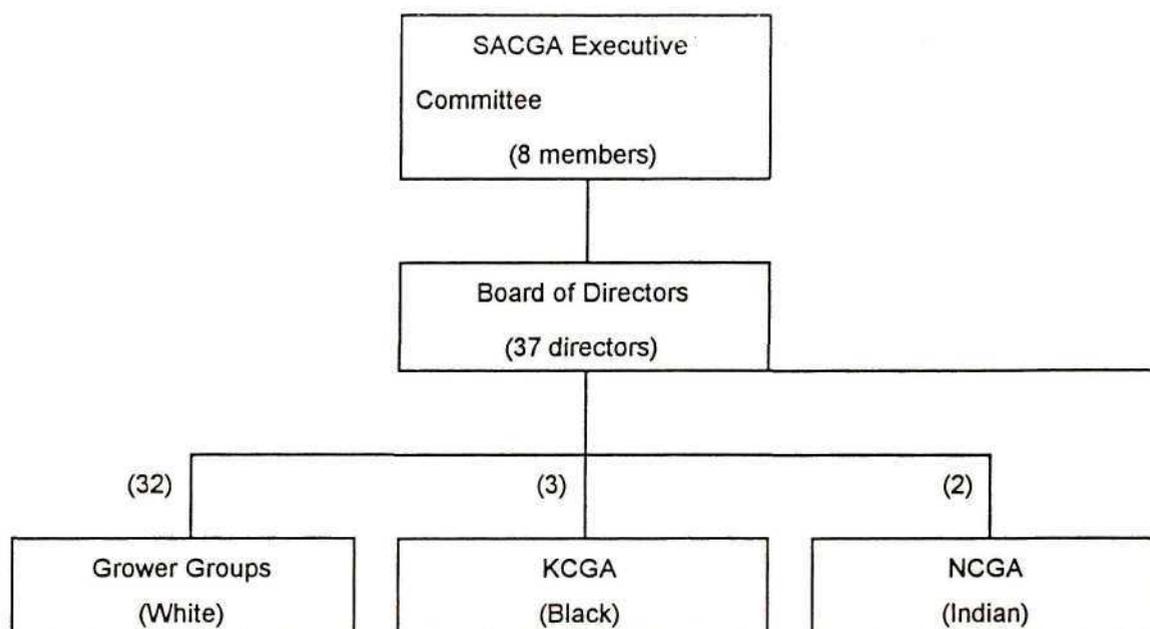


FIGURE 2-3. Organisational structure of the SACGA 1986-1992



FIGURE 2-4. Organisation of the SACGA after 1992

These changes were intended mainly to make the SACGA more representative of the whole sugar cane growing community and, in particular, to improve communication, coordination and participation in decision making.

2.7.1 Member Organisations

The growers in each mill area all belong to member organisations of the SACGA. Within a mill area, each grower joins a member organization of his/her choice. The functions of member organisations are to:

- elect representatives to their local Grower Council
- represent members on various committees
- disseminate information to members
- assist members
- facilitate two-way communication channels.

The member organisation elects a committee to carry out functions such as the holding of meetings and circulation of information.

2.7.2 The Local Grower Councils

Member organisations arrange themselves into Local Grower Councils (LGCs). A LGC is formed by 50% of representatives from small-scale growers and 50% from large-scale growers.

The functions of a LGC are to:

- provide a forum at which matters affecting growers within a mill area can be discussed and resolved
- appoint the Directors representing a mill area to the Board of Directors of the SACGA
- negotiate with millers on behalf of growers in a mill area
- promote the interests of members and serve as a medium for mutual advice and assistance, as between growers and other agencies in the business of producing cane.

The LGC is the mouthpiece of growers in a mill area, particularly in dealings with the local

millers. The LGCs meet four times a year, directly before or after the SACGA Board of Directors' meeting.

2.7.3 Board of Directors of the South African Cane Growers' Association

Appointments to the Board of Directors of the SACGA are made by the LGC in each mill area. In this way all member organisations participate fully in the appointment of the policy making body of the SACGA. Past discrepancies in representation between member organisations representing interests of large-scale growers and those representing interests of small-scale growers have been addressed.

The powers and duties of SACGA directors are imposed by the Companies Act and by the SACGA Memorandum and Articles of Association. In summary these are to:

- establish and control financial policy
- elect office bearers to decide general matters of policy
- advise the Executive Committee of the SACGA
- determine rules of procedure
- report on activities
- process applications for membership
- meet at least four times a year.

In carrying out its duties, the SACGA Board of Directors is kept informed through reports and memoranda circulated to members for consideration at board meetings. In reaching a decision on matters of policy or in authorising a mandate the Board of Directors is guided by, but not bound by, recommendations made by the SACGA Executive Committee. Matters are debated and generally decided by consensus. Although the SACGA Constitution provides for issues to be resolved by a vote of members, this measure is very rarely resorted to.

The Board of Directors does not "rubber stamp" decisions of the Executive Committee.

Resolutions of the Board of Directors are binding on all member organisations.

2.8 ORGANISATION OF THE SOUTH AFRICAN SUGAR INDUSTRY

The South African Sugar Industry operates as a partnership between growers, represented by the SACGA, and millers represented by the South African Sugar Millers' Association Limited (SASMAL). These two bodies appoint an equal number of representatives to the council of the South African Sugar Association (SASA) which effectively administers the affairs of the Sugar Industry. The structure is shown in Figure 2-5.

The Executive Director of the SACGA and the grower members on the SASA council are members of the Executive Committee of the SACGA. The SASA Council meets at least once a month. In reaching a decision at SASA Council, the grower representatives operate within the parameters of the mandates and policy determined by the Board of Directors of SACGA.

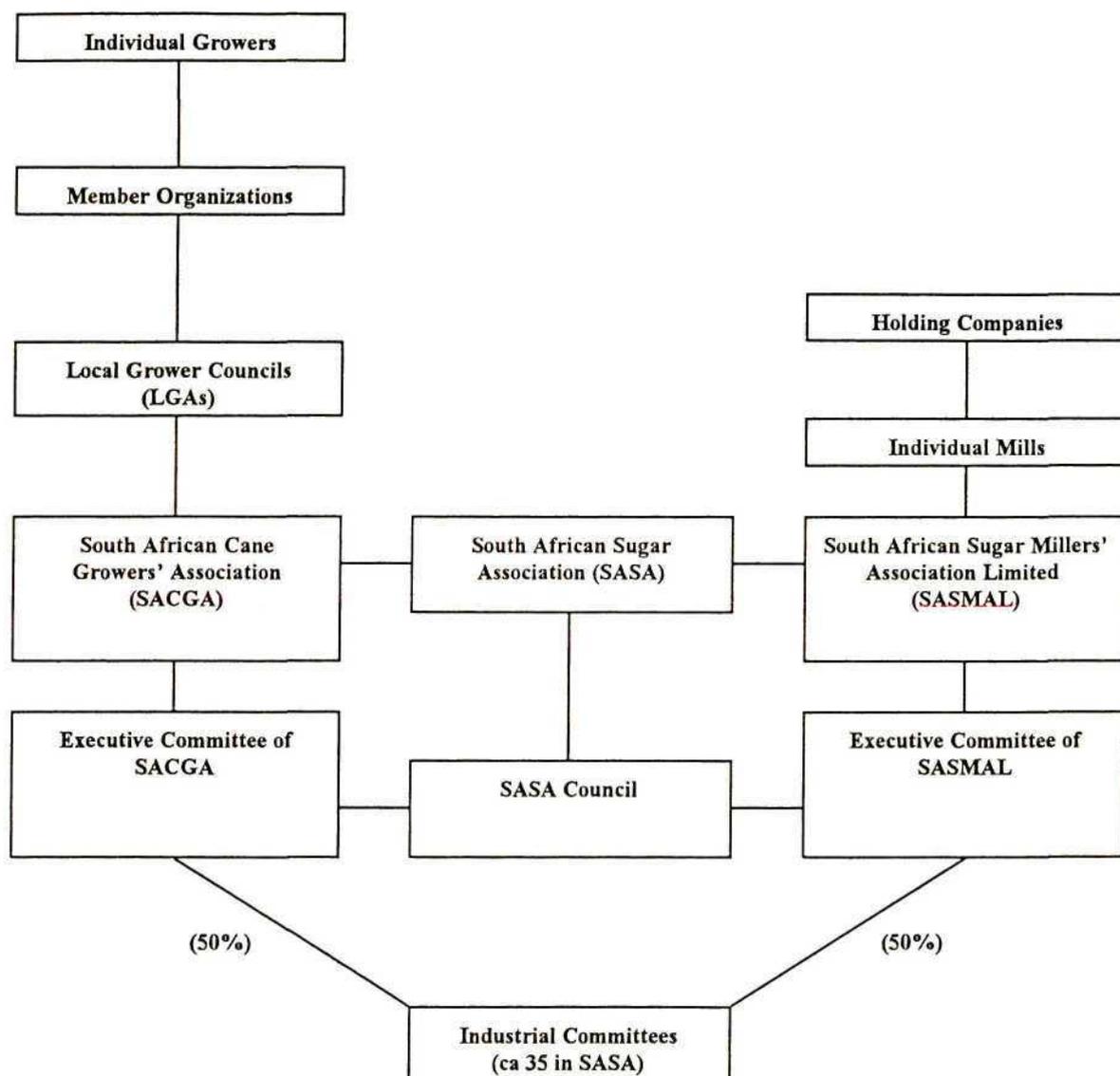


FIGURE 2-5. Organisation of the South African Sugar Industry - 1996

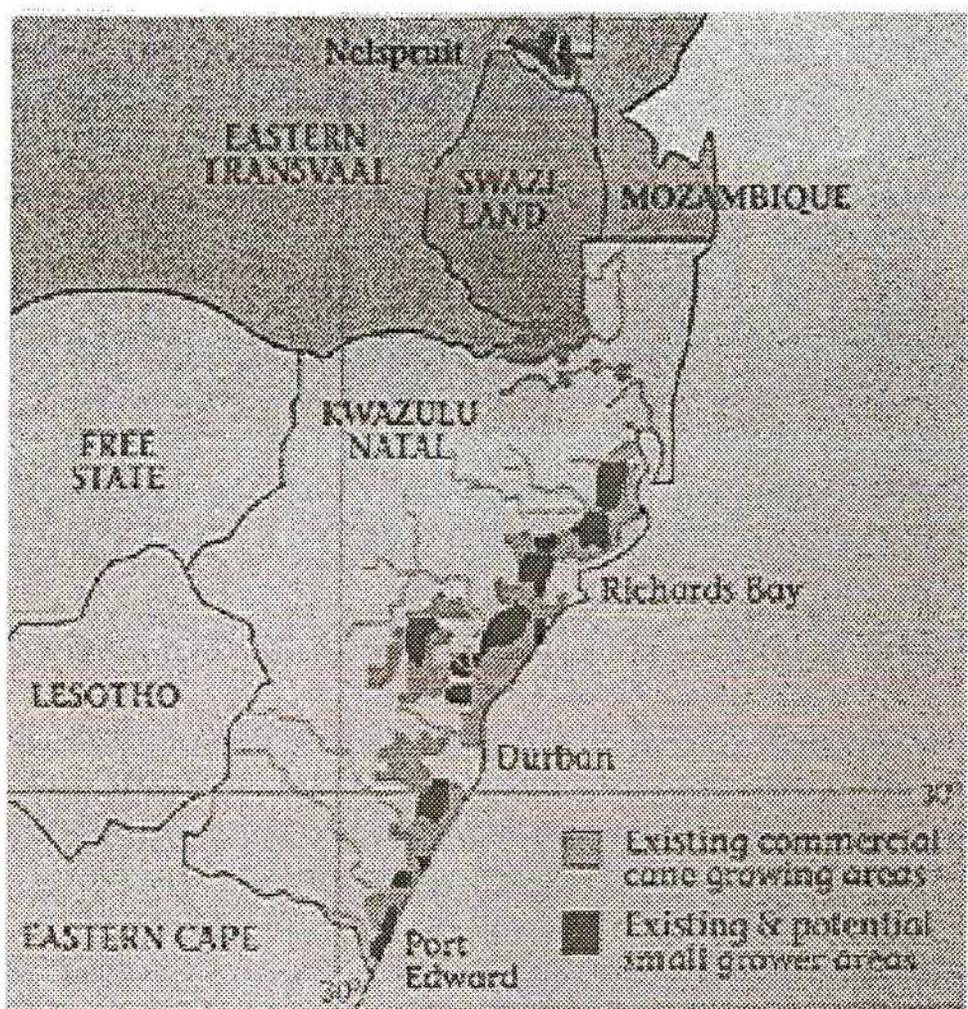


FIGURE 2-6. Sugar cane producing regions of South Africa - 1996.

In practice, the SASA Council appoints a number of Industrial Committees to consider issues within its specific terms of reference. Growers and millers are represented on these Industrial Committees on equal terms. These Industrial Committees make recommendations on the various issues to the SASA Council for decision.

2.9 GROWER SUPPORT SERVICES

The sugar cane producing regions of South Africa are shown in Figure 2-6. With the large number of growers and the wide range in scale of production and climatic conditions, there are a variety of needs which have to be serviced. More than 90% of growers are classified as small-scale growers and, in practice, the great majority of these growers have areas under cane of less than three hectares, producing 10 to 20 tonnes of sucrose annually.

In the whole of South Africa there are approximately 400 000 hectares under sugar cane. Small-scale growers (with an average of 2.5 hectares of sugar cane) farm 32.3% of the total area; large-scale growers (average 100 hectares) - 53%; and miller-cum-planters occupy the remaining 14.7% (Figure 2-7).

The Malelane and Komati (Nelspruit) areas (Figure 2-6) were not included in this study because sugar cane in these areas is irrigated and they therefore operate differently from other MCCs. Darnall and Union Co-op mill areas were not included because they do not have MCCs.

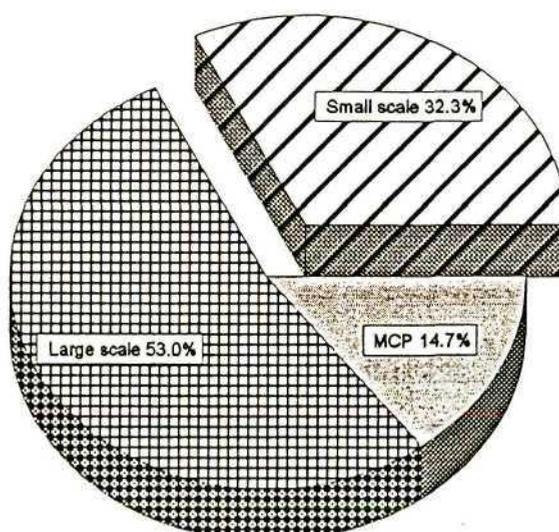


FIGURE 2-7. Distribution of land planted under sugar cane - 1996.

The needs of large-scale growers are generally well catered for by commercial and Sugar Industry structures. Small-scale growers have needs which are not adequately met through the structures designed to service large-scale growers. Their particular limiting circumstances, have made it necessary for the SACGA and the Sugar Industry in general to be pro-active in modifying organisational structures and functioning.

2.9.1 The South African Sugar Millers' Association Limited

The millers in each mill area have formed organisations and structures to attend to small-scale grower matters. These organisations provide development and extension services, and assist growers with:

- administration
- training for growers
- training for small-scale sugar cane contractors
- crop management
- cane supply operations
- coordination of the small-scale development operation.

These services are provided by mills at a cost of approximately R12 million per annum according to 1995 estimates. The funds are derived from milling profits.

2.9.2 The South African Sugar Association

The SASA has two divisions which offer grower support services to growers namely; the South African Sugar Association Experiment Station (SASEX) and the Small Growers' Financial Aid Fund (FAF).

2.9.2.1 The South African Sugar Association Experiment Station

The function of the SASEX is to provide the South African Sugar Industry with technical support for profitable sugar cane production. Its key services include:

- strategic agricultural planning
- production of improved sugar cane varieties
- control of pests and diseases
- provision of an extension service
- advice on cultivation practices
- promotion of conservation and environmental protection measures.

The Experiment Station offers modular courses on the abovementioned aspects of sugar cane management, and also Junior and Senior Certificate Courses in sugar cane agriculture (SASA Information Booklet No. 1, 1996). A major future role envisaged for the Experiment Station is to undertake research appropriate to the circumstances of small-scale growers.

2.9.2.2 The Small Growers' Financial Aid Fund

According to a 1974 report of the Small Growers' Financial Fund (FAF),

“The idea of establishing a fund to aid small cane growers in the South African Sugar Industry¹ was conceived in July 1972. The Sugar Industry had emerged from a long cycle of depressed export prices and had been obliged to repay loans amounting to R16 million raised in 1967 and 1968 to maintain its economic stability. A temporary surge in export prices enabled the Industry to establish a price stabilisation fund over the next four years and at the same time to appropriate an amount of R5 million from its own total proceeds from the 1972-3 crop to aid its developing members. The decision to provide assistance to cane growers who had no access to normal credit facilities and who lack the capital, equipment, experience and basic essentials to become viable and efficient farmers, was a spontaneous and voluntary gesture by the Sugar Industry” (Small Growers’ Financial Aid Fund, 1938/01). (1974)

The FAF was established on 30 April 1973 in terms of Clause 72(2) of the Sugar Industry Agreement, 1973 (as amended) which reads:

“72(2) (a) There shall be established a fund of five million rand (R5 000 000) to be deducted from the proceeds of the 1972/3 crop and to be known as ‘The Small Cane Grower’s Financial Aid Fund’ for the purpose of assisting those growers who may be eligible as determined by the Sugar Association from time to time in consultation with the Minister.

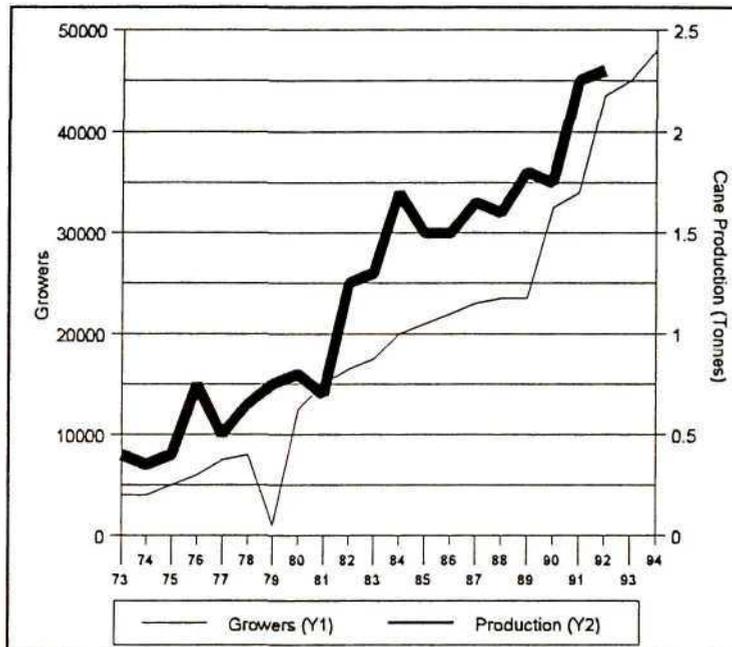
(b) The Fund shall be administered by the Sugar Association in accordance with the rules approved by the Minister.

The primary objectives of the Fund, bearing in mind the constraints which exist, is to establish viable sugar-cane farmers as distinct from merely producing sugar-cane in the developing areas”.

The FAF provides loan assistance for land preparation, seed cane, fertiliser and weed control. Commercial banks will not provide finance to small-scale growers because they have no security of tenure and occupy land which is on average less than five hectares and therefore is considered not economically viable under sugar cane production.

¹ The “South African Sugar Industry” means all areas in South Africa in which sugar cane is grown”

Since the establishment of the FAF the number of small-scale growers has increased from 4 500 to more than 50 000, and deliveries of sugar cane increased from 34 000 to more than 2 million tonnes of sugar cane over a twenty-year period, as shown in Figure 2-8.



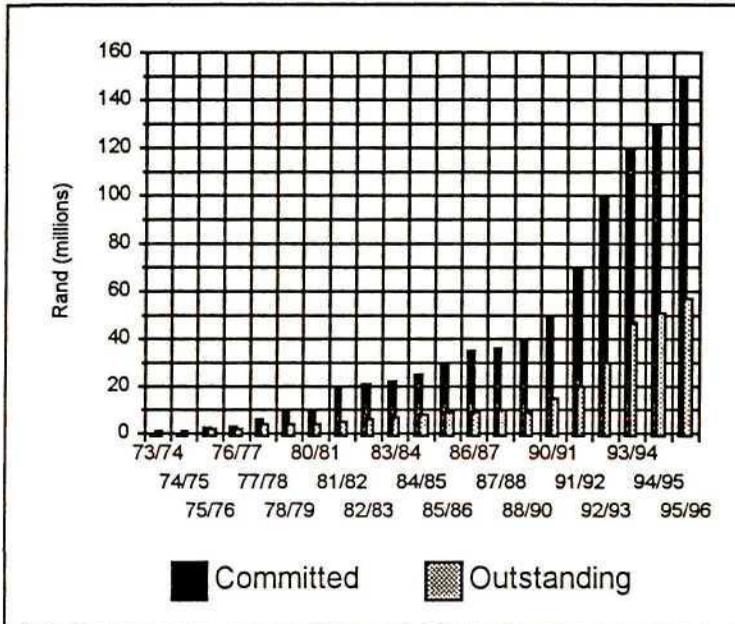
Source: South African Sugar Association (SASA)

FIGURE 2-8. Increase in the number of small-scale growers and cane production between 1973 and 1994

The FAF has a central office in Durban which is managed by the SASA. Agencies at mill level are responsible for approval, administration and ensuring repayment of loans by small-scale growers. Total commitments and outstanding loans from 1973 to 1996 are indicated in Figure 2-9.

The FAF has granted loans in excess of R140 million and the outstanding loans are less than R60 million (Figure 2-9). Average FAF bad debts have been approximately eight percent and accumulated bad debts average ten percent between the 1973/74 and 1993/94 seasons (Figure 2-10). The FAF regards this level of debt as high. The major reasons for high bad

debts between 1982 and 1986 were droughts and the occurrence of a major flood in 1987 which destroyed sugar cane fields, roads and bridges, making it difficult for small growers to deliver sugar cane to the mills.

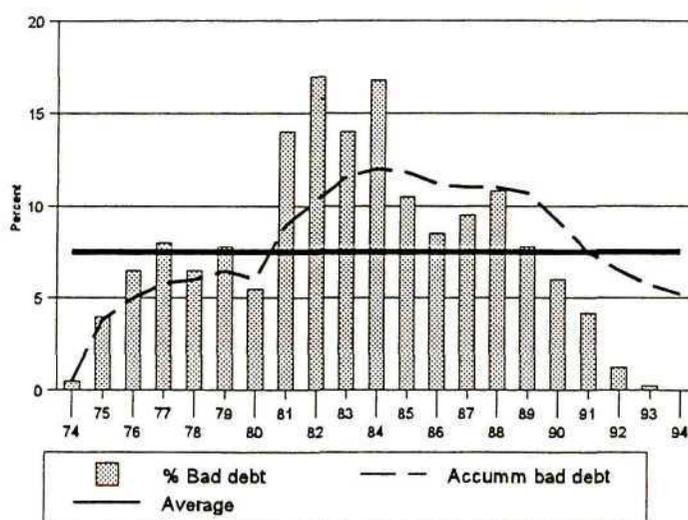


Source: SASA

FIGURE 2-9. Total commitments and outstanding loans for the period 1973 to 1996

2.9.3 The South African Cane Growers' Association and the establishment of the Small Grower Development Trust

In 1990, Wilson Luthuli and Cyprian Buthelezi, who were leading members in the small-scale grower communities, attended the Conference of the World Association of Beet and Cane Growers held in Winnipeg, Canada. Discussions with members of the Mexican delegation centred around the concept of a Trust Fund or Foundation which the Mexicans had established for development of small growers. On their return to South Africa, the concept was debated by small-scale grower representatives from the KCGA. The SACGA was requested to assist in forming a Trust aimed at the development of small-scale growers through training and



Source: SASA

FIGURE 2-10. The FAF bad debts as a percentage of amount money advanced each season - 1994.

creation of effective structures. As a result, the Small Grower Development Trust (SGDT) was launched in April 1992. The intention is that in time the small-scale growers will be able to finance the SGDT themselves.

2.9.3.1 Main components and objectives of the Small Grower Development Trust

The SGDT envisaged activating its development plan in two phases, namely :

- Phase 1: Institutional and Community Development
- Phase 2: Agricultural and Economic Extension.

The plan is, by its nature, long term and its objective is the economic empowerment of small-scale growers and the development of viable, independent small-scale cane growers. The

“phases” run concurrently.

The MCCs have been assisted by the SGDT to employ Development Officers whose functions are to:

- ensure the democratic election of representatives from the growers through the LFAs to the MCCs, and the election of delegates to the Local Grower Council
- disseminate information to LFAs and individual cane growers
- coordinate grower support programmes operating in the mill areas
- make recommendations on loan applications to FAF
- encourage efficient and competitive contractor services
- assess training needs of growers and arrange that suitable programmes are delivered
- participate in designing extension programmes and ensure their implementation
- arrange regular monthly meetings to discuss relevant matters in their mill area
- coordinate activities with the Experiment Station, mills, FAF or any organisation involved in small grower development
- provide basic financial advice, including:
 - interpretation of mill cane payment statements
 - basic financial and technical record keeping
 - assistance with completion of tax and other forms
 - basic bookkeeping.

It was originally estimated that, to implement the programme, fifteen Development Officers would be required. An objective of the plan is to develop the small-scale grower sector to the stage where the value of the sugar cane produced will allow the small-scale growers to impose an affordable levy on sugar cane production to enable the farmers to finance their own training and institutional administration system. It is envisaged that financial assistance from the Trust will be phased out over a period of 10-20 years as small grower structures are empowered to become self sustaining.

The funds of the SGDT are sourced as grants and donations from a number of organisations (Table 2-1).

The small-scale growers are currently levied at 60 cents per tonne of sugar cane. This is disbursed for the administration and operation of their organisations in the following proportions:

- KCGA - 10 cents per tonne
- SGDT - 20 cents per tonne
- MCC Development Fund - 30 cents per tonne.

The MCC Development Fund was established in 1994 by the MCCs to assist their members in community projects such as building of offices and farmers' centres.

TABLE 2-1. Sources of funds (excluding interest earned) for the SGDT up to 1995

Source	Rands
SASA	20 000 000
Development Bank of South Africa	3 000 000
National Department of Agriculture	669 000
British Development Division in Southern Africa	542 000
Japanese Overseas Development Corporation	168 000
ED & F Man Sugar Limited	81 000
First National Bank	40 000
Anglo American Chairman's Fund	25 000
Shell South Africa (Pty) Limited	20 000
Coastal Farmers' Co-op	15 000
Galbraith's Limited	10 000
Total:	24 570 000

2.9.3.2 Organisational Structure of the Small Grower Development Trust

The LFAs are usually defined by geographic boundaries and the number of the LFAs varies from mill area to mill area. Each LFA is represented on the MCC by two representatives. The MCCs are represented on the LGCs which are responsible for appointing the Board of

Directors of the SACGA.

The Board of Trustees of the SGDT is appointed through the Board of the SACGA, and recommendations from the MCCs are taken into consideration. More than 80% of the Trustees come from small-scale grower organisations. The South African Sugar Millers' Association Limited (SASMAL) and the SASA appoint two representatives each to the Board of Trustees. At the first meeting of the Board of Trustees three independent Trustees were appointed.

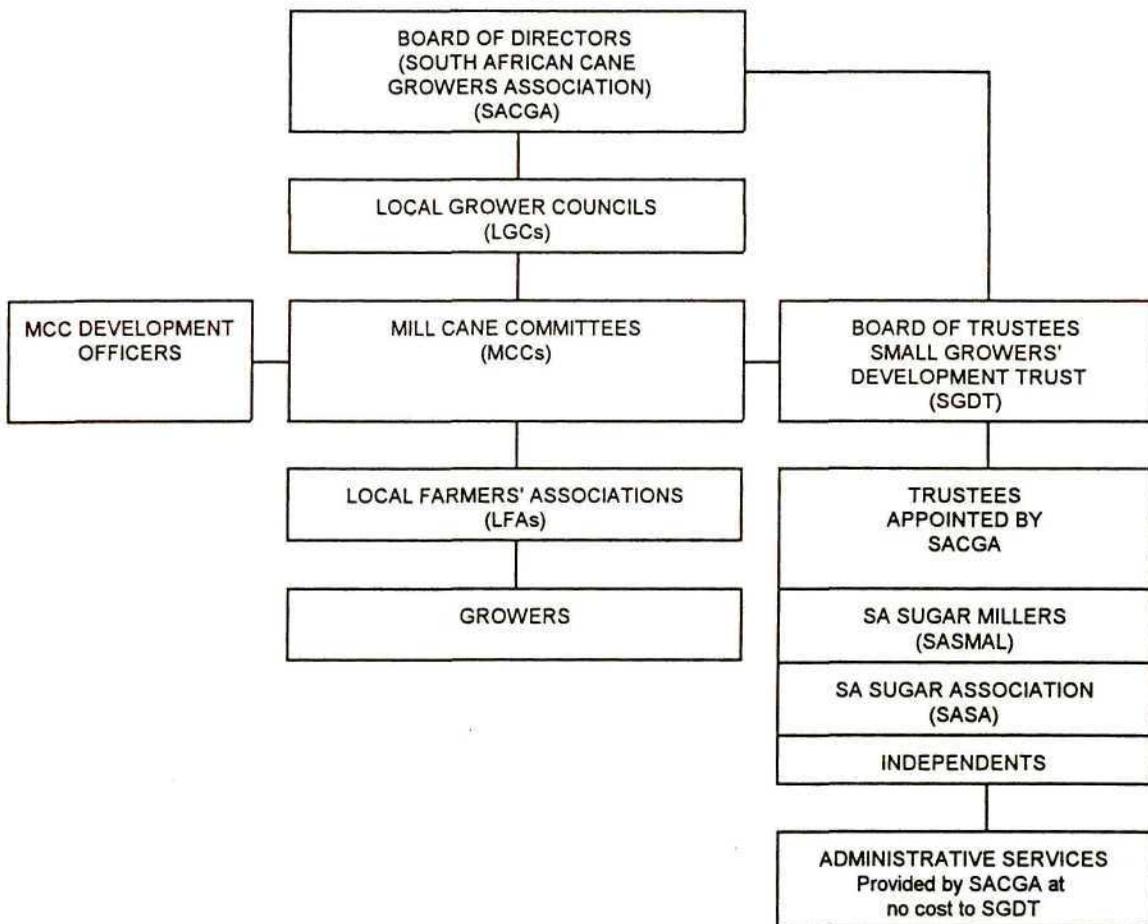


FIGURE 2-11. Organisational structure of the SGDT - 1996

2.9.3.3 Divisions of South African Cane Growers' Association

The South African Cane Growers' Association (SACGA) Board of Directors elects from its members an Executive Committee (Figure 2-12). The SACGA employs staff to implement its policy decisions. The staff of the SACGA are placed in three divisions under the control and supervision of an Executive Director.



