Western Cape Government

Agriculture

BETTER TOGETHER.

# Performance Evaluation: Agricultural Land Reform Projects (2014-2019)

## Summary Report

February 2019

Kayamandi Development Services

Casidra

# DISCLAIMER

This study entails an analysis of a sample of land reform project farms supported by the Western Cape Department of Agriculture. The data was obtained from a once-off farm visit which included administering beneficiary surveys, a project farm questionnaire with the project leader and the responsible Farmer Support Development Officer, as well as completing an observation sheet. The project farm surveys were undertaken during the months of October and November 2018 following a period of intense drought in the Province. Determining the cause and effect of the drought proved to be challenging and impacts on the results of the evaluation. Even though it was communicated in advance that key documents was to be available at the interview as evidence, not all documentation was availed nor received afterwards. For these project farms, there is a total reliance on non-verifiable responses from project leaders and Farmer Support Development Officers. The analysis of data obtained uses averages from all the surveys combined to ensure individual anonymity. The results should thus be utilised more as providing a useful indication of the likely order of magnitude of change and trends and not on actual values.

The information contained in this report has been compiled with the utmost care and accuracy, however Kayamandi cannot be held responsible for the accuracy or completeness of data obtained and thus does not accept any liability for any loss, damage, dispute suffered from the use of, reliance on, or analysis of the results.

## POLICY SUMMARY

Key recommendations for improved project performance of land reform projects supported by the department from 2014 to 2019, as noted from the project performance evaluation undertaken are:

- **Exit strategies for cessation of support**: the Department needs to develop exit strategies both for projects that are able to succeed on their own, as well as for project farms that are failing to such an extent that continued support is no longer justified. Concerning failing projects, the Department needs to make a decision and consider to cut their losses. Whereas, highly successful farms could benefit from receiving a higher level of support to attain higher levels of farming, such as greater support with value adding and/or support with smart-farming technologies, etc.
- **Develop a dynamic outcome-based project success-monitoring tool and monitor progress**: The project farm database should be updated regularly and the project performance rating system should be used to design a monitoring tool. The monitoring tool needs to assist with regularly collecting project performance information against outcome indicators to enable the department to determine whether a project is on an upward/downward growth trajectory. The department could develop a farmer support tracking and referral system to enable joint tracking and monitoring of both the quantity and quality of support provided by departmental and non-departmental agencies (financial and non-financial) to project farms. The Department could also consider incentivising FSD officers to achieve success.
- **Support continued formalisation and organisation of businesses for continued rollout of support:** A business-oriented approach will assist project farms in progressing from a subsistence orientation to an economic one. These aspects are to be considered prerequisites for continued support: registered business, bank account, tax compliance, VAT registration, labour law compliance, record keeping, etc. Financial and non-financial record keeping facilitates better monitoring of project farms and enables beneficiaries to operate their farming practices as formal businesses. Overall, higher standards of administration and record keeping should be attained if project farms are to be more successful.
- **Skills development and regular business development planning**: Regular planning of these components needs to be a critical focus area of support from the Unit of Technical Assistance: skills development, computer literacy, trend and feasibility analysis, production and sales forecasts, capital need projections, risk amelioration, income and expenditure projections, cash flow management, market access, etc. If skills are developed and business plan components regularly updated, a good basis for regular, or at least yearly, business planning can be nurtured.
- **Match beneficiaries own capital and physical contribution to the department's financial and non-financial support:** If beneficiaries make their own capital contributions to projects, this ensures greater commitment and enables them to gain experience in creating value. Agriculturally experienced beneficiaries are more motivated to work hard, have realistic expectations of benefits, and reveal patience for the time horizons for such benefits. Beneficiaries' financial and non-financial support (in the form of hard work and prior agricultural experience) must be matched with the department's support.
- **Encourage a multiplicity of income sources:** Both off-farm and on-farm income sources are paramount as income sources to support eventual full-scale and full-time farming involvement. This will ensure that there is a safety net in that beneficiaries are not solely dependent on the farm, are less likely to jeopardise the farm's future, and are better able to pay for seasonal and day-to-day expenses, which they are then motivated to recoup through farm activities.
- **Greater focus on environmental sustainable patterns of production and smart farming technology**: Production levels could be enhanced through access to better technologies, while simultaneously achieving more environmentally sustainable patterns of production. There is urgent need for the kinds of sustainable intensification that significantly raises land and labour productivity while also reversing environmental degradation. This will require the best of modern science and indigenous knowledge, requires new approaches to research and extension, as well as an enabling policy environment. Climate change is increasing the urgency of this kind of farming.

# EXECUTIVE SUMMARY

The purpose of this evaluation is to determine the success of a sample of 100 of the 243 agricultural land reform projects supported by the department from 1 April 2014 to 31 March 2019. The performance evaluation seeks to answer questions to determine the level of success of project farms, such as the ability of project farms to re-invest finances, existence of market access contracts, etc.

The evaluation approach, as detailed in **Section 3** of the main evaluation report, entailed:

- **Step 1: Project initiation**: this entailed an inception meeting and finalisation of study outcomes
- **Step 2**: **Reference group consultation**: a steering committee ensured constant review
- **Step 3**: **Compliance framework and research design**: literature and previous evaluation studies were reviewed and translated into various 'criteria for success'. Details of the literature review are contained in **Section 2** of the main evaluation report. An evaluation framework was developed, for the previous evaluation (2009 – 2013). The literature review was updated and the evaluation framework revised, whilst maintaining the ability to compare to the results from the previous evaluation. Key dimensions of success included environmental, socio-economic and economic viability. The evaluation framework was designed to gauge the success of land reform projects and to frame and analyse relevant evaluation questions contained in the project and beneficiary questionnaires/evaluation tools. Sampling ensured provincial spread and distribution of size of project farms in terms of number of beneficiaries. An inception report was prepared.
- **Step 4: Data collection**: unemployed graduates were sourced and trained, utilising a detailed training manual, to undertake the following multi-method evaluation approaches: site visits and observations, document/record analysis, interviews with project leaders and farmer support and development (FSD) officials, and beneficiary interviews. The evaluation tools were incorporated into a digital format, which was accessed and completed through logging into a tablet. In total 105 land reform projects were evaluated.
- **Step 5: Analysis of success and sustainability:** Various components for success were identified and compiled into a project performance rating system. Project farms were ranked and classified, based on the benchmark scores from the previous evaluation (2009-2013), into these categories: highly successful, succeeding, challenged, and failing. To determine success factors, correlations between the dependent variable (rating) and the independent variables (factors from the survey) enabled verification of positive or negative relationship.
- **Step 6: Project evaluation report**

The evaluation problems/issues/challenges/limitations included the following hitches:

- Numerous sampled projects had to be replaced
- Limited beneficiary surveys were done, although a minimum of three were requested:
  - Project leaders were unwilling to allow interviews owing to time off from work
  - Many beneficiaries are inactive and were not present at the project site
  - There are far less beneficiaries than that reported on in the land reform dataset
- Financial data were not always available and auditors cited as keeping records
- Farm production, income, etc., was often based on opinion without documentary proof
- Commonages/food security/subsistence projects required their own success indicators
- Some projects were too immature to enable determining success
- A multiplicity of factors impinged on each project, making each unique/complex
- Classifying farms into typologies to enable inter-group comparisons was difficult

**Section 4** of the main report profiles the project farms based on the project farm questionnaire. In total, 105 project farms were evaluated per region, as shown below.

| District | No. of projects | No. evaluated | Representation |
|---|---|---|---|
| Cape Metropole | 13 | 4 | 31% |
| Cape Winelands | 65 | 31 | 48% |
| Central Karoo | 14 | 6 | 43% |
| Eden | 36 | 16 | 44% |
| Overberg | 46 | 20 | 43% |
| West Coast | 69 | 28 | 41% |
| **TOTAL** | **243** | **105** | **43%** |

Key project farm profiles entail these aspects, inter alia:

- On average, the project farms have 10 beneficiaries each. The majority of beneficiaries are actively involved on a day-to-day basis (52%), followed by 32% that are not actively involved, and 16% that are actively involved on a part-time basis.
- The gender distribution of beneficiaries is relatively even, with females accounting for 48% of beneficiaries and males 52%.
- More than half (62%) of the beneficiaries are middle aged (36–49 years of age).
- The agricultural experience of beneficiaries at the project start is as follows: more than 5 years' experience (67%), fewer than 5 years' experience (17%), and no agricultural experience (16%).
- The average number of full-time employees per project farm is 6.
- Approximately 59% of all full-time employees are males, while 41% are females. Female representation in project farms is relatively high, compared with other sectors.
- The average minimum daily wage paid to farm workers is R152 per day, although 90% of project farms evaluated pay R146 per farm worker or more, the legally required minimum daily wage.
- Approximately 72% of projects have been able to re-invest finance into their businesses.

**Section 5** of the main report profiles the 147 beneficiaries surveyed, based on administering the beneficiary questionnaire. The impact on beneficiaries' quality of life, employment and household income as brought about by project farms reveals that:

- Multiple household income sources are common, and project income on average contributes more than two-thirds to the household's income.
- Significant increase is noted (from prior to the project to the current rating) in the overall rating of levels of satisfaction with life, even if the overall rating is still mostly neutral.
- A direct relationship is noted between income and the way beneficiaries' rate their levels of satisfaction and quality of life improvements.
- Furthermore, levels of satisfaction with the anticipated future financial situation reveal that nearly all beneficiaries (95%) anticipate high or very high future financial situations.
- In the vast majority of cases, beneficiary households, rarely experience hunger, if ever.
- Access to a better physical living environment has improved slightly in comparison with the situation prior to the project. The beneficiaries that changed their place of residence from prior to joining the project to their current residence have mostly reported their physical and living environments to have improved or remained the same.
- The average income of individuals is above the minimum wage for farm workers. However, the income of approximately 56% of beneficiaries' household monthly income increased owing to the project farms, whereas 44% of the beneficiaries' household monthly incomes decreased.

The overall performance evaluations of the project farm are detailed in **Section 6** of the main report. Twelve of the project farm beneficiaries only recently obtained support or had not yet started with their operations. The evaluation team considered the period insufficient to provide a meaningful evaluation of performance. A further 7 of the project farms were classified as commonages, food security projects or subsistence farms, 3 of which were also part of those that were too immature to evaluate. As a large percentage of the evaluation system was devoted to economic success, the evaluation team rated the four remaining food security projects according the following variables, which are more in line with the project's objectives:

- Degree of internal conflict among beneficiaries
- Percentage female and youth representation of beneficiaries
- Access to food in order to meet the needs of the households
- Satisfaction with change in beneficiaries health as brought about by the project farm
- Satisfaction with beneficiaries life as brought about by the project farm

There was an even distribution among the commonages, food security projects, and subsistence farms projects that have scored above and below average. The highest scoring commonage/food security/subsistence farming project received 67%, whereas the lowest received 42%, which shows that none of the commonage/food security/subsistence projects are doing exceptionally well or exceptionally poorly.

