This report contains the research process, analysis and key findings of 14 interviews conducted as part of the FARMNET research project. It was prepared for the Faculty of AgriSciences and the Southern Africa Food Lab, Stellenbosch University.

Written by Anri Manderson
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# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACAT</td>
<td>Africa Cooperative Action Trust</td>
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<tr>
<td>AFASA</td>
<td>African Farmers’ Association of South Africa</td>
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<tr>
<td>AgBiz</td>
<td>Agricultural Business Chamber</td>
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<tr>
<td>BEE</td>
<td>Black Economic Empowerment</td>
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<tr>
<td>BONM</td>
<td>Bryanston Organic and Natural Market</td>
</tr>
<tr>
<td>CAQDAS</td>
<td>computer-assisted qualitative data analysis</td>
</tr>
<tr>
<td>CASP</td>
<td>Comprehensive Agricultural Support Programme</td>
</tr>
<tr>
<td>DAFF</td>
<td>Agriculture, Forestry, and Fisheries</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
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<tr>
<td>GIZ</td>
<td>German Federal Enterprise for International Cooperation</td>
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<tr>
<td>GM</td>
<td>genetically modified</td>
</tr>
<tr>
<td>IFOAM</td>
<td>International Federation of Organic Agriculture Movements</td>
</tr>
<tr>
<td>LRAD</td>
<td>Land Redistribution for Agricultural Development</td>
</tr>
<tr>
<td>NAFU</td>
<td>National African Farmers’ Union</td>
</tr>
<tr>
<td>NAMC</td>
<td>National Agricultural Marketing Council</td>
</tr>
<tr>
<td>NERPO</td>
<td>National Emerging Red Meat Producers Organisation</td>
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<tr>
<td>NGO</td>
<td>non-governmental organisation</td>
</tr>
<tr>
<td>PGS</td>
<td>participatory guarantee system</td>
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<tr>
<td>PGSSA</td>
<td>Participatory Guarantee Systems South Africa</td>
</tr>
<tr>
<td>PLAAS</td>
<td>Institute for Poverty, Land and Agrarian Studies</td>
</tr>
<tr>
<td>RAAVC</td>
<td>Revitalisation of Agriculture and Agro-processing Value Chain</td>
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<td>SAFL</td>
<td>Southern Africa Food Lab</td>
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EXECUTIVE SUMMARY

AIM OF THIS STUDY

The overarching aim of the FARMNET project was to analyse the various ways in which smallholder farmers cooperate through the formation of networks, groupings and associations, and to propose and test enhanced farmer network structures that can be adopted by smallholder farmers to facilitate market access. The overarching research project consisted of eight activities.

This report documents the fourth step, which involved a set of interviews to determine what kind of organised structures smallholder farmers form, or external parties introduce to smallholder communities, and for what purposes. The interviews also tested the assumption that such structures facilitate market access. Particular attention was paid to the strengths, weaknesses, and potential of registered cooperatives as a type of organised structure and specifically how they related to market access.

OVERVIEW OF THE RESEARCH PROCESS

Two interviewers completed a total of 14 interviews with 17 interviewees representing 15 organisations in August and September in 2016. These interviews were recorded, transcribed, and then analysed with Atlas.ti, a computer-assisted qualitative data analysis (CAQDAS) software package. This analysis revealed the key findings summarised below.

KEY FINDINGS

The research indicated the following:

• Farmers form organised structures to support a cause and/or improve their livelihoods, and are motivated to organise by the possibility of gaining certain benefits. These benefits include sharing information and resources, collective support through difficult times, increasing their negotiating power, achieving economies of scale, and accessing resources and other forms of external support.

• External parties including government, civil society, private companies and representative structures organise farmers into groups, as it is easier and more effective to work with groups than with individuals. Some of these external stakeholders have also recognised the ability of group structures to hold collective information and resources, effectively rendering external support unnecessary over time.

• Farmers and external parties take various approaches to setting up organised structures, but there are some key lessons that might be useful to those wanting to set up structures in the future:
  o Structures formed organically by smallholder farmers from grassroots level are more likely to succeed, as are those which start from a production rather than a marketing focus.
  o External parties supporting smallholder farmers to organise should remain patient to allow such structures to form, or work with existing structures that can be built onto.
  o Structures need to stay flexible and thus informal through a set-up period in order to iron out governance and operational processes, and should only formalise if the benefit to the structure is clear and likely to materialise.
  o Having a set of group rules (or a constitution) and organising around an axis (whether a commodity or shared benefit) are useful organising mechanisms.
  o When working with layered structures, where grassroots structures become members of larger geographical structures eventually reaching national or subnational level, it is important to keep the ground-level structures at the base of the pyramid small to ensure clarity of vision and cooperation among members.
  o These base structures should consist of members in close proximity to each other.
  o Placing stronger farmers in one group with starting or developing farmers increases the sustainability of the group, as it develops as a whole.
• There are different agro-structures and each is specific to the needs of farmers and external parties, and should be set up accordingly.

• Various agro-structures can be divided into representative structures, and benefit/interest groups:
  o Representative structures often form a pyramid structure consisting of layers of geographical bodies with paying members. Examples include the African Farmers Association of South Africa (AFASA), the National African Farmers Union (NAFU), and commodity organisations. These structures are mostly formalised. Their primary function is to represent the interests of a group or groups of farmers and to lobby on a policy level. Such structures also then communicate information back to their members.
    ▪ Weaknesses include: Difficult to get farmer inputs, often imposed, constantly has to create benefits for its members.
    ▪ Strengths include: Well-established and recognised by both government and farmers, specialised extension support, and receives funding from donors and paying members.
  o Benefit/interest groups tend to stay relatively small and consist of members in the same geographical area. Examples include savings and loan groups, dip tank associations, irrigation schemes, participatory guarantee system (PGS) groups, and cooperatives. These groups tend to be more informal, but could also be formalised. Their main purpose is to connect farmers to certain benefits including information, resources, markets, and each other. These groups are often organised around a specific interest such as a farming method or wanting to save. They may also be the building blocks or base structures of representative groups.
    ▪ Weaknesses include: May become dependent on external support, resource poor, poorly defined benefit distribution guidelines, poor coordination, dominated by older men.
    ▪ Strengths include: Generally started by farmers to access benefits and built from the ground up, has greater flexibility, organised around unifying interests/benefits.

• Cooperative structures have been promoted through various government programmes:
  o When set up correctly, they are considered to be good structures for allocating funding to groups instead of individuals.
  o However, interviewees reported that cooperatives mostly fail. The reasons they identified include that:
    ▪ they are set up to access funding and in the process overemphasise institutional requirements to the detriment of establishing and refining operational systems.
    ▪ Unqualified farmers try to set them up not realising the accounting and tax requirements.
    ▪ Although government promotes cooperatives, there is not a well-functioning support system to establish and support new cooperatives, consequently, many are never formally registered and so cannot access funding or benefit from tax incentives and end up existing as empty shells.
    ▪ Some are poorly structured without clear pay-out systems, which leads to detrimental conflicts, or when they register and obtain funding there is no accountability for how the money is spent, and so they often run out of money quickly.
  o Cooperative structures could, however, work in certain circumstances, but to do so they need to have the following things in place:
    ▪ an informal phase in the setup process to work through group dynamics and other operational issues
    ▪ a solid and agreed upon constitution
    ▪ a clearly defined management and operations system with qualified and permanent administrative staff that are not farmers
    ▪ an economic vision with members who are committed to making profits

• The biggest challenges for smallholder farmers in getting organised include:
Farmers are reluctant to form groups (group dynamics and want to be successful individual farmers)

- There is resistance to government programmes.
- Some or all potential members are illiterate.

Factors that cause organised structures to fail include:

- Being organised by external parties (into inappropriate structures) and being poorly structured without beneficiation or governance structures.
- A lack of competent people to manage the administrative side of an organised structure. Farmers often don’t have an economic vision and think a formal business means instant success. This notion is accompanied by the expectation that government must provide and so farmers would rather wait than do something on their own initiative.
- Finally, disaggregated government support – different approaches by government, often duplicating private sector efforts that also get support from government – not enough focus on farmer development with more focus on land and agro-processing.