FIGURE 2-12. The organisational divisions of the SACGA - 1996

The Administration and Development Division of the SACGA aims to provide administration for Member Organisations, growers and staff of the SACGA, and to provide support and advisory services for the development of all grower organisations and communities. Particular emphasis is given to the small-scale grower sector.

The activities of the Industrial Affairs Division are aimed at achieving maximum revenue for the Sugar Industry, optimising expenditure by the SASA, ensuring that growers receive an equitable share of the divisible proceeds and providing information and support services.

Particular emphasis is given to the large-scale farmers.

To achieve these purposes, a wide range of activities are undertaken, including active participation in the SASA Committees and Working Groups, monitoring of Sugar Industry activities, collection of information through surveys and research whilst interacting and negotiating with organisations within and outside the Sugar Industry.

The Agricultural Economics Division provides growers with economic services necessary for successful profitable sugar cane farming. It also gathers economic information and data of value to the SACGA in the pursuance of growers' interests.

2.10 FUTURE OF THE SOUTH AFRICAN CANE GROWERS' ASSOCIATION

Participation in and support for the activities of local grower council structures by growers is the kernel of the present representative structures of the SACGA. The SACGA is confident that its new organisational structure will assist in meeting the challenges occasioned by the changing circumstances in the environment in which it operates in South Africa. This research examines whether such confidence is justified.

Further deregulation of the Sugar Industry in South Africa has been accepted and will result in easier access to sugar cane growing by aspirant farmers. However, the question which needs to be addressed is will they be able to?

The role of the SACGA in servicing the interests of all growers will become increasingly important in the years ahead. This is especially so in respect of the rapidly increasing number of small-scale growers who must overcome a number of disadvantages to become viable sugar cane producers. Given these disadvantages it is pertinent to question whether the role envisaged by the SACGA is likely to address the challenges in an effective manner.

This historical overview (sections 2.1 - 2.5) traces a vigorous start in the sugar cane growing industry by Black farmers in the late 1800's. However for forty years or more they were marginalised both by the Sugar Industry and the government. It is only within the last 25 years that they have received organised support, although small-scale growers were still restricted to small land holdings until democratic government was achieved in 1994. The motivation from the Sugar Industry to promote small-scale sugar cane production arose at a time when mills required more sugar cane. It was therefore not the particular intention to help small-scale growers but rather to obtain more sugar cane for the mills. It is precisely this historical focus on sugar cane, rather than growers which has directed the re-reformulation of structure and the definition of functions of the Industry as it exists today.

Small-scale growers outnumber large-scale growers by more than 10:1 (see Chapter 1). One could, therefore, reasonably expect the interest of the small-scale growers to be strongly articulated. Because of their history of marginalisation, their forced restriction in the past to small land holdings, their inadequate training and support and the low levels of productivity and profitability, the Sugar Industry anticipates aggressive pursuance of transformation and reconstruction. How the Sugar Industry addresses this will be central to its stability and growth. It is therefore opportune to analyse the present situation and select a suitable direction for development of small-scale growers. The purpose of this direction should be to address the imbalances and discrepancies of the past and to position small-scale growers to contribute to an economically efficient and profitable Industry thereby empowering small-scale growers.

Sugar industries throughout the world have developed relationships between mills and growers. The main reasons for this are that the mills depend on growers for their milling business and growers depend on mills in marketing the crop. The marketing of sugar is very complex. It is dependant on tariff protection and quota systems. The mills control the marketing of processed sugar cane.

Internationally the structures of the sugar industries are similar because mills have their own

farms to guarantee sugar cane supplies. Large-scale growers are more independent of the mills but nevertheless are well supported by the mills to ensure constant sugar cane supplies. Small-scale growers are dependant on the sugar mills for their support services. The mills provide support to ensure that small-scale growers fulfil possible shortfalls in sugar cane supply and also to contribute towards rural development.

Because of the mix and interaction between the farms owned by mills, large-scale growers and small-scale growers, the mills have invested capital in activities which are not related to milling. In order to support the mix and interaction, and especially large numbers of small-scale growers, the mills are involved in providing support services in administration, extension services, facilitating building of roads and guarantee funding for projects. This situation exists in India, Mexico, Malawi, Kenya, Thailand, Swaziland, South Africa and other parts of the world. The analysis of this study would interest many countries of the world especially the so-called "third world countries".

In all the countries small-scale growers are more vulnerable and they lack self reliance in sugar cane production.

CHAPTER 3: A CONCEPTUAL FRAMEWORK FOR THE RESEARCH AND TRENDS INFLUENCING THE DEVELOPMENT OF SMALL-SCALE FARMERS

3.1 INTRODUCTION

This chapter considers issues related to the development of small-scale farmers. The importance of farmers' associations is examined and a conceptual framework of the development and functioning of farmers' associations is formulated. This provides background for the research design and methodology discussed in Chapter 4 and the investigation of the effectiveness of organisational structures, support services and participation of small-scale growers in the Sugar Industry reported in Chapter 5.

3.2 PERSPECTIVES ON SMALL-SCALE GROWERS' ORGANISATIONS

In South African rural areas "the population explosion, as it has been called, is considered by some students of human relations more dangerous than the threat of a nuclear war!" (Phillips 1966:30). This stresses the importance of human development in rural areas.

Farming is clearly one activity which is central to reducing threats associated with rural population growth. Many studies support the contention that the factors which make up the human potential must be known and understood to effectively bring about change in agricultural production (Rogers & Shoemaker 1971; Lele 1975; Hunter 1976; Heyer 1981).

According to the World Bank,

"In 1975 the United Nations Food and Agricultural Organisation (FAO) launched its Rural Organisations Action Programme (ROAP) for the involvement of the poor in development. This was a programme designed to overcome obstacles to popular participation and formed a part of its general policy of upgrading the standard of living of the rural masses in developing countries." (World Bank, 1989:189-192)

In 1979 the FAO hosted the World Conference on Agrarian Reform and Rural Development (WCARRD), where lack of participation was identified as the major reason why the poorest of the poor had been bypassed by the development process. The WCARRD concluded that top down, directive approaches are not effective in bringing about development. They adopted a Declaration of Principles and a Programme of Action designating people's participation in institutions and organisations as a basic human right and as factor essential for realignment of power in favour of disadvantaged groups. This is in turn a necessary condition for their social and economic development.

Hunter (1976:41) notes that "our research is bound increasingly to be on systems, not only agricultural systems, but life systems, seeking to help farm families and communities to achieve the best return possible on resources at acceptable levels of risk."

The major questions are: "can development schemes or agencies succeed forever, without community participation; minimise "rural exodus" and enhance rural environment which is often seen as depressing in comparison with that of the towns, in spite of the existence of slums and growing urban unemployment?" (Bown & Olu Tomori 1979:210).

Internationally it is recognised that due to the wide range of needs for small-scale farmers, the organisation of farmers' groups and delivery of services to the farmer have usually been seen from two opposing approaches. One is *bottom up*. It starts with the farmer and village community and asks how energy and effort can be mobilised to provide a dynamic force, without which agricultural development can barely be kept moving. This approach addresses self organisation of farmers, upwards to the level of cooperatives, which may be in themselves the means of providing services of many different kinds to the farmer membership.

A second approach is *top down*. It starts with government and addresses how government can stimulate farmer associations, how the extension service can be organised to provide

technical advice and other inputs, and how the various departments of government can be coordinated, both in planning and field activities.

In each approach both sides must play a part. Little success can be expected from farmer organisations unless supported initially from outside; and no extension service can succeed without a vigorous response from farmer organisations.

Agricultural development in southern Africa has not been very successful among small-scale farmers. Major reasons for failure have been the deliberate policy of marginalisation, the top down approach and lack of involvement and participation by people in the development process. "There is a need to introduce People Participation Programmes to promote development amongst dwellers" (Smith 1995, pers. comm.).⁴

Both the socio-political isolation and the accompanying marginalisation have adversely affected human resource development, particularly in South Africa. "Consequently human resource development should be placed high on the strategic agenda for the 1990's for all countries, thus reflecting a shared determination to reverse the decline witnessed during the past decade" (World Bank, 1989:189).

The new democratic government in South Africa undertook corrective action by establishing the Reconstruction and Development Programme (RDP). However, the RDP has been slow in its delivery and its success will depend on "economic growth, meeting needs of the people, improving the skills of the population and restructuring support services to make them more efficient" (The Argus, 1995). This sentiment was also expressed in the particular context of agriculture by the National Department of Agriculture. They concluded that "In order to ensure that access to agriculture is meaningfully broadened, the farmers need to have the capacity to receive and use the services that are provided or available"

⁴ Smith, G.A. Smith Training and Development Associates (STRADA), 62 Marriot Road, Durban, 4001

(Njobe - Mbuli 1995:2). This indicates a need for strong and effective farmers' organisations.

Accountable and responsive farmer organisations require that farmers articulate their needs and views regarding the information and activities currently offered and the new areas in which they require assistance. Organisational structures can promote opportunities for increased participation and empowerment.⁵

For organisations to develop the capacity required they need to sustain a strong core identity, continually self update, stay connected, be in touch, develop relationships, find necessary information and know-how to interpret and act upon that information. The main objective of developing farmer organisations is to empower farmers, thereby assisting them in achieving success in agriculture and agribusiness.

Factors challenging the success of small-scale farmers are shown in Table 3-1. The comparison with their large-scale counterparts illustrates the dimensions of the challenge of achieving a successful small-scale sector in South Africa.

It is evident that past discrimination has resulted in small-scale growers receiving poor support services. These services are top down in the sense that they are designed outside of the realities of small-scale growers; focussing on sugar cane rather than people. People who are poorly informed either because they have been discriminated against in the past, or because they operate outside of the small-scale grower "environment" can hardly be expected to conceive of and implement a support service which is effective.

⁵ Empowerment in this context means that farmers are increasingly able to determine and direct their own future and become successful in agriculture and agribusiness i.e. they are organized, having skills, resources and authority.

TABLE 3-1. Comparison of the dimensions of Farmer Association viability between large-scale and small-scale growers in the Sugar Industry as at 1996.

Viability Factor	Large-scale	Small-scale
Economic	Large land holdings Main income	Small land holdings Supplementary income
Access to credit	Title to land Few limitations	No title to land No access in commercial banks
Technical	Good know-how and understanding High level of education	Poor know-how and understanding Low level of education
Social	Secure and stable	Insecure and unstable
Political	Previous government-policy protection	Previous government-policy exclusion and lack of protection
Organisational	Well organised Structured decision making	Not well organised Unstructured decisions
Marketing and acquisition of inputs	Cooperatives	No cooperatives
Extension services	Members pay for extension services; good service	Dependent on weak government services; poor services
Communication	Good: small, well informed Member Organisations	Limited: large, poorly informed Member Organisations
Support services	Member controlled	Little member control - dependent on external organisations
Production of sugar cane	Flexible Large land holdings	Not flexible Small land holdings
Research and technology	Suited to large-scale	Not suited to small-scale
Capacity building i.e. training	Member controlled, well directed	Not member controlled, poorly directed

3.3 CONCEPTUAL FRAMEWORK

The characteristics of small-scale farmer associations (SFAs) adapted from Verhagen (1984) are outlined in Figure 3-1. The principles that direct the internal operation of an effective organisation centre on influencing outcomes through:

- making decisions
- implementing actions
- deriving benefits
- being informed.

It requires directing the external operation which centres around self reliance, particularly being able to:

- act independently
- act with others.

Generally, there are few examples of viable rural self-help associations that have been created through the spontaneous initiative of rural people themselves. Most associations need stimulation, advice and support from outside, "since small-scale farmers generally lack the confidence and means to improve their economic status by organising themselves around innovative and therefore risky activities" (Schneider 1988:21).

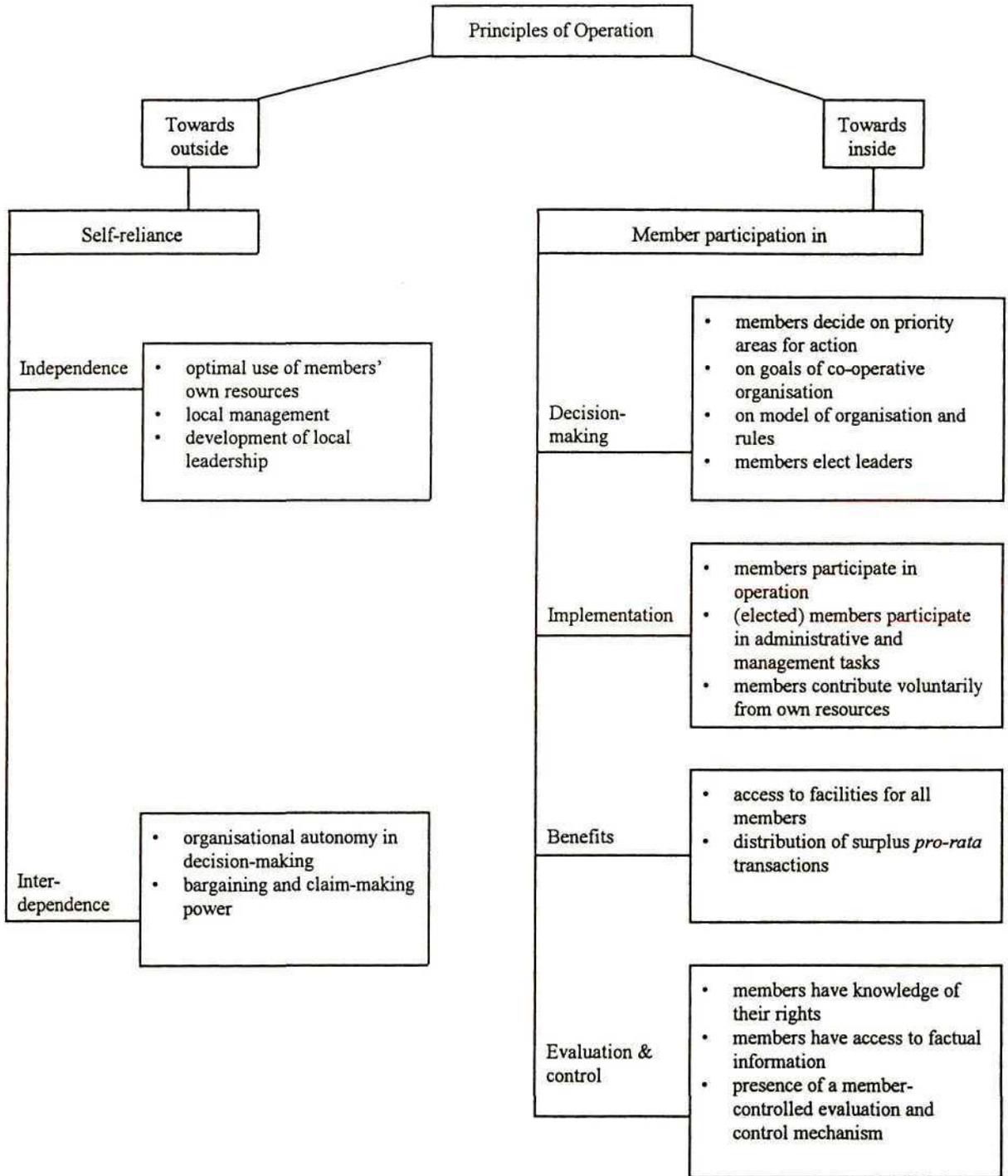


FIGURE 3-1. Characteristics of Small-scale Farmer Associations (SFA) - Normative formulation (Adapted from Verhagen (1984)).

Schneider (1988:22) envisages a progression and notes that "The evolution phase must be conceived as a learning process during which the organisational and economic strength of the association is being built. This learning process should be institutionalised by the associations in the form of participatory monitoring and evaluation and can be supported from outside by training activities." The phases from initiation to self-reliance have been characterised by Decurtins (1986) and are set out in Figure 3-2. Schneider (1988:22) regards self-reliance as a final stage in association development with reduced external support being provided.

PHASES OF SMALL-SCALE FARMER ASSOCIATION (SFA) DEVELOPMENT

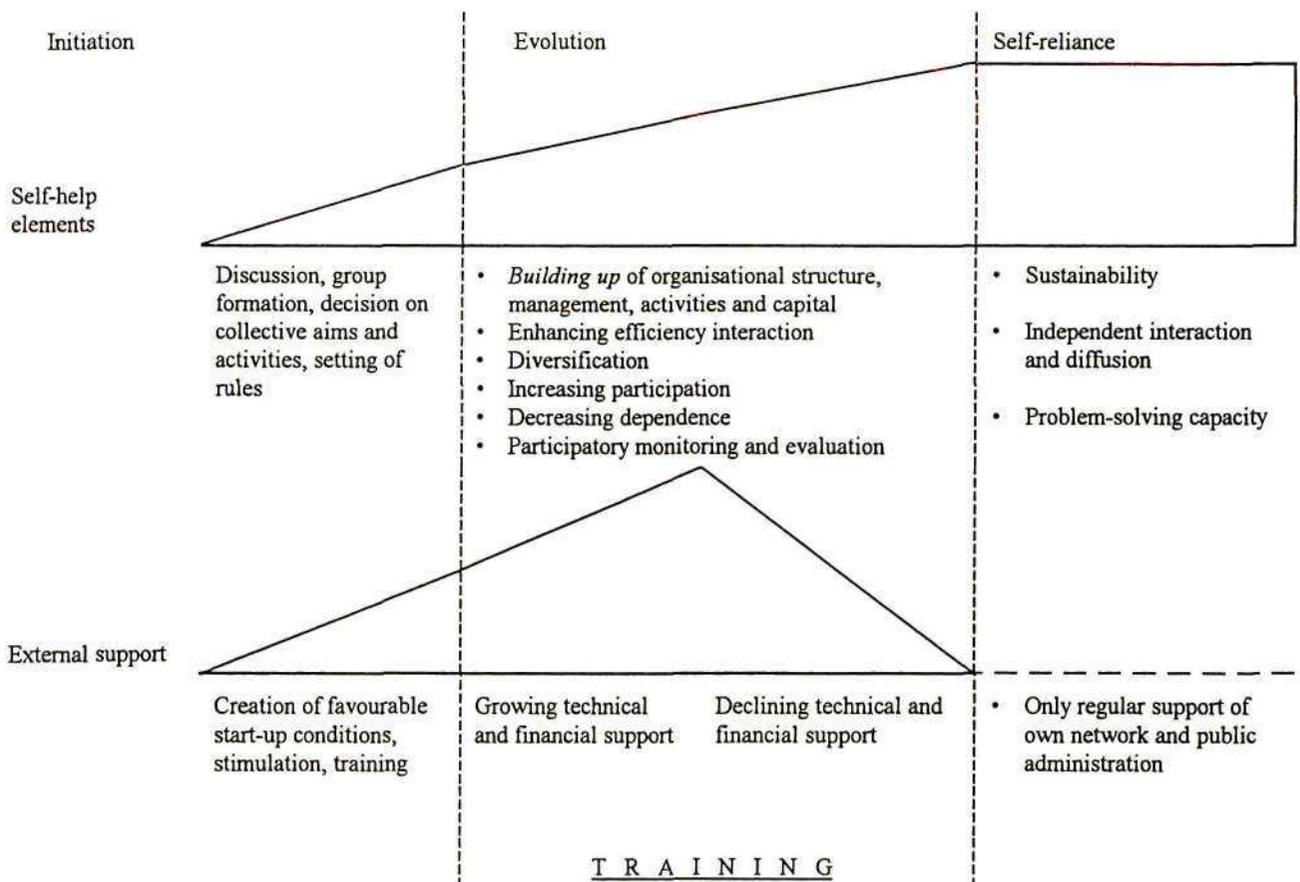


FIGURE 3.2. Phases of SFA Development (Adapted from M. Decurtins, *The Development of Small Farmers' Organisations, An Overview*, mimeo, 1986.

Because we live in an ever changing world, training must be a permanent element of external support. Its content typically evolves over time from consciousness-raising, to more technical and organisational fields of knowledge and skills. Thereafter its focus is on those new concepts, skills and technology which enable the individual to conduct his/her business profitably and sustainably over time.

A review of training small-scale farmers in the Sugar Industry by Ngidi and Breen (1994) showed that it was not meeting small-scale growers' needs and that farmers were not receiving the training they required to operate profitably. This conclusion received support from the evaluation of Vaughan and Sapsford (1996:33), who further concluded that:

"Training has the potential to alleviate constraints and to enhance productivity in the sugar cane growing areas. The training programmes need to be generalised throughout the small cane grower areas. As a result of the implementation and evaluation of the pilot training programme, there is a fund of experience in the Sugar Industry in relation to appropriate and effective training strategies. This fund of experience could be carried over to the implementation of training programmes within other agri-industrial sectors within which there is little experience of support and development programmes for small producers and small enterprises".

A'Bear, Vaughan, Hudson and Ashton (1996) drew attention to another dimension of the constraints faced by small-scale growers in the Sugar Industry. For example, growers experience an average delay of two months between delivery of cane to the mill and payment. This presents a problem to most small-scale growers, who cannot buy inputs in time to plant sugar cane under rainfed cultivation; and to the small-scale cane contractors who also have to wait for their money. It is difficult for small-scale growers without title to land to obtain finance from commercial banks. This leaves them with few options of improving their cash flow which is essential for effective operation.

Vaughan, Kubheka and McIntosh (1994:20) expressed the need for institutional reform in the Sugar Industry as follows:

"A consequence of the training programmes offered by the Sugar Industry and other organisations is that as individuals, and as communities, the people who have been trained experience radical shifts in perception and in orientation. In the light of these new perceptions and orientations, they want to act to alter their circumstances, but remain locked within the same institutional frameworks".

In 1994 the SACGA identified six strategic priorities, directed at transforming the SACGA within the new political dispensation in South Africa:

- make the SACGA representative structures work in order to be able to meet members' requirements
- productivity improvement to enhance competitiveness
- successfully manage key issues to the benefit of all growers
- strengthen grower bargaining power at a mill level
- ensure effective marketing of sugar
- secure financial facilities for all growers.

It is hard to imagine that the deficiencies created from years of deliberate marginalisation can be rectified in the absence of explicit policies and strategies directed at small-scale growers. Even more difficult to reconcile are these strategies with the current policy of the National Department of Agriculture.

"The expansion of the definition of a farmer which now goes beyond a large-scale commercial farmer necessitates the development of capacity within organisations, governments etc., to service what will become a diversified sector" (Njobe-Mbuli, 1995:1).

Hudson (1996:22) observed that the degree of success achieved by small-scale growers depends heavily upon the availability of technical support, advice and reliable sugar cane contracting services. The training programmes as presently implemented in the Sugar Industry are:

- not meeting the needs of small-scale growers

- not adequately structured to deliver the needed training - for example the principles set out in Figure 3-1 are not recognised and are not embodied into the design of the training programme
- not addressing the needs of small-scale growers holistically.

3.4 TRENDS INFLUENCING THE DEVELOPMENT OF SMALL-SCALE FARMERS

There are several trends which influence the development of small scale farmers all over the world namely the following:

3.4.1 Productivity and small sizes of land

The economics of sugar cane production for small-scale growers is limited by the size of land on which the small-scale growers plant sugar cane. There is a need for small-scale growers to increase their area of land under cultivation for sugar cane. Redistribution of land is necessary to ensure small-scale growers can produce enough sugar cane to support organisation and management within the sector. This will promote self reliance and viability in a competitive industry.

Vaughan and Beukes (1991:317-342) examined two distinct approaches to establishing small-scale growers in the Sugar Industry. In KwaZulu-Natal development has been superimposed on the already existing patterns of tribal land settlement. In KaNgwane, where small grower production is more recent, the principle upon which development has been founded is that of creating economically viable farming units. Each of these approaches has a profound impact on the structure of rural employment. Where growers produced on tribally allocated land, the imperative for household members to seek urban jobs remains. Where the economically viable units path is followed, alternative employment opportunities in both urban and rural areas must be created for those people displaced from the land. Thus the industry should increasingly support the development of diversified rural

economics. This will require the industry to review its policies.

“Economic empowerment of currently marginalised small-scale growers in the Sugar Industry lies in increasing their scale of production through larger land units; clearly relatively few can achieve this. By far the majority will remain as small-scale growers. For these people the return from sugar cane growing will never meet household requirements. They will have to engage diverse activities, of which sugar cane production will be one. Thus the challenge is not so much their empowerment in the Sugar Industry rather it is their empowerment in the national economy. Improved education and support services will help small-scale growers to produce more sugar cane but this will never be enough to satisfy the total household income requirement” (Breen, C., 1997, pers. comm.)

The opportunities for small-scale farmers to create job opportunities for themselves are limited. Therefore linkages to big business will help them to minimize risks. Established businesses also need to review their policies so as to create opportunities for small-scale farmers.

At present almost throughout the world sugar cane production is structured to provide a secure supply of sugar cane to the mill. The first priority is to establish big estate land, followed by large-scale private growers. Because of secured supply of sugar cane, estates and large-scale private growers receive effective support services. Only when the estates and large-scale growers do not fill the capacity of the mill, are the small-scale growers given an opportunity. The threat to sustainability of the industry should the majority of rural people fail to find opportunities in the economy has largely gone unrecognised or at least unacknowledged.

3.4.2 Pricing and marketing

Internationally, pricing and marketing of sugar cane is very sensitive. The competition is high among producing countries. Deregulation measures are generally being implemented and tariff protection is being abolished. Markets can be manipulated where global society believes that inequity and social injustice prevail or where appropriate environmental

standards are not applied. The industry should therefore, take a more holistic view of its role.

3.4.3 Cooperatives

Cooperatives have played an important role in empowerment of small-scale farmers, for example in Europe.

MacPherson (1996:6) states that cooperatives first emerged as distinct, legal institutions in Europe during the nineteenth century. Achieving their first permanent success during the difficult years of the 1840s, cooperatives grew within five distinct traditions; the consumer cooperatives, whose beginnings have long been popularly associated with the Rochdale pioneers; the worker cooperatives, which had their greatest early strength in France; the credit cooperatives, which largely began in Germany; and the agricultural cooperatives, which had their early roots in Denmark and Germany.

In Germany there is a German Cooperative and Raiffeisen Confederation which supports and promotes the establishment of cooperatives and general conditions for cooperatives in developing countries. Large-scale growers formed cooperatives in the 1930s which have been successful in coordinating their activities. The principle of a cooperative is that what you cannot do as an individual, you must do as a group. It is in the nature of small-scale growers that there is much that they are not able to do as individuals. Thus cooperatives would change societal and economic structures of small-scale growers and reduce marginalisation.

Cooperatives have been successful in Germany because they:

- Are independent from Government. The Government does not influence pricing, trading and also does not subsidize an individual cooperative, although it may

- subsidise an agricultural section.
- Have a flexible legal framework. Cooperatives make their own constitutions to suit their members.
- Have qualified management. Staff management is trained to manage the cooperatives. Training and auditing are key performance areas.
- Are obliged to join an auditing federation because of specialised auditing requirements of cooperatives. The federation audits small cooperatives once a year and large cooperatives twice a year.
- Have an equity sound capital base. Cooperatives should make a profit and 10% of the profits should be saved.
- Have a guarantee Fund. Cooperatives are required by the German government to have a guarantee fund which is not taxed by government.
- Allow a merger of Cooperatives. Merger of cooperatives is allowed to save uneconomical cooperatives.

Amin and Bernstein (1996:2) state that former homeland co-operatives were mostly created by homeland governments. Their generally dismal record of service and performance reflects on homeland governments and their links to the former Department of Development Aid rather than on the Black farmers, from whom homeland co-operatives were perceived to be part of the problem and not the solution. Black farmers organisations noted that their co-operatives needed strengthening and support with regard to:

- access to input supplies
- efficient credit provision
- access to markets
- training in management and accountancy skills

Appendix 2 outlines the potential for cooperatives in small-scale grower development. Cooperatives are inherently complex. There is a need to explore the possibility of forming

cooperatives among small-scale cane contractors to resolve their problems.

3.4.4 Adding value

Sugar cane production has opened opportunities for small-scale growers in rural areas because marketing of sugar through the sugar mills is simple although the profits are low. The marketing of sugar is probably the single most important factor which has contributed to successful growing of sugar cane.