To determine the extent to which the remaining 93 projects (105 project farms evaluated minus 12 new projects, minus 4 commonage/subsistence/food security projects, plus 4 projects that have closed down) are successful and sustainable or, on the other side of the spectrum, a total failure, the following project performance rating system was designed.

| # | SUB-INDEX | INDICATORS | SCORE | |
|---|---|---|---|---|
| 1 | Impact on natural resources | At least more than 1% of electricity from renewable/green energy | 2 | **10** |
| 2 | | Low to no water contamination from farming practices | 2 | |
| 3 | | At least good sewerage disposal efficiency | 2 | |
| 4 | | At least some waste recycling/re-use albeit low | 2 | |
| 5 | | Observation on at least acceptable condition of soil and erosion | 2 | |
| | | | **Environmental dimension total** | **10** |
| 6 | Benefi-ciaries & workforce | Share of inactive beneficiaries | 2 | **6** |
| 7 | | Value of beneficiaries' contribution per beneficiary | 2 | |
| 8 | | Internal conflict between beneficiaries | 2 | |
| 9 | Empowerment targets | Percentage female beneficiaries | 2 | **4** |
| 10 | | Percentage youth beneficiaries | 2 | |
| 11 | Labour law | Workers UIF registered | 2 | **4** |
| 12 | | Minimum wage | 2 | |
| 13 | Quality of life | Standard of physical living environment | 2 | **4** |
| 14 | | Access to food to feed household needs | 2 | |
| 15 | House-hold income | Level of satisfaction with availability of money | 2 | **6** |
| 16 | | Change in income regularity and consistency | 2 | |
| 17 | | Change in anticipated future financial situation | 2 | |
| | | | **Socio-economic dimension** | **24** |
| 18 | Business formalisation | Registered company and bank account | 2 | **6** |
| 19 | | Business plan in place and rating of four components | 2 | |
| 20 | | Tax registered | 2 | |
| 21 | Expertise and Management | Share of beneficiaries more than 5 yrs agri. experience at start | 2 | **8** |
| 22 | | Success of overall PM, marketing & financial management | 2 | |
| 23 | | Sound financial management and record-keeping system | 2 | |
| 24 | | Income and expenditure projections | 2 | |
| 25 | Support & skills development | Sufficiency of FSD support | 2 | **4** |
| 26 | | Skills development plan in place and implementing | 2 | |
| 27 | Production | Sufficiency of equipment and machinery for production | 2 | **8** |
| 28 | | Production records | 2 | |
| 29 | | Rating of current production: combination of farming types | 2 | |
| 30 | | Farm utilised to full potential | 2 | |
| 31 | | Future anticipated production growth | 2 | |
| 32 | Market access | Percentage market access: combination of farming types | 2 | **6** |
| 33 | | Market access contracts: combination of farming types | 2 | |
| 34 | | Project evaluator observation of condition of internal roads | 2 | |
| 35 | Income, expenditure and debt | Capable of servicing debts | 2 | **10** |
| 36 | | Ability to reinvest finances into the farm/project | 2 | |
| 37 | | Is project viable or profitable | 2 | |
| 38 | | Sufficiency of financial support received | 2 | |
| 39 | | Future anticipated profit growth | 2 | |
| | | | **Economic viability dimension** | **44** |
| | | | **TOTAL PERFORMANCE RATING SCORE** | **78** |

To determine the class breaks between the classifications, during the previous evaluation (2009-2013) various accepted methodologies were identified, scrutinised and analysed in terms of their applicability, which included investigating methodologies utilised in relevant evaluations covered in the literature review. Discussions with other knowledgeable evaluation experts were also undertaken and **standard scores** were chosen as the preferred method of determining the class breaks. During the previous evaluation of land reform projects (2009-2013), farms scored 53% on average (average percentage out of a maximum of 78 points of all project farms), and using standard scores, the resultant class breaks between the classifications were as follows:

- Highly successful: 73%–100%
- Succeeding: 53%–73%
- Challenged: 33%–53%
- Failing: 0%–33%

The steering committee requested the aforementioned class breaks to be used during this evaluation, as they represent the benchmark against which progress (or deterioration) from the previous evaluation, can be measured, to ensure precise comparability.

The overall project performance rating results, compared to the previous results, are as follows:

| CLASSIFICATION | Previous evaluation (2009-2013) | | Current evaluation (2014-2019) | |
|---|---|---|---|---|
| | NUMBER | SHARE | NUMBER | SHARE |
| Highly successful | 15 project farms | 11% | 15 project farms | 16% |
| Succeeding | 69 project farms | 51% | 52 project farms | 56% |
| **SUCCESSFUL** | **Sub-total: 84 farms** | **62%** | **Sub-total: 67 farms** | **72%** |
| Challenged | 32 project farms | 24% | 22 project farms | 24% |
| Failing | 19 project farms | 14% | 4 project farms | 4% |
| **UNSUCCESSFUL** | **Sub-total: 51 farms** | **38%** | **Sub-total: 26 farms** | **28%** |
| **TOTAL** | **135 project farms** | **100%** | **93 project farms** | **100%** |

The table below shows the average score (out of 100%) per classified project for each of the dimensions, namely environmental, socio-economic, and economic viability:

| PROJECT CLASSIFICATION | DIMENSION | | |
|---|---|---|---|
| | Environmental | Socio-economic | Economic viability |
| Highly successful | 45% | 77% | 86% |
| Succeeding | 34% | 60% | 72% |
| Challenged | 20% | 48% | 52% |
| Failing* | ND | ND | ND |
| **AVERAGE** | **31%** | **57%** | **67%** |

* All the failing projects have closed-down, no longer exist and could not be evaluated, thus have No Data (ND).

The **top 5 average scoring indicators**, in order of importance, are:

- Future anticipated profit growth 92%
- Future anticipated production growth 91%
- Tax registered 86%
- Registered company and bank account 84%
- Capable of servicing debts 84%

The **5 lowest average scoring indicators**, in order of importance, are

- Degree of water contamination from farming practices: 6%
- Percentage of farming electricity from renewable/green Energy: 7%
- Waste recycling/re-use: 16%
- Percentage market access: combination of farming types: 29%
- Farm utilised to full potential: 32%

The project performance rating system was further used to determine the relationships among various independent variables obtained from the evaluation framework and data from the project performance rating system to determine correlations with success.

The following factors, have been noted to correlate the most with **challenged projects**, in order of importance, and are thus reasons contributing to negative or no outcomes in project farms:

- Mostly situated in Central Karoo and Eden regions
- Mostly involved with animal production
- Have slightly lower average number of beneficiaries
- Smaller degree of: farm businesses registered, VAT & Tax registered, a bank account
- Smaller degree of labour law compliance with regards to minimum wage and UIF
- Greater share of male beneficiaries
- Poor market access and limited market access contracts
- Very low rating of good rating of production yields and production equipment and machinery
- Very low average value of beneficiary groups own capital contribution per beneficiary
- Low share of support: training courses, market access, commodity committee support
- Hardly any recycling/re-use of nutrients/water from waste
- Half of no access to electricity
- Lower ratings of good internal beneficiary relations
- Lower average number of meetings per annum than successful projects
- Very low ratings for executing: project management, financial management, and marketing
- Have a lower tendency of having a business plan, while those that have a business plan at project start-up also have a very low tendency to have updated the business plan
- Rating of financial management as very good/good is far lower than successful projects

**All highly successful projects** have the following aspects in place:

- Registered farm business, Tax registered, Bank account holders
- Compliant with labour law in terms of minimum wage and registration for UIF
- Project leaders anticipate their future financial situation to improve and future profit growth
- Cell phone reception
- Business plan exists for current farming practices at start-up
- Sound financial management record keeping systems exist
- Record keeping (including records on production records, annual financial statements, projections of income and expenditure)

In conclusion the main report suggests the following aspects for improved performance:

- Exit strategies for cessation of support
- A dynamic outcome-based project success-monitoring tool
- Support formalisation and organisation of businesses prior to rollout of further support
- Skills development and regular business development planning or updates
- Match beneficiaries own capital and physical contribution to the Departments financial and non-financial support
- Encourage a multiplicity of income sources
- Greater focus on environmental sustainable patterns of production and smart farming technology:

The **critical recommendations** with which the department is in a pivotal position to assist include:

- Support business formalisation prior to rollout of further support
- Provide greater support with regular business planning and skills development
- Match beneficiaries own capital and physical contribution to the department's support
- Encourage a multiplicity of income sources at project start-up
- Co-ordinate greater partnership among support providers
- Ensure greater focus on environmentally sustainable patterns of production
- Monitor progress of projects and that of FSD officers and other support service providers

Many of the project farms have succeeded not only in developing an economic performance that matches expectations, but have also resulted in poverty alleviation. Furthermore, the latest target is for 70% of agricultural land reform projects in the Province to be successful (Provincial Strategic Plan 2014 – 2019), whilst this evaluation revealed that this target has not only been reached, but surpassed, as 72% of the agricultural land reform projects in the Province are successful.

## CONTENTS

# 1. EVALUATION SCOPE AND PURPOSE

In South Africa, access to and redistribution of land is an important development imperative to secure democratic stability. Addressing land reform will continue to be a complex process, however in line with governments outcomes based approach, the actual success of redressed projects is more important that the number of farms transferred and associated hectares.

As such, the purpose of this evaluation is to determine the success of a sample of 100 of the 243 agricultural land reform projects (smallholder and commercial farmers) supported by the department from 1 April 2014 to 31 March 2019.

The project performance evaluation seeks to answer various questions, inter alia, to determine the level of success of the project farms in terms of aspects such as the ability of projects to re-invest finances into the business, to comply with labour law requirements, to secure access to markets, to develop production and/or sales records, and to reveal the existence of a business plan.

This report, submitted by Kayamandi Development Services (Pty) Ltd, serves as a main summary report for the project performance evaluation, on behalf of the Unit for Technical Assistance (UTA) an initiative of the Provincial Department of Agriculture: Western Cape, administered by the Cape Agency for Sustainable Integrated Development in Rural Areas (Casidra SOC Ltd).

Since this is only a summary report, this report only provides overall levels of success and factors linked to successful and unsuccessful projects. For more detailed, unpacked and thorough analysis of combination of various results and for more detail on the rating system indicators, etc. the main comprehensive evaluation report should be consulted.

The previous Land Reform Performance Evaluation (2009-2013) revealed a 62% success rate in projects. The latest target is for 70% of agricultural land reform projects in the Province to be successful (Provincial Strategic Plan 2014 – 2019). The previously tested and applied land reform assessment was applied to determine progress over the last 5 years.