- Realised benefits differ for informal and formal structures. Informal structures tend to benefit from information sharing, increased buying and negotiating power, sharing resources and supporting each other. These benefits are sufficient to access informal markets. The more formalised a structure becomes the more potential there is to use that organised structure to increase access to formal markets. Farmers can then get access to funding, accounting services, specialised support and so on.

Factors interviewees reported that sustain structures included well-structured operating systems, leadership and an economic vision, making profits, continued access to resources and external parties that build an exit strategy into their work with smallholder farmers.

RECOMMENDATIONS

The recommendations are split into two parts, those for smallholder farmers who wish to get organised and for organisations that work with smallholder farmers to organise them into structures.

To external parties:

- Allow farmers to organise organically from the ground up.
- Alternatively build on existing community structures.
- Meet farmers where they are – do not expect them to work from where they are to where you want them to be to meet your agenda.
- Build capacity from the very start as part of an exit strategy.

To farmers:

- Have a clear purpose and economic vision.
- Agree on a set of rules (which could become a constitution when you formalise).
- Employ administrative members to take care of the management and operational issues of the structure.
- Remain informal to resolve governance and operational issues.
- Only formalise for a clear, likely benefit to the structure.
1. INTRODUCTION

The overarching aim of the FARMNET project was to analyse the various ways in which smallholder farmers cooperate through the formation of networks, groupings and associations, and to propose and test enhanced farmer network structures that can be adopted by smallholder farmers to facilitate market access.

The FARMNET research project focused on smallholder farmers who were involved in fresh produce and livestock production and were seeking to transform from subsistence farming to engaging markets and/or increasing their market access. According to the Southern Africa Food Lab (SAFL), these farmers contribute significantly to the food security of the most vulnerable populations in both rural and urban areas and should therefore be supported. They typically fall into the categories of market-oriented smallholders in loose and tight value chains, in the typology of smallholder farmers set out by Cousins and Chikazunga (SAFL & PLAAS 2013:3) (Table 1).

Table 1: Categories of smallholder farmers in South Africa

<table>
<thead>
<tr>
<th>Objective of production</th>
<th>Subsistence-oriented smallholders</th>
<th>Market-oriented smallholders in loose value chains</th>
<th>Market-oriented smallholders in tight value chains</th>
<th>Small-scale capitalist farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of marketed output</td>
<td>Household consumption</td>
<td>Household consumption + cash income</td>
<td>Cash income + some home consumption</td>
<td>Profit</td>
</tr>
<tr>
<td>Contribution to household income</td>
<td>None or insignificant</td>
<td>50% or &gt;</td>
<td>75% or &gt;</td>
<td>100%</td>
</tr>
<tr>
<td>Labour</td>
<td>Reduces expenditure on food</td>
<td>Variable – from small to significant</td>
<td>Significant</td>
<td>Very significant</td>
</tr>
<tr>
<td>Mechanisation</td>
<td>Family</td>
<td>Family + some hired</td>
<td>Family + significant numbers hired</td>
<td>Hired</td>
</tr>
<tr>
<td>Capital intensity</td>
<td>Very low</td>
<td>Low</td>
<td>Medium to high</td>
<td>High</td>
</tr>
<tr>
<td>Access to finance</td>
<td>Absent</td>
<td>Some</td>
<td>Significant</td>
<td>Very significant</td>
</tr>
<tr>
<td>Households in SA</td>
<td>2–2.5 million</td>
<td>200 – 250 000</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

Source: SAFL & PLAAS 2013:3

To achieve its aim, the FARMNET project consisted of the following activities:
1. Convening a core team of specialists
2. Developing a smallholder farmer network database
3. Compiling a smallholder farmer network literature review
4. Analysing stakeholder dialogue interviews and developing case studies
5. Developing a concept paper
6. Convening a stakeholder workshop
7. Implementing a concept/model in a pilot phase
8. Media and information dissemination

This report documents the fourth step, which involved a set of interviews with key stakeholders to determine what kinds of structures smallholder farmers use to organise, or what kinds of structures external parties introduce to smallholder communities and for what purposes. The interviews also tested the assumption that such structures facilitate market access. Particular attention was paid to the
strengths, weaknesses, challenges, and potential of registered cooperatives as a type of organised structure, specifically how they related to market access. Key research questions included:

- What motivates smallholder farmers to organise?
- What types of structures are smallholder farmers organising around?
- What types of structures or other factors enable or facilitate successful organisation?
- What are the key institutional and governance considerations in these successful types or in general organising efforts?
- What are the barriers to implementing structures or getting organised?

The rest of this report is divided into three sections: the research process, analysis and key findings, and recommendations. The findings section is divided into subsections based on key emerging themes in the transcripts, which also consider the research questions. The sub-sections comprise the following:

- Motivations – why smallholder farmers choose to organise into groups or are organised into groups by external parties
- Lessons about organising approaches – what has worked and not worked in the past?
- Types of organised structures, their strengths and weaknesses – with a specific focus on cooperatives
- Challenges and failure factors – of organised smallholder structures
- Realised benefits and other sustaining factors – of organised smallholder structures
- Answering the research questions

This report was presented at a stakeholder workshop in Stellenbosch on 20 October 2016 to help inform a concept paper (step 5 of the FARMNET project). Some changes have been made based on workshop feedback, for details see section 3.3.4 Organisational networks on p24.

2. THE RESEARCH PROCESS

The interview process took place during August and September in 2016 and consisted of 14 interviews with 17 key stakeholders including smallholder farmers and individuals or organisations that assist them. The interviewees represented 15 different organisations that directly or indirectly support smallholder farmer development. These interviewees were identified and selected during the first three steps of the FARMNET research, as the research team wanted to engage stakeholders across the sector including representatives from government, the private sector, civil society and farmers. Snowball sampling was also employed once the interviews started to identify crucial interviewees not identified during the first three steps. Although interviewees’ names will be kept confidential, they represented the organisations in Table 2.

<table>
<thead>
<tr>
<th>Interview</th>
<th>Interviewee</th>
<th>Position</th>
<th>Organisation</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Acting Director of Smallholder Development</td>
<td>Department of Agriculture, Forestry, and Fisheries (DAFF)</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Director of National Extension Reform</td>
<td>Department of Agriculture, Forestry, and Fisheries (DAFF)</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>PGS manager</td>
<td>Bryanston Organic &amp; Natural Market (BONM)</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Deputy Executive Director</td>
<td>AgriSA</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Director</td>
<td>Siyavuna Abalimi Development Centre</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Agricultural Project Manager</td>
<td>Lima Rural Development</td>
</tr>
</tbody>
</table>
Interviewee 8 represented two organisations. The main interviewee in interview 7 invited two of his field staff, one of whom heads up their farmer programme, to support his answers with additional information. During interview 9 there were two interviewees present each representing a separate organisation, but working on similar projects supporting smallholder livestock farmers. Interviewees 8 and 14 were farmers in addition to the positions they held in organisations. Interviews 7 and 14 were with individuals representing the same organisation, but in two different countries: South Africa and Swaziland. All interviewees were asked to sign a consent form to complete the interview and to have it recorded.

Two consultants completed the interviews following a basic interview guideline. The interviews were semi-structured, which meant that some interviewees did not answer all of the questions on the guideline, and instead were allowed to talk about issues they felt were important to the organisation of smallholder farmers. This flexibility allowed the interviewers to draw on the expertise and experience of the interviewees in the organising of smallholder farmers without being limited to the 12 questions in the guideline. The guideline questions were the following:

1. For the record, please state your name, the organisation you represent, and your position in that organisation.
2. In your own words, please describe the work that you do with smallholder farmers.
3. In your work with smallholder farmers, which organisational structures have you worked with or helped develop? (If the interviewer does not immediately answer, probe with examples such as community groups, formal cooperatives, partnerships etc.)
4. Do you think that these organisational structures are important for the success of smallholder enterprises? Why or why not?
5. Who typically organises smallholder farmers into these structures? (The farmers or some external party such as government or a private company working with the farmers?)
6. What are the main motivations behind such organised structures? (e.g. to access markets, buy inputs in bulk, share knowledge etc.) (Depending on what the person says, the interviewer will then use probes to unpack the description, asking critical questions, but not leading with biased views.)
7. What are the strengths and weaknesses of the models you have experience with? (e.g. cooperative model)
8. How could these models be strengthened in order to better facilitate smallholder farmer market access?
9. What do you feel are the most appropriate ways for smallholder farmers to organise themselves for accessing markets? (Success stories/case studies, if not spontaneously addressed by the interviewee)
10. Are there any particular smallholder groupings that you consider particularly successful?
a. Name, location, size, years in existence, external support?
b. Why would you consider them successful?
c. What factors related to how they organise themselves, do you think contributed to their successes?
d. What are their biggest constraints, if any?