“For many decades development efforts in agriculture in Sub-Saharan Africa have been focussed on the increase in food production by smallholder farmers. In spite of the large amounts invested through development assistance and considerable technical achievements, production has generally not been able to keep up with the growth in population. Recently, it is increasingly realised that a more market oriented development of the agricultural sector is needed. Market orientation and diversification in agriculture combined with processing, distribution and marketing can considerably contribute to reduction of food losses, improvement in nutrition and overall stimulation of agricultural production which remains the backbone of the economy of the majority of countries in Sub-Saharan Africa” (Wündemann and van de Meerendonk, 1996:1).

“In 1990, the Institute of Production Innovation in Tanzania began to market small-scale equipment for processing sugar cane which it had developed in response to the rapidly growing demand for sugar in the country” (Katalambulla, Elisante and Mbanuku 1996:56-69). Small-scale growers in South Africa are not involved in processing sugar cane. Hokana (1993:42-47) states that sugar production is the basis of India’s largest agricultural processing industry. The 386 sugar factories together with an open pan “Khandsuri” unit, crushed 60% of the sugar cane crop and produced a record of 15.2 million tonnes of sugar “raw value” during the year 1991/92. The balance of India’s sugar cane goes to sugar mills which produce brown sugar that meets the sweetener needs of low income consumers. Small-scale growers who are far away from sugar mills should investigate the possibilities of processing brown sugar. The small-scale growers who would benefit are those in North Pondoland and Makhathini Flats. Currently sugar cane production in these areas is viable only because sugar mills are subsidizing transport costs.

3.4.5 Diversification

According to Atkins and Terry (1995:224-247) since the 1950's the Sugar Industry has developed into the most important agri-industry in Swaziland. The favourable terms of trade enjoyed by the country in the regional and global sugar economy are likely to be eroded by lower world sugar prices, stiffer regional competition and pressure from a presently relatively low paid workforce. The industry has been based mainly upon large-scale commercial estates, which Atkins and Terry consider would not be viable if they were being developed today. Smallholder developments appear to be potentially profitable although the viability of such schemes is linked closely to extension support services which enable participants to maintain high yields. Oyowe (1994:29-30) states that Swaziland's sugar production has risen dramatically. Traditionally, Swaziland exports to the European Union where it enjoys a guaranteed annual quota of raw sugar under house convention. Apart from the South African market, the most important development has been an increase in local consumption. The main consumer is the manufacturing food industry.

About 60% of the mills and manufacturing industries throughout the world are owned by big companies and not by growers. The profitability is relatively high on milling and in the manufacturing food industry and many sugar mills have introduced development schemes for small-scale farmers which are equivalent to renting their land to sugar mills. Basri and Fleming (1991:23) observed that the sugar mills in Indonesia in 1975 did not have enough sugar cane to process because farmers preferred to plant other food crops. In order to overcome the problem of sugar shortage the government introduced a Smallholder Cane Intensification Programme. This programme is similar to the small grower programme in South Africa except that the South African government is not involved in the Sugar Industry. It is noteworthy that in South Africa many small-scale sugar cane producers would like to diversify production - possibly even with alternative, more profitable crop production in mind. The Sugar Industry needs to show greater appreciation for the plight of rural people and envisage a stable population as an important factor in a sustainable Sugar Industry.

3.4.6 Contribution of sugar cane to rural development

Ardington (1990:603-614) states that the private sector can assist with rural restructuring in South Africa. The argument is based on developments in the South African Sugar Industry where small-scale growers have been assisted in a number of ways by the private sector, through credit infrastructure and transport provision, and in some cases, assistance with ploughing and planting.

Throughout the world sugar cane production has been demonstrated to be amongst the best rural development crop despite low prices. Secured marketing structures through sugar mills are the main contributing factors. Ali and Nakayan (1989:13-21) reported that sugar was established as the principal export of Fiji in the early 1980's and has maintained its dominant position, despite efforts to diversify the economy.

“The cultivation of food crops particularly beans, potatoes and sweet potatoes would provide higher annual nett returns to the smallholder than sugar cane, provided that they received adequate financing, infrastructural development, access to markets and proper agricultural extension services” (Cobbet, 1984:20).

There is potential to maximize production for unit areas which would benefit small-scale growers with small land holdings. The small-scale growers in India, Malawi and Kenya intercrop sugar cane with other food crops. Rubin, Groenfeldt and Mock (1989:45-55) conducted a research in Kenya to identify food crops suitable for intercropping with sugar cane. The findings of research in Kenya and other countries on intercropping needs to be reviewed and this type of research needs to be conducted if possible for small-scale growers in the Sugar Industry.

Sugar cane growing has also assisted in reducing soil erosion in rural areas where it is grown. Conservation tillage systems need to be promoted among the small-scale growers. It is recommended that the Sugar Industry establishes a programme aimed at minimizing soil erosion.

According to Wilson, Welman and Ellis (1986), in Zimbabwe despite the production and financial constraints the growers have had to endure over five years of the sugar cane schemes existence, there is strong evidence of increasing affluence, manifested by numerous building extensions to houses, the growing number of motor vehicles owned by the settlers, and the acquisition of electrical goods including television.

3.4.7 Infrastructure

Bromberger, Antonie, Lipton and Simkins (1993:409-449) stated that roughly a third of the Black population of South Africa lived in the rural areas of the homelands in the mid 1980's, were dependant on remittances from wage earners and increasingly on transfer payments from government. They stated that this rural population plays a very limited productive role in the economy. They endorse arguments, on the grounds of poverty alleviation, equity and efficiency, that substantial efforts must be made to promote small-scale black farming in these areas, using methods similar to those employed to incorporate black growers into the South African Sugar Industry. In addressing the issues of small-scale growers, the Sugar Industry has to adopt a holistic approach.

Observation suggests that, in the areas where sugar cane is not grown people are living in greater poverty compared to people in areas where sugar cane is grown. Small-scale growers who are not viable still see sugar cane as a crop with potential but few have made much of an attempt to realise this potential.

"Poverty is at its worst in rural areas. Seventeen million people are living below the subsistence level in South Africa, and of these at least 11 million, that is 25% of the population, are rural dwellers. Agriculture is an appropriate vehicle for redistribution and raising the living standards of the majority of the country's poor. It can be planned to reach the 11 million rural poor at a relatively low marginal cost, as most of the public infrastructure for farmer support is already in place " (Stilwell, 1995:7).

A major problem in South Africa is the integration of agricultural support services to serve all farmers efficiently. South Africa's agriculture is endowed with a strong private sector.

The private sector can and will if shown the way, make a significant contribution towards small-scale farmers just as it has done in the Sugar Industry.

Zuma (1994:5) stated "that KwaZulu-Natal is well endowed with natural resources and has a high potential for agriculture. Presently this sector accounts for 8.7% of Gross Domestic Product (GDP) and 16.5% of the country's agricultural output. It is one of the Province's leading sectors in terms of contribution to employment. Sugar cane production is the largest sub-sector, followed by timber, beef production, dairy products, maize and poultry farming. The main challenges facing this sector are the development of the underdeveloped Black small-scale farm." In KwaZulu-Natal there is a need to integrate small-scale farmers into mainstream agriculture so that they contribute more effectively in agricultural development.

This cannot happen without an overall improvement in infrastructure and services to raise productivity and alleviate rural poverty. In many countries such as India, the Sugar Industries support health services and education of rural communities through a cooperative structures. Supporting infrastructure such as service centres, storage facilities, training centres and financial outlets should be well developed and/or established to support the small-scale grower sector. Particular attention should be directed at women and youth.

It is inconceivable that the goal of real empowerment of small-scale growers in the Sugar Industry can be achieved without major revision and change of focus from product (sugar cane) to people and products.

People involved in small-scale grower development have neglected the human factor to such an extent that, as a result, heavy losses in capital investments have occurred. This is evident also in recent times in the South African Sugar Industry.

Verhagen (1984) (Figure 3-1) outlines the principles of operation towards the inside of an Association, indicating members' participation in decision making, implementation of

programmes and benefits to members. The characteristics of the MCCs are congruent with these principles of operation towards inside.

The principles of operation towards the outside (Figure 3-1) are missing in the small-scale grower sector. The MCCs are not capable of using members' own resources to optimally manage themselves because of the limited financial and human resources/capabilities available. Therefore there is a need to develop local leadership. The interdependence in terms of organisational autonomy in decision making and bargaining power is lacking. The MCCs are depending on support services to make decisions.

CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

This research set out to establish the perception's members of the MCCs have of the industry. They are elected by the local grower associations and represent the interests of the small scale growers. As will be shown most small scale growers are poorly educated and engage in immigrant labour practices. The combination of small scale, low levels of education, and absenteeism lead to a situation when 'perception' becomes 'reality'. The industry must address the perception of the small scale producers if it is to strengthen and sustain their role in the industry.

This chapter outlines the research design and methodology used in the investigation of the characteristics of the mill cane committees, interaction between the mill cane committees and the local farmers' associations, the local grower councils and service providers. Strengths and weaknesses of the mill cane committees were also investigated.

The planning of the study, choice of research areas, information sources, orientation of the MCCs and development officers, selection and training of interviewers, questionnaire objectives and design, the survey, norms of success, sampling procedure and data analysis are included in this chapter. The results are reported in Chapter 5.

4.2 APPLICATION OF THE AUTHOR'S EXPERIENCE TO PLANNING THE STUDY

The author worked with small-scale growers in the Sugar Industry for seventeen years prior to this study. In 1983 he was employed as a Grower Liaison Officer by Illovo Sugar Limited at Eston Mill. His main responsibilities were communication and dissemination of information to 5 000 small-scale growers in the Umbumbulu District. The author completed an Honours degree in Agricultural Extension, from the University of Fort Hare. The title of

the Honours dissertation was "Small-scale sugar cane production, with special reference to Pez'kwomkhono Development Company in Umbumbulu District, KwaZulu". The research gave an insight of problems faced by small-scale growers when carrying out research.

From 1984 to 1989 the author was employed by Illovo Sugar Limited at Noodsberg Mill as a Manager, working with small-scale growers. The main responsibilities related to liaison and management of small-scale grower operations, and promotion of participation in sugar cane programmes. During this period the author conducted a study in the area, which led to the completion of a Masters Degree in Agricultural Extension at the University of Fort Hare. The title of the dissertation is "A comparative study of two small-scale sugar cane growing communities in the Inanda District of KwaZulu".

In 1989 the author was employed by the SACGA as a Small Grower Development Officer, responsible for liaison and communication with all the MCCs in the Sugar Industry, in the development of more than 50 000 small-scale growers in the Sugar Industry in KwaZulu-Natal, Eastern Cape and Mpumalanga provinces. The author was promoted to Deputy Director, Development, at the SACGA. The main responsibilities related to administration, organisational structures, training and support services. This work also focussed on the development of small-scale growers. The author worked for six years with the MCCs involved in the survey for the present study.

Planning of the study commenced in April 1993 and took approximately two years to complete. Discussions were held with the MCC members in order to gain insight on the activities of the MCCs at a local level. Therefore understanding for the questionnaire design was built. This was completed in October 1994. The questionnaire was refined by follow-up visits which were made to the MCCs. Development Officers employed by the MCCs held a workshop to discuss the final questionnaire. The survey was carried out in July and August 1995.

4.3 CHOICE OF RESEARCH AREAS

According to Whyte (1983:140) if the areas selected for a study have common ecological conditions and their farmers are similar regarding culture and control over resources, farm management practices and strategies can be expected to conform to a common pattern. Researchers therefore need to be concerned both with uniformities and with variations in farming systems. The selected research areas are rainfed and the average size of land is two and a half hectares.

Selection of research areas within the rainfed sector was based on two factors, namely all the MCCs in KwaZulu-Natal which had been in existence for more than five years and secondly the proviso that they had been exposed to various training programmes offered by the Sugar Industry. Workshop discussions were held with the MCC organisations to gain further insight into the structure and operation of the MCCs.

The two MCCs in Mpumalanga Province and the one in KwaZulu-Natal which were excluded from the study differed from the selected areas in that the sugar cane in these areas is irrigated and the minimum size of the farms is seven hectares; Furthermore small-scale contractors and mill extension development companies are not available in these areas. An additional factor is that these are 'settlement areas' where farmers have permission to occupy land rather than title to the land.

4.4 INFORMATION SOURCES

It was decided to use three sources of information: mainly library research including an extensive literature study on the problem of small-scale farmers associations in less developed agriculture. It included a wide range of research reports and studies related to group formations and functioning of groups in India, Kenya and South Africa, in the North West, Eastern Cape and Mpumalanga provinces. During the course of the study the author

was a National Consultant on a programme called 'Broadening Access to Agriculture Thrust' (BATAT). During this programme, which took approximately six months, the author participated in workshop discussions with more than 4 000 small-scale farmers in four provinces. This provided insights and focus for the research.

4.5 ORIENTATION OF THE MCCs AND DEVELOPMENT OFFICERS

In research projects of this nature the cooperation of stakeholders at all levels is of the utmost importance both for the success of the research itself and for the implementation of the improvements indicated by the research.

Senior members of the MCCs participated in discussions of the research project and its objectives. A formal proposal outlining the problems, motivation, objectives and the methods of the study was submitted to the Chairman of each MCC for discussion and approval. The Development Officers of the MCCs concerned were informed of the scope and objectives of the study.

The Executive Director and Director of Administration and Development of the SACGA were also involved in discussions of research objectives and funding, which they subsequently approved. The MCCs accepted the research on the basis that such an investigation was necessary and that they stood to benefit substantially from its findings.

4.6 SELECTION AND TRAINING OF INTERVIEWERS

In a study of this nature, which sets out to determine perceptions, it is critically important to conduct the survey in as short a time as possible. If the survey is drawn out several factors contribute to confusion and complication :

- communication and discussion between those who have and those who have not

been surveyed biases the response.

- circumstances change - especially with the rapid political and social changes that occur in South Africa.
- Interviewers start to modify the manner in which questions are phrased.

To avoid these problems and to introduce an element of objectivity, the author chose not to conduct the interviews. His knowledge of the industry and personal relations with many small-scale growers might have prejudiced objectivity. To speed up the process ten interviewers were selected by the author from the School of Rural Community Development, University of Natal, Pietermaritzburg. The interviewers had experience in working with rural communities. They were fluent in English and Zulu. All interviews were conducted in Zulu.

Before the survey, a one-day workshop was held with the interviewers to discuss strategy, terminology and possible difficulties. They were carefully briefed on the nature and purpose of the study. When the interviewers were interviewing the MCC members they were accompanied by the author and the MCC Development Officer. However the author did not, at any time, assume control of the process or pose the questions.

Important aspects which could influence the ultimate results of the survey were discussed with the MCC members in a group before starting the interviews. For example, every respondent was assured of confidentiality. The ultimate transparency of the project was explained, and an undertaking given to make available the findings of the survey. Care was taken to make respondents feel relaxed, secure and confident about participating.

4.7 QUESTIONNAIRE OBJECTIVES AND DESIGN

A questionnaire method of data collection formed the basis for the study (Appendix 1). Five workshop discussions were held with five MCCs to test the questionnaires.

Fox (1969:525-526) stresses that interviews remain the most important social science research technique and therefore the advantages of the approach must not be lost sight of. The interview and questionnaire method of data collection is one of few techniques available for the study of attitudes, perceptions, beliefs, values and motives. It is often the only means of determining the past history of a respondent.

Questions were kept short and to the point to ensure that the MCC members being interviewed understood their meaning. The questionnaire was translated into Zulu to ensure that the proper meanings of the questions were conveyed. In the Zulu translation, care was taken to ensure that the questions would be easily understood and readily answered. The author then satisfied himself that the MCC members understood the wording of the questions and were able to articulate their answers.

4.8 THE SURVEY

The field research was undertaken over a 17 month period which commenced in February 1995 and was completed in July 1996.

The survey was planned in such a way that the respondents were visited by the author to confirm responses. During the survey, some suspicion was noticed among the respondents. The cause of this suspicion was that the author was also an officer responsible for supporting the MCCs. The author found it necessary to call a meeting of the Chairman and vice-Chairman of each MCC to explain the objectives of the research.

A workshop was held with the 14 Extension Officers involved with the MCCs (Appendix 3) to identify roles of major stakeholders in sugar cane production perceived by small growers.

4.9 NORMS FOR SUCCESS

In this study, norms for success are defined as guidelines which may be used to measure perceived results. Because of the existing socio-economic and political conditions, the most important norms for success in this study would be the changes which have taken place in organisational structures of small-scale cane growers, impact of training programmes and effectiveness of support services.

4.10 SAMPLING PROCEDURE

Data are usually not gathered on an entire population, but on a sample which is selected to represent that population. However, in this study the entire population of 136 MCC members in twelve areas was interviewed. This strategy was adopted because the data would be used to develop the MCC's plans of operation.

4.10.1 Method of Sampling

All the MCC members participated in the study. This strategy was adopted because of a concern that suspicion would be promoted if it appeared that certain people were 'selected' to participate and others not. The members of the MCCs were very pleased to find out that everyone was going to participate and that there was no preference for certain people.

4.10.2 Interviewing Procedure

Interviewing was conducted in five steps. First the author held open discussions with MCC members in every MCC. The purpose of these open-ended discussions was to identify the issues which members felt were important, then discussion, and consequently the issues identified, were structured according to the framework set out in Table 4.1. The issues were crystalized by the author and referred back to members for confirmation. The third step

involved construction of the questionnaire and interview of members. Because the issues had been identified and the intention was to achieve an understanding of which issues were regarded as most important, respondents were required to identify the issue in each sector which was most important for them. In most instances respondents had a choice of one issue from four or more issues.

The fourth step included analysis of the findings and workshops with respondents to clarify and confirm the findings. As a final step the author held workshops with MCCs to discuss strategies for improving the small grower sector in the industry. This step also allowed a cross check with the findings (Step 4)

Table 4.1 Steps in the interviewing process 1993 - 1995.

STEPS	ACTIVITY
Step 1	Identify issues in open ended discussion with MCC members
Step 2	Definition of issues and confirmation with respondents
Step 3	Preparation of questionnaire and interviews
Step 4	Analysis and clarification and confirmation of findings with respondents
Step 5	Workshops to discuss strategies and cross check with analysis in Step 4.

4.11 DATA ANALYSIS

The data was tabulated by the author, who used the process to familiarize himself with the data and to check that it had been coded properly. The Institute of Natural Resources was consulted for assistance with computer data processing and analysis. The results are presented in Chapter 5 in a narrative form. The main findings are summarized using graphs, figures and tables.

**CHAPTER 5: EFFECTIVENESS OF SMALL-SCALE GROWER DEVELOPMENT
AS PERCEIVED BY THE MILL CANE COMMITTEES**

5.1 INTRODUCTION

Chapter 2 presented an overview of the main aspects of the organisational structure of the Sugar Industry and the SACGA. This chapter focuses on the structure and functioning of the small grower sector. The structure of this sector is indicated in Figure 5-1.

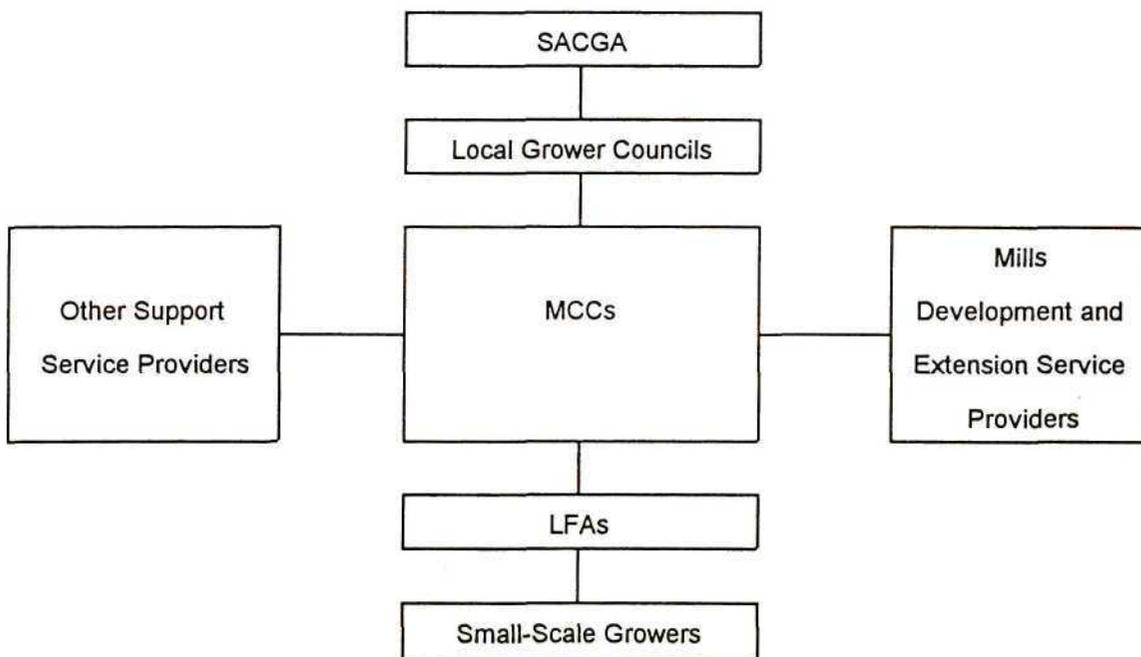


FIGURE 5-1. The structure of the small-scale grower sector 1996

The MCCs are the “hub” around which the activities of small-scale growers are centred. The MCC interacts “downwards” with the growers through the LFAs, laterally with the mills and providers of support services, and upwards with the LGCs. The MCCs and their members are central to the success of the small-scale growers, both in respect of sugar cane production and in development of the policies concerning small-scale growers in the Sugar Industry. This

research focuses on the MCCs, their characteristics, and the perceptions that MCC members have of the small-scale grower sector of the Sugar Industry and interaction between the MCCs and support service providers. The questions addressed follow the organisational structure summarized in Figure 5-1:

- what are the characteristics of the MCCs?
- what are the factors influencing interaction between the MCCs, the LFAs, the LGCs, service providers and mills?

The results enabled formulation of suggestions for remedial action.

5.2 CHARACTERISTICS OF THE MILL CANE COMMITTEE

The primary data gathering instrument was the questionnaire-based interview shown in Appendix 1. The MCC members were questioned on various aspects which may influence the contribution of small scale growers in the Sugar Industry.

5.2.1 Number of members in the Mill Cane Committee

Committees cannot be effective unless their members are able to perform the duties and functions required of them. This section sets out to analyse the characteristics of the MCC in respect of duties and functions.

Bembridge (1991:101) reported that group size is an important determinant of effectiveness in agricultural extension work. Once the group exceeds about eight people, those who are less confident are dominated by others who may be more articulate. Further, discussion in large groups is difficult to manage and facilitate.

Size of the MCCs is set out in Figure 5-2. Noteworthy is that 50% of the MCCs have up to ten members but 28% have more than 30 members. It is improbable that the larger MCCs function effectively. Given the desirability of having small committees there is a need to find ways of reducing the group size to about half of the current membership in most of the committees.

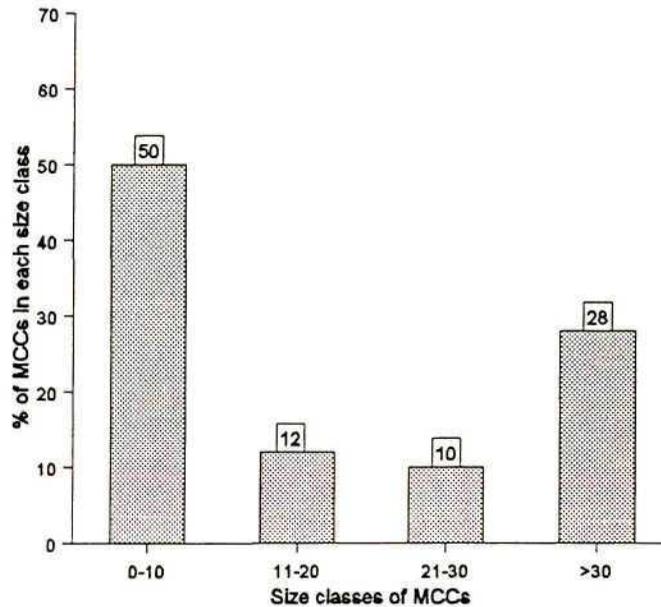


FIGURE 5-2. The distribution of members in MCCs 1995. Data derived from all 136 MCC members

Each LFA currently has two members on a MCC. Reducing this to one member per association would effectively reduce the size of the MCC. A disadvantage of this “solution” is that it places considerable responsibility on one member. A question which springs quickly to mind is whether the individuals are capable of effectively acquitting themselves. This issue is addressed in section 5.3.2

Another question which arises is the relationship between the size of the committee and its effectiveness. It has been argued that large committees are likely to be less effective than smaller committees. However if “small committees represent large constituencies they may also be ineffective as they are unable to communicate well with their constituency, particularly if the constituency is widespread” (Pike 1987 p2).

5.2.2 Years of service on the Mill Cane Committee

The MCCs were first established in 1986. Years of service is very important because the MCCs performance and effectiveness depends on experience of members. The more experience members have, the more effectively the MCC is likely to serve the interests of members. The distribution of members according to years of service on the MCC is shown in Figure 5-3.

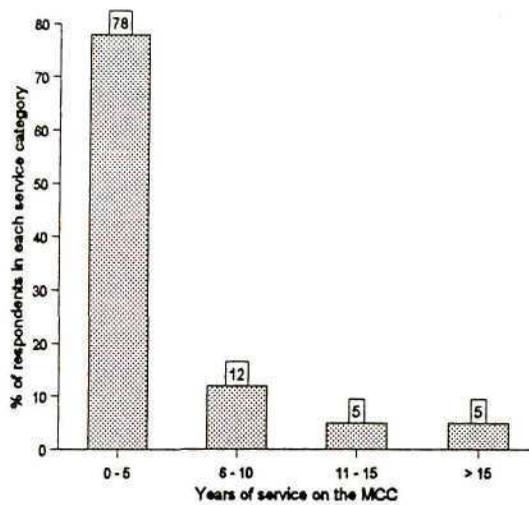


FIGURE 5-3. Years of service on the MCC 1995. Data derived from all 136 MCC members.

Figure 5-3 indicates that 78% of respondents (out of a maximum possible of 136) had 0-5 years experience as members of the MCC. Only 22% of members had more than five years of service. An important issue which arises from this analysis is that 22% of members continue to serve on an MCC after five years. Only 10% continue to serve after ten years. The MCCs are therefore categorised by a turnover of new members who are supported by a small cadre of long-serving members. This 'drop-out' suggests that members may find it difficult or unrewarding to serve on the MCCs, possibly because they are not able to contribute effectively because they do not have the necessary understanding of the industry gained either through experience or through direct training.

5.2.3 Educational levels of the Mill Cane Committee members

The education level of the MCC members is very important if members are to gain understanding of how the Sugar Industry operates. Education would also improve interaction between the MCC members and other organisations (Figure 5-1). Education is also important for an understanding of the marketing and pricing of sugar at an international level. It is difficult to envisage small growers who are poorly educated having the understanding of the sugar business necessary to strengthen their position in the industry.

Burger (1964:1) views education as an "investment in human development" and Orpen (1965:238) states that "education is concerned with development of more general skills and acquisition of wide ranging information". According to Steyn (1982:10) "a group which studied up to Standard 2 can, for all practical purposes, be regarded as being illiterate. Except under exceptional circumstances, they are unlikely to have retained any degree of literacy". Further, Bembridge (1978:26) points out that "Uneducated people, generally have weak attitudes, which are difficult to change. The main barriers to effective communication are attitudinal and cognitive" (Bembridge 1978:26).

In developing nations there is a growing recognition of the urgency of doing more through non-formal means to meet the educational needs of rural people and to promote rural development, and there is a deep concern with finding more effective methods and strategies for accomplishing this (Coombs & Ahmed 1974:24). This is vitally important because many researchers have demonstrated a positive correlation between education and the adoption of new farming methods. "Early adopters have more years of education than do later adopters" (Rogers & Schoemaker 1971:334-356).

The distribution of the MCC members according to educational levels is indicated in Figure 5-4, where it is evident that 43% of the MCC respondents were basically illiterate, with between nil and Standard 2 education. Fifty seven percent of respondents had educational levels of more than Standard 3. Because of low educational levels of the MCC members,

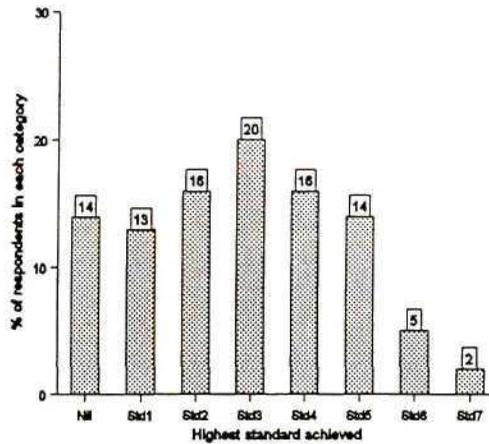


FIGURE 5-4. Educational levels of MCC members 1995. Data derived from all 136 MCC members.

the Sugar Industry ends up negotiating with a weak “partner”. The industry as a whole is weakened. Clearly it is not enough to spend money solely on improving the functioning of structures and increasing sugar cane production. Effort should also be directed at education of small-scale growers in general and committee members in particular. If the small-scale growers have an enhanced ‘world view’ it will generate greater commitment and strategy.

5.2.4 Working experience prior to becoming a Mill Cane Committee member.

Working experience is an important contributor to the capacity of a member, particularly if employment has been related to a sector of agriculture. The distribution of respondents according to working experience prior to becoming an MCC member is indicated in Figure 5-5.