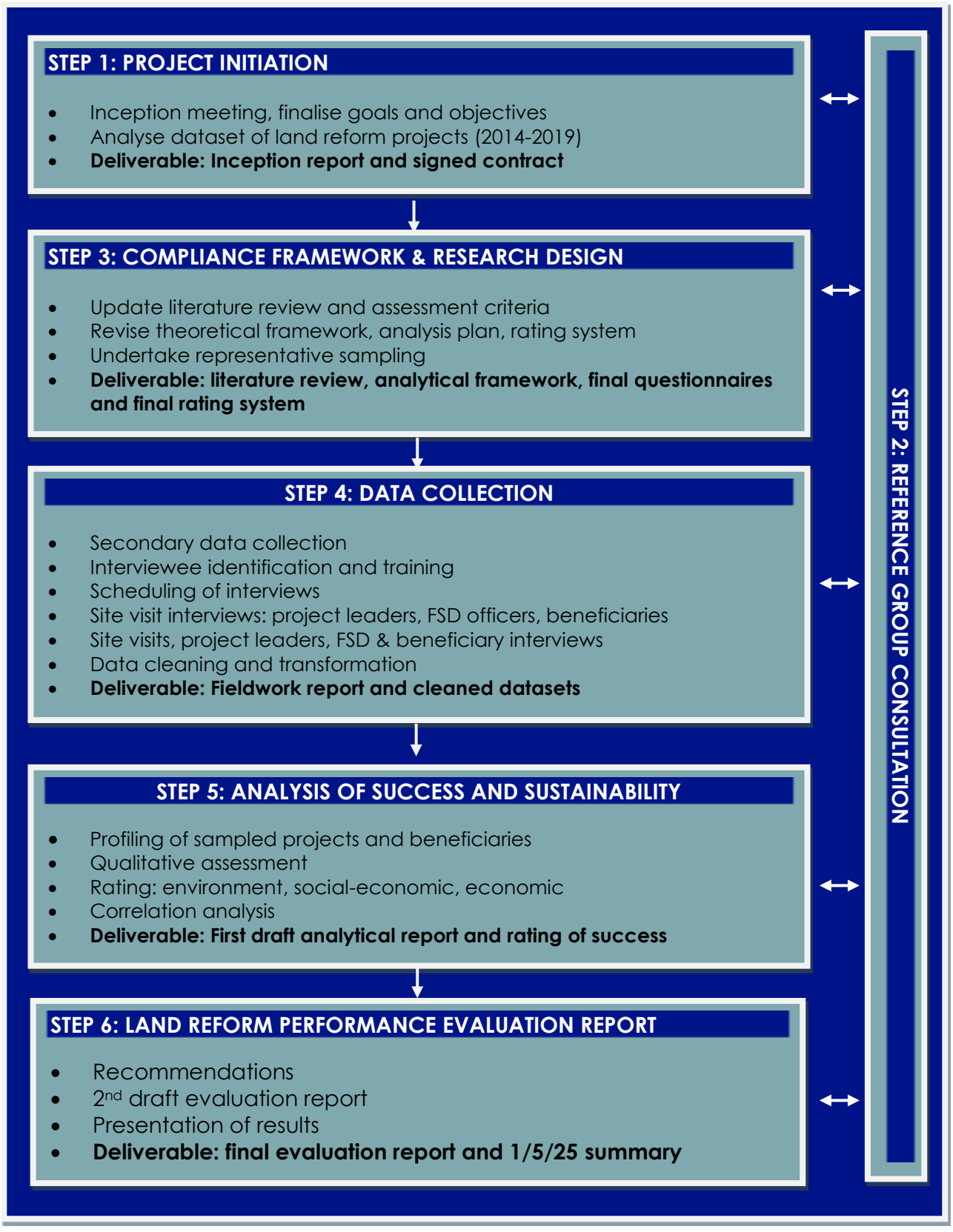
The following sections form part of this report:

- Evaluation approach
- Overview of project farms and beneficiaries
- Evaluation of projects' performance
- Factors for success
- Key recommendations for improved performance

The Comprehensive Evaluation Report is annexed to this report.

## 2. EVALUATION APPROACH

The evaluation was conducted according to these main steps as shown below.



The evaluation approach, as detailed in **Section 3** of the main evaluation report, entailed:

- **Step 1: Project initiation**: this entailed an inception meeting and finalisation of study outcomes
- **Step 2**: **Reference group consultation**: a steering committee ensured constant review
- **Step 3**: **Compliance framework and research design**: literature and previous evaluation studies were reviewed and translated into various 'criteria for success'. Details of the literature review are contained in **Section 2** of the main evaluation report. An evaluation framework was developed, for the previous evaluation (2009 – 2013). The literature review was updated and the evaluation framework revised, whilst maintaining the ability to compare to the results from the previous evaluation. Key dimensions of success included environmental, socio-economic and economic viability. The evaluation framework was designed to gauge the success of land reform projects and to frame and analyse relevant evaluation questions contained in the project and beneficiary questionnaires/evaluation tools. Sampling ensured provincial spread and distribution of size of project farms in terms of number of beneficiaries. An inception report was prepared.
- **Step 4: Data collection**: unemployed graduates were sourced and trained, utilising a detailed training manual, to undertake the following multi-method evaluation approaches: site visits and observations, document/record analysis, interviews with project leaders and farmer support and development (FSD) officials, and beneficiary interviews. The evaluation tools were incorporated into a digital format, which was accessed and completed through logging into a tablet. In total 105 land reform projects were evaluated.
- **Step 5: Analysis of success and sustainability:** Various components for success were identified and compiled into a project performance rating system. Project farms were ranked and classified, based on the benchmark scores from the previous evaluation (2009-2013), into these categories: highly successful, succeeding, challenged, and failing.
  The indicators for measuring success are:
  **Environmental indicators:**
  - Percentage of farming electricity from renewable/green Energy
  - Degree of water contamination from farming practices
  - Sewerage disposal efficiency
  - Waste recycling/re-use
  - Project evaluators observation on condition of soil and erosion

  **Socio-economic quality of life indicators:**
  - Share of inactive beneficiaries (target less than 50%)
  - Value of beneficiaries contribution per beneficiary
  - Internal conflict between beneficiaries
  - Percentage female beneficiaries
  - Percentage youth beneficiaries
  - Workers UIF registered
  - Minimum wage
  - Standard of physical living environment
  - Access to food to feed household needs
  - Level of satisfaction with availability of money
  - Change in income regularity & consistency
  - Change in anticipated future financial situation

  **Economic viability indicators:**
  - Registered company and bank account
  - Business plan in place and rating of 4 components
  - Tax registered
  - Share of beneficiaries more than 5 years of agricultural experience at start
  - Success of overall PM, Marketing & financial management
  - Sound financial management and record keeping system
  - Income and expenditure projections
  - Sufficiency of FSD support received
  - Skills development plan in place and implementing
  - Sufficiency of equipment and machinery for production
  - Production records
  - Rating of current production: combination of farming types
  - Farm utilised to full potential
  - Future anticipated production growth
  - Percentage market access: combination of farming types
  - Market access contracts: combination of farming types

- Project evaluator observation on condition of internal roads
- Capable of servicing debts
- Ability to reinvest finances into the farm/project
- Is project viable or profitable
- Sufficiency of financial support received
- Future anticipated profit growth

To determine success factors, correlations between the dependent variable (rating) and the independent variables (factors from the survey) enabled verification of positive or negative relationship.

- **Step 6: Project evaluation report**

Key sampling limitations of the evaluations include:

- **Sample project replacements**: some of the sampled projects had to be replaced. Reasons include:
  - Nine projects were not willing to take part in the survey and refused to co-operate. This occurred despite detailed confidentiality agreements existing
  - Four projects completely closed down, are no longer operational and no longer exist
  - Some project leaders indicated that they were either not available for the evaluation
  - One project did not exist, never received funding, and should not have been included
  - Some projects were duplications, that is, two different names but the same project
- **Limited beneficiaries present at evaluations**: Despite requests for at least three beneficiaries to be present, limited beneficiary surveys could be undertaken. Reasons include:
  - Project leaders were unwilling to allow more than one beneficiary to be interviewed due to the time off from work, and many indicated that beneficiaries are not available as many are inactive members.
  - During the undertaking of farm visits, it was also noted that there are far less beneficiaries on the project farms than that reported on in the datasets of the land reform projects.

Evaluation problems/issues/challenges include

- **Sampling replacements:**
  - Besides closed down farms (which are incorporated into the rating), other sampled projects could have been non-co-operative because perhaps their project farms are unsuccessful. There is thus the potential for rating results to be skewed slightly in the favour of successful projects.
- **Project leaders subjectivity and financial data availability/quality:**
  - Financial data was not always available. Auditors were often cited as keeping financial records
  - Data validity would have been less compromised if the department kept such records of each of the farms, so that the evaluation could compare with the departments' administrative records and not solely be reliant on a survey data
- **Variability of survey farms:**
  - Commonages/food security/subsistence projects required their own set of indicators
  - Some projects were too immature to enable success to be determined
  - A multiplicity of factors impinged on each project, making each unique/complex
  - Classifying farms into typologies to enable inter-group comparisons was difficult

# 3. OVERVIEW OF PROJECT FARMS AND BENEFICIARIES

This section provides an overview of:

- Project farms
- Beneficiaries and employees
- Beneficiaries' perceptions

## 3.1 OVERVIEW OF PROJECT FARMS

In total 105 project farm evaluations were undertaken as shown below.

**Table 1: District representation of project farms evaluated**

| District | Total no. of projects | No. evaluated | Representation |
|---|---|---|---|
| Cape Metropole | 13 | 4 | 31% |
| Cape Winelands | 65 | 31 | 48% |
| Central Karoo | 14 | 6 | 43% |
| Eden | 36 | 16 | 44% |
| Overberg | 46 | 20 | 43% |
| West Coast | 69 | 28 | 41% |
| **TOTAL** | **243** | **105** | **43%** |

*Source: DoA database of supported land reform projects and Kayamandi Calculations, 2018*

**Table 2: Size of project farms evaluated**

| Size of project farms | No. of projects | Evaluated | Representation |
|---|---|---|---|
| 1-5 beneficiaries | 163 | 72 | 44% |
| 6-10 beneficiaries | 24 | 9 | 38% |
| 11-20 beneficiaries | 11 | 9 | 82% |
| 21-50 beneficiaries | 20 | 10 | 50% |
| 51-100 beneficiaries | 11 | 5 | 45% |
| 101 – 500 beneficiaries | 12 | 0 | 0% |
| 501 + beneficiaries | 2 | 0 | 0% |
| **TOTAL** | **243** | **105** | **43%** |

*Source: DoA database of supported land reform projects and Kayamandi Project Survey, 2018*

**Table 3: Commodity representation of project farms evaluated**

| Commodity | No. of projects | Evaluated | Representation |
|---|---|---|---|
| Aquaculture | 7 | 3 | 43% |
| Bee farming | 8 | 4 | 50% |
| Citrus | 4 | 2 | 50% |
| Food security | 18 | 6 | 33% |
| Fruit | 53 | 23 | 43% |
| Grapes Table | 12 | 6 | 50% |
| Grapes Wine | 16 | 6 | 38% |
| Ruminant | 60 | 24 | 40% |
| Vegetables | 32 | 17 | 53% |
| White meat | 14 | 9 | 64% |
| Winter grain | 14 | 5 | 36% |
| Other | 5 | 0 | 0% |
| **TOTAL** | **243** | **105** | **43%** |

*Source: DoA dataset of land reform projects and Kayamandi Project Survey, 2018*

The average size of project farms evaluated is 333 hectares (ha), although slightly more than half (56%) of the project farms are small and less than 50 ha in size.

