

Chapter 9

Commercialization of Smallholder Farmers in Mutale Municipality of Vhembe District of Limpopo

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ABSTRACT

This chapter seeks to discuss and assess the concept of commercialization of smallholder farmers, and whether it is a reality or a myth. The focus of the study area was the former Mutale Local Municipality, in Vhembe district of Limpopo Province in South Africa, drawn from 4 areas namely Tshipise, Tshixwadza, Tshishivhe, and Masisi agricultural zones by using a sample of 153 small holders drawn randomly. The problem of the study was that there are more than 4 million households engaged in agriculture in South Africa who in are engaged in subsistence farming. If these farmers can be assisted, they can feed the nation. Data were collected through a structured qualitative and quantitative questionnaire that was administered face-to-face to respondents and the data was analysed by using a computer programme of the SPSS Version 24. The findings suggest that farmers need support in different aspects such as training, extension, and comprehensive support by the government

INTRODUCTION

Smallholder farmers play a very important role in feeding millions of people not only in South Africa but around the globe, yet they are not always given the recognition they deserve; the question is why? This chapter, therefore, discusses some of the factors that need to be considered that can bring smallholders on the pedestal of development such as being commercialized to play a much bigger role in development.

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The concept of smallholder commercialization is explored in detail, and whether commercialization is a reality or a myth in South Africa. Smallholder farming can be commercialized, but doing so sustainably and keeping production at that level is a challenge (Kirsten et al., 2013). There are more than 4 million households engaged in subsistence agriculture in South Africa (Stats South Africa, 2016). If these farmers were to be commercialized, they would contribute beyond food security, grow the economy, and create more job opportunities.

The small-scale farming sector is characterised by a lack of capital, human, physical, financial and technological resources, which makes it difficult for farmers to fully participate. In addition to resource support, there is also a need to first unpack conceptualization as a concept for farmers to understand what is at stake. Several authors have identified constraints and barriers facing smallholder farmers in South Africa which include poor market access, unavailability of credit, lack of institutional support, high transaction costs, lack of training, and inadequate property rights (Abdulai & Birachi 2009; Thamaga-Chitja & Morojele, 2014). A similar study conducted in Europe reported similar findings, although the emphasis differs with context (Laurent, 2005).

What does commercialization and smallholder mean? Is the idea of commercialization feasible to begin with considering the socio-economic context of smallholder farmers? Is there a country which has successfully commercialized its smallholder farmers? This chapter provides evidence based on literature and the empirical findings from Mutale Local Municipality in the Vhembe district, Limpopo Province. The chapter contextualizes the meaning of commercialization and covers problems faced by smallholder farmers when they commercialize and make recommendations. The next section provides the theoretical background of the chapter, methodology, and results followed by a conclusion and recommendations.

THEORETICAL BACKGROUND

The literature revealed that the subject of smallholder commercialization has received attention and studies were conducted in different countries such as Europe; (Labarthe & Laurent, 2013; Eicher & Staatz, 1985); Sub-Saharan countries and South Africa (Kirstin, et al., 2013; Ghana: Martey, et al., 2012; Kenya: Wanjohi & Karani, 2017); Ethiopia (Gebre-Ab. 2006; Abera, 2009), Swaziland (Kiribege, 2016) and Ghana, Tanzania, Nigeria and Zimbabwe (Saha et al., 2021). Several studies were also conducted in South Africa on the concept of smallholder commercialization (Zantsi et al., 2019; Carelsen et al., 2021 and Zondi et al., 2022). Lessons drawn from these studies are discussed in this chapter. Agriculture is considered very important in all the countries where the studies were carried out. The South African government has also identified it as a key mover in rural development and in creating jobs (National Development Plan, 2012). Apart from job creation, it is noted that agriculture produces faster growth, reduces poverty and sustains the environment if it is made to work in harmony with other sectors of the economy (World Bank, 2007). As noted by various studies, agriculture contributes to the development of a country. Abera (2009) and Zondi et al. (2022) categorised three levels of agriculture importance. On the first level, it serves as an economic activity, at the second level, it provides a source of livelihood and on the third level is a provider of environmental services. According to Galal (2022), over six million households were engaged in smallholder agriculture in South Africa from the South African Labour Force Survey. Provinces with larger portions of rural areas, such as Limpopo (37.5 per cent) and Eastern Cape (35.9 per cent), were more likely to share large numbers of households involved in some sort of agricultural production.

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