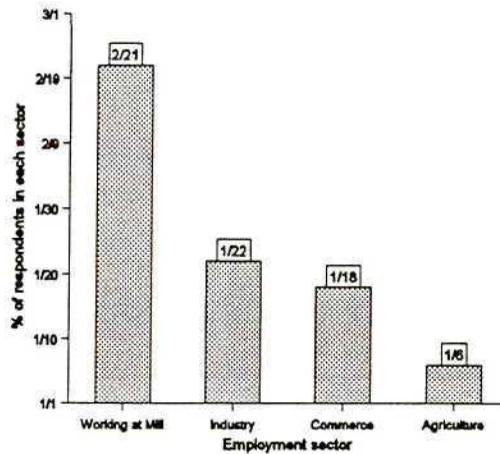


FIGURE 5-5. Working experience prior to becoming an MCC member 1995. Data derived from all 136 MCC members.

From Figure 5-5 it is evident that 52% of respondents had related experience through working at a local mill. About 30% of respondents had experience of working in industry and commerce sectors unrelated to the Sugar Industry. Only 6% had previously worked in the agricultural production sector. As a consequence most MCC members have limited practical experience of growing sugar cane. This limits their abilities to understand the industry and to identify and solve problems. Because cane production and delivery to the mill lies at the heart of the MCC responsibility for promoting economic activity amongst members, it limits their ability to service their constituency. Clearly people with such limited experience require specially constructed capacity building programmes if they are to contribute meaningfully to development of the Sugar Industry in general and the small grower sector in particular.

5.2.5 Experience of growing sugar cane

In order to understand and participate effectively in the Sugar Industry's various committees one needs to have experience of growing sugar cane. A minimum experience of at least 10 years involvement in growing sugar cane is necessary because South Africa has a highly variable climate with alternating droughts and floods. Superimposed upon this are fluctuations

in price. Therefore a farmer with less than 10 years experience will not have had to address the most significant external factors affecting sugar cane production. The experience of growing sugar cane by the MCC members is indicated in Figure 5-6.

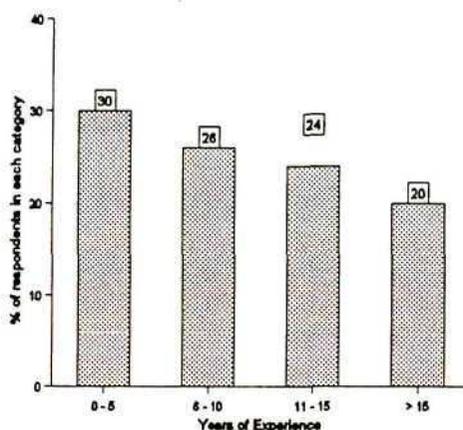


FIGURE 5-6. Years of experience among MCC members of growing sugar cane 1995. Data derived from all 136 MCC members.

The analysis shows that 44% of respondents had more than 10 years' experience in growing sugar cane (Figure 5-6). It is reasonable to conclude that the MCCs do have a cadre of experienced growers, which is combined with more recent entrants into the Sugar Industry. The observation is that the MCC experience is rather limited to matters affecting small-scale growers in a mill area yet MCCs are required to contribute to decisions such as monitoring the crushing of sugar cane at the mill.

5.2.6 Composition of the Mill Cane Committee members by gender

Figure 5-7 indicates that women comprised 38% of the MCC members. There are no women chairpersons in the MCC. Women are not represented in the higher structures of the Sugar Industry (e.g. the Board of Directors of SACGA).

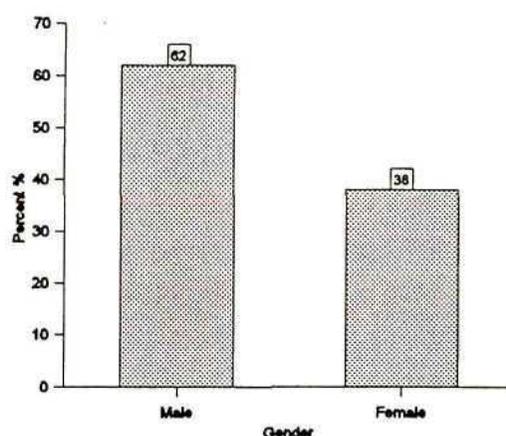


FIGURE 5-7. Gender composition of the MCC members 1995. Data derived from all 136 MCC members.

The MCC membership is dominated by men. This imbalance leads to the conclusion that gender issues need to be addressed explicitly during election of members to the MCCs.

5.2.7 Perceptions of the functions of the Mill Cane Committee

It is suggested that training programmes aimed at addressing specific problems of the MCC need to be developed. It might be important to consider analysing the requirements and needs necessary to liaise with support services effectively. The most important function Table 5.1 was to attend to grower problems and unite growers.

TABLE 5-1. Perceptions of functions of the MCC 1995

Functions	Respondents Number	%
Attend to grower problems	44	32
Unite growers	27	20
Liaison with support services	26	19
Arrange training programmes	20	15
Communication to members	19	14
TOTAL	136	100

* Each respondent was required to select the most important function.

5.2.8 Problems encountered by the Mill Cane Committee members

The single most important problem is unreliable sugar cane contracting (Table 5-2). Small-scale growers use sugar cane contractors to cut and transport sugar cane. Due to unreliable sugar cane contracting services this takes too long to complete. On average sugar cane contractors complete cutting one hectare after two days. The transporting of sugar cane from the field to the loading zone is therefore delayed by one day. The average field related delays for small growers amounts to four days.

TABLE 5-2. Problems encountered by the MCC members 1995

Problem	Number	%
Unreliable sugar cane contracting	86	64
Unconstructive mill involvement	14	10
Poor attendance of the MCC meetings	11	8
Lack of communication among the MCC members	11	8
Poor election of office bearers	7	5
Uneducated members	7	5
TOTAL	136	100

* Each respondent was required to select the most important problem.

All small-scale growers in the Sugar Industry burn sugar cane before it is cut. Lionnet and Moodley (1994:28) investigating the deterioration of burnt and unburnt sugar cane found that the rate of formation of ethanol in burnt sugar cane is about seven times higher than that in unburnt sugar cane. Long delays result in substantial sucrose losses for the grower. Hot conditions after burning promote fermentation and ethanol levels to rise quickly.

The financial implications of cane deterioration are of considerable interest in South Africa. Lionnet and Moodley (1994:29) conclude that if the ethanol levels are reduced by 50 %, the Sugar Industry in South Africa would receive an additional revenue of between R60 and R65 million per annum. Of this the growers would receive about R34 million. Clearly small-scale growers need to have an efficient cutting and transporting system because on average they

produce over 2 million tonnes of sugar cane per annum. Therefore the small-scale growers receive 20% of the R34 million.

5.2.9 Issues attended to most by the Mill Cane Committees

The MCC members also assist in attending to issues raised by their members. It is important for the MCCs to resolve issues so as to retain trust of members. The MCC members need to allocate time to attend to issues and also to develop the necessary skills required to be effective.

The MCC members were asked to identify issues attended to most by the MCCs. The relative importance of the various issues are highlighted in Table 5-3. The issues attended to most by the MCCs members were sugar cane contracting (47%) followed by financial matters (27%). This supports the observation that the MCCs have problems with sugar cane contracting and finance. It was encouraging to note that disputes between growers were not high (15%) which indicates that the MCC members were working cooperatively.

TABLE 5-3. Issues attended to most by the MCC 1995

Issue	Respondents	
	Number	%
Poor sugar cane contracting services	64	47
Financial matters	37	27
Disputes between growers	20	15
Arranging sugar cane inputs	15	11
TOTAL	136	100

* Each respondent was required to select the most important issue.

It is indicated that the MCCs should develop, possibly in cooperation with the SGDT, a Contracting Support Programme. This programme should be aimed at improving sugar cane contracting services provided for small-scale growers in the Sugar Industry. Additionally the MCC members need to develop a training programme which should address financial management.

5.2.9.1 Responsibility to attend to the Mill Cane Committee issues

The MCC members were asked to identify people responsible for attending to the MCC issues (Figure 5-8). The Chairperson and the MCC Committee members attended to most issues (60%). The MCC Development Officers and growers' facilitators were identified by 40% of respondents. This suggested that the MCC members may not use the Development Officers and growers' facilitators effectively because they attended to most of the issues themselves.

It could also be that the development officers and grower facilitators are not good at their job and therefore the MCC members have no options.

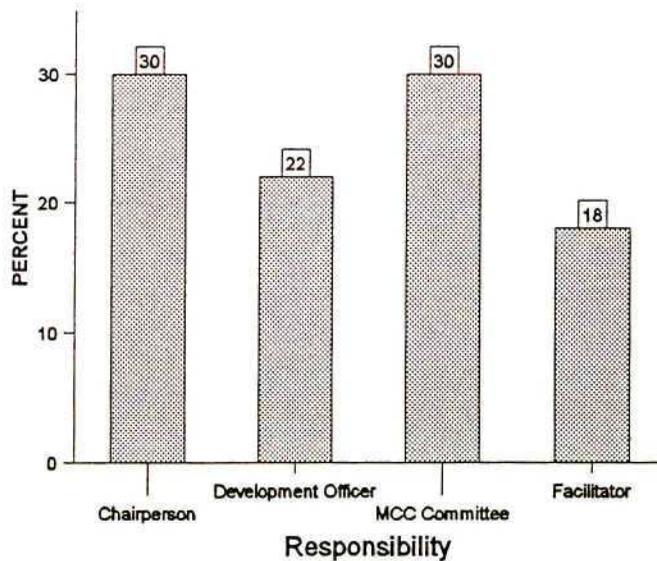


FIGURE 5-8. Responsibility to attend to MCC issues 1995

5.2.10 Perceptions of functions of the Mill Cane Committee Development Officers

In 1992 when the SGDT was launched, it was agreed by the SGDT Trustees that the MCCs should be assisted to enable them to employ Development Officers. The functions of the MCC Development Officers are outlined in Chapter 2. The SGDT Trustees agreed to pay the salary of Development Officers and the operating costs of the vehicle used by the MCC Development

Officers. The 12 MCCs who were involved in this study have employed Development Officers.

The MCC members were asked what they perceived as the most important functions of the MCC Development Officers.

The MCC members perceived the most important functions of the Development Officer to be the coordination of the MCC activities and advising growers. The Development Officer was perceived to provide linkages between growers and support service providers.

The MCC Development Officer was also assisting with management of the MCC finances, organising training programmes and taking minutes in meetings.

5.2.10.1 Perceptions of needs to improve performance of Development Officers

The success of the MCCs depends on Development Officers in the coordination of the MCC activities. The MCC members were asked to identify needs to improve performance of Development Officers. The relative importance of the four needs are indicated in Table 5-4. The single most important (52%) need identified by the MCC was training. The MCC members stated that Development Officers needed training in time management, financial management and in negotiating skills. This suggests that Development Officers were ineffective in certain aspects of their work. The less important (20%) needs were office equipment, such as computers and facsimile machines. The latter need arises because service providers would, for example, ask the MCC to fax an order for quick delivery of goods and services. There is a need to upgrade the offices of the MCCs with equipment which would enable them to communicate properly. The MCC members also expressed the need for supervision (16%) and for the payment of better salaries to the Development Officers (12%).

TABLE 5-4. MCC members perceptions of needs to improve performance of Development Officers 1995

Need	Respondents number	%
Training	71	52
Office equipment	27	20
Supervision	22	16
Better salary	16	12
TOTAL	136	100

* Each respondent was required to select the most important need.

It is evident (Table 5-4) that there is a need to develop a training programme which would improve the performance of Development Officers. It is suggested that Development Officers should be paid according to performance. This would require that each MCC should have a sub-committee which is responsible for managing the Development Officers. At present all the MCC members are managing the Development Officers. However, it is difficult for the MCCs to manage Development Officers because they lack experience in managing staff. It is therefore suggested that the SGDT should assist the MCC to develop a training and an incentive programme to empower the MCC in managing staff.

5.2.10.2 Methods of auditing Development Officers' work

The MCC members were asked how they were auditing the Development Officers' work. The single most important (60%) method of auditing was the written report back in the meetings attended by Development Officers. It is suggested that Development Officers should provide written reports in Zulu because the "majority of office bearers" do not understand English.. These reports may be used by the MCC members when reporting to the LFAs. The grower problems report was less important (20%) because this was undertaken by the Chairperson and the MCC members (Figure 5-8).

The MCC members (12%) also checked financial records. It should be noted that all the MCCs have Treasurers who are responsible for financial management. Treasurers were not trained to

do their work properly. Only eight percent of the MCC members were found to be auditing the Development Officers through field inspections, report on weed control and fertiliser applications. It is also suggested that Development Officers' work and Extension Officers' work needs to be clarified. Field inspections indicated that there was some overlap in their work.

TABLE 5-5. Methods of Auditing Development Officers' Work 1995

Method	Respondent Number	%
Report back in the meetings attended	82	60
Grower problems report	27	20
Checking of financial records	16	12
Field inspections report	11	8
TOTAL	136	100

* Each respondent was required to select the most important method.

It is evident (Table 5-5) that the methods of auditing Development Officers' work are inadequate and inappropriate. It is suggested that the MCCs should develop programmes which would assist them in auditing Development Officers' work.

5.2.10.3 Changes in the Mill Cane Committee after the employment of Development Officers

The MCC members were asked to identify change which has taken place after the employment of Development Officers. The most important change (49%) was improved effectiveness of the MCCs (Table 5-6). This implies that the MCC was able to write minutes, be paid on time and send the Development Officer to meet with support service organisations. The MCC members (21%) stated that implementation of the training programme on institutional building of the MCCs was beneficial. However, it was encouraging to note that a few respondents (18%) stated that communication between the MCC members and the LFAs had improved. This suggests that the importance of communication is acknowledged. A communication strategy for small-scale growers is urgently required. The Development Officers were able to resolve problems raised by the MCC members (12%) because of linkages with support services.

TABLE 5-6. Changes in the MCCs after the employment of Development Officers 1995

Changes	Respondents Number	%
Improved effectiveness of the MCC	67	49
Implementation of Training Programme	29	21
Improved Communication	24	18
Improved solution to problems	16	12
TOTAL	136	100

* Each respondent was required to select the most important change.

5.3 INTERACTION BETWEEN THE MILL CANE COMMITTEES AND THE LOCAL FARMERS' ASSOCIATIONS

5.3.1 Introduction

As noted in Chapter 2, individual growers organise themselves into LFAs. Each LFA elects two representatives annually to form a Mill Cane Committee (MCC). The MCC interacts "downwards" with the growers through the LFAs (Figure 5-1). Therefore if the LFAs fail to facilitate the work of the MCC, the MCC will not function effectively.

The role of the LFA is to direct the activities of small-scale growers at local level. The LFAs are responsible for ensuring that members are harvesting and transporting their sugar cane to the mill for crushing before the mill closes. Problems encountered in all aspects of sugar cane production are discussed at local level by the LFA before being raised at the MCC.

5.3.2 Number of growers per Local Farmers' Association

There is a relationship between number of members of an association and the efficiency of operation and effectiveness. Small associations are considered more efficient and effective. Bembridge (1987:100) concludes that where Extension Officers are very sparsely distributed and therefore cannot operate intensively with a large farming population, discussion groups can undoubtedly play an important role in providing relevant information to farmers.

From Figure 5-9 it is evident that the majority (72%) of the LFAs had 200 members or less. Only 28% had more than 200 members. This implies that most LFAs should be able to function effectively.

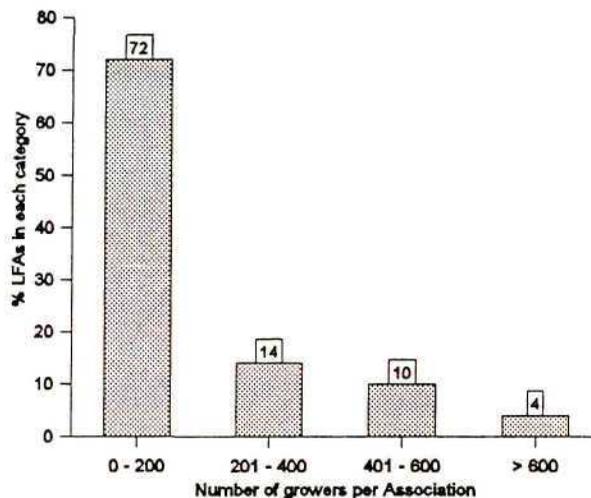


FIGURE 5-9. Numbers of growers in Local Farmers' Associations 1995. Data derived from all 136 MCC members

5.3.3 Perceptions of functions of the Local Farmers' Associations

The most commonly identified function was 'to unite members' (Table 5-7). When probed further it became clear that this reflects a sense of their ineffectiveness as a group within the industry. This understanding is reinforced by respondents identifying the resolutions of their problems as being an important function. This was followed by responses that suggest dissatisfaction with the scale of production which limits economic empowerment within the industry. The increase in cane production was linked, on further enquiry, to the acquisition of more land.

It was somewhat surprising, given the general poverty prevailing in these areas that increasing cane production (and hence income) was not considered the main priority. The explanation may lie in the residual effects of marginalisation, in that small-scale growers do not confidently anticipate that their land needs will be addressed.

The MCC members interviewed highlighted four functions as being important (Table 5-7). The overall impression created by these responses is that growers do not feel that they are empowered to ensure that their concerns are effectively addressed by the Sugar Industry.

TABLE 5-7 LFAs perceptions of their functions 1995

Function	Number of Respondents	%
Unite members	43	32
Resolve grower problems	33	24
Encourage increase in cane production	22	16
Provide access to cane growing	11	8
Do not know	27	21
TOTAL	136	100

* Each respondent was required to select the most important function.

These responses are not surprising. The small-scale growers have been marginalised in the Sugar Industry and in general they have been excluded from the economic mainstream (Chapter 2). Also, such changes as have occurred have been motivated by the Sugar Industry for the Sugar Industry and not for the growers (Chapter 2).

Small-scale growers have an average of land holding of 2.5 hectares yielding an average net income of R2000 per hectare per annum under rainfed sugar cane growing conditions. Since the average number of dependants per family in the sugar cane growing communities is eight (Sokhela 1990) and the minimum income per family to meet needs is R9960 per annum (Seneque, Smit, Maughan-Brown & Associates 1994) it is clear that many, if not most, small-scale growers supplement other sources of income by growing sugar cane. This means that small-scale growers mostly have to have other employment which takes them away from their homes.

Sokhela (1990) concluded that in areas where the transport situation was favourable for urban employment, such as around Pietermaritzburg and in the Durban area, 51% of small-scale growers do not farm the land themselves. These individuals contract out all sugar cane growing activities whilst they are employed elsewhere. This reduces the net return to approximately

R1000.00, a mere 5% of their annual minimum requirement. How committed and effective can they be under such circumstances?

It is striking that resolution of grower problems, which one might intuitively consider to lie at the heart of growers' interests, was less important than uniting members. This reinforces the view that members believe that their problems cannot be resolved unless they are united. Whilst this does signify the strong influence of marginalisation in the past it also illustrates that small-scale growers still feel marginalised in the Sugar Industry. Whereas in the past the strong urge for a "united front" might have been regarded as a threat to the prevailing political order nationally and within the Sugar Industry, it now represents an opportunity for a cost effective and efficient empowerment process. There is clearly a need for a programme to build the capacity of the LFAs because 20% of members (Table 5-7) did not know the functions of the LFAs. A more people-centred approach to empowerment is indicated.

5.3.3.1 Promoting membership of the Local Farmers' Associations

In the past, mills encouraged small-scale growers to plant sugar cane. The reason was that mills were operating below optimum capacity. The pace of development, and methods employed, to bring about sugar cane expansion in KwaZulu were, in most mill supply areas, set by the relevant milling company (Wiseman 1987).

The MCC members felt that the LFAs were promoted through giving members advice on cane sugar husbandry and in encouraging growers to work hard (Table 5-8). The LFAs were also facilitating establishment of community projects and training of growers. These perceptions of promoting membership reflected 64% downward functions and were all related to improving sugar cane production. The upward responses (24%) were representing growers in the MCC and holding meetings.

TABLE 5-8. MCC member's perceptions of promoting membership of the LFAs 1995

Function	Number of Respondents	%
Giving advice on cane husbandry	38	28
Encouraging grower to work hard	35	26
Representing growers in the MCC	20	15
Facilitate community projects	17	12
Training of growers	14	10
Holding meetings	12	9
TOTAL	136	100

* Each respondent was required to select the most important function.

Despite the small land holdings, low net returns and high level of 'absentee farming' through contracting, respondents felt the need for improving production. This on further enquiry included both increasing returns from existing land and increasing land holdings. The importance of the 'upward' function was acknowledged and was linked to the 'holding of meetings' although meetings *per se* were not generally regarded as important functions. Those who identified these as their most important functions did so because of their experience and greater understanding of the structures and functions of the industry.

5.3.3.2 Local Farmers' Associations perceptions of responsibility for increasing membership

The MCC members acknowledged a responsibility for promoting membership of LFAs because LFAs are promoting sugar cane operations on behalf of growers, but felt that this was more a responsibility of the Chairperson of the Association (Figure 5-10). Facilitators who are appointed and paid for by the LFAs are also considered to have a role. Surprisingly the MCC Development Officers employed by the MCCs, whose job it is to motivate growers to grow sugar cane profitably, were considered to be less important. There is a need to update and emphasize the job description of MCC development officers.

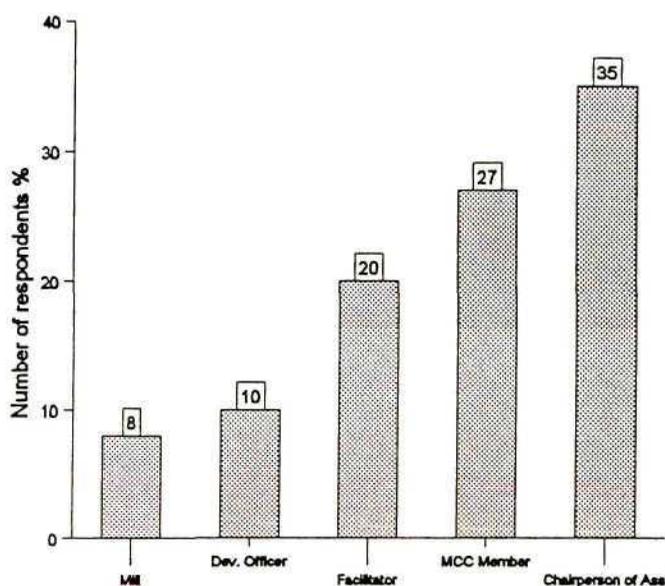


FIGURE 5-10. Local Farmers' Associations perceptions of responsibility for increasing membership 1995

5.3.3.3 Methods used by MCC members to promote membership of LFAs

The MCC members identified four methods which they used to promote membership of the LFAs. Many (42%) of the members explained the benefits of growing sugar cane (Table 5-9). The benefits mentioned were obtaining supplementary income from growing sugar cane, which could then be used for schooling; food and improving housing.

Meetings were also used to encourage growers to join the LFAs. Thirty two percent of the LFAs hold monthly meetings to discuss all aspects of sugar cane growing but mainly weed control, harvesting and transportation of sugar cane to the mill.

Field demonstrations were used by five per cent of members. They used their own sugar cane fields for these demonstrations. There is an opportunity to promote this method because it enables growers to see what can be achieved with proper management of sugar cane. The remainder of the members (10%) responded that they did not know the methods used to promote

membership. Clearly these members either do not see it as a function they should perform or they are unable to perform it. It would not be surprising if they may not be able to do so given the part-time nature of their farming, the low levels of income and the poor education of many members.

TABLE 5-9. Methods used by MCC members to promote membership of the LFAs 1995

Method	Number of Respondents	%
Explaining benefits of growing cane	57	42
Holding meetings	44	32
Visit growers	15	11
Field demonstrations	7	5
Do not know	13	10
TOTAL	136	100

* Each respondent was required to identify the most important method.

5.3.3.4 MCC members perceptions of the functions of the Grower facilitators

Grower's facilitators are grower representatives from each LFA who help to coordinate activities of the LFAs. They are the "contact persons" when a member has a problem. The facilitator's work is varied and takes up an average of about two days per week. Each LFA remunerates the grower facilitator on the basis of the number of members per Association. The current remuneration is R1,50 per member per month and where the number of members per Association is more than 600, the remuneration is fixed at R600,00 per month. Perceptions of MCC members of functions of grower facilitators are shown in Table 5-10.

Evident from MCC members' responses (Table 5-10) is that field inspection and advising growers were regarded as the most important functions. As these are typically functions of the extension service it raises the question of the effectiveness of extension services provided to small-scale growers. Growers evidently considered them as a *source* of expert advice rather than as the "*bridge*" to advice. Surprisingly, organisational matters were not

reflected in the perceived functions. Since this was the original intention for the grower facilitators, their current roles and functions need revision.

TABLE 5-10. MCC members' perceptions of the functions of grower facilitators 1995

Function	Number of Respondents	%
Field inspection (weeds)	55	40
Advising growers	41	30
Liaison with support services	24	18
Reporting grower complaints	16	12
TOTAL	136	100

* Each respondent was required to identify the most important function.

5.4 INTERACTION BETWEEN THE MILL CANE COMMITTEES AND THE LOCAL GROWER COUNCILS

5.4.1 Introduction

The LGCs are formed by representatives from Member Organisations in each mill area. A total of 24 representatives serve on the LGC. The MCCs generally have 12 representatives on the LGC, with small-scale growers and large-scale growers having equal representation. The LGC elects delegates to industrial committees at mill level and also to the Board of Directors of the SACGA. The LGC is the mouthpiece of all growers in each mill area, because its main function is communication and feedback to Member Organisations.

The LGCs were established in 1992. During the process of forming the LGCs the Malelane and Komati White grower representatives abstained from voting. The Pongola large-scale growers voted against the formation of the LGCs. However, since the majority of large-scale growers are in KwaZulu-Natal the decision to form the LGCs was taken. Even as recently as 1992 there was still a sector in the industry which sought to compartmentalize and perhaps even marginalise the black sector in the industry.

The LGC is a grower structure which brings Black and White growers together to discuss issues at a mill level. It is specifically aimed at ending the marginalisation of, and discrimination against, small-scale growers.

5.4.2 Mill Cane Committee members' perception of functions of the Local Growers Councils

The MCC members were asked to state the most important function of the LGCs. The relative importance of these functions is indicated by the number of responses in Table 5-11. The most commonly identified function (42%) was leadership. Leadership is a broad issue. On further questioning it emerged that it was not only limited to sugar cane matters but also included leadership among communities. Members who were affected by political unrest such as in Umzimkulu, Maidstone and Noodsberg stated that the LGC should assist them through participating in local peace committees. The LGCs did not participate because it was not a sugar cane related matter although sugar cane was burnt during unrest. The LGCs do not have a broad and people-centred view of their roles and responsibilities.

The Sugar Industry perspective is that coordination of grower activities and resolving problems should take place at a member organisation level and not at LGC level. The less-mentioned functions were coordination of grower activities (26%) and problem resolution (22%). The MCC members (10%) indicated that the LGC should give advice to member organisations. This is interpreted as advising the MCCs on the implications of "industry-wide" matters as they would affect small-scale growers.

Leadership has much to do with coordination, problem solving and advice. The LGCs should reconsider their roles and responsibilities as leaders.

TABLE 5-11. MCC members perceptions of the functions of the LGCs 1995

Function	Number of Respondents	%
Leadership	57	42
Coordination	35	26
Resolving Problems	30	22
Giving advice	14	10
TOTAL	136	100

* Each respondent was required to select the most important function.

The MCC members stated that the LGCs were not functioning effectively because their problems were not being resolved. The allegation was that when the MCC members raised a problem it was commonly referred back to the MCC because it was not policy related. This has caused suspicion among small-scale growers who perceive that LGCs were created for unstated political reasons. The LGCs and member organisations should also review, define and separate their functions, especially in respect of coordination and resolving problems.

5.4.3 Mill Cane Committee members expectations from the Local Grower Councils

The MCC members were asked what they expected from the LGCs. The relative importance of expectations is indicated by number of responses shown in Table 5-12. It was interesting to note that communication about the Sugar Industry issues (44%) was the most important expectation. It was further elucidated that communication between the LGCs and member organisations is either very poor or it is not effective. A number of factors contribute to this:

- low education levels (5.2.3)
- little experience of the industry (5.2.4, 5.2.5)
- confusion in roles and responsibilities (5.2.9.1)
- complexities of the industry of which people are poorly informed (5.4.2).

TABLE 5-12. MCC members' expectations from the LGCs 1995

Expectation	Number of Respondents	%
Communication	60	44
Negotiation	30	22
Developing policies	24	18
Resolving problems	22	16
TOTAL	136	100

* Each respondent was required to select the most important expectation.

The problem has as much to do with poor levels of training in communication as it has to do with knowing what to communicate. Knowledge development is critically important. There are no formal efforts to enhance the capacity of members in respect of their general knowledge of the industry and their skills to communicate effectively. Some MCC members (22%) regarded negotiation as the most important expectation. This reinforces the observation that small-scale growers feel weak within the industry. They attribute a part of this weakness to the Sugar Industry's failure to negotiate at mill level. The expectation of policy development indicates a feeling of uncertainty about these roles and functions and the need to resolve problems (16%).

The LGCs are responsible for developing new policies to serve the best interest of their members in a mill area. Rather surprisingly only 18% of members declared this as important. This may reflect a sense of being powerless or simply that they are unfamiliar with policy and its relevance, and are not able to contribute.