The distribution of main type of farming undertaken by the projects, in order of importance, is:

- Animal production 35%
- Horticulture 30%
- Vegetable farming 14%
- Crops 12%
- Production of products (milk, eggs, wine, etc) 8%

The below table shows the ratings of current production components per type of farming activity.

**Table 4: Percentage distribution of rating of current production components**

| TYPE | COMPONENTS | RATING | | | | | |
|---|---|---|---|---|---|---|---|
| | | Very bad/ Insufficient / unacceptable | Bad or not fully effective | Acceptable / sufficient / effective | Good or above expectations | Very good or outstanding | TOTAL |
| ANIMAL | Sufficient production equipment | 16% | 11% | 40% | 22% | 11% | 100% |
| | Grazing rotation/ veld management | 10% | 15% | 38% | 13% | 23% | 100% |
| | Current yields | 15% | 10% | 38% | 30% | 8% | **100%** |
| | Previous 3 years yields | 8% | 30% | 48% | 13% | 3% | **100%** |
| | Anticipated 3 years yields | 5% | 5% | 25% | 25% | 40% | **100%** |
| HORTICULTURE | Sufficient production equipment | 8% | 3% | 27% | 38% | 24% | **100%** |
| | Replacement planting | 11% | 17% | 42% | 14% | 17% | **100%** |
| | Current yields | 6% | 8% | 50% | 28% | 8% | **100%** |
| | Previous 3 years yields | 14% | 19% | 47% | 14% | 6% | **100%** |
| | Anticipated 3 years yields | 0% | 3% | 31% | 28% | 39% | **100%** |
| VEGETABLES | Sufficient production equipment | 12% | 24% | 24% | 35% | 6% | **100%** |
| | Rotation/replacement | 17% | 6% | 17% | 28% | 33% | **100%** |
| | Current yields | 17% | 6% | 33% | 28% | 17% | **100%** |
| | Previous 3 years yields | 28% | 17% | 39% | 6% | 11% | **100%** |
| | Anticipated 3 years yields | 6% | 0% | 0% | 33% | 61% | **100%** |
| CROPS | Sufficient production equipment | 20% | 0% | 30% | 10% | 40% | **100%** |
| | Rotation/replacement | 10% | 0% | 20% | 20% | 50% | **100%** |
| | Current yields | 0% | 10% | 30% | 50% | 10% | **100%** |
| | Previous 3 years yields | 10% | 10% | 40% | 30% | 10% | **100%** |
| | Anticipated 3 years yields | 0% | 0% | 10% | 30% | 60% | **100%** |
| PRODUCTS | Sufficient production equipment | 13% | 6% | 38% | 38% | 6% | **100%** |
| | Current yields | 0% | 31% | 31% | 31% | 6% | **100%** |
| | Previous 3 years yields | 6% | 31% | 50% | 13% | 0% | **100%** |
| | Anticipated 3 years yields | 0% | 6% | 19% | 25% | 50% | **100%** |

*Source: Kayamandi Project Survey, 2018*

Other than for horticulture farming, project farms with market access contracts are limited. The distribution of market access and existence of market contracts per farming type is shown below.

**Table 5: Percentage distribution of type of market access per type of farming**

| MARKET ACCESS COMPONENTS | | TYPE OF FARMING | | | | |
|---|---|---|---|---|---|---|
| | | Animal | Horticulture | Vegetables | Crops | Products |
| Market access | Beneficiary consumption | 4% | 0% | 11% | 8% | 1% |
| | Given away to community | 1% | 0% | 6% | 0% | 0% |
| | Farm gate or informal | 13% | 1% | 10% | 5% | 8% |
| | Contract (retailer or wholesaler) | 4% | 8% | 23% | 5% | 16% |
| | Send to market | 69% | 30% | 45% | 75% | 47% |
| | Export | 0% | 59% | 1% | 7% | 10% |
| | On-farm value-adding or production | 8% | 1% | 0% | 0% | 18% |
| | Throw away or waste | 1% | 1% | 4% | 0% | 0% |
| | **TOTAL** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Market access contracts -Proof shown | | 16% | 68% | 46% | 47% | 48% |
| Market access contracts - Proof NOT shown | | 12% | 22% | 8% | 47% | 9% |
| No market access contracts | | 72% | 10% | 46% | 6% | 43% |
| **TOTAL** | | **100%** | **100%** | **100%** | **100%** | **100%** |

*Source: Kayamandi Project Survey, 2018*

Overall, nearly a third of the project farms, (29%) have indicated that they are using the farm to full potential. The average percentage of capacity (full-potential) at which project farms are operating is 55%. See Table below.

**Table 6: Percentage distribution of using farm to full potential**

| RESPONSE | Number of beneficiaries per project farm | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5-10 | 11-30 | 31+ | TOTAL |
| Full potential | 36% | 33% | 10% | 18% | 45% | 23% | 9% | **29%** |
| Capacity exists | 64% | 67% | 90% | 82% | 55% | 77% | 91% | **71%** |
| **TOTAL** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| *Average % of capacity* | *51%* | *49%* | *45%* | *62%* | *64%* | *56%* | *59%* | ***55%*** |

*Source: Kayamandi Project Survey, 2018*

The reported shortfalls required to reach full-potential include:

- To have project fully implemented
- Water availability, drought relief, and or address climate change
- Land ownership
- Training and or technical support and human capacity building
- Capital or financing
- Replanting programme
- Infrastructure development and or mechanisation inputs
- Assistance with environmental impact assessment approval
- Pest control
- Fencing and or theft control
- Transport
- Green energy
- Stakeholder engagements
- Storage
- Market access

There is regular consultation with beneficiaries and the average number of beneficiary meetings per annum is approximately 9 per project farm. In other words, on average beneficiaries are mostly consulted every one and a half months. However, approximately 71% of project farms have four or fewer meetings per annum and thus consult less regularly than once a quarter.

Much debate takes place in policy on the value of mentors, FSD advice and other non-financial support. One would anticipate these areas of support to be critical in order to ensure the success of projects. On average each project farm received four forms of non-financial support, although 24% of project farms revealed that they have not obtained any non-financial support.

Project leaders have mostly rated their non-financial support as being rated as good or above expectations. See table below.

**Table 7: Percentage distribution of rating and sufficiency of support received**

| SUPPORT | RECEIVED | | | RATING | | | | | | MORE/HIGHER NEEDED | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Yes | No | TOTAL | Very bad / insufficient | Bad / not fully effective | Acceptable / sufficient | Good / above expectations | Very good or outstanding | TOTAL | Sufficient | Insufficient | TOTAL |
| Training courses | 42% | 58% | **100%** | 0% | 8% | 30% | 38% | 25% | **100%** | 74% | 26% | **100%** |
| Mentorship | 58% | 42% | **100%** | 0% | 1% | 26% | 43% | 30% | **100%** | 88% | 12% | **100%** |
| FSD advice | 77% | 23% | **100%** | 0% | 4% | 35% | 46% | 15% | **100%** | 88% | 12% | **100%** |
| Commodity comm. | 25% | 75% | **100%** | 0% | 3% | 31% | 43% | 23% | **100%** | 84% | 16% | **100%** |
| Fin. management | 58% | 42% | **100%** | 0% | 8% | 30% | 38% | 25% | **100%** | 74% | 26% | **100%** |
| Marketing courses | 28% | 72% | **100%** | 0% | 7% | 17% | 50% | 27% | **100%** | 83% | 17% | **100%** |

*Source: Kayamandi Project Survey, 2018*

In order to compare the value of financial support obtained over the years, the value of the financial support from years prior to 2018 has been transformed to a 2018 value, by accounting for consumer price index (CPI). The 2018 average value of financial support obtained per project farm which obtained financial support is as follows:

- Average value of capital loans: R2 758 663
- Average value of capital grants: R2 557 260
- Average value of operational loans: R493 899
- Average value of operational grants: R728 817
- **Total average value of financial support: R6 538 639**

Slightly more than a third (36%) of the beneficiary groups of the project farms contributed none of their own capital to the farm's financial kitty.

Project farms are indebted by an average of R922,000, which includes those project farms with no debt (55%). On average, total debt is approximately 14% of the current value of total project funding, which is an acceptable average level of indebtedness for an efficient farming venture. For the project farms that have debts, the majority (78%) have indicated that they are capable of servicing their debts. Approximately 72% of project farms have also revealed that they are able to re-invest finances into their business, which is a positive indication for successful undertakings.

The following table provides an indication of whether or not various farming practises were undertaken before or after support from the Department.

**Table 8: Percentage distribution of farming practises before and after support by Department**

| FARMING PRACTICES | BEFORE Support by Department | | | | IMMEDIATELY AFTER Support by Department | | | |
|---|---|---|---|---|---|---|---|---|
| | Yes | No | Not applicable | TOTAL | Yes | No | Not applicable | TOTAL |
| Minimum tillage | 37% | 21% | 42% | **100%** | 51% | 12% | 36% | **100%** |
| Alley cropping or intercropping | 16% | 21% | 63% | **100%** | 17% | 21% | 62% | **100%** |
| Cover crops | 24% | 23% | 53% | **100%** | 28% | 19% | 53% | **100%** |
| Soil erosion control | 23% | 27% | 50% | **100%** | 29% | 24% | 48% | **100%** |
| Mulching | 25% | 27% | 49% | **100%** | 28% | 25% | 48% | **100%** |
| Crop rotation | 28% | 19% | 53% | **100%** | 36% | 14% | 50% | **100%** |
| Rotational grazing | 26% | 16% | 58% | **100%** | 33% | 9% | 58% | **100%** |
| Preventative dozing | 32% | 11% | 56% | **100%** | 42% | 6% | 52% | **100%** |
| Herd genetics used for breeding | 13% | 25% | 62% | **100%** | 17% | 23% | 60% | **100%** |
| Herd health management in place | 25% | 16% | 59% | **100%** | 35% | 8% | 57% | **100%** |
| Selection of breeds specific to the area | 28% | 12% | 60% | **100%** | 36% | 8% | 56% | **100%** |
| Sick animals kept in isolation | 28% | 9% | 64% | **100%** | 34% | 7% | 59% | **100%** |
| Compost or other organics | 13% | 26% | 61% | **100%** | 15% | 24% | 61% | **100%** |

The average type of technology used by project farms is 72% farming practices done by newer but proven mechanised technology (e.g. tractor, truck, harvester, etc.), followed by 22% of farming practices on project farms still make use of old basic technology (e.g. donkey cart, animal plough, etc.), and on average 6% of farming practices on the project farms make use of precision state of the art brand new technology (e.g. robotics, drones, applications, etc.).