11. Would you be interested in participating in future activities of this project?
12. Is there anyone else you think we should speak to?

As interviews were recorded, a transcription company in Cape Town called The Typing Pool transcribed them. After both listening to recordings and reading through the transcripts, one of the interviewers developed a coding scheme. The codes related specifically to smallholder farmer organisational structures and included, for example, challenges to getting organised, external organisers (split into governments, NGOs, and the private sector), formal structures, informal structures, organising methods/approaches, motivations, strengths and weaknesses. The interviewer imposed some codes to answer the research questions, but also allowed codes to emerge from the data. She then applied this scheme to the transcripts using Atlas.ti, which is a computer-assisted qualitative data analysis (CAQDAS) software package. Through a set of sophisticated tools, the software makes it possible to identify prevalent issues and patterns within large bodies of text or unstructured data by weighing and evaluating their importance and visualising the often-complex relations between them. The software also simplifies the process of retrieving relevant quotes for various themes.

Where relevant in the findings section, interviewees’ comments are indicated as they relate to the specific interviews, using the transcription indicators 1 to 14 from Table 2. References to direct interview quotes draw on the tracking system of Atlas.ti, which refers to a specific transcript using a primary document number (for example, 1) and the exact quotation using the paragraph numbers in that transcription (for example, 1:15). This referencing method not only ensures that the report stays true to the original interviews, but also ensures traceability. In some instances additional words are added to improve the flow of quotations. These words are placed in block brackets. Comments that were made off the record are excluded from this report.

As the report contains the opinions of specific individuals across the sector, it should be read as an overview of these stakeholders’ understanding of the way smallholder farmers organise or are organised in South Africa, and not as a representative sector overview of organised smallholder structures.

3. KEY FINDINGS

Before delving into key findings about the organised structures smallholder farmers form part of, it is important to define how the term “organised structure” is understood and used in this report. Interviewees reported that smallholder farmers organically formed organised structures, as they are part of rural communities that have always naturally grouped together to spend time together, support each other, and share stories. As one respondent noted: “I look at communities, rural communities and I see the way that they get together and I see the way that weddings and funerals and suppers [are] shared together … I think that it is actually … a bit arrogant to say that rural communities are not already organised [when] there is actually all that stuff happening … around meals. It is happening around farmers” (3:26).

The term “organised structure” as used in this report refers specifically to structures that form to support smallholder farmers in all or any of their endeavours to produce and sell their produce to markets. All findings thus relate to organised agro-related structures, yet the specific use of the term should not be interpreted as suggesting that these structures are disconnected from other communal activities. On the contrary, they are embedded within the very fibre of rural communities. As one interviewee explained: “There’s a huge amount of flow between families without money, obviously social necessities, social
debts, pregnancies, marriage, all sorts of stuff. If there’s violence committed, you owe a goat. If you get a girl pregnant, you owe two goats. So there’s a lot of livestock flow into a community that does not involve cash. Most farmers will also choose to sell from their homes because they’ll get a much better price and they do that individually with no controls or oversight by anybody really” (9:39).

The findings that follow are divided into sub-sections according to key emerging themes in the transcripts as detailed on page 9.

3.1 MOTIVATIONS

The data analysis indicated a number of reasons why organised structures are formed. It is important to note that this section will only discuss those reasons and not how the structures are formed, their challenges and benefits, or what types of structures are chosen. Nevertheless, these issues are often intertwined. For example, a particular benefit linked to a specific type of organised structure might be the main motivation for a number of smallholder farmers to set up that specific structure. This may also require that they set up the structure according to certain institutional principles, as in the case of a cooperative for example. Furthermore, farmers’ reasons for getting organised typically differ from those of external parties who support smallholder farmers to get organised. This section thus discusses their reasons separately.

3.1.1 Smallholder farmers’ reasons for getting organised

Interviewees reported that smallholder farmers group together to gain certain benefits and in so doing improve their livelihoods: “… if they see that there are projects where they can benefit, benefit directly, physically, they all rush for membership” (8:4). “It’s to improve their livelihoods. Remember, most of them, these [groups of] women, their husbands are not there, and they feel like they will only get remittances, in terms of money, at the end of the month. They feel like they have time, they have land, they can do something as an income” (2:22).

Although benefits are not always realised, they are nevertheless considered key incentives for smallholder farmers to organise and include:

- sharing information
- sharing resources and supporting each other through difficult times
- increasing negotiating power for input costs and market prices
- achieving economies of scale
- accessing funds and other forms of support

Farmers group together in this way to learn from each other’s shared experiences by sharing information: “… the motivation comes from sharing ideas. Sharing best practices … But also they share scientific knowledge and experiences” (4:14). Farmers also share resources. One interviewee explained: “When I say resources, I’m not only referring to money. I’m referring to all complex resources including technology … including equipment” (8:27), whilst a smallholder farmer stated: “We also share resources. Not everyone in the association … has … a tractor. So when you hire a tractor from any other person you find that the prices are just fluctuating [and] very high. But … we have agreed in the association that if one member has a tractor, maybe in the village, members of [the] association will go and hire it at a lower cost. So it’s beneficial to us” (13:14). Two other interviewees explained how grouping together improved farmers’ safety and support to each other during difficult times: “Also security concerns are a big driver for farmers at local level to meet with each other … and then also in the situation of drought, they support each other” (4:14). “… the biggest problem with livestock, they’ll say it’s stock theft. So the livestock association to a large degree also regulates sales to prevent stock theft or to mitigate against stock theft” (9:40).
To gain market access, smallholder farmers compete with much larger producers who have the benefit of economies of scale and consistent production. In addition they must comply with stringent market standards, and thus often end up being price-takers and receiving payment that barely covers their production costs. By grouping together smallholder farmers can build their economies of scale to reduce production costs, improve their consistency and increase their negotiating power.

A number of interviewees commented on this issue: "... because of the lack of organisation, these smallholder farmers are exploited" (4:24). "... if they're part of a collective, then certainly you can start addressing the issue of scale ... farming is a cutthroat business. And your input costs? Very expensive and then just to get your stuff to the market and access to the market can be a big challenge if you don't understand how the market operates and what standards are required" (4:25). "It's almost impossible for one little smallholder farmer in the middle of a rural community to make it on his or her own. But, they see this. They cannot supply Spar on their own with consistency of supply..." (5:45). "...your big challenge with farmers is that many of them are price-takers, or actually, all of them are price-takers. But at least if they can come together and say boys, we are not going to sell our sheep for less than R15 per kilogram and we're going to work out a strategy to protect our interest as well, then things start to happen" (4:15). "...people organise for various reasons, but in terms of farming, the main one would be that they would want to [come] together [to] have better bargaining power as a group and to access markets for example, or to access inputs at cheaper cost. That's the main one that we've come across in terms of the farmers that we work with" (10:13)

The promise of access to resources some structures hold also seems to motivate smallholder farmers to get organised. The South African and Swaziland governments in particular have linked specific funds to registered cooperatives: "... officials would come and say there are opportunities to access funding and you know when people hear funding, they'll do anything just to [access it]. And one of those ways would be to form cooperatives" (10:17). "I think the first push was that the government promotes cooperatives. They promote cooperatives, because there is a cooperative incentive scheme [including access to funding and tax incentives] that primary cooperatives can have and also secondary and tertiary cooperatives. That was the main push: The cooperative incentive scheme from DTI [the Department of Trade and Industry]." (13:7).

Finally, three interviewees spoke about people grouping together because they feel passionate about a cause and want to join forces to further it. In particular they were referring to organic agriculture and agro-ecology, as well as the no-till movement: "... people, specifically young people, want a cause. That is what they want and I think about my youth and I look at my boys, people want a cause" (3:18). An agro-ecology farmer had the following to say about the issue: "You cannot do it alone. Especially now when it comes to climate change and now that we are moving away from industrial agriculture. Because most of the farmers, the agriculture that they know is that of using pesticides and if we are not organised enough and if you are an individual farmer, you will not be able to move away from that, because you don’t have any knowledge about agro-ecology" (13:9).