The industry does not operate in a policy vacuum. Policy issues will be increasingly important given the changes in South Africa and the Sugar Industry. If the LGC members are not able to contribute effectively and constructively they will lose legitimacy amongst the growers. This will require that members integrate their efforts within the industry into the broader initiatives affecting their lives such as the Reconstruction and Development Programme (RDP), Spatial Development Initiative (SDI) and the Growth, Equity and Redistribution (GEAR). The need for the Industry to take a broader view is evident.

5.4.3.1 Problems encountered by the Mill Cane Committee representatives on the Local Grower Councils

Members were asked to identify problems which they encountered on the LGCs. The relative importance of problems is highlighted in Table 5-13. The single most recognized (59%) problem was a lack of clear policy of the LGCs. In other words, the LGCs did not have a policy or at least one that was understood to be relevant to the small-scale sector. The local grower council members were prejudiced and did not want to commit themselves to a policy.

The MCC members mentioned low educational levels (21%) as a problem because the LGC meetings were held in English. The MCC members stated that the LGCs were unable to resolve their problems because they were operating under different circumstances. Poor attendance at meetings was regarded as a problem (10%) because large-scale growers did not attend these meetings and regarded such meetings as a waste of time. This suggests a lack of real commitment to addressing the problems experienced by the small-scale growers.

TABLE 5-13. Problems encountered by the MCC representatives in the LGCs 1995

Problems	Number of Respondents	%
Lack of clear policy	79	59
Low educational levels	29	21
Unable to resolve problems	14	10
Poor meeting attendance	14	10
TOTAL	136	100

* Each respondent was required to select the most important problem.

5.5 INTERACTION BETWEEN THE MILL CANE COMMITTEES AND OTHER SERVICE PROVIDERS

5.5.1 Introduction

In the Sugar Industry small-scale grower development is supported by financial, extension, cane contracting and training services. The overall effectiveness of these services depends on the

targeting and the quality of the services; the integration and coordination of the services of the organisations and individuals who are providing them.

The MCC members were questioned on their perceptions and expectations, the problems encountered and the need to resolve these problems.

5.5.2 Support services from the South African Sugar Association

The SASA provides financial and training services to small-scale growers.

5.5.2.1 Financial services

The Small-Scale Growers Financial Aid Fund (FAF) was established in 1973 to assist small-scale growers with loans to establish sugar cane. The FAF has been a source of credit available to small-scale growers who are otherwise unable to access credit due to lack of collateral/security. The FAF has been using the sugar cane crop as security for the repayment of loans.

The Sugar Industry objectives concerning the FAF are to ensure the continued availability of finance to small-scale growers on a viable basis; to increase small-scale grower involvement in the operation of the FAF; and to reduce the Sugar Industry's exposure to banking risks.

The most important stages in providing a FAF loan to small-scale growers are outlined in Figure 5-11. It is important to note that grower registration is regulated by the Sugar Industry rules. As a consequence grower registration (Stage 1) depends on whether the mill can crush the sugar cane. The small-scale grower has to follow all the stages until repayments are completed (Stage 10). If there are defaults, the FAF management negotiates with a grower on how to repay the loan.

5.5.2.1.1 Perceptions about financial services

The MCC members were asked their perceptions about the functioning of the FAF. Most of the respondents stated that they encountered problems when requiring financial services from the FAF (Table 5-14). The most common perception (36%) was that the FAF was charging high interest rates. It was established subsequently that the FAF interest rate was not high compared with other rural financing institutions, for example KwaZulu Finance and Investment Corporation. This suggests that small-scale growers are not producing enough sugar cane to service their loans. In essence overhead costs on such small production units are high relative to returns. The FAF redemption rates of 25% on the gross income from sugar cane were low. As a consequence small-scale growers were repaying loans on average within six years despite the poor economies of scale. Their view on interest rates probably also reflects a feeling that they should have access to subsidised loans as has been common practice in "white" agriculture.

Two issues emerge from this analysis. The economies of scale disadvantage small-scale farmers and the level of understanding of credit and loan agreements is poor. This causes farmers to feel they are receiving poor financial advice. The MCC respondents (32%) stated that small-scale growers had difficulty in accessing the FAF loans because of old age. The current rule of the FAF is that all growers who are more than 60 years of age need to sign an age declaration which requires somebody to sign as surety thereby assuming liability in the event of death of a borrower.

Twenty seven respondents did not experience problems. This was not surprising because about 20% of members have more than 5 years' of service on MCCs and therefore have a better understanding of the financing of sugar cane development.

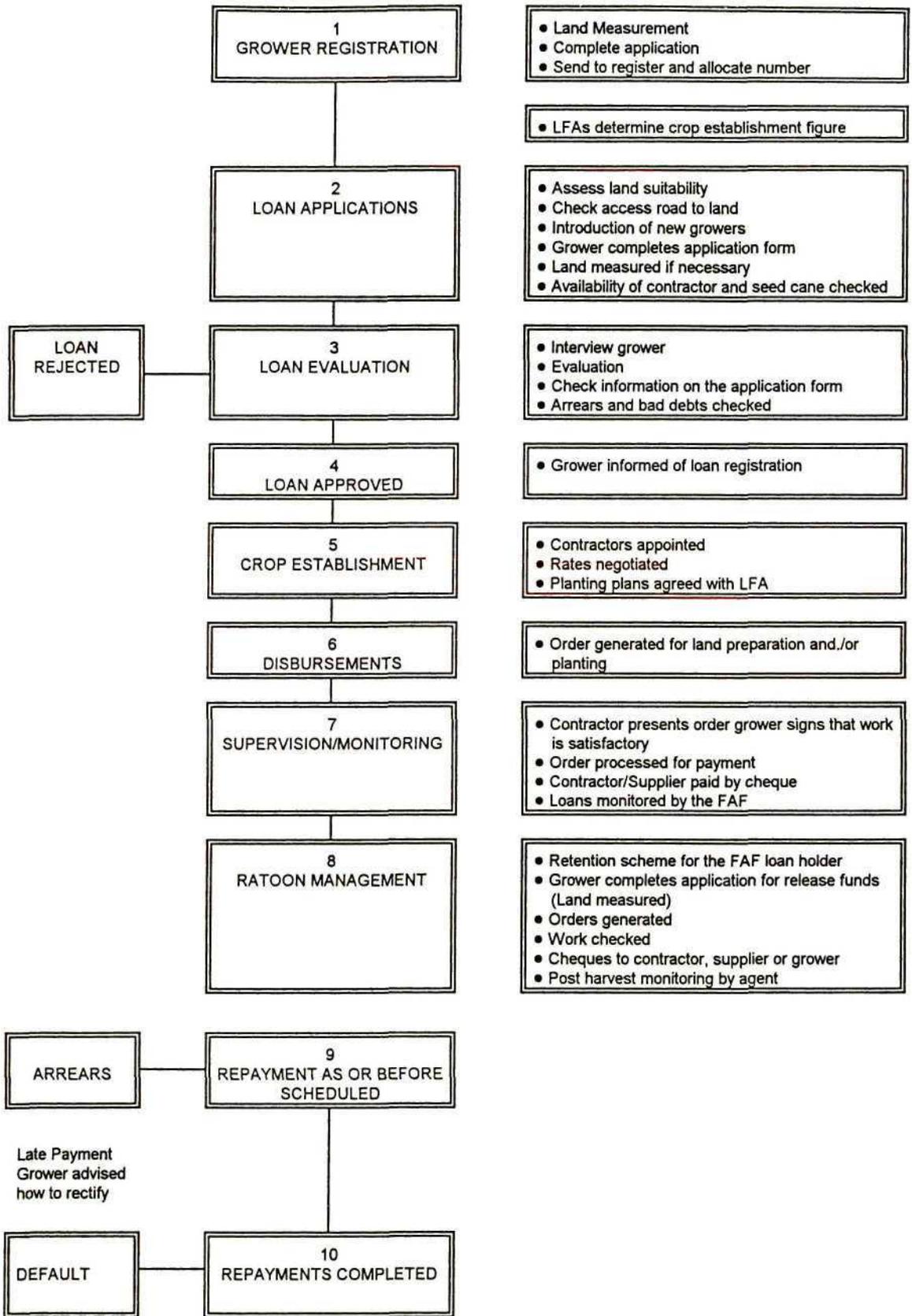


FIGURE 5-11. Stages in the granting and repayment of a FAF loan to small-scale growers 1995

TABLE 5-14. MCC members perceptions of the problems encountered when requiring financial services for growing sugar cane 1995

Problem	Number of Respondents	%
High interest rate	49	36
Limited access (old age)	43	32
Poor financial advice	11	8
Delays in obtaining loans	6	4
Do not encounter problems	27	20
TOTAL	136	100

* Each respondent was required to select the most important problem.

Personal observation suggests small-scale growers who borrow money from the FAF are middle-aged people. Since it is not always easy for them to get someone to provide surety because of both the generally low levels of rural economies and because they don't "own" the land it is obviously important to investigate alternatives to allow them easier access to the FAF.

The overall impression of the MCC respondents was that the FAF was not adequately meeting the needs of small-scale growers.

5.5.2.1.2 Perceived solutions

The MCC respondents (30%) stated that the MCCs should control funds (Table 5-15). Current levels of education and work experience are less than what would be required for proper management of a financial aid fund. They felt that if the MCC was controlling funds it would be easier to grant loans for sugar cane growing, especially to old growers. Life cover insurance for borrowers which ensures repayment of the loan in the event of death might be a way of overcoming this if a premium advantage could be negotiated. Although small-scale growers view the old age rule limiting access to the FAF as discriminatory, it was found that commercial banks regard people who are over 55 years of age as a high risk.

Some MCC respondents (28%) wanted the government to subsidise loans to reduce interest

rates. Small-scale growers expected the new Government to subsidise farmers as was the case during the apartheid period. The Strauss Commission Report (1996) concluded that the government should not have a general subsidy contribution which may build in inefficiencies. Preferential interest rates are therefore, unlikely to be made available. Interesting to note is that collateral security provided by having title to land was not perceived to be an important solution. This is probably because loans from the FAF do not require collateral. A few respondents (15%) suggested that the government should establish other financial organisations to compete with the FAF.

TABLE 5-15. MCC members perceptions of the solutions to financial problems 1995

Solutions	Number of Respondents	%
The MCCs control funds	41	30
Government subsidise loans	38	28
Establish other financial organisations	20	15
Growers get title deeds	10	7
Do not encounter problems	27	20
TOTAL	136	100

* Each respondent was required to select the most important solution.

5.5.2.1.3 The FAF retention system

When a small-scale grower has harvested the sugar cane and had it crushed at the mill (Stage 8, Figure 5-11), the FAF retains money for ratoon management, particularly weed control and fertiliser application. The deduction is calculated per tonne of sugar cane delivered to the mill, and varies from area to area. This system of retaining money for ratoon management is called a retention system.

The retention system administered by the FAF is compulsory for all the FAF borrowers. It was established to ensure that small-scale growers have adequate funds to purchase fertiliser and weedicides necessary for good cane husbandry.

Almost half of the respondents (48%) encountered problems when acquiring sugar cane growing inputs (Table 5-16). They stated that they could not order inputs timeously and directly from the suppliers and as a consequence, the supply of inputs such as fertiliser and weedicides was delayed. The retention system was perceived by the MCC members as a way of securing the FAF loans. Some MCC respondents (11%) stated that transport was not available to deliver inputs. Even when funds are available, small purchases of inputs are either expensive to deliver or have to wait to be combined with others.

TABLE 5-16. Problems encountered when acquiring inputs for growing sugar cane 1995

Problem	Number of Respondents	%
No direct orders of inputs	65	48
Lack of transport	15	11
Fertiliser Expensive	7	5
Did not encounter problems	49	36
TOTAL	136	100

* Each respondent was required to select the most important problem.

It was noteworthy that 36% of the MCC members did not encounter problems. About 45% of the MCC members have more than ten years' experience of growing sugar cane (Figure 5-6). These growers have probably developed ways of overcoming the acquisition of inputs and transport, managing cash flows due to small land sizes. MCC members commented that a co-operative was needed to solve their problems.

5.5.2.1.4 The Sugar Industry cane payment system

The stages of sugar cane payment system are shown in Figure 5-12. The total time from harvest to receiving a cheque is 49 days if there are no delays between stages one and two. The estimated number of days varies from mill to mill. At stage 3 the mill produces a sucrose content statement which indicates the number of tonnes crushed and the sucrose content of the cane. At stage 4 the mill prepares cane payment and also deducts loans, levies and cessions signed

by a grower.

At stage 5 some mills send the money to the small-scale growers bank account. The banks are not located in rural areas and this further delays access to the money. Receipt of cheques by post is problematic particularly during the school holidays as some small-scale growers utilise school addresses as their postal address.

Stages		Estimated Days
1	grower sends sugar cane to the mill	1
2	Mill crushes the sugar cane	1
3	Mill produces a sucrose test	14
4	Mill prepares payment	14
5	Grower gets paid - cheque posted	14
6	Grower received the cheque	5

FIGURE 5-12. Stages of sugar cane payment system - 1995

In the Sugar Industry all growers receive payment for their cane proceeds 49 days from the day their sugar cane was delivered to the mill. This means that growers do not receive the funds to buy fertiliser and weedicide sooner than 49 days. The system was designed with large-scale growers who have a 90 day credit facility with their agricultural cooperatives in mind. There is a clear need to introduce a system which suits the needs of small-scale growers.

Two suggestions to improve the sugar cane payment system are proposed. The first is that small-scale growers' sugar cane is bought whilst standing on the field. This requires a procedure for estimating field size accurately and sucrose content on the field whilst the sugar cane is still standing or after it has been cut. This will enable the mill to immediately prepare payment; a saving of 16 days. Small-scale growers would purchase inputs about two weeks earlier than they

can now. An efficient option for getting cut cane to the mill would be essential.

The second suggestion is to pay the growers at Stage 3 (Figure 5-12). The mill would be taking a risk at this stage because firstly the price of sucrose is decided at the end of the month, and secondly the mill may not have a record of the monies which are to be deducted from the grower. This risk might be minimized by paying the grower 50% of their sugar cane proceeds or providing access to credit equivalent for the balance immediately the mill has received statements on actual tonnes of sugar cane crushed and its sucrose content.

5.5.2.2 Training services from the South African Sugar Association

Small-scale growers receive training services, especially on cane husbandry, from the SASEX. Surprisingly in 1990 “small growers were not aware of the Experiment Station as an organisation operating within the Sugar Industry” (Quantum Research 1990:136).

5.5.2.2.1 Perception about training services

The MCC members were asked their expectations of training services from the SASEX. Most respondents (62%) expected the SASEX to provide training courses on sugar cane management (Table 5-17), indicating a need to improve sugar cane production. MCC members (30%) wanted advice on usage of weedicides. This suggests that the small-scale growers perceive the opportunity costs associated with manual labour for weeding to be high. Only eight percent of the respondents wanted the SASEX to analyse soil samples. This is not surprising because the small-scale growers are told by mills what fertiliser to apply to improve their sugar cane production. This approach does not encourage growers to understand soil fertility. It promotes dependency.

TABLE 5-17. MCC members expectations from the Sugar Association Experiment Station 1995

Expectation	Number of Respondents	%
Sugar cane management training	84	62
Usage of weedicide	41	30
Analysis of soil samples	11	8
TOTAL	136	100

* Each respondent was required to select the most important expectation.

5.5.2.2.2 Perceptions of needs to meet expectations

The MCC members were asked their needs to meet their training expectations. Almost all respondents (90%) stated that the SASEX should visit the MCCs at least every three months to discuss training needs with them and to plan delivery of training. Some respondents (10%) stated that the SASEX training officers and the MCC Development Officers should develop a closer work relationship. The inadequate level of coordination is costly and leads to confusion amongst growers.

It is evident that small-scale farmers do not feel they are receiving the training they need. This applies to both content and mode of delivery. Clearly the SASEX should revise and restructure its training programme.

5.5.3 Sugar Cane Contracting Services

5.5.3.1 Introduction

The stages of sugar cane contracting are illustrated in Figure 5-13. Many small-scale growers contract out activities in the cultivation and delivery of cane to the mill. This is because the growers cannot afford costly capital equipment and cannot justify the purchase thereof. Also as part-time farmers they are commonly away from home for extended periods and are not able to

allocate the time required to complete activities timeously. The ploughing (Stage 2) is usually done by cane contractors and/or mills. Some growers plant, fertilise and weed the sugar cane themselves. When the crop is ready for cutting the grower informs the LFAs to incorporate the sugar cane into the cane estimates for the year. All the estimates are then sent to the Mill Group Board which is responsible for the opening and closing of the mill. The Mill Group Board also decides upon the rateable deliveries of cane (Stage 5).

The Mill Group Board is a committee of eight members. It comprises of six grower representatives and two mill representatives. The MCCs are represented on the Mill Group Boards but they are not effective because of the small tonnage of sugar cane delivered by the small-scale growers.

When the LFAs have been informed about rateable deliveries they plan a cutting sequence, following which cane contractors are arranged and labour is organised (Stage 6).

From Stage 7 to Stage 11 (Figure 5-13) the grower has little control of his/her sugar cane until he/she gets payment. Control is regained at stage 12 when fertilising and weeding of the crop is required.

5.5.3.2 Small-scale cane contractors

There are currently between 600 and 1 200 small-scale cane contractors operating in the Sugar Industry. The number is difficult to estimate because of the informal character of many of these enterprises. The estimated gross income earned by contractors is R35 million annually. The operations carried out by contractors on behalf of small growers are land preparation, weed control, harvesting and transporting of sugar cane. More than 80% of contractors are involved with the harvesting and transporting of cane from the field to the

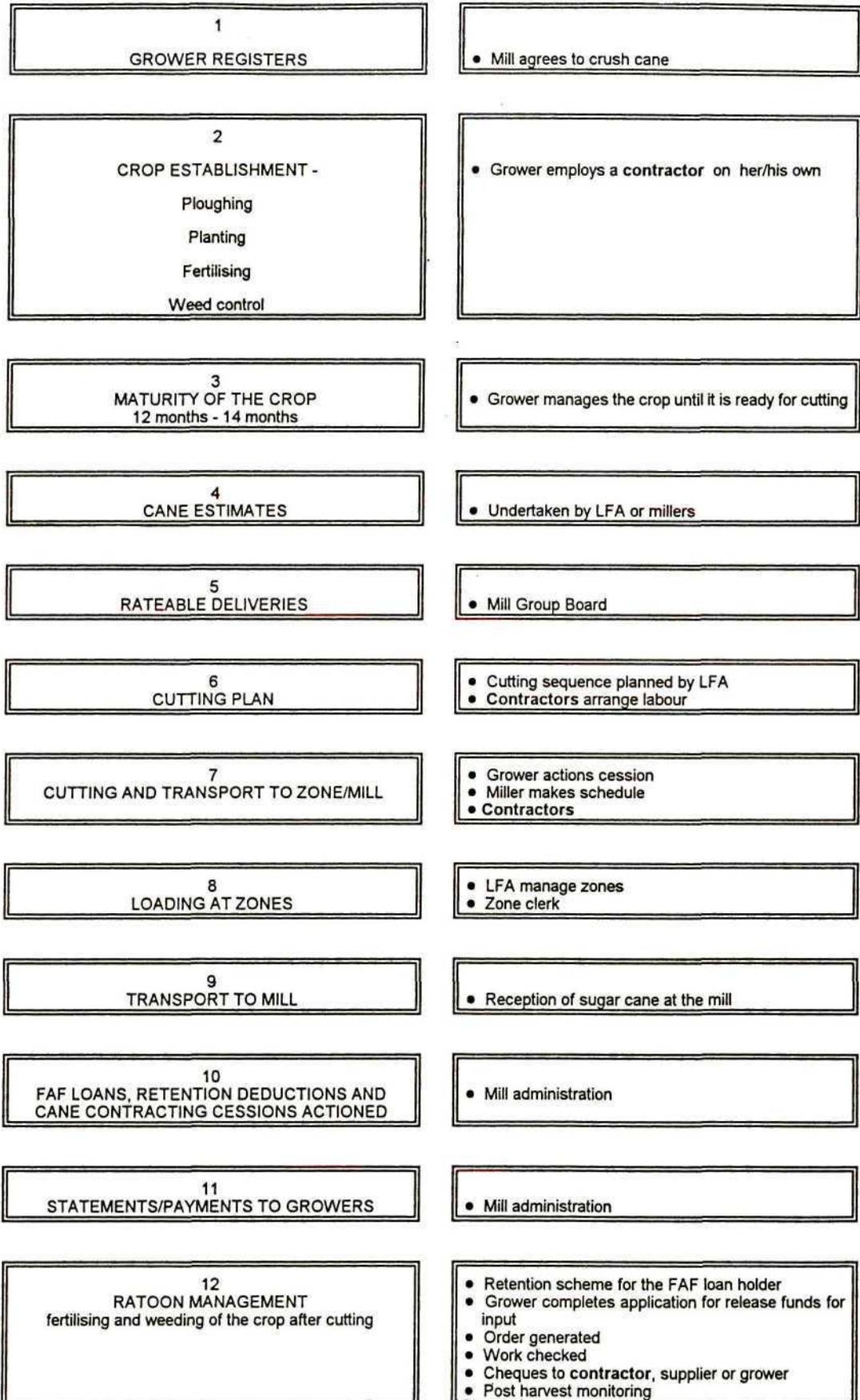


FIGURE 5-13. Stages of sugar cane contracting services to small-scale growers 1995

loading zone. On average a contractor harvests and transports less than 2 500 tonnes of cane per annum which is far below the estimated target of 7 000 tonnes of cane per annum to make a contracting business viable.

Based on experience of large-scale growers, the target for land preparation should be about 100 hectares per annum. As most contractors plough on average less than 20 hectares per annum they would either have to engage other activities to optimise use of equipment or they would struggle to remain viable.

Since most contractors in the small grower sector neither plough nor transport sufficient cane their enterprises are marginal. This is aggravated further by the seasonal nature of the work. The large-scale growers have formed the Umzimkhulu Co-operative which transports sugar cane from zones to the mill. By contrast the small-scale growers have no such cooperative. The small-scale contractors have been excluded from contracting to large-scale growers by the big transport companies.

Cane contractors can and do play an important role in the economic and social development of cane growing communities. Any improvement in the efficiency of the contractors, will have a multiplier effect on the communities they serve.

Development and training of contractors in the mainstream of cane growing is central to successful small grower development and entrepreneurship of Blacks in agriculture and agribusiness. The SGDT has developed training courses and provided finance for training of contractors in tractor maintenance/repair and business skills courses. There is a lack of integration and co-ordination with FAF, SASEX and SGDT.

5.5.3.2.1 Perceptions about small-scale cane contractors

The MCC members were asked their perceptions about small-scale cane contracting services.

Most respondents (75%) stated that they encountered problems (Table 5-18). Growers were experiencing costly delays in the transportation of their cane from fields to loading zones. The single most important problem was unreliability. That contractors are unreliable is not surprising. Evidence shows that their operations are marginal. Half of the respondents (50%) stated that small-scale cane contractors were not trained to do their work. As a result their work was poorly managed whilst high costs were charged for operations.

TABLE 5-18. Problems encountered by small-scale growers in small-scale cane contracting services 1995

Problems	Number of Respondents	%
Unreliable contracting work	68	50
Untrained contractors	14	10
Poor management	12	9
Charging high costs	8	6
Do not encounter problems	34	25
TOTAL	136	100

* Each respondent was required to select the most important problem.

Small-scale cane contracting operations are perceived to be poorly managed and the contractors do not have the necessary technical skills and understanding. Respondents perceived contributing factors to be limited access to facilities and support services, especially access to finance.

Small-scale cane contractors are not organised into a Cane Contractors Association. As a result the communication within small-scale cane contractors is poor and they are not able to optimise their operations or lobby effectively. With too many contractors competing for work, communication is not always constructive. Deaths have occurred as a consequence of competition. Furthermore small-scale cane contractors are working in an environment which is not always conducive to promoting efficiency in cane contracting services, especially the poor road conditions and communication in rural areas.

5.5.3.2.2 Perception of needs to solve problems

The MCC members were asked what they considered was necessary to solve cane contracting problems. Most respondents stated that small-scale contractors need to form a Cane Contractors Association, perhaps even a cooperative, in each mill area. The fact that they did not see immediate value in an Association for the whole industry was surprising as industry-wide bargaining would seem to be important for their development. Some respondents stated that cane contractors needed financial assistance to run their businesses. The perceived solution, an Association, was somewhat simplistic given the complexity of the problem. It is however, an important first step. It may be a model arising from their experiences with 'Taxi Associations', which provide the principal mode of transport for rural people.

5.5.3.2.3 Training needs of small-scale cane contractors

The MCC members were asked to identify the training needs of small-scale contractors. Approximately half of the respondents (49%) stated that small-scale cane contractors need training in sugar cane husbandry (Table 5-19). This indicates that growers felt that the contractors were not carrying out the cutting, fertilising and weed control operations efficiently. The anomalous situation where the contractor is paid for cane cut and delivered and the land owner is paid for sucrose is relevant here. The contractors interest is in quantity whereas the land owners interest is quality.

Some respondents (24%) suggested that cane contractors need to be trained on business skills courses. This was recommended because it would enable contractors to understand their cane contracting business and thereby deliver a better service. Twenty two percent of the MCC respondents stated that training on tractor maintenance and labour management were important. This suggests the small-scale growers experience problems with contractors when equipment breaks down. The delays in effecting repairs are costly to the small grower, especially if the cane has been cut as quality deteriorates rapidly.

It is evident from these responses that the small-scale contracting sector is poorly organised, structured and supported. A much more integrated approach is required if these contractors are to develop sustainable enterprises which service the small-scale growers and the mills effectively. Indeed the contractors are often the growers and they need to be envisaged as such, rather than as providers of contracting services. The SGDT should assist with the formation of a Cane Contractors Association with branches in each mill area.

TABLE 5-19. Training courses recommended for Cane Contractors 1995

Course	Number of Respondents	%
Sugar cane husbandry	66	49
Business skills	33	24
Tractor maintenance	16	12
Labour Management	14	10
Not sure	7	5
TOTAL	136	100

* Each respondent was required to select the most important course.

5.5.4 Extension Services

5.5.4.1 Introduction

Extension services to small-scale growers are provided by the Government free of charge. All large-scale growers pay for extension services provided by the SASEX. Payment is by means of a levy charged per tonne of sugar cane delivered to the mill. The extension service cost element in the levy in respect of each area is controlled by the SASA. Thereby it includes all directly attributable costs related to the employment of the extension personnel.

The main reason for establishing the SASEX in 1925 was to import, test and release varieties of cane suited to local conditions. The role of the SASEX regarding small-scale grower development was outlined in Chapter 2. Sokhela (1993) suggested that the SASEX should open its doors to all growers in the Sugar Industry. Furthermore, the Government sugar cane specialists

should be seconded to the SASEX and research conducted at the SASEX should be aimed at all growers.

From 1980 to 1995 small growers were served by one SASEX Extension Officer in the KwaZulu-Natal province. The role of the Extension Officer from the SASEX was to ensure that government sugar cane specialists were implementing programmes planned with the MCCs. This implied that they were also coordinating the services of the organisations involved in small grower development.

5.5.4.2 Perception about extension services

Extension services provided by the government to small-scale growers were considered to be ineffective. A disturbingly large proportion (57%) of respondents said they were unaware of the government extension service. Some respondents (32%) stated that Extension Officers were not available to assist small-scale growers (Table 5-20) and 11% perceived Extension Officers as unreliable because they did not visit small-scale growers. They were also seen to be representing the interest of mills.

5.5.4.3 Perception of needs to solve problems

"Because of poor and inadequate extension service, progress in agricultural development amongst the rural Black people has been very disappointing. Expectations of farmers are not being met and they are frustrated by lack of programmes which address their needs (Breen, Ngidi, Sokhela 1996: 1).

TABLE 5-20. Problems encountered when requiring extension services 1995

Problem	Number of Respondents	%
Unavailability of Extension Officers	43	32
Lack of visits to growers	8	6
Unreliable Extension Officers	4	3
Representing millers interests	3	2
Not aware	78	57
TOTAL	136	100

* Each respondent was required to select the most important problem.

The MCC members were asked their perceived needs to solve problems related to the extension services. Almost all the respondents stated that extension services should be 'community driven'. Their perceptions of the advantages of 'community driven' extension services are shown in Table 5-21.

The most important (52% of respondents) advantage of 'community driven' extension services was considered to be that the community would manage the service itself. This indicates that the MCC members feel marginalised in the present system and want to participate in designing and implementing extension programmes. Some respondents (31%) stated that 'community driven' extension services would assist in building the management capacity of the community. This reinforces earlier findings in this research which showed that people in the small grower sector are poorly educated, have limited experience and are acutely conscious of the need for self improvement. It also adds weight to the suggestion that a much more people centred approach than has been the case until now is urgently required.

According to Sokhela (1995) extension workers have a responsibility to the department which employs them, but also to the farmers who they serve. In many areas there is little accountability to the farmers, and where there is poor departmental supervision, Extension Officers are hardly accountable to anyone for their day to day activities and/or for the results of their work. The

stated desire that growers should control extension is an expression of need for Extension Officers to be accountable to growers.

TABLE 5-21. Perceptions of advantages of 'community driven' extension services 1995

Advantage	Number of Respondents	%
Community manages the service	71	52
Increases management capacity of community	42	31
Extension programmes involve community	23	17
TOTAL	136	100

* Each respondent was required to select the most important advantage.

5.5.5 Support Services from the South African Cane Growers' Association

5.5.5.1 Introduction

The SACGA mission statement is to represent the best interests of all independent growers in the Sugar Industry (Chapter 2). The SACGA has not been directly involved in representing the interests of small-scale growers in the Sugar Industry. The writer was employed by the SACGA in 1989 as a liaison officer between small-scale growers and the SACGA, prior to which, the interests of small-scale growers were little known or neglected. The KCGA was incorporated as an affiliated member of the SACGA in 1986.