The percentage distribution of the project leaders rating of the degree of innovation in their farming practices are as follows:

- Very bad/ insufficient/unacceptable 5%
- Bad or not fully effective 10%
- Acceptable/ sufficient/ effective 37%
- Good or above expectations 24%
- Very good or outstanding 24%

The share of use of the following services, as reported by project leaders, to keep updated on the latest technology, in order of importance, are:

- Visits to other farms for practical knowledge transfer 94%
- Technology advice from extension officer 93%
- Information days 89%
- Internet 86%
- Radio 82%
- Newspapers 82%
- TV 80%
- Scientific journals 66%

Given the recent drought and industrialisation, project farm leaders were queried on the project farms responsiveness to smart farming technologies and climate smart practices. See table below.

**Table 9: Distribution of use of smart farming technologies and climate smart practices**

| SMART FARMING TECHNOLOGIES AND CLIMATE SMART PRACTICES | Not yet considered | Considered but not yet tried | Tried or tested but not yet using | Currently in use | TOTAL |
|---|---|---|---|---|---|
| Altered my practices e.g. changing to minimum tillage, cover crops, high density orchards, altered livestock | 33% | 19% | 6% | 42% | **100%** |
| New mechanical technologies or solutions e.g. solar pumps, electrical fencing, cement poles, drip irrigation | 36% | 28% | 7% | 30% | **100%** |
| Genetics | 53% | 16% | 4% | 27% | **100%** |
| Computer & electronic based solutions (computer software/ cell phone apps) for more efficient farm management e.g. satellite data & apps such as FruitLook | 37% | 18% | 4% | 41% | **100%** |
| Infrastructure to improve production & reduce crop/livestock losses e.g. netting, plastic tunnels, sheds | 33% | 30% | 2% | 35% | **100%** |
| Alternative varieties/breeds e.g. growing drought-resistant crop varieties, drought resistant livestock breeds | 50% | 22% | 4% | 24% | **100%** |
| Alternative energy sources for heating and electricity | 48% | 35% | 1% | 16% | **100%** |
| Alternative water sources | 35% | 21% | 8% | 36% | **100%** |
| Improved water storage | 28% | 26% | 6% | 41% | **100%** |
| Smart water management related technology | 40% | 25% | 7% | 29% | **100%** |

## 3.2 OVERVIEW OF BENEFICIARIES AND EMPLOYEES

On average the project farms have 10 beneficiaries each, of whom the majority are actively involved on a day-to-day basis (52%), as shown below.

**Table 10: Percentage distribution of level of beneficiary involvement**

| Beneficiary level of involvement | TOTAL | Average number of beneficiaries per project |
|---|---|---|
| Active on day-to-day basis | 52% | 6 |
| Active on part-time basis | 16% | 4 |
| Not actively involved | 32% | 12 |
| **TOTAL** | **100%** | **10** |

*Source: Kayamandi Beneficiary Survey, 2018*

The gender distribution of beneficiaries is relatively even, with females accounting for 48% and males 52%. Approximately 2.8% of project beneficiaries are disabled, which suggests a concerted effort to integrate disabled persons into the project farms. The majority of beneficiaries of the project farms evaluated are Coloured, which accounts for 84% of the beneficiaries, followed by 12% that are Black African.

The age distribution of beneficiaries is as follows:

- School-going (0–17) 2%
- Youth (18–35) 24%
- Middle age (36–59) 62%
- Old age (60+) 13%

Project farms with single beneficiaries that are 60 years and older need to ensure that they have beneficiary succession plans in place, so that the project farms can continue functioning when the aged beneficiaries are no longer capable of being fully involved. The relatively high proportion of the youth aged beneficiaries reveals that the department is drawing a new

generation of farmers to the projects, in light of the knowledge that in the main, involvement in a primary economic sector is not high on the agenda of the youth.

The agricultural experience of beneficiaries at project start is as follows:

- No agricultural experience 16%
- Less than five years' experience 17%
- More than five years' experience 67%

Whereas formal education is moderate as shown below:

- None 10%
- Grade 7/Std 5 21%
- Grade 10/Std 8 23%
- Grade 12/Std 10 19%
- Diploma 8%
- Degree 19%

The average number of full-time employees per project farm is 6, whereas the project farms employ an average of 24 casual/seasonal labourers per annum. The average number of full-time employees increases with the number of beneficiaries per project farm. Approximately 59% of all full-time employees are males, while 41% are females. Compared with other economic sectors, and the agricultural sector as a whole, female representation in project farms is relatively high. The racial distribution of full-time employees is as follows:

- Coloured 63%
- Black African 32%
- White 4%
- Indian/Asian 1%

The average minimum daily wage paid to farm workers is R152 per day, with 90% of project farms paying R146 per farm worker or more, which is the 2018 legally required minimum daily wage.

On average there is slightly more than two (averaged at 2.2) key project management roles/positions for each project farm. The average number of management roles/positions per number of beneficiaries of project farms differs slightly. The more beneficiaries per project farm, the slightly more number of management roles/positions exist. The management roles/positions are mostly beneficiary filled (71%), followed by externally filled full-time (25%) and externally filled part-time (4%). The top three management roles/positions are:

- General farm manager
- Administrative
- Production or operations manager

The below table shows the response from project leaders on how business decisions are undertaken and whether or not project management decisions are dictated or consulted regularly.

**Table 11: Percentage distribution of how business decisions are made**

| DECISIONS | Number of beneficiaries per project farm | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5-10 | 11-30 | 31+ | TOTAL |
| Dictated by committee | 5% | 11% | 10% | 18% | 15% | 8% | 45% | **14%** |
| Dictated by managers/directors | 82% | 50% | 70% | 36% | 45% | 54% | 36% | **55%** |
| Democratically: formal meetings/votes | 0% | 11% | 0% | 9% | 20% | 8% | 18% | **10%** |
| Regularly consult/discuss informally | 0% | 22% | 20% | 36% | 20% | 23% | 0% | **16%** |
| Other /not applicable | 14% | 6% | 0% | 0% | 0% | 8% | 0% | **5%** |
| **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

*Source: Kayamandi Project Survey, 2018*

The formality of consultations in the form of keeping of minutes is also critical for success as the lack of record keeping has potential for conflict and lack of implementation of aspects discussed at meetings. The degree of availability of minutes of meetings also provides an indication of the management/leaders dedication to the projects progression. The distribution of taking minutes at meetings in shown in the below table.

**Table 12: Percentage distribution of minutes of meetings**

| MINUTES OF MEETINGS | Number of beneficiaries per project farm | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5-10 | 11-30 | 31+ | TOTAL |
| None | 82% | 61% | 70% | 45% | 25% | 23% | 9% | **48%** |
| Some | 9% | 22% | 20% | 9% | 15% | 23% | 18% | **16%** |
| Most | 5% | 6% | 0% | 0% | 5% | 8% | 27% | **7%** |
| All | 5% | 11% | 10% | 45% | 55% | 46% | 45% | **30%** |
| **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

*Source: Kayamandi Project Survey, 2018*

Project leaders were also asked to rate the success of executing key tasks such as project management, farm management, financial management, technical management, marketing, human resources management, infrastructure maintenance, and vehicle maintenance.

The results of the ratings both before and after support from the Department are shown below.

**Table 13: Percentage distribution of rating of success of executing key tasks**

| KEY TASKS | Rating BEFORE support | | | | | | Rating AFTER support | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Very bad / insufficient | Bad or not fully effective | Acceptable or sufficient | Good or above expectations | Very good or outstanding | TOTAL | Very bad / insufficient | Bad or not fully effective | Acceptable or sufficient | Good or above expectations | Very good or outstanding | TOTAL |
| Overall project management | 7% | 10% | 53% | 18% | 13% | **100%** | 2% | 2% | 29% | 35% | 32% | **100%** |
| General farm management | 5% | 10% | 52% | 22% | 11% | **100%** | 1% | 3% | 26% | 35% | 35% | **100%** |
| Financial management | 13% | 15% | 41% | 21% | 10% | **100%** | 4% | 3% | 27% | 35% | 32% | **100%** |
| Production management | 10% | 8% | 51% | 18% | 13% | **100%** | 3% | 2% | 27% | 32% | 37% | **100%** |
| Marketing | 11% | 14% | 47% | 18% | 11% | **100%** | 4% | 7% | 29% | 32% | 29% | **100%** |
| Human resources | 9% | 14% | 38% | 33% | 7% | **100%** | 4% | 2% | 32% | 28% | 34% | **100%** |
| Infrastructure maintenance | 13% | 19% | 39% | 28% | 2% | **100%** | 2% | 5% | 21% | 41% | 31% | **100%** |
| Vehicle maintenance | 19% | 6% | 43% | 26% | 6% | **100%** | 4% | 7% | 29% | 31% | 29% | **100%** |

*Source: Kayamandi Project Survey, 2018*

### 3.3 BENEFICIARY PERCEPTIONS

Key findings from the 147 beneficiary surveys and beneficiaries' perceptions of the project farms' impact on their quality of life, employment and household income reveal:

- Multiple household income sources are common, and project income on average contributes more than two-thirds to the household's income.
- Significant increase (from prior to the project to the current rating) in the overall rating of levels of satisfaction with life are noted, even if the overall rating is still mostly neutral. Only 3% of the beneficiaries revealed a decrease in levels of satisfaction with life in general.
- A direct relationship between income and the way beneficiaries' rate their levels of satisfaction is noted in that higher levels of project income have resulted in higher levels of satisfaction with quality of life.
- Furthermore, levels of satisfaction for the anticipated future financial situation reveal that nearly all beneficiaries (95%) anticipate high or very high future financial satisfaction will be brought about by the project farms.
- In the vast majority of cases, beneficiary households, rarely experience hunger, if ever.
- Access to a better physical living environment has improved slightly in comparison with the situation prior to the project. The majority of beneficiaries that have changed their place of residence since joining the project mostly reported that their physical and living environment had improved or had remained the same.
- The average income of individuals is above the minimum wage for farm workers. However, the income of 56% of beneficiaries and their households increased, whereas for 44% of the beneficiaries and their household monthly incomes decreased.
- Quality of life improvement is directly related to income from the project, which suggests that longer-term sustainability of agriculture will significantly influence quality of life.

