

# Chapter 1

## A Systematic Literature Enquiry of the South African Agricultural Marketing Environment Pre–1913 to the Present

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### **ABSTRACT**

*Over a period of time, the South African agricultural sector has been divided into two sub-sectors, i.e., commercial and subsistence farming for whites and black farmers respectively. It also went through three marketing environmental phases, commencing pre 1913 to date. Use is made of the systemic literature review methodology, considered superior to its more unstructured narrative review counterpart. The findings of the review process are that the early 1900s reflected what a competitive non-regulated market can achieve even for those with minimal productive capacities, while the second phase that commenced with intensification of discriminatory legislation reflected the negative outcomes of the system. The last phase, covering the period after 1994, reflected development of an inclusive policy environment with minimal incorporation of the emerging black farming community. The chapter recommends more concerted efforts at graduating emerging farmers, implementation of well-intended and crafted policies and improved monitoring of CPAs.*

### **INTRODUCTION AND BACKGROUND**

Commencing in 1994 when the new democratic government seized political and to some extent economic power, an effort was made to reverse both the colonial and apartheid agricultural marketing environment in South Africa (Piesse, et al., 2005; Walker, 2017; Vink, 2012; Spierenburg, 2020). An enabling policy, the Marketing of Agricultural Products Act No 47 of 1996 was passed, not only to level the playing field but also to tilt the scale more towards the small-scale and emerging black farming sector. In particular, the Act anchored on one of the four objectives, i.e., “increasing market access for all participants” ((sub-

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section 2(1) (a)). Needless to say, this sub-section sought to close the host of discriminatory colonial and apartheid legislation. Although the emphasis was placed on a deregulated marketing environment, some support for emerging black farming was unavoidable as witnessed by a number of related strategies such as the land reform programme, especially the promulgation of the Restitution of Land Rights Act No 22 of 1994.

While earlier support to black farmers was provided through the Farmer Support Programme (FSP) (Kirsten, 1994), and Comprehensive Agricultural Support Programme (CASAP) (Chabalala, 2008), more recently the Agricultural Industrial Fund was initiated under the state-supported Industrial Development Corporation (IDC) (Reuters Staff- online). As articulated by Kirsten (1994) the FSP was not only introduced in South Africa by the Development Bank of Southern Africa (DBSA) as one of the major agricultural development strategies to support black farmers who have been historically denied access to basic support services”, but also in response to the inefficient and costly large-scale project approach that had been adopted until then. Some outcomes of these strategies included the provision of farming information, on-and off-farm infrastructure, production inputs, marketing information, business plan development and enabling finance for acquiring production capital (Msibi et al., 2011). However, as noted by Aliber and Hall (2012) implementing some of the above-mentioned programmes met with little success especially due to high implementation costs and beneficiation to fewer black farmers. It was suggested at that time that resolving the challenge required what was referred to as making concise decisions regarding two paradigms, i.e., either ensuring achievement of “accumulation for the few’ or ‘accumulation from below’ (Aliber and Hall, 2012). The first involved adoption of a strategy that could benefit a few black large-scale commercial farmers, while the latter focussed on benefiting many sustainable black commercial smallholders. However as articulated recently by Mmusi (2020) the challenge seems to revolve around skills transfer to black farmers that could be resolved through the adoption of concerted inclusive efforts at transferring farming skills to black farmers by government, non-government organisations and private sector institutions. Thus, while the above programmes succeeded in providing basic support services, their long-term sustainability hinged on levelling the playing field and uniform application. It is however critical at the commencement of this chapter to contextualize the meaning of the term ‘marketing’ to avoid ambiguities towards exchanging goods and services, and thus to correctly follow discussions that are a focus of this chapter.

This chapter adopts the definition of food marketing as defined by Kohls and Uhl (1990), i.e.,” ... performance of all business activities involved in the flow of food products and services from the point of initial agricultural production until they are in the hands of consumers”. What is crucial about this definition is that marketing includes production on the farm. The chapter seeks to present an assessment of the South African agricultural marketing environment with a special focus on the period spanning the late 19<sup>th</sup> century to that which followed the ushering in of a democratic state in 1994. The major aim is of course to present a discourse on the impact of a policy environment that sought to disadvantage the black farming community in favour of its large-scale white commercial farming counterpart.

The latter occurred over a period that spanned almost a century with devastating consequences for the agricultural marketing milieu. Of specific interest though would be assessing the extent to which a new policy directive that was promulgated in 1996 performed in terms of reversing the untenable environment that was created by successive colonial and apartheid policies (Marketing of Agricultural Products Act No 47 of 1996). It must be emphasized here that the Act replaced two major Acts that were passed by the colonial and apartheid administrations, the Marketing of Agricultural Products Act of 1936 and the Marketing of Agricultural Products Act of 1968. Whereas the former focused on support to white farm-

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