Large-scale grower interests were catered for by the SACGA Association. "In 1968 the SACGA employed a second Agricultural Economist to expand the economic liaison service" (SACGA 1977:333). Currently there are six agricultural economists serving the interests of 2 000 large-scale growers.

In 1995 small-scale growers asked for further assistance and three grower Development Officers were employed in 1996 to serve the interests of more than 40 000 small-scale growers.

The overall importance of this background information is that small-scale growers interests were inadequately served by their mother body i.e. the SACGA. The perception which existed amongst small-scale growers was that the SACGA was not interested in their well-being because it was controlled by "White" large-scale growers.

As mentioned in Chapter 2, the SACGA made changes in representation structures. The one tonne one vote was changed to a regional representation system in which the LGCs were formed in each mill area. The structure of the LGCs has changed the perception of small-scale growers that SCGA is dominated by White large-scale growers. However, although it is true that the SACGA is dominated by large-scale growers, it is possible for small-scale growers to voice their opinions in the Board of the SACGA which has a 50% representation from small-scale grower Member Organisations.

The establishment of the SGDT opened the doors for small-scale growers to access support services from the SACGA. The SACGA uses the SGDT to provide support services to small-scale growers by financing the MCC representation structures and training programmes.

In 1989 the writer arranged meetings with MCCs in the Sugar Industry to discuss their training needs. Identified needs were summarised into five categories.

The first category indicated inadequate training. Small-scale growers identified a training need in sugar cane husbandry including land preparation, harvesting, weed control and fertilizer applications. They perceived that training in sugar cane husbandry would improve their sugar cane production per hectare and consequently their net return.

TABLE 5-22. Training needs of the MCC identified in 1989

Category	Need
1	Training in sugar cane husbandry
2	Lack of communication with small-scale growers
3	Conflict of objectives
4	Lack of understanding of Sugar Industry
5	Low sugar cane productivity

The second category stemmed from a perceived lack of communication among the small cane growers themselves, and between them and the SACGA and other support services providers. Small-scale growers wanted to be trained on how to improve communication. They wanted to create effective grower structures which would promote communication. Better organisation and communication would evoke them to be more of a force in the industry.

The third category reflected a conflict of objectives in sugar cane growing. Small-scale growers stated that there were too many organisations involved in small grower development. Many of which were perceived as profit making operations. The mills were perceived to be interested in sugar cane supply only, in order to make more milling profit. Similarly the suppliers of fertilizer and weedicide were interested in selling more goods to make profit. The small-scale growers stated that the organisations who were assisting them were not interested in developing them as growers. Small-scale growers expressed the need to be informed of the involvement of each organisation and how to obtain assistance from such organisations with a view to optimising their situation.

The fourth category reflected a lack of understanding of the Sugar Industry in that the small-scale growers were not familiar with operations and functions of the Sugar Industry. A reason was that small-scale growers only gained representation in the SACGA in 1986. They had only three representatives in the SACGA, with a constituency of about 40 000 small-scale growers.

The fifth category was related to low productivity. Small-scale growers stated that on average

they were producing about 30 tonnes per hectare of sugar cane compared to some large-scale growers who were producing 58 tonnes per hectare of sugar cane. Small-scale growers considered the reasons for low productivity to be related to a lack of training in sugar cane husbandry. The small-scale growers stated that the Sugar Industry operations and functions discriminated against small-scale farmers. Large-scale farmers benefited to a greater degree than small-scale farmers.

In response to the dissatisfaction and unhappiness that had arisen amongst the small-scale growers, exploratory research was commissioned in February 1990 by the SASA. Quantum Research undertook a study in October 1990. It concluded that "there are large levels of ignorance among small-scale growers. The end result is the feeling of exploitation and negative perceptions of the Sugar Industry".

In 1990 the South African Sugar Cane Grower's Association received a generous grant from the United States Agency for Development (USAID). This was used to fund training programmes in four MCCs, namely; Amatikulu, Felixton, Sezela and Entumeni.

A training programme was specifically developed to meet the needs of small-scale grower organisations. The content of the training programme was developed by Smith Training and Development Associates (STRADA). It dealt with practical communication skills, meeting procedures, committee functions, objective setting, problem solving, case preparation and presentation, negotiating, planning, organising and executing action plans, financial control, financial possibilities in cane growing as well as the structure of the Sugar Industry.

The SGDT was formed in 1992 to assist with the financing of small grower training. It commissioned an evaluation of the training programme in institutional development for small-scale growers at Amatikulu, Entumeni, Felixton and Sezela. According to Vaughan, (1992:19) "in terms of the perception of the course participants, the courses offered more than what was expected. However, there are aspects of the course which call for comment. The course material does not,

perhaps, take sufficient cognisance of two dimensions of the material conditions of small-scale growers. The first is the interface with the miller, which generally speaking, is fraught with tension. The second is the broader reality of an as yet virtually untransformed apartheid system.

“The training offered in the course was basically of the consciousness-raising type. There is no doubt that it would benefit people in other areas, and at other levels of grower organisations. It should be followed up with training of a more technical sort, to empower small-scale growers in the spheres of production and management. Growers themselves will want to decide on the nature and orientation of such training” Vaughan (1992:20).

The SGDT Trustees took a decision that all the MCCs and the LFAs should attend the institutional development training programme.

The intention of the following section is to introduce the institutional development training programme for small-scale growers financed by the SGDT. This is followed by an analysis of the perceptions of the MCC members of the training programme.

The structure and nature of the training programme was designed to suit the needs of the MCCs and the LFAs. The contents of the training programme included the following:

- the importance of sugar cane for rural development
- financial possibilities in sugar cane growing
- structure of the Sugar Industry
- committee organisation
- types of committees
- how committee members are appointed
- responsibilities of Office Bearers
 - Chairperson
 - Secretary

- Treasurer
- Financial Controls
- Committee Members
- Representation on other committees
- Meetings
 - Types of meetings and when to hold them
 - Preparation for meetings
 - Meetings procedure
 - Decision making
 - Delegation of responsibilities
 - Communication
 - The communication process and principles
 - Organisational communication
 - Communication skills for representatives i.e. active listening
 - Note making
 - Writing reports and letters
 - Public speaking
 - Communication with growers
 - Knowing your audience
 - Communication, adoption and spread of improved practices
 - How to prepare project proposals and request assistance
 - Negotiating agreements
 - Conflict management
 - Dealing with members complaints
- Motivation and behaviour
- Programme planning
- Assessing the situation
 - Fact collection
 - Needs and priorities

- Goals and objectives
- Problem solving
- Plan of work
- Implementation of plans
 - Reinforcement
 - Control
 - Coordination

“The major goal of the training programme was to enable small-scale growers to participate fully in running their own affairs by strengthening institutions through improved management skills” (Smith 1992).

The overall objectives of the training programme were:

- The achievement of social and economic development among sugar cane growing communities through promoting institution building, increasing organisational capacity, imparting skills, enhancing productivity and improving rural livelihoods.
- To promote participation in, and overcome marginalisation from, the development process among small-scale growers.
- To broaden grower ability to obtain access to agricultural support systems and organisations involved in supporting development.

The issues to be evaluated were the MCCs perceptions of institutional development training programmes. The critical questions were the following:

- What problems were encountered by the MCC members during the training programme and what are their needs to resolve these problems?
- What have been the benefits received from training and how these have been implemented?
- Has training led to an improvement in the structure and functioning of the MCCs?
- Has the decentralization of training been successful?

- Has training led to an improvement in sugar cane productivity?
- What are the attitudes of the MCCs about contributing towards the costs of training?
- What are the further training needs of growers?

The results which are discussed in this section are based on the issues which were evaluated. During this study the MCC members were asked to respond to the institution development training programme.

All the respondents stated that the training programme should be practical so as to enable them to address their day to day problems in their cane growing activities. Vaughan (1992) states that the training in sugar cane management was perceived to be far superior to any of the instruction or advice which had been obtained through the extension services offered by the millers or by the KwaZulu Natal Department of Agriculture.

5.5.5.2 Benefits received from training

The MCC members were asked what benefits they received from training. All MCC members said that they benefited from training although the medium of instruction was English, a few of the MCC members experienced language problems during translations from English into Zulu. This finding agreed with Vaughan (1992) who when evaluating the training programme, noted that participants who did not speak or understand English particularly well felt that the translations had been more than adequate in enabling them to keep in touch with everything the trainer had to say. Furthermore, their active participation had not been inhibited or hampered. Benefits are shown in Table 5-23. Respondents (42%) stated that they were able to conduct meetings properly and had improved decision making skills (20%). This implies that training led to an improvement in the structure and functioning on the MCCs.

TABLE 5-23. Perceived benefits from training 1995

Benefit	Number of Respondents	%
Conducting meetings properly	57	42
Increased knowledge on cane husbandry	37	28
Improved decision making	28	20
Improved financial management skills	14	10
TOTAL	136	100

* Each respondent was required to select the most important benefit.

The perceived benefits from training on financial management skills was acknowledged by only 10% of respondents. This suggests that either the course content did not cover financial management skills adequately or participants were not equipped to benefit from the training. Given the critical nature of financial management in marginal small-scale operations this observation is disturbing.

Surprisingly only 28% of respondents accorded highest importance to increased knowledge of cane husbandry, yet this continually emerges as a concern. It probably reflects an earlier observation that courses are commonly too theoretical when the real need is for practical courses.

5.5.5.3 Implementation of benefits from training

Vaughan (1992:20) concluded that "A consequence of training programmes such as institutional building is that as individuals, and as communities, the people who have been trained experienced radical shifts in perception and orientation. In the light of these new perceptions and orientations, they want to act to alter their circumstances, but remain locked within the same institutional frameworks".

Vaughan implies that it is very difficult to implement benefits received from training if the environment within which the farmer operates is not conducive. However, after the training programme of the MCC members (34%) were able to resolve member disputes (Table 5-24).

About one quarter of the respondents (26%) indicated they were better able to manage their cane production. Some respondents (20%) even perceived an increase in sugar cane production. This indicated that the sugar cane husbandry course was successful in enabling small-scale growers to increase the profitability of sugar cane growing.

The benefits to small-scale growers of an improvement in sugar cane production are enormous. Currently small-scale growers are achieving only half of the Sugar Industry average tonnes of sugar cane per hectare per annum. According to 1996 figures each 10 tonnes of sugar cane per hectare per annum increase in sugar cane production will increase gross income to a small-scale grower by R1 200.

It was interesting to note that of the respondents (12%) were able to train other growers. This indicates that the training can have a multiplier effect. The importance of this should be acknowledged and taken into account. The large number of small-scale growers presents a logistical problem if everyone has to be exposed to all training modules.

TABLE 5-24. Implementation of benefits from training 1995

Benefit	Number of Respondents	%
Resolving member disputes	46	34
Managing sugar cane	35	26
Increase in cane production	28	20
Training other growers	16	12
Applying fertiliser	11	8
TOTAL	136	100

* Each respondent was required to select the most important benefit.

It is important to note that although the respondents claimed training improved decision making, this did not bring about sufficient change in delivery of services to small-scale growers to engender satisfaction (Section 5.5.4). This implies that the MCC members are not participating meaningfully in decision making on how goods and services are delivered despite the fact that they may have acquired skills to interact with support services.

5.5.5.4 Implementation of the training programme

Implementation of the training programme was extended to train more MCCs and the LFAs. The MCC Development Officers were trained to be trainers. The degree of implementation therefore differed from MCC to MCC, depending on the experience and skills of the Development Officers. The MCCs also established training committees to coordinate the training programme. The training committees drew membership from mills, KwaZulu Department of Agriculture and members of the MCCs.

Although Vaughan (1992:5) states that "there were no negative comments about any of the people who have been responsible for delivering training", she noted that "there is a need to train the MCC Development Officers to understand the subject matter".

The emphasis of course teaching methods was on practical application of skills and principles, and on participatory learning. Much of the training was conducted through group discussions which involved practical exercises on material which had previously been presented and discussed.

Two teaching aids were used in the training programme: a comprehensive illustrated manual with text in Zulu and English. It covers the entire content of the course; and a slide tape component complements and expands on the contents of the manual.

In discussion several MCC members stated that to implement the training programme effectively, there was a need to appoint a training coordinator. The function of the training coordinator was to assist the MCC in identifying training needs and then implement training programmes widely amongst the MCCs.

5.5.5.5 Improving sugar cane productivity

The MCC members were asked whether the training programme contributed to improved sugar cane production. Most respondents stated that this was the case and half of the respondents stated that practical training on quality seed cane, proper weeding and fertilising of the sugar cane crop were essential to improve sugar cane production. Despite this, production remains well below that of large-scale operations. Clearly other factors operate to restrict production.

5.5.5.6 Contribution towards the costs of training

The SGDT Trustees took a decision that all small-scale growers should contribute towards the costs of an institution building training programme. In this study the MCC members were asked whether they were happy to contribute towards the costs of training. In discussion it appeared that most respondents were happy to contribute because they felt that training increased their knowledge of how to manage the MCC affairs and enabled them to take full responsibility in decision making. This confirmed that the MCC members perceived tangible benefits from training and were committed to increasing their expertise. There could well be a difference between a willingness to contribute and an ability to contribute.

The MCCs have experienced problems in contributing towards the costs of training. According to Shezi⁶ (1995, pers.comm.) "there are areas where there is a limited demand for training and yet the need for training is there. Growers have no money to contribute towards costs of training".

The challenge for the SGDT is to assist the MCC members in doing training need assessments yearly and to then budget accordingly. A contribution from participants in training is important as it is an indication of the level of commitment.

Some members elaborated that institution building training programmes opened new work

⁶ Shezi, Grower Development Officer, SACGA, PO Box 1278, Durban, 4000

opportunities for them. Some of the MCC members who had attended the training programmes were thereafter employed as facilitators by the LFAs.

5.5.5.7 Training needs of growers

The MCC members were asked to identify future training needs of growers. These are highlighted in Table 5-25. It is significant that most respondents (65%) regarded sugar cane husbandry training as the main priority (Table 5-25).

TABLE 5-25. Training needs of growers 1995

Needs	Number of Respondents	%
Sugar Cane husbandry	87	65
Financial Management	28	20
Labour Management	14	10
Tractor Maintenance course	7	5
TOTAL	136	100

* Each respondent was required to select the most important need.

In the past, most of the physical work associated with sugar cane production was done by the development companies. They paid little attention to developing the skills of small-scale growers (Vaughan 1992).

The anticipated outcome of the SGDT training of small-scale growers in sugar cane husbandry is that they would be able to increase their cane production per hectare, to a level of about 78 tonnes per hectare which would compare favourably with large-scale growers. This would increase the profitability of sugar cane growing and make it easier for small-scale growers to afford a levy on sugar cane production sufficient to support institutional and personal development, and thereby achieve a desired level of self management of their own affairs. The importance of this is evident given the intention of the SGDT to phase out financial assistance so

that the small grower sector becomes self reliant.

Some respondents (20%) identified a training need for financial management (Table 5-25). The low level of importance attached to this suggests that the MCCs do not appreciate the centrality of financial management in the move to self reliance. Clearly the SGDT needs to find ways of gradually shifting financial management to MCCs. Most MCC members employ labour (personal observation). Only 10% of respondents considered labour management important (Table 5-25) which may reflect that much of the work is carried out by contractors who in turn employ labour.

Most small-scale growers derive rather little income from their operation. There is little incentive to spend what they do receive on training. The industry therefore has adopted subsidisation. The subsidisation is, however, not linked to performance. It is evident that efficiencies and profitability will not be improved substantially in the small grower sectors until there is a system of incentives, disincentives and capacity enhancement. According to Department of Agriculture 1996 p. 30 *White Paper on Agriculture for KwaZulu Natal*, it is stated that an aim of the government is to train prospective farmers, farm managers, advisers and people who wish to work in agriculture. The government is poor in delivering training especially to farmers in KwaZulu-Natal. A much more strategic and holistic approach has to be adopted to meet training needs of farmers.

5.5.5.8 Perception about the support services

The MCC members were asked during the study to state their expectations from the SGDT. Many respondents (60%) expected the SGDT to provide finance for building schools, purchasing vehicles to transport sugar cane and to buy fertiliser and weedicides. The mention of schools (and other "community" needs) emphasises the demands made upon household income. These demands draw disposable income away from the relative "luxury" of training. This also indicated that the MCC members were not aware of or did not accept the policy of the SGDT which is to finance the MCC training programmes and to pay administration costs incurred by the MCC organisational structures.

The SGDT does not employ staff. It has therefore to rely on the three grower Development Officers employed by the SACGA to communicate with growers. Clearly they have not been very effective. A contributing factor is that there is currently not a Zulu version of the SGDT policy statement.

Some respondents stated that they had encountered problems when requiring services from the SGDT. They elaborated saying that the SACGA staff had no direct contact with the MCC members.

In discussion most respondents perceived the main objectives of the SGDT as the economic upliftment of small-scale growers. This shows that the MCC members are expecting the SGDT to cover a wider role than the financing of training programmes. The growers take a "people centred" and system perspective of the needs. In striking contrast the SGDT has taken a rather technical and impersonal view.

5.6 INTERACTION BETWEEN THE MILL CANE COMMITTEE AND MILL EXTENSION AND DEVELOPMENT SERVICE PROVIDERS

5.6.1 Introduction

The mill extension and development service providers were established in the early 1970's. Millers' involvement in sugar cane development has been mentioned in Chapter 2. According to Gillfillan (1993:1) "millers want an extra tonne of sugar cane for the good capitalist's reason of generating extra profit for their shareholders, but they have in addition participated because of a genuine desire to help their less privileged neighbours."

Mill extension and development service providers offer extension and development services. Circumstances vary between mill areas and there are differences between the degree of development, and especially self development, that has taken place within the Sugar Industry. In areas which are within about 60 kilometres of large cities and towns, land holdings average

two and a half hectares. In these areas growers are employed in cities and towns. Road conditions are good for commuting and millers are fully involved in all aspects of cane growing because many growers are absent. In these areas development companies have been formed to assist with contracting work on behalf of small growers. There are currently four companies owned by the Illovo Group. These serve the Umzimkhulu, Sezela, Illovo, Gledhow and Noodsberg MCCs. The Tongaat Hulett Group has one company which serves the Maidstone MCC.

In areas which are more than about 60 kilometres from cities and towns, there are very few commercial growers. Here land holdings must be more than four hectares otherwise transport costs become prohibitive. Fewer employment opportunities exist and daily commuting is not possible because of distance and poor road conditions. In these areas millers have established companies which concentrate on extension services. The Illovo Group has one extension service which serves Umfolozi MCC, while the Tongaat Hulett Company has two extension services which serve Amatikulu Extension and Felixton MCCs.

The approach of establishing development companies to carry out all aspects of cane growing and to “chase cane” has been criticised by many small-scale growers. This approach is not people centred and provides little opportunity for small-scale growers to enhance their capabilities. The approach of establishing extension services has been viewed more positively.

The development of small-scale growers costs the millers between R6.00 and R13.00 per tonne of sugar cane depending on their extent of involvement. Millers are involved in all stages of cane contracting services (Figure 5-13).

5.6.2 Problems encountered by the Mill Cane Committee members when interacting with mill extension and development companies

The MCC members were asked about problems arising from mill extension and development companies. Almost half of the respondents (48%) stated that mill extension and development companies were poor in coordinating the delivery of sugar cane to the mill. This shows that mill

extension and development companies are not planning properly and are also not communicating with local farmer associations. Local farmer associations are currently responsible for coordinating cane delivery (Figure 5-13) and it is suggested that mill extension and development companies should coordinate this function directly with the LFAs and not via the MCC.

Some respondents (22%) stated that the mill extension and development companies were not training small-scale growers. They elaborated saying they needed training to understand cane payment statements. If small-scale growers do not understand the deductions actioned on cane payment statements they are unable to measure the success of their business. This may contribute to the view of some respondents (20%) that mill extension and development companies were establishing their sugar cane very badly.

This is further evidence of a general failure of the industry to develop an holistic, farming systems approach. It is hard to imagine the emergence of motivated farmers who because they do not understand the payment system, are suspicious of the motives of the industry.

The MCC members (10%) complained about the administration of finances from the FAF. This suggested mill extension and development companies were not informing small-scale growers about these deductions. Training in the administration of finances is required.

The problems encountered by the MCCs from the mill extension and development companies emphasises the need for training small-scale growers. This study has established that lack of training and poor communication are the main causes of negative perceptions towards the mill extension and development companies.

TABLE 5-26. Problems encountered by the MCC from the mill extension and development companies 1995

Problem	Respondents Number	%
Poor coordination of cane supply	65	48
Lack of training growers	30	22
Poor establishment of crop	27	20
Poor financial administration	14	10
TOTAL	136	100

* Each respondent was required to select the most important problem.

The MCC members were asked what they thought was required to resolve problems which were encountered when requiring services from mills and development companies. Most MCC members stated that there was a need to establish a coordinating committee. The functions of a coordinating committee would be to coordinate activities with mill extension and development companies. The MCC members suggested that this coordinating committee should be a sub-committee of the MCC. This indicated that the MCC would prefer greater control in the activities of the mill support services.

The MCC members were of the opinion that the work of the coordinating committee would diminish as more MCC members are trained. It was explained to them that changes were taking place all the time. Therefore the training of a Coordinating Committee was going to be continuous.

In this study it was found that mills were not interested in changing their functions to suit the needs of small-scale growers. Mills expressed concern regarding the high costs related to the development of small-scale growers.

All the MCCs stated that it was difficult to understand cane payment statements from the mill. The MCC members expressed concern about the attitudes of both Black and White mill staff. They were perceived to be treating them as "second class citizens".

CHAPTER 6: IMPROVING EFFECTIVENESS OF THE MILL CANE COMMITTEES

6.1 INTRODUCTION

The purpose of this section is to identify actions required to improve the effectiveness of the MCCs. The organisational framework (Figure 5-1) is used to structure the presentation. The characteristics of the MCC are outlined and MCC's interaction with LFAs, LGCs and other service providers are discussed.

6.2 Characteristics of the Mill Cane Committee

Most of the members did not have agricultural experience before becoming an MCC member. As a consequence, members of the MCC do not contribute effectively to the MCCs due to a lack of experience. It is suggested that the MCCs should try to ensure experienced members serve on the MCC. Small-scale growers in the Sugar Industry have suggested that the annual elections which are a requirement of the SACGA be abolished, and replaced with elections every three years. This would require that constitutions of Member Organisations are revised to suit their needs. However, since this would mean that a member would be elected for three years in a Locals Grower Council. This would clash with the SACGA constitution which requires members to be elected annually. Clearly a more comprehensive review is indicated.

The MCC members who had better education and who had experience before becoming members, contributed to the effectiveness of the MCC. It is suggested that the MCCs should try to elect members who are educated to a level greater than Standard 2 level. This may assist them in improving the effectiveness of the MCC. It is recommended that the MCCs should clearly explain the need for a better education to members before they elect them. However, a major problem is that people who are better educated are not readily available in the sugar cane growing areas in which the MCCs operate. There is a need to develop and present information pamphlets which set out roles and responsibilities of office bearers.

Composition of the MCCs by gender, was dominated by males. It is suggested that the MCC should try to balance the composition, through the incorporation of women MCC members. Since women are increasingly participating in sugar cane growing practices, for example weed control and fertilising.

The effectiveness of the MCCs is largely dependant upon the experience and education level of members, as well as the time members have available for attending to their duties. A main role of individual MCC members was to represent the MCC on different committees. However, the MCC members are not always capable of fulfilling their roles because the MCC elections are held annually which results in a turnover which together with generally low levels of education, limits experiences and understanding of the industry. This affects communication upwards to the LGCs and downwards to the LFAs. As a consequence 73% of the MCCs spent time on resolving problems. To address this issue the SACGA should assist the MCCs to change constitutions to provide for longer "terms of office". The SACGA should also develop a communication strategy and reporting procedures for the MCCs, the LFAs and the LGCs. It is suggested that the SACGA should assist the MCCs to develop a training programme aimed at improving communication.

6.3 Interaction between the Mill Cane Committee and the Local Farmers' Association

Both the Chairperson of the LFA and the MCC members are responsible for promoting cane growing. The methods used to promote cane growing were primarily to explain benefits of sugar cane growing in the LFA meetings. However, small-scale growers felt marginalised and discriminated against and generally considered that by uniting members and solving problems they would be more effective. Extension services for the LFAs are problematic because the LFAs are spending time (56%) on giving advice to small-scale growers, time which could be spent on core functions. Coordination of support services for small-scale growers is very important because there are many role players and there is a lack of clarity on who they are and what they do. There is a need to establish who the role players are, what they do and

communicate this to LFAs.

The LFAs are responsible for implementing small-scale growers programmes to get better incomes from sugar cane growing. Therefore the LFAs should establish and communicate their training needs to members of the MCCs. This would ensure that small-scale growers are trained to improve their sugar cane production. As small-scale growers are poorly educated it is unrealistic to anticipate that they would be able to define training needs without support. It is suggested that the SACGA should develop awareness programmes of available training. The SACGA should assist the LFAs with an analysis of training needs and the development of training programmes.

The LFA representatives do not provide feedback from small-scale growers to the MCC meetings. The SACGA should assist the LFAs to develop work programmes. The LFAs should be encouraged to report on implementation of work programmes. The MCCs should provide the LFAs with a summary of the minutes of meetings to assist representatives in reporting back.

The LFAs are assisted by grower facilitators to perform their functions. Perceptions of the functions of grower facilitators (70%) were field inspections and advising growers. The MCC members doubt that the current facilitation structure is effective, efficient and economically sustainable for all the MCC areas. It is recommended that the facilitator concept in all the MCCs is reviewed. The MCC should consider the following factors to improve interaction between its members and the local farmers associations.

- It should reduce the number of meetings from 12 meetings a year to eight meetings.
- Members should prepare written reports in English or Zulu.
- It should elect office bearers for two years with overlapping periods of service.
- Meetings should be conducted in Zulu with translation services from Zulu into English and vice versa.

- Development Officers should prepare information sheets in Zulu especially concerning decisions taken. These can be used in reporting back to LFAs.
- The MCC should make more time to discuss issues without external influences, eg. miller or the FAF presence. The MCC should invite people to their meetings when required.
- The MCC should coordinate activities of the LFAs. It should define objectives as the *basis of an action programme*.
- The MCC members' responsibilities should be redefined.
- The MCC should establish work programmes with key performance criteria to improve the performance of the MCC. A scale for measuring self-management is suggested in Appendix 4.

6.4 Interaction between the Mill Cane Committee and the Local Grower Council

The performance of the LGCs does not meet the expectations of the MCC members. The LGCs need to establish clear policies and functions should be revised. Most respondents indicated that the LGCs were unable to communicate with and negotiate on behalf of the MCC. It is suggested that the LGCs should distinguish between the MCC issues and the LGC issues. The LGCs should concentrate on Sugar Industry issues affecting all growers within a mill area. The MCCs are Member Organisations of the LGCs therefore the LGCs should clearly identify their involvement. Involvement is, however, only a part of the solution. Growers have to be able to involve themselves constructively.

The LGC delegates are not reporting to the MCCs. As a consequence the LGCs are functioning poorly. Although the LGC work was audited by report backs by the representatives, only four LGCs had a plan of operation and there was inconsistency in perceptions of the content of reports.

Communication by and between representatives is a major problem in the LGC meetings. Although this could be improved through the use of English and Zulu translation services small-

scale growers need to have a better understanding of the industry. It is suggested that the LGCs should develop a communication strategy (purpose, process and content) with their Member Organisations. The LGC should focus on industry issues.

The overall conclusion is that the MCCs and their members are not effective. The facilitators are given an impossible tasks. The MCC members are not able to resolve issues related to both getting sugar cane to the mill and the provision of effective support services. The LGCs are also ineffective because they fail to address the MCC problems. These results do not indicate that organisational structures are fundamentally flawed. Rather they indicate that grower structures are not equipped to conduct their work effectively.

The MCC could improve interaction between themselves and the local grower's council by implementing the following:

- The LGC should be provided with and be briefed on the Constitution of the MCC to understand how the MCC functions.
- The LGC should hold their meetings in both English and Zulu. The LGC should use the SACGA Development Officers to communicate between the MCC and the LGC.
- The LGC should have an induction course on their activities for new members.
- The LGC should assist in organising member organisations particularly in respect of selection of representatives for appointment to industrial committees, etc.
- The LGC should assume coordination and provision of services for the MCCs.
- The LGC member organisations should be encouraged to work through the LGCs at all times.
- The LGCs should train their members on preparation of written reports.
- The LGCs should encourage presentation of reports from different committees; this should improve attendance at meetings due to increased accountability and information flow.
- The LGCs should explain election procedures of representatives for industrial

committees.

- The LGCs should be trained in leadership, communication and negotiation skills.

6.5 Interaction between the Mill Cane Committee and other service providers

The Mill Cane Committees interact with a number of service providers namely:

6.5.1 Support services from the South African Sugar Association

The Mill Cane Committee interacts with the South African Sugar Association for financial and training services.

6.5.1.1 Financial services

The retention system administered by the FAF needs to be investigated. The major problem is that even small-scale growers who are not FAF borrowers have their money retained because of the administrative system. All growers who are not FAF borrowers should be incorporated into the same administration system. Small-scale growers are suspicious that the mills use retention money to ensure that cane supplies to mills are stable and to enable the FAF to pay for bad debts which might occur.

The overall conclusion by Bates (1996:354) in respect of an evaluation of the FAF is that it is not sustainable in terms of present policy and procedures, and that credit is not being used efficiently. The objective of sugar mills to increase sugar cane supplies has been achieved. Many of the issues identified in the evaluation of the FAF arise from focus not having been adequately directed at basic principles of the provision of credit. The FAF approved and accepted basic principles of credit administration but did not apply them fully.