It becomes clear that by organising around a specific cause people are able to gain the previously discussed benefits including sharing information and resources, supporting each other, increasing their negotiating power, and accessing funds. In short, the promise of specific benefits that would help farmers support a cause or improve their livelihoods seems to incentivises smallholder farmers to organise. These incentives include sharing information and resources, supporting each other through difficult times, increasing negotiating power, achieving economies of scale, and being able to access funds and other forms of external support.
3.1.2 External parties
Over the course of the 14 interviews it became clear that government, representative bodies (including commodity organisations), companies, and civil society organisations all have specific reasons for working with smallholder farmers.

Government is challenged by the large number of smallholder farmers it must reach through extension support, and therefore requires these farmers to organise into groups so that they can be reached more often than government has the capacity for if it had to reach them as individuals: “… it’s easy to work with groups rather than individuals” (2:13).

Representative bodies are under pressure by their members to develop black smallholder farmers and to bring them into the existing value chain., Similarly to government, they find it easier to work with groups of smallholder farmers: “We’ll need to develop black suppliers and we bring them into contact with these small scale farmers. Trying to group and develop them. So they become sustainable suppliers of products to some companies” (4:6).

These bodies also try to replicate the successes of the past: “… why were commercial farmers so successful in South Africa? Yes, title deeds, but on the other hand they’d organised themselves into very, very good structures. For example: local farmers’ associations. Those local farmers’ associations belong to a provincial board. I attended the provincial congress in the Free State last week. [It was a] very, very good congress with very good speakers that could map out the political landscape … the agriculture landscape … the entire socio-economic transformation landscape. And then obviously those provincial structures are all affiliated to AgriSA” (4:31).

Companies are often under pressure by government and in particular through the Black Economic Empowerment (BEE) programme to engage smallholder farmers, and find it easier to work with these farmers in their representative groups: “You have the tobacco companies that obviously they need to acquire BEE points. So they have a huge interest in mobilising smallholder farmers. And you’ve got SAB Miller for example who have been purchasing hops and barley and other grains for the beer processing processes, that have been engaging very actively with smallholder farmers all over South Africa” (4:19).

Civil society organisations find it easier to work with smallholder farmers in groups, but also find that well-organised groups can become the holders of information and capacity, making smallholder farmers less dependent on external support and eventually able to become independent: “Because peer-to-peer learning is so powerful and then they have decreased dependency on [us] to give them technical input” (5:49).

One NGO in particular has adopted a training-of-trainers approach: “We’ve always said from the beginning that our purpose is not to teach or train or improve the lives of the masses by touching all of them direct, but to work through a trainer of trainer concept. And that’s been the whole modus operandi” (7:17). “…the strength of our structure is that it’s entirely self-reliant oriented, sustainable. That’s what makes it so difficult and [requires a] long-term [commitment], but that’s the huge strength of it” (7:31).

Clearly external parties find it easier to work with smallholder farmers in groups rather than individually, but some also recognise the potential of group structures to become valuable holders of information and capacity that could make smallholder farmers less dependent on external support.

3.2 LESSONS ABOUT ORGANISING APPROACHES
This section discusses some of the key lessons stakeholders have learned about approaches that work and those that fail when organising farmers.
3.2.1 **Build from the ground up**

Most interviewees agreed that those structures organised by smallholder farmers from the ground up had a better chance of success than those imposed by external parties: “... there are those that organise themselves organically … the organisation grows from a need within that group of farmers … and they tend to be more successful than those that actually get organised from outside” (10:6). “… if people were not forced to join something, they do it voluntary and there are more benefits out of it” (1:15). “… we do a lot of farmer association networks … we try to let it happen with as little involvement from Lima as possible” (6:19).

One trainer explained what was happening amongst a group of women farmers who were organising themselves. They were essentially forming a farmer-to-farmer learning network without being told to do so: “… they’re gathering themselves together and the plan is … the old gogo … whatever we teach this morning, when she gets home, she teaches whoever is in her home … there were two women who have started their food garden through encouragement from the other old women who have been coming here for training. So yesterday she invited them to the training so they could hear the lessons for themselves” (12:5).

The interviewees argued that a group typically formed to reach a set of collective goals and to do so would need to work together and sort out the group dynamics. External parties often did not share the goals of the group, or in some instances even had different goals that competed with the group’s goals, therefore imposed structures would almost always fail. “They have to define their own processes and identify things that are important to them … to work. Because again, I don’t think there is a successful example of interference by business or city people in rural communities that ever has succeeded when you come into a community and you say this is what we need and this is how [you] must do it” (3:9). “… what is key about that is that you must try, by all means, to have a homogenous group. Don’t form the group. Let the people form themselves … otherwise they won’t be working together and then you will have problems in terms of sustainability of that group. Don’t go and mix people together. Let people identify themselves, they will have their own relations amongst themselves and they will have a way of respecting each other once they group themselves” (2:29). “… you cannot impose a structure on a group of smallholder farmers. The politics are so complex that it will collapse” (3:30).

Interestingly another NGO felt it was important to organise farmers from the supplier side and only later build the market access benefit into the structure: “… we are starting with the supplier side of things. We are not starting with the marketing” (6:13). In a way this also relates to building the structure from the ground upwards.

For external parties allowing a group to form organically may become tricky, especially if working against a preconceived timeline. Nevertheless, a patient and respectful approach is required: “… although I don’t see my role as actually saying well this is how farmers organise themselves. I know how to go and be with a community and to be sensitive and to be responsive and to see where things work and see what energy is positive” (3:12). The way this particular interviewee has worked with smallholder farmers has resulted in slow, yet steady progress in terms of smallholder farmers organising themselves into structures.

Alternatively, an external party could start with existing structures within communities and build from or onto them. One interviewee expressed the following on this matter: “… we present our prospective project or work to the livestock association and say this is what we’re wanting to do and get their support [and] the tribal authority’s support … You’ve got an existing group of people, farmers who you work with, … who are part of this dip tank [association] and normally each dip tank will have about 200 families that it serves. So that’s what we’re doing now. Those are the structures that we use now. [Working with] livestock association dip tanks and getting the tribal authority’s support” (9:9). “So you’re basically piggybacking on the very powerful men, but saying: ‘Well, seeing how you’re holding the infrastructure
together, can we set up another layer below you?" It might be their wives … children … cousins, their uncles, whatever – who have different types of livestock. Those would be your chicken owners, who are generally women. Those would be your goat owners, who are generally poorer men and largely women. So those people wouldn’t necessarily own cattle. Cattle are very hard to own and complicated to keep and expensive to keep. So we would say about 10% of a community owned cattle. But about 60% of the community owned goats and about 80% owned chickens. So you’ll get an inevitable overlap of those people, but it doesn’t mean that they are in any way in conflict" (9:15). "You’re just using a system that already exists, that meets quite often, that is quite strong and powerful and has a reason to exist despite you" (9:16).

3.2.2 Structures should work through informal phases before formalising for a specific reason
Most external support agencies agreed that smallholder farmers had to work through informal structures before formalising them. A number of interviewees commented on this issue: “Start as an informal grouping, get to know each other, make sure that those five people are the right people to work together. In the end, it needs to be a viable business” (1:53). “… if they have land, they will ask for that land from the traditional leader or from the municipality. They fence it and then they go further, to ask for an extension officer, what is it that they can plant and all that. Then the extension officer, that’s when he can start to formalise them” (2:21). “… we are trying to keep it less structured … we are trying to let them merge [and] emerge on their own … so we are trying to let it sort of evolve quite simplistically in those groups” (6:10) “… once the savings and loans groups are trained to a level where they can become [formal] entities, we then rope in the Department of Commerce [to do] cooperative development. Now we work with them to … provide further training so that these groups can register as legal cooperatives. Now once they are registered as cooperatives, it then opens doors for them to begin, to get opportunities to be granted funding so that they can start to operate” [14:6].