The following table shows beneficiaries rating of change in household assets from prior to joining the project to current levels as brought about by the project farms.

**Table 14: Distribution of change in household assets**

| ASSETS | RATING | | | | | |
|---|---|---|---|---|---|---|
| | Large decline | Small decline | Neutral/ constant | Small improvement | Large improvement | TOTAL |
| Entertainment: Radio/ TV/ DSTV/ music | 3% | 3% | 65% | 17% | 11% | **100%** |
| Communication: Cell phone | 4% | 1% | 62% | 23% | 10% | **100%** |
| Transportation: Bicycle, vehicle etc. | 4% | 3% | 62% | 15% | 15% | **100%** |
| Appliances: Fridge, washing machine | 1% | 3% | 66% | 17% | 13% | **100%** |
| Computer and internet access | 10% | 3% | 63% | 14% | 11% | **100%** |

*Source: Kayamandi Beneficiary Survey, 2018*

Change in household expenditures from prior to joining the projects to current levels as brought about from the project farms provide an indication of the change in cost of living as brought about from the project farms. Beneficiaries' rating of this change in household expenditure is shown below.

**Table 15: Distribution of change in household expenditure**

| EXPENDITURE ITEMS | RATING | | | | | |
|---|---|---|---|---|---|---|
| | Large decrease | Small decrease | Neutral/ constant | Small increase | Large increase | TOTAL |
| Housing | 1% | 6% | 63% | 21% | 9% | **100%** |
| Education | 1% | 1% | 77% | 14% | 8% | **100%** |
| Water, electricity and rates | 2% | 1% | 65% | 20% | 12% | **100%** |
| Health care | 0% | 2% | 75% | 12% | 10% | **100%** |

| EXPENDITURE ITEMS | RATING | | | | | |
|---|---|---|---|---|---|---|
| | Large decrease | Small decrease | Neutral/ constant | Small increase | Large increase | TOTAL |
| Food | 1% | 1% | 59% | 26% | 14% | **100%** |
| Transport | 3% | 3% | 62% | 21% | 12% | **100%** |
| Entertainment | 3% | 2% | 76% | 10% | 9% | **100%** |

*Source: Kayamandi Beneficiary Survey, 2018*

The following table shows beneficiaries rating of the change in physical and living environment from prior to joining the project, to current levels as brought about from the project farm.

**Table 16: Percentage distribution of change in physical and living environment**

| PHYSICAL & LIVING ENVIRONMENT COMPONENTS | RATING | | | | | |
|---|---|---|---|---|---|---|
| | Large decline | Small decline | Neutral/ constant | Small improvement | Large improvement | TOTAL |
| Time taken to get to work | 3% | 1% | 75% | 10% | 10% | **100%** |
| Housing suitability | 1% | 3% | 65% | 16% | 15% | **100%** |
| Access to water | 1% | 6% | 72% | 14% | 8% | **100%** |
| Access to sanitation | 4% | 3% | 69% | 13% | 10% | **100%** |
| Access to energy | 3% | 2% | 72% | 16% | 7% | **100%** |
| Access/proximity to schools | 2% | 1% | 82% | 9% | 6% | **100%** |
| School attendance | 3% | 0% | 88% | 7% | 1% | **100%** |
| Access to health care facilities | 3% | 5% | 75% | 8% | 9% | **100%** |

*Source: Kayamandi Beneficiary Survey, 2018*

The below table provides the beneficiaries ratings regarding the change in their levels of satisfaction in quality of life from prior to joining the projects to current levels as brought about from project farms.

**Table 17: Percentage distribution of change in quality of life**

| QUALITY OF LIFE COMPONENTS | RATING | | | | | |
|---|---|---|---|---|---|---|
| | Large decline | Small decline | Neutral/ constant | Small improvement | Large improvement | TOTAL |
| Satisfaction with availability of money | 6% | 8% | 43% | 34% | 10% | **100%** |
| Free time available | 10% | 12% | 57% | 12% | 8% | **100%** |
| Standard of physical living environment | 1% | 6% | 55% | 26% | 12% | **100%** |
| Health | 2% | 5% | 72% | 12% | 8% | **100%** |
| Change in overall satisfaction with life | 1% | 2% | 50% | 30% | 17% | **100%** |
| Change in food security | 3% | 4% | 56% | 23% | 14% | **100%** |

*Source: Kayamandi Beneficiary Survey, 2018*

# 4. EVALUATION OF PROJECT'S PERFORMANCE

Twelve of the project farms only recently obtained support or have not yet started with their operations. The evaluation team considered the twelve projects too immature to provide a meaningful evaluation of performance. Nonetheless, the initial ratings for the new projects revealed that only one third scored succeeding, and initially appear to be successful, albeit too early to draw real conclusions.

A further 7 of the project farms were classified as commonages, food security projects or subsistence farms. Three of these form part of the project farms that are too undeveloped to draw valuable conclusions. Because a large percentage of the evaluation system was devoted to economic success, which is not an objective of the food security projects, the evaluation team utilised these variables, for the remaining 4 projects:

- Degree of internal conflict among beneficiaries
- Percentage female and youth representation of beneficiaries
- Access to food in order to meet the needs of households
- Satisfaction with change in beneficiaries' health as brought about by the project farm
- Satisfaction with beneficiaries life as brought about by the project farm

The commonage/food security/subsistence farming projects scored an even distribution between the number of projects classified as being above and below average. Note, however, that the highest scoring commonage/food security/subsistence farming projects received 67%, whereas the lowest scoring received 42%. This shows that none of the projects are doing exceptionally well or poorly.

A project performance rating system was designed to determine the extent to which the **remaining 93 projects** (105 project farms evaluated minus 12 new projects, minus 4 remaining commonage/subsistence/food security projects, plus 4 projects that have closed down) are successful and sustainable or, on the other side of the spectrum, a total failure.

The project performance rating system comprises 39 indicators that have been selected to best indicate the project's success, rather than a single determinant. During the previous evaluation of land reform projects (2009-2013), sensitivity analysis was applied to test different weightings, and the sensitivity analysis revealed that the most reliable result entailed scoring each indicator out of two, and using equal weights per indicator. The highest score attainable for any project was thus measured out of a maximum attainable score of 78.

The representation of indicators per dimension in the project performance rating system is:

- Environmental dimension: 5 indicators 13%
- Socio-economic dimension: 12 indicators 31%
- Economic viability dimension: 22 indicators 56%
- **TOTAL: 39 indicators** **100%**

The project performance rating system showing the 39 indicators with their scores per each of the dimensions and sub-indexes is depicted below.

**Table 18: Project performance rating framework**

| SUB-INDEX | # | INDICATORS | SCORE | |
|---|---|---|---|---|
| **Impact on natural resources** | 1 | At least more than 1% of electricity from renewable/green energy | 2 | **10** |
| | 2 | Low to no water contamination from farming practices | 2 | |
| | 3 | At least good sewerage disposal efficiency | 2 | |
| | 4 | At least some waste recycling/re-use albeit low | 2 | |
| | 5 | Observation on at least acceptable condition of soil and erosion | 2 | |
| | | **Environmental dimension total** | | **10** |
| **Benefi-ciaries and workforce** | 6 | Share of inactive beneficiaries | 2 | **6** |
| | 7 | Value of beneficiaries' contribution per beneficiary | 2 | |
| | 8 | Internal conflict between beneficiaries | 2 | |
| **Empowerment targets** | 9 | Percentage female beneficiaries | 2 | **4** |
| | 10 | Percentage youth beneficiaries | 2 | |
| **Labour law** | 11 | Workers UIF registered | 2 | **4** |
| | 12 | Minimum wage | 2 | |
| **Quality of life** | 13 | Standard of physical living environment | 2 | **4** |
| | 14 | Access to food to feed household needs | 2 | |
| **Household income** | 15 | Level of satisfaction with availability of money | 2 | **6** |
| | 16 | Change in income regularity & consistency | 2 | |
| | 17 | Change in anticipated future financial situation | 2 | |
| | | **Socio-economic dimension** | | **24** |
| **Business formalisation** | 18 | Registered company and bank account | 2 | **6** |
| | 19 | Business plan in place and rating of four components | 2 | |
| | 20 | Tax registered | 2 | |
| **Expertise and Management** | 21 | Share of beneficiaries more than five yrs' agri. experience at start | 2 | **8** |
| | 22 | Success of overall PM, marketing & financial management | 2 | |
| | 23 | Sound financial management and record-keeping system | 2 | |
| | 24 | Income and expenditure projections | 2 | |
| **Support & skills development** | 25 | Sufficiency of FSD support | 2 | **4** |
| | 26 | Skills development plan in place and implementing | 2 | |
| **Production** | 27 | Sufficiency of equipment and machinery for production | 2 | **8** |
| | 28 | Production records | 2 | |
| | 29 | Rating of current production: combination of farming types | 2 | |
| | 30 | Farm utilised to full potential | 2 | |
| | 31 | Future anticipated production growth | 2 | |
| **Market access** | 32 | Percentage market access: combination of farming types | 2 | **6** |
| | 33 | Market access contracts: combination of farming types | 2 | |
| | 34 | Project evaluator observation on condition of internal roads | 2 | |
| **Income, expenditure and debt** | 35 | Capable of servicing debts | 2 | **10** |
| | 36 | Ability to reinvest finances into the farm/project | 2 | |
| | 37 | Is project viable or profitable | 2 | |
| | 38 | Sufficiency of financial support | 2 | |
| | 39 | Future anticipated profit growth | 2 | |
| | | **Economic viability dimension** | | **44** |
| | | **TOTAL PERFORMANCE RATING SCORE** | | **78** |

Instead of merely providing projects with a single score, the projects were categorised into four classifications of success based on their score share. In order to determine the class breaks between the classifications, various accepted methodologies were identified, scrutinised and analysed in terms of their applicability, which included investigating methodologies utilised in relevant evaluations covered in the literature review. Discussions with other knowledgeable evaluation experts were undertaken in order to ascertain the most acceptable methodology. The following classification methodologies were short-listed and tested in order to determine the class breaks between the classifications **for the previous evaluation of land reform projects (2009-2013):**

- **Equal Interval**: In equal interval classifications, the data range for all classes are the same. In other words, the range of the entire data set is divided by the desired number of data classes, such that each class occupies an equal interval along the range of data values. The distribution of the data is not taken into consideration when determining class breaks for the intervals, only the lower and upper values of the data are used. In other words, the data ranges of the four classes would be as follows: class 4: between 0-25%, class 3: between 25%-50%; class 2: between 50% and 75%; and class 1: between 76% and 100%.
- **Standard score percentile rank**: This entails determining the average score and the standard deviation. Using this method, Class 4 projects would score between zero and the average of all projects less the standard deviation. Class 3 projects would score between the average minus the standard deviation and the average. Class 2 projects would score between the average and the average plus the standard deviation. Class 1 projects would score between the average plus the standard deviation and 100%. In other words, the data ranges of the four classes would be as follows:
  - Class 1: between: (average plus standard deviation) and (100%)
  - Class 2: between: (average) and (average plus standard deviation)
  - Class 3: between: (average less standard deviation) and (average)
  - Class 4: between (0%) and (average less standard deviation)

During the previous evaluation (2009-2013) it was determined that both methods provided similar results for ranking successful and unsuccessful projects, although standard scores provided a greater variance between highly successful and succeeding projects, as well as between challenged and failing projects. Furthermore, the resultant classifications using standard scores provided more acceptable correlations and alignment with the data and project farm information. Based on the sensitivity analysis of the classification results and discussions with other knowledgeable evaluation experts, **standard score percentile rank** was chosen as the preferred method for determining the class breaks during the previous evaluation of land reform projects (2009-2013).