Financing of small-scale farmers requires that:

- a real positive rate of interest should be charged

- small-scale farmers should be able to identify the benefits of the use of credit and should have prospects of improved farm profits
- savings should be mobilised
- transaction costs should be minimised
- loan recovery should be facilitated by sound borrower assessment, loan decisions and risk management
- a participatory system based on small groups should be promoted

Deregulation and restructuring of the Sugar Industry have brought the weaknesses in the FAFs current operations to the fore and necessitate that the principles listed above be addressed, especially as other institutions are being encouraged to finance small-scale growers.

The FAF is not charging the real costs of lending and its operations are heavily subsidised by the Sugar Industry. According to Coetzee, Kirsten and Christodoulou (1994:4) "institutions should be able to recover costs by charging interest rates that reflect the real cost of lending". The future of the FAF would have to lie in 'facilitating' financing of small-scale growers without the Sugar Industry taking significant risks. Therefore, the FAF needs to develop partnerships with other financial institutions who are willing to finance small-scale agriculture and agribusiness.

According to the Strauss Commission (1996:90) "South Africa is characterised by a multitude of public sector institutions with overlapping competencies and lack of coordination. In order to provide effective financial services the FAF or its successor should consider the following:

- Grower representatives on the FAF need to be trained to understand their functions and responsibilities.
- The FAF field staff should be competent in giving financial advice.
- The FAF loans contracts provided by mills should be user friendly to growers.
- The FAF should establish integrity in financing small-scale growers.

- The FAF should review and revise the Sugar Industry cane payment system for small growers.
- The FAF should provide translation services at all meetings.

6.5.1.2 Training services

The SASEX needs to investigate ways and methods of improving training services to small-scale growers.

In order to improve the training services, the SASEX should consider the following:

- The SASEX should visit the MCCs area quarterly to discuss training needs.
- The capacity of the SASEX needs to be reviewed and restructured to handle the required training.
- The SASEX should assess the feasibility of privatising training on sugar cane husbandry and business skills. This would promote efficiency and reduce the influence of the Sugar Industry.
- The SASEX training department should adapt the training materials to suit small-scale growers and materials should be produced in Zulu.

6.5.2 Sugar cane contracting services

This study has shown that 75% of the MCC members are unhappy with small-scale cane contractor services (Table 5-18). Small-scale cane contractors are unreliable and untrained in their contracting work. It is recommended that the SGDT should assist small-scale cane contractors to form Cane Contractors Associations (CCA). These Associations need to have a Constitution and a Code of Conduct.

It is suggested that the small-scale contractors in each mill area should appoint a Cane

Contracting Coordinator whose functions would be as follows:

- Professional management of cane contracting services (refer to Figure 5-13 stages of cane contracting services, i.e. from stage 4 to 9).
- Develop relationships between growers and contractors.
- Manage cane deliveries from field to the mill.
- Encourage diversification in cane contracting.
- Identify training needs of cane contractors.
- Provide liaison and communication functions with support services e.g. Diesel and oil suppliers.

To improve sugar cane contracting the following factors should be considered:

- Establish a Cane Contracting Support Programme with the intention of building small and medium enterprises which, amongst other things, provide coordination and monitoring for small grower activities.
- The Sugar Industry should change the cane payment system. Consideration could be given to paying growers on standing sugar cane (50% of the estimated crop) or giving them a credit facility of 50% after delivering sugar cane to the mill.
- Provision of short term bridging finance.
- Establishment of cooperatives and 90 days credit which would enable small growers to purchase fertiliser, weed control chemicals etc. timeously.
- Training cane contractors on integrated sugar cane husbandry and business operation.
- Establishment of service centres. Critical factors which should be considered are management costs, availability of expertise to manage, integrating planning operations with the functioning of service centres. It is suggested that services centres which could provide repair areas for vehicles and equipment should be established. The service centres may combine the activities of the LFAs in providing cane growing inputs, offices for the LFAs, meeting places for growers, centres for hiring and repairing equipment and lastly a 'one stop' shop for members of local farmer associations.

- Drafting of an appropriate Constitution and Code of Conduct to discipline their members of CCAs.

6.5.3 Extension services

According to Donovan (1989 p 68) an extension service aimed at the promotion of production technology and management has the objective of increasing profitability so the extension agent with that task should be essentially profit motivated and employed by a business concern such as an agricultural commodity organisation or a cooperative.

Bates (1979 p 320) concluded the government extension officers do not know their job descriptions. The government is not able to oversee its development programmes in a meaningful way. The reality is that Government cannot afford to provide comprehensive agricultural extension to small-scale farmers. This will have to be internalised effectively in the industry. A comprehensive review of the roles of the various sectors is a prerequisite to the design and implementation of an effective extension service for small-scale growers.

The MCC members stated that Extension Officers were not available to assist them in their sugar cane growing business (Table 5-20). As a result the MCC members wanted extension services to be community driven and advantages were highlighted in Table 5-21. The MCC members wanted to get involved in planning and implementation of extension programmes. The need to improve extension services to ensure effective participation of the MCCs cannot be overemphasised.

Breen, Ngidi and Sokhela (1996:2) emphasise that agricultural extension must be "needs driven". By this is meant "farmer needs driven" and not "extension service needs driven". A simple conceptual model for effective extension is depicted in Figure 6-1, and is characterised by the following processes:

- Organised farmers conceptualise and articulate their needs.
- The needs are analysed and solutions are derived.
- The solutions are then incorporated into an extension programme (curriculum production systems, support services etc.).
- Extension Officers are given appropriate training and are motivated so that they can deliver the solutions effectively.
- The solutions are delivered to the farmers.
- The outcomes of the solutions are monitored and evaluated, and new (more advanced) needs are articulated.

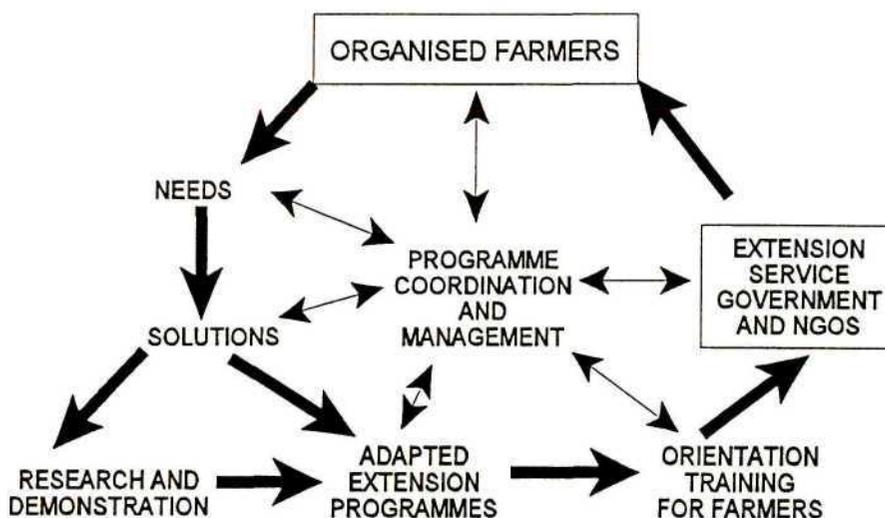


FIGURE 6-1. Needs Driven Farmer Led Programme. Implicit in the provision of extension services in comprehensive monitoring and evaluation.

These authors conclude that this is a systematic and holistic approach which offers the only prospect for farmer driven agriculture and for a cost effective, target oriented, motivated extension service.

To improve extension services the following is suggested.

- Extension services should develop extension programmes with participation of the MCCs.
- Extension services should be paid by the MCCs and should be accountable to them.
- The extension services should redefine the context of training offered to be more holistic and people centred. Technological training is important but it is insufficient if small-scale producers are to have a meaningful place in the industry.
- Performance indices and auditing systems must be developed and implemented for the extension services.
- The LFAs should form the grower organisational level of focus for extension. Thus whilst MCCs may contract the extension staff they will interact with LFAs and groups organised by them.

6.5.4 Support services from the South African Cane Growers' Association

The problems encountered by the MCC members are poor contact between the SGDT and small-scale growers. The SGDT needs to consider the following aspects to ensure that the MCC members benefit from its services.

The SGDT should develop a clear policy of operations. The MCC members were confused about the responsibility and control of the MCC Development Officers and their vehicles.

Despite these perceptions the SGDT activities were highly appreciated by the MCC members because training programmes which were financed by the SGDT were beneficial. The SGDT was regarded by the MCC members as a structure where the MCCs have addressed training needs of small-scale growers.

The work of the SGDT is instrumental in enabling its intended beneficiaries to manage the transitional environment prevailing in the new dispensation in South Africa. The findings of this

research indicate that success can not be achieved in the absence of an holistically conceptualist training programme. This would inevitably require expertise beyond current capabilities of the SGDT. The SGDT should position itself to form partnerships and networking strategies with organisations involved in programmes and projects of uplifting disadvantaged rural communities. A challenge is to coordinate training programmes effectively.

To improve the support services from the SACGA the following is suggested:

- Annual general meetings should be organised with MCCs in rotation.
- A one page Newsletter in Zulu should be produced monthly and be sent to member organisations with the Cane Growers Newsletter.
- The SGDT should continue translation of training materials from English into Zulu
- The objective of the SGDT of empowering the MCC to be sustainable needs to be reemphasised to the MCC. The MCC recommended the implementation of a training programme which would facilitate the process and achieve small-scale grower structure sustainability within five years. The SGDT should implement a finance and administration capacity building programme for all MCCs which would lead to self management.
- The SGDT and the SACGA should assist in developing a small grower development strategy in the Sugar Industry which will be supported by all role players in the development process.
- The SGDT should consider enforcing compulsory auditing of the SGDT finance given to the MCCs. Black auditing firms should be used.
- The MCCs should establish training committees to plan and coordinate training. The MCC who had training committees received more benefits and there was good attendance in training programmes.
- Participants should contribute towards the costs of training programmes.
- Training material especially hand outs and exercises should be in Zulu.

6.5.5 Interaction between the Mill Cane Committee and the mills' extension and development service providers

The mill extension and development companies have been the main pillars in the coordination and administration of small grower development in various mill areas. The challenge now is to redirect this function with the aim of empowering and enabling economic growth of sugar cane growing communities. This process should be phased and aimed at eventually enabling small-scale growers to achieve self development.

Mill extension and development service providers should phase out their cane contracting services for small-scale growers. This function should be carried out by small-scale cane contractors and/or small-scale growers. They should also develop a policy and strategy for increasing the net income small-scale growers derive from sugar cane production.

CHAPTER 7: CONCLUSIONS & RECOMMENDATIONS

7.1 INTRODUCTION

Mathews (1998) observed that 'within the establishment of major trade blocs in the world such as the European Union (EU), the North American Free Trade Agreement (NAFFA), The Andean Pact, the Asean Pact, etc., it is evident that South Africa cannot stand on its own in the modern global economy'. This is particularly relevant to the sugar industry in South Africa and in the Southern African Development Community (SADC) because of the approximately 4.5 million tons of sugar produced annually about 40% (2 million tons) is surplus to domestic (SADC) consumption.

The SADC Free Trade Agreement which was signed in Maseru (Lesotho) in 1996 committed signatories to the elimination of all trade barriers. Sugar is currently included in the twenty two percent of commodities listed as sensitive products. However, the Minister of Trade and Industry has stated that "there can be no merit whatsoever in different countries trying to advance their sugar industries at the expense of others" (Reuters in Mathews 1998). Sugar is to be accommodated in a special Protocol within the SADC Free Trade Area.

These initiatives are directed towards achieving a 'level playing field'. Mathews (1998) has observed that "once there is a level playing field (no tariffs and no subsidies), the high-cost producers will export less which will result in a higher world price. Once real equality is achieved, the SADC region will be a significant player on the world stage and has the potential to grow production from 4.5 million tons to 6 million or even 7 million tons over the medium term".

This research has emphasized the marginalisation of the small-scale growers in South Africa. Requis (1998) noted that "the very recent liberalisation of the sugar price weakens the small-scale cane production which is both a source of income and development". It is

evident that despite sugar being an “ideal development crop for small-scale farmers” (Mathews 1998) the intentions are not being realised.

If there is a sincere intention to realise the dormant potential of small-scale producers in the anticipated growth of the industry in the SADC, a new approach is an urgent necessity. This is particularly so given the current revival of the industry in Mozambique and anticipated development in countries such as Malawi and Tanzania. Lessons learned from the South African small-scale grower sector can provide valuable insights for improving their contribution to the industry and to local and regional development.

This chapter considers the strengths and weaknesses of the current approach to small scale growers in South Africa, improving small-scale grower production and revising the industry. Conclusions are drawn.

7.2. STRENGTHS AND WEAKNESSES

The structure which has emerged to accommodate small-scale growers is fundamentally sound. Growers are organised into LFAs which elect members to MCCs which in turn are progressively represented upwards through LGCs to the policy level of Board of Directors. The weakness lies in how the structure works.

Members are poorly educated and have limited experience (of both agriculture and worldly affairs). They consequently have little real understanding of the industry and are as a result ‘represented’ but not ‘empowered’ in the industry. Whilst it is necessary for the industry to take a broader view of its role, the needs extend well beyond what the industry can and should do. Much more emphasis needs to be directed towards people-centred development in concert with specialist partners.

The availability of information and support services albeit limited in scope, is a strength. The

delivery is however a weakness. There is overlap, confusion and suspicion. People need to be able to understand the world around them if they are to be really empowered in the industry.

Perhaps the greatest weakness is found in the scale of operation. Too many of the small-scale growers are not able to generate sufficient cash flow to warrant allocation of time and resources to farming, including associated activities such as training, organisation and management. This has various cascading consequences. One of them is in the destructively competitive small-scale contractor sector where 'open warfare' prevails at times. It is difficult to imagine these weaknesses being addressed in the absence of a directed effort towards land holdings and land tenure. The democratisation of South Africa and the anticipated opportunities for growth in the industry indicate that it is opportune to address this complex issue.

Disparate visions of what the industry should deliver to small-scale growers is a fundamental weakness which must be addressed if the industry is to be strengthened. There are two issues of particular importance. The small-scale growers view the industry as an 'agent for change' in the context of rural development. Their expectations were fuelled by the democratisation of South Africa and subsequent government initiatives such as the RDP programme and GEAR (Growth, Equity and Redistribution). Whilst the industry also envisages itself as an 'agent of change' its vision is that its role is defined more narrowly in the context of 'sugar cane to the mill'. It is doubtful if adhering to this vision will enable the industry to realise its potential (and the imperative) to empower small-scale growers. The fundamental change indicated is one from being an 'agent of change' to being a 'catalyst for change'. The latter requires the industry to envisage itself as a contributor with partners to an holistic and systemic programme for change.

The second issue is the vulnerability of the small-scale growers. They are inherently vulnerable because of their scale of operation and very low levels of education.

Superimposed on this is global, regional and national change in agriculture. The opportunity for growth is being addressed explicitly within the industry in the context of mills, their capacities and the estates and large scale producers. There is no policy statement either in South Africa or the SADC on small-scale growers and how they will benefit from anticipated growth. The SADC Protocol under preparation does not address the small-scale sector (Mathews pers. comm.). In the absence of commitment it is probable that small-scale growers will remain marginalised despite the anticipated growth in the industry.

7.3 IMPROVING SMALL-SCALE GROWER PRODUCTION

The purpose of this study was firstly to assess the institutional structures of the Sugar Industry as they relate to small-scale growers and secondly to analyse the relationships between support services and small-scale growers. The intention was to contribute to development of a comprehensive, yet achievable, strategy for small-scale grower development based on empowerment and meaningful participation of small-scale growers in the Sugar Industry. The anticipated long term outcome is that the small-scale grower structures would become self sustaining and self managing.

Characteristics of this sector as determined by the study are:

- The MCCs are not self sustaining and they have poor communication interaction amongst their members and with support service providers.
- The MCCs have little bargaining capacity because they produce a small percentage of sugar cane and individually are not able to derive much income from sugar cane production.
- Small-scale growers are not able to increase their landholdings so as to become more forceful in the industry.
- The MCCs have little vision of how to develop themselves and become less dependent on support from the Sugar Industry. Current approaches in the industry largely ignore

the context in which the small-scale growers operate.

- The MCCs are poorly organised and insufficiently resourced to manage themselves.
- The MCCs lack direction and commitment reflecting the lack of development strategies and work programmes to alleviate their problems. Their perceived needs extend beyond what the industry is prepared to address.
- The interaction between the MCCs, the LFAs and support service providers is not controlled and directed by the MCCs.

The major question is what needs to be done to improve the situation of the small-scale grower sector. The objective of the small-scale growers is to make a profit from sugar cane growing. This objective is achieved but is constrained because the barriers on increasing profitability are not addressed holistically. According to Mananga Consulting Services (1996: 2) "for MCC's to function in a businesslike and autonomous manner they will need to be in control of key aspects of their own management including for example financial accountability, detailed knowledge of their membership (including production levels, areas cropped, husbandry practices used, and socio-economic characteristics), the interaction of the various committees in the programme, undertakings of committees and their communication with other industry members including contractors, extension advisors and millers." This is altogether a demanding task given the limited production capabilities, educational level of most MCC office bearers, and the relatively short term they are mandated to be in office.

The industry must revisit its philosophy, vision and policy if it is to empower small-scale growers. Inevitably this will be linked to land redistribution and land tenure. The present scale of operation of small-scale farmers is too small to enable them to actively participate in development and in the affairs of the industry.

7.4 REVISIONING THE INDUSTRY

The Sugar Industry assisted greatly in establishing small-scale growers and they in turn, have developed a dependency on it. This dependency needs to be weakened and replaced by an ethic of self reliance in a free enterprise system if these people are to take their rightful place in rural economies.

Agriculture is not so much about commodities as it is about people. People produce and process the commodities. The foundation on which agriculture is built is the people who own and till the soil.

The Sugar Industry in South Africa has had and continues to have a very strong commodity focus. It has not concerned itself particularly with the people or their development. Consequently after 60 years of association with small-scale growers there has been little development, there are many small-scale farmers who have little commitment to the industry.

The highly focussed approach adopted by the Sugar Industry is not unique. The evolution of business during the past fifty years has been towards "efficient manufacturing; effective mass marketing; rapid adoption of technology; financial acumen and theory 'Y' organisational design" (O'Brien 1994). This has promoted individualism and a move away from interdependence. O'Brien observes, however, that future success will depend greatly on a systemic approach which requires distributing power and improved communication. Increasingly knowledge becomes more important than resources and as this happens individuals with their knowledge become the resource most valued by companies.

Sustainability of businesses is increasingly being considered to depend on investment in long-term relationships, investing in people, knowledge, intellect, culture, ethics, transparency and to value and protect moral and social "capital" (Goodland 1995; O'Brien

1994; Handy 1997; Senge 1997).

The Sugar Industry has not yet succeeded in building a long-term relationship with small-scale growers. It has pursued a commodity approach rather than an investment in people. There is little sense of community - a sense of "rugged individualism" (O'Brien 1994) prevails. Handy (1997) observes that public corporations should not be regarded as pieces of property but as a community created by a common sense of purpose rather than by common sense of place. This view is supported by Senge (1997) who observes that we need to return to an older model of "community".

Small-scale farmers do not feel a part of the "sugar community". They have a limited perspective of a "common purpose", both amongst themselves and within the sugar industry. The high dependency on employment removed from their homes has also weakened the sense of place which was an integral part of rural communities in the past (Breen, Dent and Mander 1998). The industry has a strong sense of purpose but this is much more narrowly articulated than that by the small-scale growers. Whereas the small-scale growers feel an urgent need for social and economic development and perceive the sugar industry as one of the vehicles by which they can achieve this, the industry restricts its vision and role to sugar cane and sucrose production. Thus the small-scale growers in the industry do not share either a sense of place or of purpose.

The Sugar Industry should take cognisance of the changes sweeping through the business sector worldwide and re-envision its sense of purpose to being a community "of diverse and effective leaders who empower their organisations to learn with the head, heart and hand" (Senge 1997; Breen *et al.* 1998). Such a re-envisioning will bring with it new respect for rural people and greater appreciation of their plight. The convergence of interests and the re-emergence of transparency, ethics and interdependence will release new energy and commitment which will improve prospects for a sustainable industry in the future.

South African sugar companies are expanding their operations into southern Africa. The manner in which they do this will have long-term implications. Critical self evaluation is urgently required.

7.5 CONCLUSIONS

This is a time of opportunity, but it is also a time of risk. Sugar production in the SADC could increase by 40% in the next few years and development is already underway in some countries.

The small-scale growers, particularly in South Africa, have been marginalised by both government and industrial policy. The consequences of this are fundamental to any attempt to strengthen and empower the small-scale growers. It is inconceivable that a 'commodity' focus for change and empowerment will be sufficient to address the changes required. A broad development approach is required in which people rather than commodities are the focus.

Fundamental changes in policy and strategy are indicated for the sugar industry. Failure to respond will marginalise small-scale growers in the growth projected for the sugar industry. As the sugar industry approaches its maximum production potential in the SADC so marginalisation will be entrenched and extremely difficult to reverse.

Global trends increase the risk experienced by small-scale growers. They are largely unaware of these risks and there is no coherent policy to manage risks for small-scale growers.

A framework for improving the functioning of the SACGA is presented (Figure 7.1). The Board of Directors should be accountable for the successful integration of small-scale growers into the industry. Development of a new vision and strategy will be an urgent

priority.

The LGCs should concentrate on issues affecting all growers in a mill area, reporting back to member organisations on Sugar Industry issues. The LGCs should be responsible for developing and implementing collective bargaining strategies.

The MCCs should appoint agents from independent organisations to assist them with strategic management including in coordinating financial services, extension services and sugar cane contracting services. The MCCs should not require the LGCs to attend to issues associated with delivery of services.

The LFAs should be encouraged to function as business units. Models have yet to be developed. Each LFA could follow a model of a large-scale grower who has 100 hectares of rainfed sugar cane or who produces 8 000 to 10 000 tonnes of sugar cane per annum. In other words the farmers in the LFAs should operate their production system in a cooperative manner - as if it was a single 100ha unit. All the financial, extension and sugar cane contracting services should be modified to suit the needs of the LFAs operating as cooperatives.

In general terms the Sugar Industry has been successful in changing organisational structures, offering training and providing goods and services to small-scale growers in comparison with other agricultural industries in South Africa. Critical success factors which need to be considered by the Sugar Industry in order to advance further are:

- Give the MCCs and small-scale cane contractors full support in establishing cooperatives and getting involved in agri-business (increasing scale of production and range of activities)
- Assist the MCCs to develop strategic plans that will put self management visibly into practice

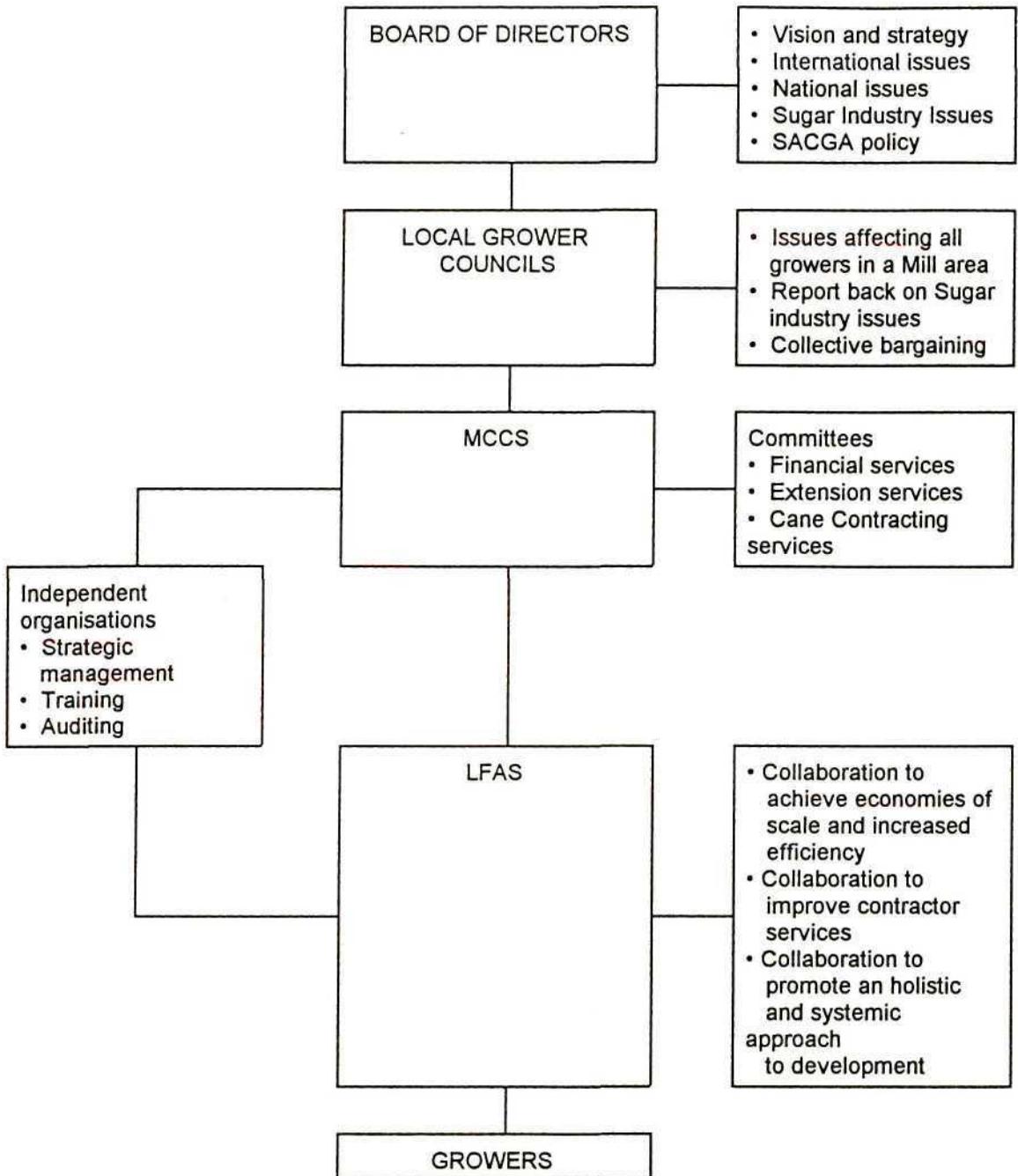


FIGURE 7.1: A framework to improve functioning of the SACGA organisational structures with particular reference to the small-scale growers

- Support the MCC staff to make a success of their jobs and careers
- Develop workable interaction between the MCCs and support service providers
- Provide effective training to the MCCs and support services, that equip them to generate needed income from rural based activities outside of the Sugar Industry.
- Link MCCs effectively to support services relevant to the industry.

The Sugar Industry is dynamic and new challenges lie ahead. These are driven by macro-scale factors such as the deregulation of the Sugar Industry and disappearance of tariff protection. Unless micro-scale imperatives such as empowerment of individuals is addressed it is unlikely the small-scale growers will overcome the consequences of macro-scale change in the industry. These are significant threats to already vulnerable small-scale growers. Failure to successfully address these factors holistically and comprehensively in the Sugar Industry will lead to considerable rural poverty as small-scale growers lose the “secure” income from sugar cane production.

After 60 years of marginalisation within the Sugar Industry and by Government it is unrealistic to expect that the small-scale growers can assume their rightful place without well conceived, well organised, highly focussed and adequately funded and resourced support programmes. With 50 000 small-scale growers and 400 000 dependants, failure to address this issue will result in significant costs to the state and to society through human suffering and poverty. It is not sufficient to continue with the technocentric, commodity approach which has characterised the industry since the decision to support small-scale growers. This study demonstrates that the present approach is not positioning small-scale growers to meet the challenges ahead. Comprehensive revision of policy and strategy is indicated.

If the opportunities presented by expansion of sugar cane production in the region are to benefit small-scale growers the policies and strategies must extend beyond South Africa. As South African sugar companies are a dominant force in the region they have a particular responsibility for the advancement of small-scale growers.

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APPENDIX 1

SMALL-SCALE CANE GROWING IN SOUTH AFRICA: DEVELOPMENT NEEDS AS DETERMINED FROM A STUDY OF MILL CANE COMMITTEES.