One interviewee commented on the misconception that having a formal entity automatically implies success. He advised that farmers should only formalise for a clear and well-considered reason: “… there’s no guarantee that because you are a formally registered entity you will actually succeed. And one would have to be cautious about making things too formal. I would say in the beginning … the looser the structure the better and there should be a very clear benefit … So I would say that the more informal the grouping the better, especially for smallholder farmers, I think it’s probably the best way. And if there’s a real need to actually formalise then you can actually later kind of reassess the situation” (10:20).

3.2.3 Group rules and an organising axis are useful organising mechanisms
Although smallholder farmers should be left to organise themselves and work through an informal phase first, there seem to be some factors that facilitate organisation. A constitution or agreed upon set of rules (for less formal structures) that every member must adhere to have proved useful to many successful groups: “We’ve got over 50 savings groups functional and they’re all functioning so smoothly. They really function well. And when we looked at why this was such a success, what it often boils down to is we stick to our constitution. The constitution is what we as a group agree to upfront, how we’re going to work, what our rules are” (5:31).

Some structures also have certain pre-conceived rules or requirements if smallholder farmers want to join or create them. Referring specifically to a participatory guarantee system (PGS), one interviewee stated: “You cannot join this farmers’ association unless you’ve been through the three-day training and got your certification. So in that sense it's closed, there’s a structure to it. This is how you join the farmers’ association, this is how you stay a member” (5:17). "We work in different areas and the entry point when we enter a community is after negotiations with the community leadership, after a three-day organic training course. It's open to anyone, so there are no barriers to entry … most of the smallholder farmers … complete the three days" (5:4). PGS structures and others such as savings groups are open to anyone who chooses to abide by the rules of these structures.
Organising around a specific axis is also useful. One organising axis used to date is commodities: “We have a very specific focus on smallholder farmers via our commodities. Each of our commodities is very active in developing smallholder farmers” (4:4). In cases where smallholder farmers produce a mix of commodities, they usually organise around the commodity they consider most important: “… a lot of your smallholder farmers do mixed production, but even then you will have one dominant commodity, like maize, or it will be pigs, or it will be something …” (1:14). “… we scale it down to smallholder farmers in loose value chains, who mostly farm with mixed vegetables, there is not really a commodity organisation for them to belong to. It is called farmers’ organisations” (1:47).

Farmers may also choose to organise around a specific interest or benefit. One interviewee referred to a group of women farmers who organised around a specific demonstration garden where a government extension officer visited them twice a week. They thus organised around an information point: “So that’s the anchoring point, where you can start. They will have their garden at home but they are not working there as a group. They do their own things but where they learn and go back and plant in their small gardens …You, as an extension officer, you rally around those [demonstration] food gardens, those food plots, which they have as a common point, where they meet and where they start” (2:20). Others may choose to organise around access to markets as in the case of PGS groups or become a member of an irrigation scheme or savings group.

It also makes sense that members of a group are geographically located in close proximity to one another: “And those five families I guess would be closely grouped geographically. I mean it wouldn’t make sense … It didn’t always work that way, because that’s not always how the need out there arose. But we’ve discovered that it is better … we try and geographically look quite carefully [at] their proximity to one another. And we talk about working in zones or communities, which is a zone, which is big enough or small enough for people to interact without transportation because of the cost factor and just the practicalities. So where they are within walking distance, that for us is what we would call a community” (7:6).

3.2.4 Groups at the base of the pyramid should remain small

As discussed below under types of structures, representative structures often form layers of organisations within a pyramid structure. NGOs and organic farm structures also tend to follow this pattern: “…we will work with a bigger group say 20 or 30 people, and we try and get them to … group themselves and we are using savings groups as one of the platforms for that …” (6:7). “… over time that pyramid structure developed [based on] the savings and loans groups” (7:18). With the support of another NGO, one farmers’ group has also set itself up as a layered organisation, partly influenced by primary, secondary, and tertiary cooperative structures: “The members of Mopani Farmers’ Association have organised themselves from the grassroots as village associations and then … different villages come together to form an area under that municipality. In Mopani we have five municipalities and a number of villages. So villages in a municipality came together to form an area association. And then these five area associations came together to form Mopani Farmers’ Association, which is a district association. But it’s not all the villages that we have as members. But what I’m sure of is that in each and every municipality we have members of Mopani Farmers’ Association” (13:5).

One lesson about this approach, shared by NGOs working with smallholder farmers, is that the group at the base of the pyramid needs to remain relatively small. After allowing grassroots groups to grow without limit, one NGO explained that the structure became weak. They thus implemented a new strategy to keep the groups smaller: “… the main advantages of having now several small associations working together, the main thing is when you work with a smaller group it’s much more achievable to have a shared vision. They know each other, they trust each other, they’ve worked for years. It’s very much more feasible for them to feel like a connected group” (5:6). Another NGO explained that groups that are too small are also
problematic: “And when you get too big a group you have too many passengers. If you have too small a group in the context of poverty … there’s not enough moral support, morale support in terms of continuing with all the opposition they have in terms of living in poverty” (7:22).

3.2.5 Place weaker farmers with more successful ones

As part of their exit strategy one NGO also explained that it made sense to pair different levels of farmers with each other within organised structures, so that they can mentor each other: “… we are busy ranking farmers into different levels and we are trying to link a farmer who is a 10 out of 10 with a farmer who is a 2 out of 10 in an area, so they can self-advice and mentor each other as one of our exit strategies where we are not the only person that they can turn to for help and networking” (6:20).

3.2.6 Government and the private sector should collaborate to organise and develop farmers

Finally, a number of interviewees felt that civil society organisations and companies were doing a better job as external parties in organising and developing smallholder farmers than government, and that government should rather support these stakeholders to continue their development work: “And my interest would be to see … what is the impact of government programmes versus private sector programmes?” (4:21). “Government’s interventions are aimed at developing many of these farmers, but it will make more sense for government to leave the development processes in the hands of your different [private] organised structures, because I’m a firm believer that farmers must develop farmers” (4:38).

This is an important finding, one that government has recognised and is consequently working on a new extension policy, the Draft Policy on Comprehensive Producer Development Support, which will support different categories of smallholder farmers in different ways (such as subsistence versus capitalist), and also work with existing support structures such as NGOs and commodity organisations in the field to develop smallholder farmers. The latter will be expanded on in another policy, called the National Policy on Extension and Advisory Services.

As one government official stated: “… it’s easy to work with groups rather than individuals. That is why when we developed the National Policy on Extension and Advisory Services, one of the key things we are advocating for, is to have a commodity-based approach to extension. And the institutional mechanism of the policy is saying … at the provincial level, we have a provincial extension-coordinating forum. At the national level, we have a national forum on extension, and then at a district level, we have the district-coordinating forum, because this is where we want to work in a pluralistic nature with all other commodity organisations and with all other service providers that are doing extension work on the ground … because currently we are working with a silo-mentality” (2:13).

In conclusion, interviewees thus mostly agreed that smallholder farmers should be in control of the development of their own organised structures and that these should not be imposed onto them. In line with this concept, it is also ideal to start from the production side when organising smallholder farmers. This approach allows structures to address certain group needs and resolve group dynamics, and to ultimately exist despite the interests of an external support structure. It is advisable that external support structures work patiently to let organic organising approaches unfold, or work with existing community structures that they can build on. Groups should also be allowed to remain flexible and informal for as long as possible, and should not assume that formalisation implies success. Structures should only be formalised for clear, well-considered reasons that would benefit the group. There are some aspects that could support organising efforts, including an agreed set of rules or a constitution amongst group members, and finding an axis to organise around, whether a commodity or a specific benefit. Such an axis pulls people together around a shared vision or interest. It makes most sense for group members to be geographically close to each other to reduce transport requirements. Different levels of farmers could be paired up into a mentoring structure. If structures consist of levels within a pyramid, it is advisable to keep the groups at the base of the pyramid small.
3.3 TYPES OF ORGANISED STRUCTURES, THEIR STRENGTHS & WEAKNESSES
A number of interviewees felt that it was important to choose the right structure for each group, depending on their needs and the needs of the external party supporting them: “And it’s certainly not a one size fits all ... It all depends on the circumstances and ... on the type of service you’re going to provide to them, etc.” (11:9). “… you get different types of structures that develop out of this. Depending on what suits, what the needs of those farmers are and also what would suit the service structure, if I can call it that, from the agribusinesses the best. So you get a range of ways in which the focused attention or the focused service to these farmers is being rolled out” (11:8). In this light it is also important to realise that not all structures are meant to exist forever: “… one of the weaknesses for us is that it has a limited shelf-life as a group. I think it’s just linked to our programme. We have limited goals and inputs related to those goals ... we take people from ground zero to where they can entrepreneurially take themselves beyond that … they’ve received all the main input … new skills, new structures, and then they feel they can run by themselves without necessarily the connection to the group” (7:23).