During the previous evaluation of land reform projects (2009-2013), farms scored **53%** on average (average percentage out of a maximum of 78 points of all project farms), as well as a standard deviation of **20%.** As a result, using **standard scores**, the resultant class breaks between the classifications in the previous evaluation (2009-2013) were as follows:

- Highly successful: between (53%+20%=**73%**) and (**100%**)
- Succeeding: between (**53%**) and (53%+20%=**73%**)
- Challenged: between (53%-20%=**33%**) and (**53%**)
- Failing: between (**0%**) and (53%-20%=**33%**)

The resulting project success classification benchmark is shown below.

**Table 19: Project success classification benchmark**

| SCORE* | LABEL | DESCRIPTION |
|---|---|---|
| 73% -100% | Highly successful | Currently thriving and sustainable |
| 53% - 73% | Succeeding | Doing well, above average, potential for sustainability |
| 33% - 53% | Challenged | Struggling, below average, potential for improvement |
| 0% - 33% | Failing | Not successful, potentially not to be supported further |

** Percentage out of a maximum of 78 points or 39 indicators*

The rating system and indicators, as well as the above indicated class breaks (using standard score percentile rank), from the previous evaluation (2009-2013), are used during this evaluation, as the steering committee agreed that the aforementioned is to be the benchmark against which progress (or deterioration) from the previous evaluation (2009-2013), is to be measured, in order to ensure precise comparability.

By grouping highly successful and succeeding farms, 72% of the project farms are classified as being successful, compared to only 62% during the previous evaluation, whereas 28% are classified as unsuccessful (when grouping challenged and failing project farms). The overall project performance rating results, with comparison to the previous evaluation (2009-2013) results are as follows:

**Table 20: Project performance rating results per classification**

| CLASSIFICATION | Previous evaluation (2009-2013) | | Current evaluation (2014-2019) | |
|---|---|---|---|---|
| | NUMBER | SHARE | NUMBER | SHARE |
| Highly successful | 15 project farms | 11% | 15 project farms | 16% |
| Succeeding | 69 project farms | 51% | 52 project farms | 56% |
| **SUCCESSFUL** | **Sub-total: 84 farms** | **62%** | **Sub-total: 67 farms** | **72%** |
| Challenged | 32 project farms | 24% | 22 project farms | 24% |
| Failing | 19 project farms | 14% | 4 project farms | 4% |
| **UNSUCCESSFUL** | **Sub-total: 51 farms** | **38%** | **Sub-total: 26 farms** | **28%** |
| **TOTAL** | **135 project farms** | **100%** | **93 project farms** | **100%** |

The success rate of the projects farms, thus seems to have had improved. To test this further, a direct comparison of the change in evaluation, for 19 farms that were both evaluated in the current evaluation and the previous evaluation was undertaken. The average rating of the 19 project farms in terms of their success score, improved from an average rating of 59% during the previous evaluation to a current 65%. This is in line with the higher ratings of success obtained during the current evaluation (72%), compared to the 62% of projects classified as successful during the previous evaluation.

The table below shows the average score (out of 100%) per classified projects for each of the dimensions, namely environmental, socio-economic, and economic viability:

**Table 21: Average project scores per classification and dimension**

| PROJECT CLASSIFICATION | DIMENSION | | |
|---|---|---|---|
| | Environmental | Socio-economic | Economic viability |
| Highly successful | 45% | 77% | 86% |
| Succeeding | 34% | 60% | 72% |
| Challenged | 20% | 48% | 52% |
| Failing* | ND | ND | ND |
| **AVERAGE** | **31%** | **57%** | **67%** |

* All the failing projects have closed-down, no longer exist and could not be evaluated, thus have No Data (ND).

On average, the **environmental dimension** scored the least, with only 31% of its potential score obtained. Not even highly successful project farms on average scored more than half of the potential score for the environmental dimension. The environmental dimension is considered a key requirement for sustainability owing to its impact on natural resources. It is recommended the projects obtain greater support, in particular to ensure decreased water contamination from farming practices, and improved waste recycling/re-use as these aspects are critical for environmental sustainability and can have negative impacts on the natural resource base. This is especially necessary for challenged projects, which mostly have lower consideration for environmental components.

The **socio-economic dimension** on average scored more than half (57%) of its potential score and evidently both succeeding and highly successful farms scored well over half of potential scores for the socio-economic dimension. Challenged projects also did relatively well in the socio-economic dimension, and scored nearly half (48%) of the potential scores for the socio-economic dimension. The sub-index categories of the socio-economic dimension scored as follows on average:

- Labour law 65%
- Beneficiaries and workforce 60%
- Household income 56%
- Empowerment 55%
- Quality of life 49%

The **economic viability dimension** obtained the highest score of all three dimensions and all project farms on average scored 67% for economic viability. Highly successful farms scored the highest with an average of 86% for economic viability. Succeeding farms also score high at an average 72% for economic viability. Challenged farms on average scores slightly more than half of the potential score for economic viability, which is a positive indication, in that challenged farms are slightly more impeded by environmental and socio-economic components than economic viability. The sub-index categories of the economic viability dimension scored as follows on average:

- Income, expenditure, debt 78%
- Business formalisation 78%
- Expertise and management 71%
- Production 63%
- Support and skills development 53%
- Market access 45%

The top ten highest **average scoring indicators**, in order of importance, are:

- Future anticipated profit growth 92%
- Future anticipated production growth 91%
- Tax registered 86%
- Registered company and bank account 84%
- Capable of servicing debts 84%
- Sound financial management and record keeping system 80%
- Success of overall PM, Marketing & financial management 78%
- Share of active beneficiaries 75%
- Change in anticipated future financial situation 75%
- Sufficiency of financial support received 74%

The ten **lowest average scoring indicators**, in order of importance, are:

- Degree of water contamination from farming practices: 6%
- Percentage of farming electricity from renewable/green Energy: 7%
- Waste recycling/re-use: 16%
- Percentage market access: combination of farming types: 29%
- Farm utilised to full potential: 32%
- Skills development plan in place and implementing: 39%
- Value of beneficiaries contribution per beneficiary: 39%
- Change in level of satisfaction with availability of money: 43%
- Percentage youth beneficiaries: 48%
- Change in access of food to feed the needs of the household: 49%

## 5. FACTORS FOR SUCCESS

The project performance rating system was further used to determine which factors have an influence on successful and unsuccessful projects. In order to determine these factors, the relationships among various independent variables obtained from the evaluation framework and data from the project performance rating system were analysed.

Some variables were noted as being spread relatively evenly between successful and unsuccessful projects and thus offer no correlation. However, some variables have a significant positive correlation with the determination of whether a project can be categorised as successful or unsuccessful, offering precious lessons for improved performance.

The following factors, have been noted to correlate the most with **challenged projects**, in order of importance, and are thus reasons contributing to negative or no outcomes in project farms:

- Mostly situated in Central Karoo and Eden regions
- Mostly involved with animal production
- Have slightly lower average number of beneficiaries
- Smaller degree of: farm businesses registered, VAT & Tax registered, a bank account
- Smaller degree of labour law compliance with regards to minimum wage and UIF
- Greater share of male beneficiaries
- Large average farm sizes
- Poor market access and limited market access contracts
- Very low rating of good rating of production yields
- Very low rating of good sufficiency of production equipment and machinery
- Very low average value of beneficiary groups own capital contribution per beneficiary
- Low share of support: training courses, market access, commodity committee support
- Hardly any recycling/re-use of nutrients/water from waste
- Half of no access to electricity
- Lower ratings of good internal beneficiary relations
- Lower average number of meetings per annum than successful projects
- Very low rating of good/very good for execution of the following key tasks:
  - strategic overall project management,
  - financial management, and
  - marketing
- Have a lower tendency of having a business plan, while those that have a business plan at project start-up also have a very low tendency to have updated the business plan
- The degree of rating financial management as being very good/good is far lower than successful projects

Note that all **highly successful projects** have the following aspects in place, which thus enable drawing the following key lessons to be learnt that contribute to positive and successful outcomes in project farms:

- Registered farm business, Tax registered, Bank account holders
- Compliant with labour law in terms of minimum wage and registration for UIF
- Project leaders anticipate their future financial situation to improve and future profit growth
- Cell phone reception
- Business plan exists for current farming practices at start-up
- Sound financial management record keeping systems exist
- Record keeping (including records on production records, annual financial statements, projections of income and expenditure)

Furthermore, the following additional factors, also correlate with **highly successful projects**, in order of importance, and hence lessons for positive outcomes in project farms:

- Legal status: Pty Limited
- Field crop activities
- Large share of market access contracts and large share of market access for produce
- Skills development plan in place
- Have electricity for farming purposes and access to reliable source of water
- Good internal beneficiary working relationship with very/positive impact thus no conflict
- Very good/good strategic overall project management
- Very good/good financial management
- Sufficient support obtained
- Ability to reinvest finances into the business
- Business plan exists at start-up
- Very good/good sufficiency rating of equipment and machinery for production
- Average share of beneficiary ownership as a group (89%)
- Beneficiaries with previous agricultural experience

The table below lists various components, whether they be problems or opportunities, noted from the evaluations or suggestions for improved performance that flow from there:

**Table 22: Evaluation findings and suggestions**

| COMPONENT | FINDINGS AND SUGGESTIONS |
|---|---|
| **Number of beneficiaries supported** | • There are far less beneficiaries on the project farms than that reported on in the datasets of the land reform projects<br>• The support provided needs to benefit more beneficiaries |
| **Project database and regular updates** | • For a database with relatively few entries, and regular involvement from FSD officers, the database has numerous irregularities<br>• The database needs to be cleaned-up to contain both updated and accurate data<br>• Much project data is 'lost' that sits with FSD officers. All available data needs to be captured |
| **Monitoring progress** | • Greater outcome-based success and sustainability monitoring is required<br>• A dynamic outcome-based project success evaluation and monitoring tool is recommended<br>• Regular collection of performance data can be inexpensively rolled out by FSD officers using a simplified version of the performance rating system<br>• Setting of targets is required to enable earlier identification of whether project farms are on an upward/downward trajectory<br>• Not only economic and livelihood sustainability needs to be measured but also improved ecological sustainability |
| **Farm type selection** | • The type of farming activity needs to match the resources available<br>• Greater consideration is needed for project types with less risks<br>• Existing challenged animal farms need immediate support |
| **FSD officers** | • The support obtained from FSD advisors, in have been rated by half of the challenged projects as neutral/bad<br>• Greater implementation of the 'agricultural knowledge triangle' is required until farmers are able to continue on their own<br>• Greater active involvement of officers and monitoring of not only the quantity, but the quality of the support is required |

| COMPONENT | FINDINGS AND SUGGESTIONS |
|---|---|
| **Market access** | • Consider group action of project farms jointly accessing markets<br>• FSD officers should be able to supply farmers with more adequate marketing information |
| **Business plans** | • Most project farms do not update their business plans<br>• Beneficiaries should understand their business plans so that they are able to implement them, and undertake future projections, etc. |
| **Financial factors** | • There is a definite lack of understanding of the importance of record keeping<br>• Nearly a third of challenged project farms have poor financial record keeping, lack monthly income and expenditure statements, lack annual financial statements, and lack cash flow.<br>• A quarter of the challenged projects no longer have bank accounts. Greater enforcement of a bank account continuation needed for continued provision of support.<br>• Most of the projects could do with more mentoring on financial management |
| **Human capacity development** | • Lack of technical and managerial skills were found to be obstacles to success<br>• Critical human capacity development requirements include financial and business management, technical trailing, and HR management |

# 6. KEY RECOMMENDATIONS FOR IMPROVED PERFORMANCE

While every project farm has its own set of requirements for success, the following **critical recommendations,** with which the department is in a pivotal position to assist in order to ease the constraints and hasten the success rate, are:

- **Exit strategies for cessation of support**: the Department needs to develop exit strategies for cessation of support both for existing projects that are able to succeed on their own with no further support needed, as well as for project farms that are failing to such an extent that continued support from the Department is no longer justified. With regards to failing projects, the Department needs to make a call and cut their losses. Whereas, with regards to the projects which are able to succeed on their own, such farms could be provided with higher level of support so that they can be taken to the next level, such as through support with value-adding and/or support with smart-farming technologies. Prior to cessation of support, three years' consecutive success and sustainability need to ensured, which essentially entails ascertaining that inputs and costs such as monetary, health, environmental expenses are less than the benefits. The project farms need to work on the premise that they should not get any bigger until they get better, and of course project farms should not grow more than they can sell.
- **A dynamic outcome-based project success-monitoring tool:** the database needs to be updated regularly, and project performance information collected against outcome indicators, to enable monitoring the progress of projects and that of FSD officers and other support service providers. The project success rating system, developed for this evaluation, could be used in this regard. Regular collection of project performance information can be in-expensively rolled-out by the FSD officers. In this regard, it is suggested that the project data obtained for each project should be investigated in detail and the FSD officers need to be informed of the priority actions that are needed to improve success of each project, especially so as a first priority for those projects which have been classified as being challenged. However, not only should project performance be better monitored but so too FSD officers and other support service providers. Greater active involvement of officers and monitoring of not only quantity but also quality of support provided is required. Setting of targets are required to enable earlier identification if project farms are on an upward/downward trajectory. The Department should also consider incentivising FSD officers' to achieve project success. The Department could also consider developing a farmer support referral and tracking system to enable joint tracking and monitoring of both departmental and non-departmental support (financial and non-financial) to farmers. This will assist with monitoring progress of support, enabling measuring the impact of the support on the project farmers, ensure that support providers are not merely 'shooting blanks, and hence enable reporting on success stories and lessons learnt. Lastly, this will also ensure that over concentration of support to limited number of project farms occur and that cross-referrals can be undertaken to ensure that all potential support services are made available to a particular project farm.
- **Support formalisation and organisation of businesses prior to rollout of further support**: some of the unsuccessful projects did not have a registered farm business, or a bank account, where not VAT/Tax registered, etc. Individually these components on their own do not ensure success, although the joint outcomes of formal practices do. While businesses with turnover lower than R1 million may register voluntarily for VAT, if farmers want to do businesses with large companies, it needs to be noted that larger companies prefer doing business with VAT registered businesses. In other words, the administrative and cash flow burdens of VAT has added advantages for record keeping and enabling doing business with larger companies. Overall, higher standards of administration and record keeping should be attained if the projects are to be more successful. There is a definite need for project farms to understand the importance of record keeping. Lack in accounting knowledge is a key reason why beneficiaries are failing to keep proper financial and other records. It is however critical that beneficiaries get financially involved in their farming activities instead of just "trying their best". Financial and non-financial records (minutes of meetings, etc.) help to facilitate better monitoring on project farms and

enable beneficiaries to operate their farming practices as businesses. A business-orientated approach will assist with progressing from a subsistence orientation to an economic orientation. In short, the following are to be considered as prerequisites for continued support:

- Registered business
- Bank account
- TAX compliance and VAT registered
- Registration of farm labours with the Department of labour
- Record keeping: minutes, production records, sales records, etc.

- **Skills development and regular business development planning or updates**: a large share of unsuccessful projects (72%) and succeeding (44%) do not have a skills development plan, which they are implementing. While nearly a quarter of unsuccessful farms had no business plan. These are a requirement for obtaining project support, so these project farms had these documents at project start-up. However, it is most probably likely that either the project farms fail to recall that they had these documents and/or do not utilise and or update these documents. The actual documents themselves are less of a requirement for success, than actual business planning and skills development. These skills are vital for success:
  - Financial management training
  - Business management and general farm management
  - Advanced technical training and HR management
  - Production management training
  - Market access training
  - Computer literacy

  With the above skills, regular business development planning of these components, which are critical to success, should improve:
  - Trend and feasibility analysis
  - Demand and supply assessments of potential markets
  - Short and long-term production and sales forecasts
  - Production and sales records
  - Capital need projections for viability
  - Risk analysis and risk amelioration
  - Access to markets
  - Income and expenditure projections
  - Cash flow management/projections
  - Production Existence of production and/or sales records

  The aforementioned are deemed critical for success. If the aforementioned skills are improved and the business plans regularly updated then regular business planning can be nurtured.
- **Match beneficiaries own capital and physical contribution to the Departments financial and non-financial support:** projects with beneficiaries that make their own capital contributions not only ensure that beneficiaries are more committed to the success of the project farm because they have something of their own to lose, but also ensures that beneficiaries gain experience in creating value. Furthermore, projects in which project leaders and beneficiaries have greater agricultural experience, are noted for having project leaders and beneficiaries that are more motivated to continue functioning, have more realistic expectations of financial and non-financial benefits, and have a greater understanding of the time horizons for such benefits. Patience and hard work are key requirements in agricultural related projects and the sense of realism and continued optimism (following from experience and hard work) noted at leadership level in the successful projects evaluated, provides for a sense of hope in supported projects. Greater matching of beneficiaries' financial and non-financial support (in the form of both hard work and prior agricultural experience) with the Departments support needs to be ensured.
- **Encourage a multiplicity of income sources:** Both off-farm and on-farm income sources need to be investigated as possible sources of income to support eventual full-scale and full-time farming involvement. Only 16% of beneficiaries of the project farms evaluated are involved on a part-time basis. The use of non-farm income to get started in agriculture is quite common.

Note that beneficiaries who are actively involved on a part-time basis are not heavily dependent on the farm and are less likely to jeopardise its future, are better able to pay for seasonal and day to day expenses, which they are then motivated to recoup through the activities on the farm. More part-time involvement initially with the aim of being a full-time farmer should be supported. Essentially, there are both pros and cons to part-time involvement. A part-time farmer will have a different livelihood strategy to a full-time farmer, with less time for farm work, but also less financial dependence on farming income. These factors may contribute to reduced productivity and technical efficiency, although less time for farming may induce a need for more effective production and more intensive labour and capital use. Furthermore, and most importantly, support payments can positively affect cash flow and other inputs in the frontier production function. Essentially, side-line business opportunities to boost farm income, moving into higher value agriculture, or supplementing farm income from part-time non-farm sources to enable greater capital input into the farm should be considered. This is needed in order to ensure that farmers do not become more dependent on relief and safety net programs for their survival, a situation that may prove neither socially nor financially sustainable. A revived reconsideration of these approaches to assisting farms is thus suggested by emphasising:

- Helping more small farms capture new business opportunities in farming, especially for higher value products and value addition activities
- Promoting opportunities within the rural nonfarm economy for greater income diversification and part time farming
- Ensure continues nurturing/mentoring through supporting activities of large private firms and NGOs, or organized into producer groups of their own.

Note that while the encouragement of a multiplicity of income sources at project start-up are intended to support eventual full-time farming once the project farm is able to sustain this. The multiplicity of income sources also act as a safety net in that project beneficiaries do not 'put all their eggs in one basket' and focus all their resources on one possibility/avenue of success.

- **Greater focus on environmental sustainable patterns of production and smart farming technology**: Production levels could be enhanced through access to better technologies and management practices, while at the same time achieving more environmentally sustainable patterns of production. Many of the farms are battling to provide a viable livelihood, and smallness in combination with poverty can, over time, cause downward spirals of worsening environmental degradation causing farmland to be derelict. There is thus urgent need for the kinds of sustainable intensification that significantly raises land and labour productivity while also reversing environmental degradation. This will require the best of modern science and indigenous knowledge, requires new approaches to research and extension, as well as an enabling policy environment. Climate change is increasing the urgency of this kind of farming.

The findings revealed that there is much to be learnt from the WCDoA supported land reform projects, and a mix of environmental, socio-economic, and economic viability ultimately determines how well project farms are performing. Most importantly though is that without the support, the current success rate would be dire. So many solutions to problems faced by the project farms have their roots in the support obtained from the Department, so much so that the support obtained is noted as being a determining factor for success. The more successful the project farms, the higher the rating of good or very good for sufficiency of financial support, training courses, mentor, FSD advice, market access support, etc. attained. Competent mentors, FSD advisors, etc. have thus benefitted the success of project farms.

In many cases the expectations of the Department have started bearing fruit, and some of the project farms have succeeded not only in developing an economic performance that matches expectations, but have also resulted in poverty alleviation. Furthermore, the latest target is for 70% of agricultural land reform projects in the Province to be successful (Provincial Strategic Plan 2014 – 2019), whilst this evaluation revealed that this target has not only been reached, but surpassed, as 72% of the agricultural land reform projects in the Province are successful.

## ANNEXURE 1: COMPREHENSIVE EVALUATION REPORT

See separate Comprehensive Evaluation report, available for viewing at the Department of Agriculture.