INTERVIEW QUESTIONNAIRE

		<input type="text"/>	<input type="text"/>	<input type="text"/>
1.	Name of Mill Cane Committee (MCC)x			
<hr/>				
2.	Number of members of MCC	<input type="text"/>	<input type="text"/>	<input type="text"/>
3.	For how long have you been an MCC member	<input type="text"/>	<input type="text"/>	<input type="text"/>
4.	Experience before joining MCC			
	Working at Mill	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Agriculture	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Commerce	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Industry	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Other	<input type="text"/>	<input type="text"/>	<input type="text"/>
5.	School Education (Calculate your schooling)			
	N/A	<input type="text"/>	<input type="text"/>	<input type="text"/>
	0 - 4 years Std 2	<input type="text"/>	<input type="text"/>	<input type="text"/>
	5 - 6 years Std 4	<input type="text"/>	<input type="text"/>	<input type="text"/>
	6 - 7 years Std 6	<input type="text"/>	<input type="text"/>	<input type="text"/>
	8 - 9 years Std 8	<input type="text"/>	<input type="text"/>	<input type="text"/>
	10 - 11 years Std 10	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Post-matric level	<input type="text"/>	<input type="text"/>	<input type="text"/>
6.	Composition of MCC by gender			
	Females	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Males	<input type="text"/>	<input type="text"/>	<input type="text"/>
7.	Number of years growing sugar cane local associations	<input type="text"/>	<input type="text"/>	<input type="text"/>

8. What is the total number of growers in your local association?

--	--	--

9. Do you think local associations are functioning effectively?

Yes

--

No

--

If yes - give reasons:

Unite members

--

Resolve grower problems

--

Encourage increase in sugar cane production

--

Provide access to cane growing

--

Do not know

--

10. What do you think are the most important functions of your local association?

Giving advice on cane husbandry

--

Encouraging growers to work hard

--

Representing growers in the MCC

--

Facilitate community projects

--

Training of growers

--

Holding meetings

--

Not sure

--

11. Whose responsibility is it to motivate growers to join local associations?

Mill

--

MCC Development Officer

--

Facilitator

--

MCC member

--

Chairperson of Association

--

Not sure

--

12. What methods do you use to promote membership of the LFA's?

Explaining benefits of growing cane

--

Holding meetings

--

Visit growers

--

- | | | |
|-----|---|--------------------------|
| | Field demonstrations | <input type="checkbox"/> |
| | Do not know | <input type="checkbox"/> |
| 13. | Does you local association hold meetings? | |
| | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| | If yes, how often? | |
| | Monthly | <input type="checkbox"/> |
| | Bi-monthly | <input type="checkbox"/> |
| 14. | Mill Cane Committees:
What are the functions of grower facilitators? | |
| | Field inspection (weeds) | <input type="checkbox"/> |
| | Advising growers | <input type="checkbox"/> |
| | Liaison with support services | <input type="checkbox"/> |
| | Reporting grower complaints | <input type="checkbox"/> |
| | Do not know | <input type="checkbox"/> |
| 15. | What are the responsibilities of local grower councils? | |
| | Attend to training needs | <input type="checkbox"/> |
| | Communication | <input type="checkbox"/> |
| | Resolving problems | <input type="checkbox"/> |
| | Representing members | <input type="checkbox"/> |
| | Not sure | <input type="checkbox"/> |
| 16. | What are the functions of local grower councils? | |
| | Leadership | <input type="checkbox"/> |
| | Coordination | <input type="checkbox"/> |
| | Resolving problems | <input type="checkbox"/> |
| | Giving advice | <input type="checkbox"/> |
| | Not sure | <input type="checkbox"/> |
| 17. | What are your expectations from local grower councils? | |
| | Communication | <input type="checkbox"/> |
| | Negotiation | <input type="checkbox"/> |

Developing policies

Resolving problems

18. What problems are encountered by MCC representatives on the local grower councils?

Lack of clear policy

Low educational levels

Unable to resolve problems

Poor meeting attendance

Do not know

19. Do you encounter problems when you require financial services for sugar cane growing?

Yes

No

If yes, what problems?

High interest rate

Limited access (old age)

Poor financial advice

Delays in obtaining loans

Do not encounter problems

20. What are your needs to solve financial problems?

The MCC control funds

Government subsidise loans

Establish other financial organisations

Growers get title deeds

Do not encounter problems

21. Do you encounter problems when organizing inputs for growing sugar cane?

Yes

No

If yes, what problems?

- | | | |
|-----|---|--------------------------|
| | No direct orders of inputs | <input type="checkbox"/> |
| | Lack of transport | <input type="checkbox"/> |
| | Fertilizer expensive | <input type="checkbox"/> |
| | Did not encounter problems | <input type="checkbox"/> |
| 22. | What are your needs to solve problems? | |
| | Direct orders of input | <input type="checkbox"/> |
| | From a co-operative | <input type="checkbox"/> |
| | Access to finance | <input type="checkbox"/> |
| | Not sure | <input type="checkbox"/> |
| 23. | What are your expectations of training services from the SASEX? | |
| | Sugar cane husbandry training | <input type="checkbox"/> |
| | Usage of weedicide | <input type="checkbox"/> |
| | Analysis of soil samples | <input type="checkbox"/> |
| | Not sure | <input type="checkbox"/> |
| 24. | What are your needs to meet training expectations? | |
| | Visits | <input type="checkbox"/> |
| | Closer work relationships | <input type="checkbox"/> |
| | Co-ordination of services | <input type="checkbox"/> |
| | Scheduled meetings | <input type="checkbox"/> |
| | Not sure | <input type="checkbox"/> |
| 25. | Do you encounter problems when you require services from small scale contractors? | |
| | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| | If yes, what problems? | |
| | Unreliable contracting work | <input type="checkbox"/> |
| | Untrained contractors | <input type="checkbox"/> |
| | Poor management | <input type="checkbox"/> |
| | Charging high costs | <input type="checkbox"/> |
| | Do not encounter problems | <input type="checkbox"/> |

26. What are the training needs to solve these problems?
- Sugar cane husbandry
 - Business skills
 - Tractor maintenance
 - Labour management
 - Not sure
27. Do you encounter problems when you require extension services?
- Yes
 - No
- If yes, what problems?
- Unavailability of Extension Officers
 - Lack of visits to growers
 - Unreliable Extension Officers
 - Representing interests of millers
 - Not aware
28. What are the advantages of community driven extension services?
- Community manages the service
 - Increase management capacity of community
 - Extension programmes involve the community
29. What benefits did you receive from training?
- Co-ordinating meetings properly
 - Increase knowledge on cane husbandry
 - Improved decision making
 - Improved financial management skills
 - Not sure
30. Are you able to effectively implement your training?
- Yes
 - No
- If yes, explain how
- Resolving member disputes

Managing sugar cane
 Increase in cane production
 Training other growers
 Applying fertilizer
 Not sure

31. What are the training needs of growers?

Sugar cane husbandry
 Financial management
 Labour management
 Tractor maintenance course
 Not sure

32. Do you encounter problems when you require services from the mill extension and development companies?

Yes
 No

If yes, what problems?

Poor co-ordination of cane supply
 Lack of training growers
 Poor establishment of crop
 Poor financial administration

33. What do you think are the most important functions of the MCC?

Attend to growers problems
 Unite growers
 Liaison with support groups
 Arrange training programmes
 Communication to members
 Not sure

34. Do you encounter problems as MCC members?

Yes
 No

If yes, what problems?

- | | | |
|-----|---|--------------------------|
| | Unreliable sugar cane contracting | <input type="checkbox"/> |
| | Unconstructive mill involvement | <input type="checkbox"/> |
| | Poor attendance of the MCC meetings | <input type="checkbox"/> |
| | Lack of communication amongst the MCC members | <input type="checkbox"/> |
| | Poor election of office bearers | <input type="checkbox"/> |
| | Uneducated members | <input type="checkbox"/> |
| | No problems | <input type="checkbox"/> |
| 35. | When you report issues to MCC are they attended to? | |
| | Yes | <input type="checkbox"/> |
| | No | <input type="checkbox"/> |
| | If yes, which issues were attended to most? | |
| | Poor sugar cane contracting services | <input type="checkbox"/> |
| | Financial matters | <input type="checkbox"/> |
| | Disputes between growers | <input type="checkbox"/> |
| | Arranging sugar cane inputs | <input type="checkbox"/> |
| | Not sure | <input type="checkbox"/> |
| 36. | Whose responsibility is it to attend to MCC issues? | |
| | Chairperson | <input type="checkbox"/> |
| | MCC Development Officer | <input type="checkbox"/> |
| | MCC Committee | <input type="checkbox"/> |
| | Facilitators | <input type="checkbox"/> |
| | Other | <input type="checkbox"/> |
| 37. | What needs to be done to improve performance of MCC Development Officers? | |
| | Training | <input type="checkbox"/> |
| | Office equipment | <input type="checkbox"/> |
| | Supervision | <input type="checkbox"/> |
| | Better salary | <input type="checkbox"/> |
| | Not sure | <input type="checkbox"/> |
| 38. | How do you audit Development Officers' work? | |

Report back in the MCC meetings

Ability to resolve grower problems

Checking of financial records

Field inspections

Not sure

39. What changes have taken place in the MCCs after the employment of MCC Development Officers?

Improved management of the MCC

Implementation of training programme

Improved communication

Improved solution to problems

40. Are there any other things which you think are important for this research?

Yes

No

If yes, please name them.

APPENDIX 2

POTENTIAL FOR COOPERATIVES IN SMALL-SCALE GROWER DEVELOPMENT

This paper broadly outlines the potential role of cooperatives in agricultural development and suggests a cooperative strategy as logically the next phase which will give clear direction to the development of the small-scale grower sector of the Sugar Industry.

THE COOPERATIVE CONCEPT

Briefly, the word cooperative means working together. The word may be split into two parts:-

co - which means together
operative - which means worker

The importance of cooperatives in development is that they bring together in a voluntary manner, people who have a common need or problem they want to solve, or who want to create more productive employment and income for themselves. For people with limited resources, working together as a united group in a common purpose is much more effective than working as individuals and is the only way to solve many of their problems such as input procurements, access to finance etc.

Historically, in South Africa in the 1930's, the country's white farmers, many of them poor, organised themselves into cooperatives to improve their bargaining power with

traders and large industries. Previously, the farmers were disorganised.

In addition to improving the economic position of members, cooperatives have a broader aim of promoting the interests of their community and the poorer/weaker people and uplifting standards in general. (For example, by encouraging conservation farming).

However, it should be noted that in order to be a positive force in development, cooperatives must be well run and their projects must be economically viable. If they are to succeed they must be able to plan their budgets, pay their debts and make a surplus or profit for distribution to their members. If they go bankrupt, cooperatives go out of business just like any other enterprise.

COOPERATIVE FORMS AND STRUCTURE

There are different forms of cooperation possible, and variations of these, depending on the degree of integration of members in various economic activities and the emergence of a formal structure.

Of particular interest are :-

- **Primary Cooperatives**

Members in a local area integrate in various economic activities such as marketing, supply, credit, storage, machinery, irrigation etc. However, every member is largely a free agent working on his own farm or business venture according to his abilities. There is a constitution and bylaws and the society

must be approved the registered by the Registrar of Cooperatives.

- **Secondary Unions (Leagues)**

Formed by primary societies to provide them with services, eg input supplies, marketing, accounting, banking. The members of a Union are primary societies.

Suggested Cooperative Model for the Small-scale Grower Sector

At the 'primary' level there is the possibility that Local Associations could develop into cooperative style farming business units (as outlined above). These could then become member units at the secondary level by the MCC developing into a Cooperative Union. At the apex, Unions could become members and form a Central Association of Cooperative Unions (Regional or National) providing brokerage/banking services (Cooperative Bank) etc.

This Apex type structure (or Cooperative 'Movement') provides not only a strong negotiating block to protect and promote the interests of small-scale growers, but also has a major function in facilitating the delivery of material benefits to individual small-scale growers at primary society level.

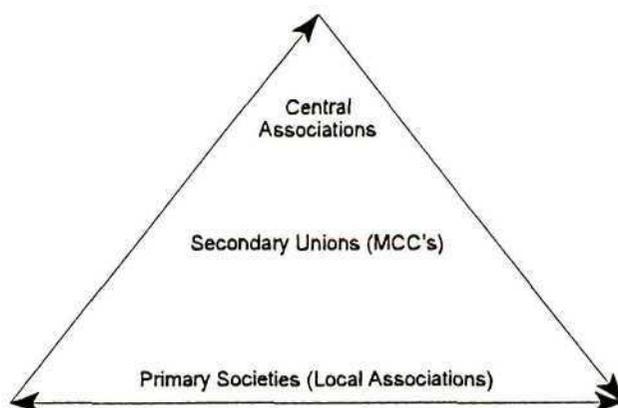
THE RATIONALE FOR A COOPERATIVE STRATEGY

Historically, small-scale grower structures have been disorganised/fragmented, they have lacked direction/programme and have perhaps served not very effectively as message receivers from superordinate organisations. Since the early 1990's, the SGDT has promoted institutional/capacity building training for small-scale grower

structures which has increased awareness of participatory development, eg decision-making, planning and self-management as the way forward. However, there is now an urgent need to 'concretise' the development process which is still patchy/fragmented. Small-scale growers are now involved in their own affairs, but uncertain of the way forward and still lack real empowerment (control) in economic aspects of their endeavours (farming and material benefits resulting from the improved functioning of their structures). The progressive transformation of small-scale grower structures into cooperative institutions, with a business focus, is suggested to address the present situation and give clear direction to development of the small-scale grower sector.

APEX ORGANISATION

The Central Association form (KCGA) would provide services to Union - services which are best carried out by one organisation at Regional or National level, and might best be established when sufficient Unions have been formed and identify their needs.



An alternative possibility which should be explored would be to link Unions as they develop with an existing large-scale farmers' cooperative. This arrangement might substitute, at least in the early stages, for a Central Association which would take some to develop from the Unions.

Unions (MCC) provide appropriate services to primary societies which cannot easily undertake them themselves.

Primary Societies (LFAs) can be view as the basic farming/business units, ie the main instruments to ameliorate the lack of resources of individual small-scale growers.

THE LFAs AS FARMING BUSINESS UNITS

- Aim
 - to develop into multi-purpose primary cooperative societies.
- First Steps
 - define area/boundaries for economic/social viability
 - involve/motivate traditional/local authorities (possibly revive Ubuntu tradition)
- Programme
 - based on Land Use Plan/Self Survey (eg 'Do you know your area?')
 - Model/Vision - that of a large scale farming unit
- Implementation
 - Progressive/phased undertaking of functions as management capacity success develops

- Functions
 - a range of services is possible which are beyond the capacity of individual small-scale growers
 - communication/planning of the area, planning of operations, eg planting/harvesting
 - training
 - roads infrastructure
 - rationalisation of arable, grazing (livestock control/utilisation) conservation
 - FSR (Farming Systems Research) participative trial/demonstrations plots
 - financial services
 - inputs supplies procurement/distribution
 - facilitation of contractor/marketing services etc

OPERATIONALISING A COOPERATIVE DEVELOPMENT STRATEGY

Broad requirements :-

- The LFAs require effective management (structural improvement eg office bearers/elections) and training in business skills with a cooperative focus - the effective functioning of a primary cooperative society.
- The LFAs also require material support (which at present largely is absorbed at the MCC level) eg modest administration funding, office/store/meeting place, assistance with Land Use Plan, regular visits by Development Officer and other support personnel etc.
- There is a need for a widespread member training campaign (Cooperative

philosophy - participation/self help/voluntary initiatives-service/and methodology-business approach/local control - accountability etc.)

NB Member education is considered a key element in the success or failure of cooperative endeavours, especially in involving members actively in the functioning of their cooperatives.

- The MCC updated training is required. The role and functioning of a Cooperative Union and active facilitation of Local Associations to develop into primary cooperative societies. In some areas attitude change will be required, that primary societies control the Union, which is there to service them : The LFA and the MCC functions and operating linkages can be clearly defined.
- Development Officers and other support staff/organisations will need orientation to and integration with cooperative structures and programmes. The benefits from a coordinated, rational approach to the delivery of support services can be considerable and synergy created by :-
 - reduction of fragmented and overlapping functions
 - an agreed development programme/framework (less uncertainty) with common long term goals and working targets
 - reduction of conflict situations
- Linkages must be maintained with government and other cooperatives promotional agencies to access information and other support.

INITIATION OF THE PROPOSED COOPERATIVE DEVELOPMENT STRATEGY

Once approval has been given for the development of a cooperative strategy, this must be elaborated/operationalised in the form of a Plan of Operations (3-5 years)

and Budget Plan setting out the concrete measures to be initiated and the costs of these.

APPENDIX 3

**SUGAR CANE EXTENSION SERVICES WORKSHOP HELD AT INDUSTRIAL
TRAINING CENTRE
MOUNT EDGECOMBE ON 11 JULY 1994**

Participants : KwaZulu Department of Agriculture
 The MCCs' Representatives
 The MCC Development Officers

1. Working with Sub-Committees difficult.
2. Conducting elections not done by them.
3. Extension programmes not co-ordinated.
4. Evaluation of work programmes not done.
5. Joint Extension Programmes / Roads not co-ordinated.
6. Chairman/Development Officers over-ruling meetings.
7. Role of Development Officer is confusing.
8. The FAF policy is ignoring Extension Officers.
9. Quota Administration - Extension Officers not recommending any more.
10. High ratio Extension Officers/farmers.
11. Role of various players is causing conflict.
12. Secondment of Extension Officers to Sugar Industry is not favoured by the Extension Officers at all.

13. Budgeting restrictions on vehicles.
14. Poor co-ordination with Department of works (Poor work programme - unreliable vehicles.)
15. Extension Officers concentrating on office work.
16. Lack of transport for Extension Officers.
17. Development companies are interfering with Extension Officers' work.
18. Extension Officers are not involved on Trust Farms/land.
19. In certain areas there are no sugar cane specialists.
20. Extension Officers are supporting initiatives of millers.

CONCERNS ABOUT FINANCIAL AID FUND (FAF)

1. Extension Officers are not included in Loan Committee structures of the FAF and are no longer required to recommend loans.
2. The FAF was using millers' agency who were neglecting the Extension Officers.
3. Growers wanted a direct link with the FAF.
4. Because of the FAF administration procedures Mill Development Companies were competing with contractors.
5. In some mill areas the FAF did not have representatives.

CONCERNS ABOUT THE MCCS

1. Extension Officers do not know what is happening in Sugar Industry because Gavin Wiseman left a vacuum.
2. Growers have changed structures and the Extension Officers were not

informed.

3. Extension Officers said that representation structures of the MCC were not effective in certain areas i.e. report back.
4. Development Officers were perceived to be employed by the SGDT not by the MCC.

RECOMMENDATIONS

1. All extension programmes to be co-ordinated through the MCCs.
2. Representatives from various organisations should meet once a month to discuss the MCC programmes.
Development Officers
The FAF
Extension Officers
The SASEX
The MCCs
3. Development of local small grower development strategy.
4. Identification of training needs to improve effectiveness of the MCC structures - training on representation structures, institutional building and conducting elections.
5. Extension Officers should support initiatives of small growers.
6. KwaZulu/Natal Department of Agriculture needs to set up appropriate structures in line with the Sugar Industry at head office, regional, district and local levels.
7. Need adequate Extension Officers in each mill area.

8. Department should sort out management problems through proper restructuring i.e.
Structures and budgeting.
9. Extension Officers should be divided into Development and Field Extension Officers.

THE ROLES OF VARIOUS PLAYERS INVOLVED IN SMALL GROWER DEVELOPMENT PROCESS

1. Grower registration, i.e. registration of new growers and small growers.
2. Funding of development including-
 - Loan application procedures
 - Management and disbursement of loans
3. Ratoon management, including the management of Retained Funds.
4. Harvesting, including-
 - contractor organisation
 - management of daily rateable deliveries (DRD)
 - chain control
5. Extension, in the context of education and training.
6. Planning, provision and maintenance of road infrastructure.

7. Contractor Development.

8. Expansion, i.e.
 - irrigation projects
 - new localities
 - new growers

9. Grower institutional development.

PARTICIPATION IN SMALL GROWER DEVELOPMENT

1. Growers and their representative bodies
2. Milling Companies.
3. Financial Aid Fund.
4. The SASA Experiment Station.
5. The KwaZulu Department of Agriculture.
6. The KwaZulu Investment and Finance Corporation.
7. Mill Group Boards and Sugar Industry Central Board.
8. Commercial suppliers of inputs.
9. Contractors, both large and small-scale.
10. Tribal authorities.

1. FUNCTIONS OF THE VARIOUS PARTICIPANTS

1.1 ADMINISTRATION

- Financial Aid Fund including-
 - Processing of loan development
 - Payments to contractors
 - Retention fund management
 - Measurement and inspection of work done
 - Areas surveys
 - Loan monitoring
 - Management of disaster relief funds
- Grower registration
- Cane payments
- Statistical returns
- KFC contractor and project loans management
- Occasional surveys
- Financial projections for new projects.

1.2 CO-OPERATION OF THE DEVELOPMENT OPERATION

This takes place at many levels, and includes:

- road infrastructure
- Financial Aid Fund
- Expansion programmes e.g. new localities and projects
- Amongst grower groups
- Training

- Grower/contractor
- Tribal authorities
- The SASEX
- KFC
- Harvesting and haulage, including large and small contractors

1.3 EXTENSION (EDUCATION AND TRAINING)

- cane estimating
- agriculture topics
- Financial topics, including the FAF loan systems
- Grower problems and queries
- Contractor training

1.4 CANE SUPPLY

- cane estimates
- management of DRD
- cane quality control
- cane chain control
- contractor liaison

1.5 CANE EXPANSION

- identification of new localities and projects
- planning, including infrastructure and financial projections

- social preparation

1.6 RATOON MANAGEMENT

- training
- input supply/facilitation
- administration of retention funds

1.7 CONTRACTOR FINANCING

1.8 INFRASTRUCTURE INCLUDING ROADS, ZONES, IRRIGATION AND RESOURCE CENTRES

- identification of needs
- co-ordination of involvement by other parties

2. GROWERS AND THEIR ORGANISATIONAL STRUCTURES

2.1 THE MCCS

- ensure that growers are represented in all relevant structures
- disseminate information to Local Associations and to individual

growers

- co-ordinate grower support programmes
- manage grower registration procedures
- participate in the FAF loans services

- encourage effective contractor services
- help growers to make sound decisions and select correct options
- participate in the assessing growers' training needs
- participate in designing training programmes (George Smith's objectives to be used as a starting point at sub-committee level)
- compile and submit cane estimates to Mill Group Board
- provide basic financial advise to growers
- participate in roads matters with KDA and other participants
- development and training of committee structures
- appointment and training of representatives to industrial bodies and committees

2.3 SUB-COMMITTEE FUNCTION

- sign registration applications (Chairman)
- compile cane estimates, receive allocations and manage DRD
- determine training needs, set training dates and venues with other parties
- compile list of road repairs
- establishment of contractors' association
- promote new expansion (will need much more information and assistance)

3. THE FINANCIAL AID FUND

3.1 HEAD OFFICE

- provide funds for small grower development
- administer the retention scheme
- establish a bad debts listing (blacklist?) And a credit rating for growers
- adopt a stronger approach to bad debt recover

3.2 LOCAL LOANS OFFICER

- audit 10% of borrowers
- chair loans committee and approve loans
- initial mediator of disputes
- audit arrears reports
- extension function of the FAF loans system

4. SASEX (THE EXPERIMENT STATION)

PROPOSED ROLE

4.1 EXTENSION

- train the trainers - KDA
Millers
The MCCs
- JC and C courses
- modular courses
- contractor courses. Liaison with KTT?

4.2 SPECIALIST SERVICE

- The FAF
- LUP's
- etc.

4.3 RESEARCH

- varieties (winter ratooning, flat sucrose curves, toxic to eldana etc)
- appropriate small grower technology (weed control, herbicides, fertilisation levels etc.)
- other small grower directed research

5. THE KFC

5.1 FINANCING CONTRACTORS

- finance contractors directly not via millers
- contractor training on business principles and tractor operation and maintenance

5.2 PROJECT FINANCING

- irrigation
- project management

5.3 GROWER TRAINING

- project related training, e.g. finance
- co-ordination of parties involved

6. THE KWAZULU DEPARTMENT OF AGRICULTURE AND FORESTRY

6.1 EXTENSION

- agronomic training
- institutional development training, in co-operation with the SGDT
- economic extension, in co-operation with the SACGA regional economists

APPENDIX 4

SCALE FOR MEASURING SELF MANAGEMENT

1. INTRODUCTION

According to Smith (1996, p57), there is no absolute certainty that self help development will succeed in all situations. Patience is required because *development programmes based on self-help and people's participation take longer to implement than other approaches.* We have to persevere with bottom up self help because other approaches have largely been significant and costly failures. In South Africa, with a new political climate of non-oppression, the task of involving people in the process of their own development is formidable.

Small-scale grower structures have a belief that their members can meet many of their own needs if opportunities are provided for self help development which inevitably will mean some types of 'affirmative action' directed towards them to enable them to help themselves. The role of the LFA should be mainly action and/or implementation and development as a farm business unit at a local level responsible for the following functions :-

- awakening the desire amongst members for change;
- assisting members to make better judgements on their needs and how to achieve them;
- interacting with members, teaching them a problem-solving approach

to self-help management;

- helping members learn development, knowledge and skills;
- assisting members to develop their abilities: leadership, planning, evaluation - in the implementation of practical activities;
- granting members group autonomy in enhancing their dignity and self confidence.

The role of the MCC should be mainly a coordination function of the LFAs, but the MCC is composed of members organisations who should 'drive' the MCC. The MCC should therefore function as a :-

- facilitating body for the LFAs to implement their programmes and plans in their areas;
- coordinating body at mill area level when activities involve a number of constituents of the LFAs;
- forum for local associations in the mill area at which they can express their needs, opinions and wishes for their members;
- a clearing house for information (receiving/giving) the communication link with Local Grower Council, the SGDT and other agencies and bodies involved in small grower development, with a major obligation to report back to the LFAs;
- negotiating body on behalf of small-scale growers.

The role of the LGCs should be mainly negotiating (mouthpiece) on behalf of all member organisations at a mill area level and communicating the SACGA structures with a major obligation to report back to member organisations.

According to van Zyl (1992, p12), agricultural development strategies and donor aid in Africa should focus on institutional capacity building in the 1990's to strengthen the foundation for 'getting African agriculture moving'. The major thrust of self-management is to speed up rural community development which according to Erskine (1996, p40), must be seen as an integrated process of reorganising and remaking existing incomplete or flawed institutional structures and economic systems for the purpose of enabling rural people to progress, in their chosen communities, to a more advanced and sustainable state in respect of satisfaction of basic needs, human resource development, economic empowerment and enjoyment of democratic rights.

2. DEVELOPMENT OF A SCALE FOR SELF ASSESSMENT OF SELF-MANAGEMENT

In developing a scale to measure and/or promote self-management consideration must be given to the perceptions and attitudes of the MCC respondents. It was found that the internal organisations and/or dynamics were crucial for effective organisation functioning before external linkage and/or functioning could be utilised fully to benefit an organisation. The scale for measuring self-management is outlined in Table 1 and it can be seen that the scale is congruent with the conceptual framework based on Verhagen (1984, Chapter 3, Figure 3.1 and phases of association development after Decurtins 1986 Figure 1).

COMPONENTS	ELEMENTS Means of Verification (MOV's)	MEASURE FOR EFFECTIVE FACILITATION/COUNSELLING	
Internal Organisation/Dynamics			
1.	Structure - representation	Constitution - understanding & implementation Composition, gender Elections Office Bearers Registration of members, paying the levy Schedule Attendance Decision making Problem solving Minutes Group cohesion/interaction Motivate members to join	% Effective implementation % Women Done according to constitution % Understanding responsibility Check books Paying annually - Drawn up year - Recording of members - No. & type of decisions - Level of comebacks - Kept and audited - No. Of perennial disputes - Members joining or resigning yearly
3.	Finance	Budget Books of account/financial records Treasurer/financial control (Cheque book, statements) Strict control of expenditure Transparency, monthly/annual financial reports Audit (Internal/External)	- Done yearly and controlled - Auditing - Reports - Auditing - Written reports - Quarterly internal Half yearly - external
4.	Resource Allocation/ Management	Allocating of work/tasks to members Control of staff Staff and member training and development Management of vehicles and equipment	- Effective functioning (written reports) - Quarterly auditing - Improve performance - Reduced costs and breakdowns - Policy management

External				
Linkage/Functioning				
5.	Local Associations/sub-committees	Feedback of the MCC decisions and other information relevant to small growers	-	Written reports Veto of decisions
		Needs issues, problems of small growers brought forward to the MCC	-	Development of programmes Monitoring and evaluation
		ie quantity/quality of contract by LA rep, organised local communication channels, use of printed material, notices etc.	-	Method of communication written reports in Zulu
6.	Representation on other bodies and Liaison (miller)	LGC The SACGA Board The FAF Steering Committee MGB Training/Extension Roads/Bridges Other industrial committees Pest and diseases Miller liaison Quality of representation, putting forward small grower interest and feedback to the MCC	-	Understanding of functions and written reports from representatives Strategic planning of the MCC and reporting back.
7.	Contracting Services	Planting	%	Performance to Industry standards
		Ratoon Management		
		Harvesting/transporting	%	Completing cane estimates
		Cane supply problems		
		Availability	%	Costs at industry average
		Quality/reliability		
		Costing	%	Clients complaints per contracting
		Control-work planning implementation	%	Making profit

External Linkage/Functioning				
8.	Training/Extension	Training Committee	-	Measure effectiveness
		assessment of training needs	-	IR functioning quarterly and yearly
		(Annual) Agronomy, Institutional business skills	-	Designing programmes
		Organisation planning training	-	Evaluation
		Use of the SASEX resources, staff		% Completion of training
		Financing - use of resources (SGDT) etc		
9.	Grower financing	New growers induction	-	Registration/Policy
		Loan applications - checking loans committee	-	Measure performance and auditing
		Self-financing (savings)	%	Saving
		Grower training, business skills	%	Attending courses
		Cane deliveries, Quota No.	%	Cane not crushed yearly
		Control/Delivery No.		
			%	Fraud/misallocation
10.	Infrastructure	Roads/bridges maintenance	-	Assessment of condition (Monthly)
		Zones - LUP land utilisation	%	Effective utilisation
		Irrigation development	-	Multiplier effects
11.	Input supplies	Availability - timing - location	-	Measure delays
		Procurement - costs		% Industrial costs
		Quality - soil testing - technical advice, weedicide etc.		% MCC and growers utilising services
		Labour		% Availability
12.	Community Social Interactions	Fire/Cattle control	-	Record and causes
		Social unrest		
		Community Development	-	Record yearly
		Schools, clinics, electricity, water		improvements and maintenance

FIGURE 1. Scale for measuring self-management (Adapted from Smith, 'Self Management of pre-co-operatives' unpublished 1989)