The scope of this study did not allow for an exhaustive identification of all possible organised agro-structures. This section nevertheless categorises those that were identified, including their strengths and weaknesses. For the purpose of this report, they are divided between representative structures, and interest/benefit groups, as summarised in Table 3. The cooperative structure is discussed separately, as this study is particularly interested in its strengths and weaknesses as an organised structure. However, it forms part of interest/benefit groups. This report also discusses the connections between different agro-structures and refers to these connections as networks.

Table 3: Types of organised structures, their strengths, and weaknesses

<table>
<thead>
<tr>
<th>Type</th>
<th>Primary function</th>
<th>Examples</th>
<th>Strengths</th>
<th>Weaknesses</th>
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</table>
| **Representative organisation:**    | To represent the interests of a group or groups of farmers, lobby on a policy level, and convey information back to the groups they represent. | • Commodity organisations  
• AFASA  
• NAFU | • Well established and recognised by both government and farmers  
• Specialised extension support  
• Receive funding from donors and paying members | • Difficult to get farmer inputs  
• Often imposed  
• Has to create benefits |
| **Interest groups/benefit groups:** | To connect farmers to certain benefits including information, resources, markets, and each other. These groups are often organised around a specific interest such as a farming method or wanting to save. | • Interest groups  
• Savings and loan groups  
• Farmers' associations  
• Dip tank associations  
• Irrigation schemes  
• PGS  
• Cooperatives | • Generally started by farmers to access benefits  
• Has greater flexibility | • May become dependent on external support  
• Resource poor  
• Poorly defined benefit distribution guidelines  
• Poor coordination  
• Dominated by older men |

3.3.1 **Representative organisations**
Representative organisations often form a pyramid structure consisting of layers of geographically located bodies with paying members. Examples of such structures include the African Farmers Association of South Africa (AFASA), the National African Farmers Union (NAFU), and commodity organisations (including the Wool Growers; Grain-SA; Deciduous Fruit SA; Potato SA; and the National Emerging Red Meat Producers Organisation (NERPO)). Their primary function is to represent the interests of their members on the highest level, including lobbying on a policy level. These structures also communicate
critical information to their members. They are often formalised, or at least become more formalised higher up the pyramid structure.

As one interviewee described such a body: “... you as a farmer first belong to the local association. You pay your subscription there. The local association is a member of the Free State and the province” (4:32). Another explained: “We call ourselves syndicates ... That is now a group of small farmers who are farming with a specific commodity. Those farmers will form a commodity group. And that commodity group will in their own district form an association, at a district level. And then that district, together with other districts, will form a provincial association” [8:6]. “… we organise from community organisations, that is interest groups, those that are interested in red meat, in potato, in grain they organise themselves. But all these come together to form a union or an association. So I came to AFASA which is the union through my commodity organisation which is NERPO” (8:4). Another interviewee confirmed this: “You have your different provincial structures. They have specific programmes ... Some are more expanded, others [have fewer workshops] and they work very closely with their provincial sister organisations like AFASA and NAFU and things like that. So provincial affiliates are working in that space” (3:34).

In terms of sustainability and fulfilling their objectives, interviewees reported a number of strengths of representative structures:

- They are well established and recognised by both government and farmers – members pay fees, whilst government accepts these structures as representative of smallholder farmers: “Our main mandate is to do the lobby work, advocacy work on their behalf. That is the main mandate. To speak on their behalf. To use the organisation as a platform to speak on their behalf. So I would say most of the time we spend it to do liaising work. Liaising, it means you talk about the policy with ARC [the Agricultural Research Council], I have to be there to bring the position of the smallholder farmers, to bring the ideas, the viewpoint of the smallholder farmers in these issues” (8:5).
- They often offer specialised extension support: “… [the members] of the commodity organisations are much more up to scratch in terms of that commodity that they are working on, because they specialise in that commodity and they end up knowing more, but the extension officers that are for public sector, they are more generalists” (2:14).
- They receive funding from donors and paying members: “And they get some dip medicine from the government but they also all pay R50 a year to be members of the dip tank association”...

Representative structures also have some weaknesses:

- As there are multiple layers to such organisations and a focus on more successful small commercial farmers, it is often difficult to get inputs from smallholder farmers that form part of the base groups, especially those of women farmers: “The livestock association is of course what the state has set up to represent farmers, but it often only represents cattle farmers and that’s the dip tank association. So there has been a move, but we’re sort of trying to accelerate it, to get the livestock association to be a representative association of all types of livestock, not just cattle ... how do you as government support other farmers that aren’t cattle owners? What do you as government bring to the party that accelerates women feeling a need to come to the dip tanks, because you’re servicing something that they also have?” (9:17)
- As the structures need to take a specific shape, they are often imposed.
- These structures need to create benefits for their members on an annual basis to maintain membership – “That is what farmers are doing every day. Either they leave this organisation, go and join the other one next door where they see that there are benefits which are better than this one or they just stay at home and say what is the point of joining these things. I’m getting nothing” (8:10).

### 3.3.2 Interest/benefit groups

Interest/benefit groups tend to stay relatively small and consist of members in the same geographical area. Examples include savings and loan groups, dip tank associations, irrigation schemes, PGS groups,
and cooperatives. The main purpose of these groups is to connect farmers to certain benefits including information, resources, markets, and each other. These groups are often organised around a specific interest such as a farming method or wanting to save. They often become entry points for external support parties to work with smallholder farmers and may also form the base of representative structures. They tend to be more informal, but can be formalised for specific reasons.

One interview described these structures as follows: “We would start forming smaller groups, sort of neighbours where they then do chicken vaccinations or a goat interest group where they come. So it’s not really a formal-formal group. But it’s an interest [group]. It’s people who have chickens and then they can come together monthly and talk about chickens and do vaccinations” (9:38).

In terms of sustainability and fulfilling their objectives, interviewees reported a number of strengths related to benefit/interest groups:

- They are generally started by farmers to access benefits, and so grow from the ground up based on what is required. This binds groups together and creates trust: “That trust and transparency I feel will work if people can self-select their groups” (5:45).
- Interest groups have greater flexibility: “… the farmer association is loose, but it’s a fantastic structure, because it’s held together by people who want to come together to learn, to connect, to have fun, to bounce ideas off, you know. It has a lot of value in terms of cohesion, social cohesion … It has opportunity for bulk buying, sharing equipment. There’s a lot of value to that informality, it’s non-threatening. You don’t have to go to a meeting. You’re not kicked out if you don’t pitch. … I really like the casual, supportive, cohesive nature of the association” (5:40-41).

The weaknesses related to these groups are many, but are characteristic of different kinds of agro-structures within the category and thus not necessarily applicable to all of them:

- As these groups are informal, they are often resource poor: “Their big challenge is obviously getting more funding from government” (4:39).
- Consequently they may become dependent on external support: “We said it doesn’t make sense for any business to have only one customer … they didn’t see the difference between Siyavuna and the cooperative, so in other words from their perspective, if Siyavuna is your only customer, what happens if something happens to us and we run out of funding?” (5:8). “If you don’t run your own money, you never have ownership in your heart. So that’s the failure of our model. The coops asked Siyavuna to do all the admin for them” (5:28). “One of the weakest areas in our programme is that Lima does that [the admin] to a larger extent and so … that network will always need a Lima …” (6:17).
- The informality of these structures also often means that:
  - They have poorly defined benefit distribution guidelines: “And also one of the disadvantages, you must make sure that there is a way of beneficiation, because once the money comes in, after selling, then you will start having issues” [2:30]. “Even when that wasn’t the case and they were genuine groups who really wanted to just work together. So let’s say there were many, the challenges that came along later were around money, around labour, fairness of labour, around this perception of I’m doing more, so it’s not fair. Why am I not getting paid?” (5:25).
  - They have poor coordination: “… I definitely think you can try and [coordinate] a bit better from the farmers’ side producing at the right times with each other so that you got produce throughout the year whatever for that market” (6:25).
- Interviewees also reported that older men (or whoever is considered to have authority in particular farming communities) often dominate these structures. They may thus not be representative of all who need to benefit from them: “I think what’s wrong with current structures is that they’re essentially run by old men, which is good because they are the power structures. But if we could start seeing women and youth taking part that’s your first step. I think the second step is women and
Based on interviewee accounts, it is clear that the Department of Trade and Industry (DTI) and DAFF have encouraged smallholder farmers to form cooperatives through a funding programme that also outlines a number of tax breaks for cooperatives in their first years of operation. One interviewee explained why government started the cooperative programme by saying that government could not give money to develop individuals. Instead, government had to show how it was developing communities, and so the cooperative seemed like a good solution: “The fundamental problem is that you can’t give taxpayers' money to individuals. So how do you model a government programme that hands over state assets to people? What sort of grouping would make sense and work?” (9:28). Government also has a database of registered cooperatives, many of which they helped to register: “... we were looking for a database of smallholder farmers ... so we came across a database at DAFF called Codas: Cooperative Database Analysis System (DAFF 2016). It’s a computerised database that actually lists all [registered] smallholder cooperatives in South Africa. And they keep adding to it ... as you analyse the data in that database, you find that most of these cooperatives ... were set up from outside basically” (10:16-17).

In Swaziland cooperative structures are promoted and required when smallholder farmers want to do business: “… whether they want to market their produce they do it legally because they are a legal entity. Whether they want to embark on a form of business that may require a trading license. Once they are registered then it becomes a lot easier … finances come easier if they are legal cooperatives because our financial institutions are not simply dealing with individuals” (14:7). In South Africa it is not a requirement, but nevertheless still considered as a good structure for business. One interviewee explained that young farmers would opt for a cooperative structure instead of a non-profit, as they were interested in doing business: “Which type of group would want to go the one route versus the other route? ... in terms of age group, the 50s [register] NPOs … to maybe focus on feeding schemes and stuff. But the youngsters ... are more business-oriented, so they want to register as a cooperative” (7:28)

Unfortunately, the cooperative scheme has mostly not been successful and has consequently caused conflicting opinions about its potential to organise and develop smallholder farmers. To cite a few negative comments on the matter: “So I don’t think cooperatives work and ... I know that they just collapse quite a lot” (9:28). “Outside of my government [and] being a public servant and an official of DAFF, I think cooperatives are the worst model you could ever use” (1:51). “… my feeling is that the cooperatives are a waste of time and we have yet to see after years and years and years and years of throwing literally billions of rand at them, we have yet to see a cooperative working” (9:28).

Interviewees reported a number of reasons why cooperatives have mostly failed to date:

- As discussed before, many farmers were motivated to start cooperatives to access funding and so set these structures up for the wrong reasons and without resolving operational and institutional systems first: “… groups got together for the wrong reasons, motivated by money” (5:25). “We have noticed that for example, there is some funding that is available specifically for cooperatives within the government system … [from] DTI specifically, and so outside parties for example, officials from
various departments would tend to then advise farmers to organise themselves into cooperatives, just for the purposes of accessing that funding, which doesn’t really work in the long run” (10:8). “And then we wanted to register as an association but then we also found that maybe we are not going to get support from the government. So that’s where we decided that it’s best if we can go for a cooperative” (13:12).

- A lack of government support: “…they are faced with a situation when they knock onto government departments that they will need more like a formal thing where they have to register and stuff like that. So they get stuck. They can have everything, the constitution done and they go for registration and sometimes they don’t get it, the certification doesn’t come. Sometimes it just gets lost along whatever. So they get discouraged and then they say it’s not working. And they stop. So those [are the] kind of dynamics that make the group, which group they’re working as” (7:26). “I’m one of those who has tried to apply from DTI for the incentive scheme in 2014, as a [registered] primary cooperative, with some other [registered] primary cooperatives in the Mopani Farmers’ Association, but up to now we haven’t yet received the support. They say they are busy with it, but we don’t know when it is going to be approved” (13:8).

- A lack of formalisation due to a lack of government support: “As it stands at the moment, none of these structures have, as far as I know, any legal basis. They were set up around business plans. They all have bank accounts … but how they pass FICA [The Financial Intelligence Centre Act (38 of 2001)] stuff, KYC [know your customer] stuff, I have no idea … There’s theoretical constitutions, but there never was a drive to doing it and you know government has often set up parallel structures to try and change them into cooperatives. So their theory is that they would have this association, which would have a substructure to the cooperative that would be the legal body for the association. But the cooperative would have permanent members and the association would have annual members” (9:22). “We have asked people, become a co-operative, there are first level grants for you at rural development, there is lots of money… from the DTI, from rural development, the money is there, but people have not. Because you know a normal grouping, you have to go through forming, storming, norming, and that could take anything from three weeks to three years as a grouping, and we want to pump money, as government, into that” (1:52).

- Not set up with clear structures, including pay-out structures: “…how to bring new members and how to exit members is another big component to the co-ops which gets ignored and if done properly it is very powerful” (6:32). “Even [if] there were genuine groups who really wanted to just work together … the challenges that came along later were around money, around labour, fairness of labour, around this perception of I’m doing more, so it’s not fair. Why am I not getting paid?” (5:25). “One of the … failure points of cooperatives [is how they are set up]. I think the idea of five people getting together as equal members is a problem. That is how a lot of cooperatives were setup. So find five of your buddies – it doesn’t matter if one is a free rider and another the hard worker – we are all equal in the eyes of the cooperative and that is not how a cooperative is meant to be set up” (6:31). “…with the co-ops everyone thinks you can’t exit co-ops, can’t enter co-ops. How do you move people in and out and how do you proportion shares and I mean dividends … other than just everyone gets R1 …” (6:12). Over-focus on the institutional instead of the operational side: “…those initial ones, we were involved in the institutional side we weren’t always involved in the operational side and it is just ticking the box so that you could get an avenue for funding to come from government and most times it never even came from government it was just set it up” (6:21). “As with any of these institutions if you haven’t got the management of it and the administration of it right, that is where they fall down you know that is where things go horribly wrong” (6:23).

- Not appropriate for unschooled smallholder farmers: “The constitution of a cooperative, it is the worst piece of paper that you could ever put together. Minimum, it is 600 pages. You are talking about black farmers; some might not have schooling, some have minimal schooling to understand
that. It is too intense, because a co-operative, is a legislative way in which a company or an organisation should be run, and a lot of people do not know that. But we have incentivised it” (1:51). “... the moment you register a formal cooperative, there are certain ... tax implications and you have to hand in your financial statements ... and I often think that the people who register these cooperatives are not informed of the fact that they would have to do all of that and then maybe don’t comply and in five or six years, once everyone is finally fed up with the fact that nothing’s happened and they want to apply for something, their financial books are not in order” (10:18).

- Very little accountability from funders, in this instance government: “A large amount of money was thrown at them with very little accountability and very little guidance on how to run a business together. There was an assumption made that there is this basic business know-how” (5:26).

Despite all these problems, there are some who believe cooperative structures are still relevant, specifically for linking smallholder farmers to markets. Some more positive comments about cooperatives from one NGO included: “The cooperative structure has a lot of stigma, but still if it is done properly and actually how a cooperative should be set up, it has a lot of muscle and a lot of rules and regulations around it – they are actually very positive” (6:11). “… when the whole cooperative movement started, we used to do a lot of that type of work ... it has taken us a long time to come back to the support of cooperatives. I think sort of realising that they can be … a good avenue, but it has got to be done properly” (6:21). “[The] cooperative [structure] is a good idea for marketing. I think it can work if you [set up] the cooperative how [it] should operate … I think a cooperative does work well and it works well because you can get paid on what you deliver” (6:23).

When a cooperative is set up correctly, it may well fulfil its function. First, interviewees commented on some aspects that would need to be in place for a successful cooperative. Many felt that the institutional set up was overemphasised in the government programme as a box ticking exercise to the detriment of operations: “... a lot of those initial ones, we were involved on the institutional side. We weren't always involved in the operational side – and it is just ticking the box so that you could get an avenue for funding to come from government and most times it never even came from government – it was just set it up [as an empty shell]” (6:21). “… the management of those cooperatives is the first thing, so assuming that you set them up correctly in terms of the legal side of things, which is the right constitutions and all that type of thing, the management component is critical to then start off with” (6:29).

Second, taking a lesson from well-functioning cooperatives in Swaziland, it is important that farmers set these structures up and own them: “Once they become a cooperative, then the cooperative belongs to them and therefore everybody should have equal participation and involvement in the affairs of running the group. The actual, the first part … [is that] everyone becomes aware and able to participate in the leadership activities, rather than it being a one-man show” (14:11).

Third, many interviews also felt that cooperatives would require skilled and permanent administrative staff, that did not necessarily consist of farmers: “The farmers are the farmers; leave them to do their farming, set those cooperatives up as businesses without the farmers having to be the chairman, deputy and the bookkeeper you know” (6:24).

Fourth, interviewees also felt that the setup process had to go through an informal phase to iron out group dynamics and operational issues: “… as an informal grouping, get to know each other, make sure that those five people are the right people to work together. In the end, it needs to be a viable business, although it is in the form of a cooperative structure, and they have done that, and they formed a cooperative, and now they have supported other people to form cooperatives as well, and they now want to form a secondary cooperative” (1:53).
A fifth crucial element to a successful cooperative is economic vision and members committed to making profit: “Those cooperatives have a very, very firm entrepreneurial basis. In other words, you cannot belong to that thing if you are not prepared to work and to be productive. That's the key word. And also the more productive you are, the bigger the slice of the profit you will take” (4:41). “… they are recognised as one of the most stable cooperatives and I think the level of commitment from [members makes this difference], but also the skills level in terms of the management. They’ve got a good management structure there.” (10:24).

3.3.4 Organisational networks
Although not originally coded for, during the presentation of preliminary findings to a group of stakeholders in Stellenbosch on 20 October 2016, it became clear that there were multiple layers of connections between organised structures, whether formal or informal, or representative or organised around interests/benefits.

Going back to the transcripts, we then found in two interviews with external parties supporting smallholder farmers, that the external organising parties relied on existing community networks to get farmers organised. These external parties were consciously and acutely aware of already existing community structures, which could be built on and potentially eventually formalised if necessary. These cases also indicated that farmers only became members of various structures voluntarily. As both initiatives have been relatively successful, one could argue that a multi-layered network of voluntary organised structures creates a web of resilient complex organised structures within communities, which may well enable them to operate independently of external support.

3.4 CHALLENGES AND FAILURE FACTORS
This section has two parts. The first reports on challenges smallholder farmers face when trying to get organised. The second looks into factors that cause structures to fail, once farmers have managed to get organised. Although related, it is important to make this distinction between the two lists.

3.4.1 Challenges to getting organised

i. Farmers are reluctant to form groups due to complex group dynamics including differing priorities, mistrust of each other (potentially due to complications with funding and other benefit distributions), and the desire to be successful individual farmers

A number of interviewees commented on this issue: “… we have forced people, through our former LRAD [Land Redistribution for Agricultural Development] took it over, so you took Maddison, you took Tuckledoe, you took Ndimande, and you say, no, you are going to get LRAD land, but the three of us do not have the same priorities and that is a challenge” (1:42). “Some people are sceptical. They don’t want to work in a group. They just want to go it individually and then you find that they discourage the other groups. You talk to a person today and [he] says … it’s fine, I’ll join you, but tomorrow when you go there [again], you find he has changed [his mind]” (13:18). “… normal human nature also, especially in Black [cultures], and when I say Black I am talking about constitutional Black, and here I am saying, African, Coloured, [and] Indian [cultures] … we have a mistrust of one another … a grouping also is based on a human relationship which … takes time …. I just do not trust you overnight; it is a relationship that we have to build up” (1:43). “It’s your normal group things, you know with personalities, it’s more of a, it’s not your tangible issues. It’s more your softer issues more than fight over finance or things like that. It’s more your softer issues that they fight around” (10:26). “… although it’s useful in some cases to organise to actually access, for example, inputs cheaper and so on, but I think it’s important to keep in mind that in order for you to be called a serious commercial farmer you have to grow as an individual businessman. You can be part of a grouping but it’s important to actually realise that as an individual you are a
businessman. You are responsible for your business and you have to grow as a business and it’s your responsibility to actually realise that growth if your aspiration is to become a commercial farmer” (10:14).

One government official also felt that individuals rather than groups tend to thrive off government programmes. This may be because there are a small number of educated people who can interpret and meet funding requirements, or because those in power benefit from funding meant for a group: “… in terms of support … this government has pumped a lot of money into groups, and supporting many people, but you tend to find that you have individuals prospering and thriving … Not necessarily at the expense [of a group], just, they thrive. Is it better to put in support into a group or support into an individual? And that is a distinction that we have to make” (1:59). Another commented that a lack of organisation by many often led to the enrichment of one or a few: “… in the absence of economic organisation, the two or three people that are aware of the economic value of transactions, normally organise themselves. And that’s why you have higher levels of corruption because they are the sole beneficiaries of that” (4:48).

ii. Strategies are met with resistance

Although only one interviewee commented on this issue, it is nevertheless included as a significant reason for, or challenge to, getting organised. This interviewee felt that government strategies worked to punish the private sector if it did not support smallholder development, whereas an incentive approach might encourage the private sector to continue and maybe even increase its support to smallholder farmers: “The emphasis of BEE legislation is to create more black entrepreneurs, but we’re completely missing the point with the way we are implementing it, because [it] punishes these companies now in terms of ownership, in terms of shareholding and stuff like that. Companies will just find a way to duck and dive because if you’re a farmer and you’ve got three, four sons, all of them must make a living on that farm. You’re not going to take on any other people. It’s a difficult thing. You cannot do it that way. What I’m saying is, let’s turn that thing around. Let’s incentivise farmers to create more entrepreneurs … we will give this country a very, very big favour if there is structure and a BEE framework that places the emphasis on creating black enterprises and more smallholder farmers as entrepreneurs and as suppliers. The entire BEE framework should actually focus on supplier development. How do we then channel our energy and channel our knowledge and channel our resources to develop more black farmers and more black business people in this country?” (4:51-52).

The interviewee also stated that similarly to the past apartheid government’s land policies, the land reform programme prevented farmers from investing in the land, due to the risks the programme creates: “… no use you invest in buying land and tomorrow the apartheid government slips you off that land. Similar like we have today, where white farmers are again scared that the ANC government will slip them off the land. So they don’t invest and things like that. So we are actually our biggest enemies in that we have ourselves created a culture of dependency” (4:50).

iii. Illiteracy

Government programmes and projects are often quite administratively taxing, and require a basic level of education, yet many smallholder farmers are illiterate. Application forms for entity registration and/or funding applications are not adapted to these realities: “I will say the level of literacy is one of the biggest challenges that make things difficult” (8:23).
3.4.2 Factors that cause organised structures to fail

i. The commodity approach for farmers in loose value chains – or other similar inappropriate structures imposed on smallholder farmers

As stated before, structures that grow from grassroots level around the needs of smallholder farmers are more likely to succeed. However, not all structures fit all contexts, and so the appropriate structures should also be used to organise. This factor – inappropriate structures – is perhaps more relevant for more formalised structures. One interviewee spoke specifically about the assumption that smallholder farmers who farm with mixed vegetables can belong to a commodity organisation and have their needs met through such membership: “...there is a challenge ... in terms of commodifying or organising that group, because they are much more diverse. You can’t put them into one basket and say that this is this commodity. You see? Although we want to have the commodity approach, [it is inappropriate] especially [for] that group that you are talking about: the [farmers in] loose value chains” (2:19).

ii. Farmers often don’t have an economic vision and think a formal business means instant success. This notion is accompanied by the expectation that government must provide and so farmers would rather wait than do something on their own initiative.

A number of interviewees felt relatively strongly about this issue: “I’m a very big agitator for what I would call economic organisation. What I’m saying is that in South Africa we’ve got a long history and a culture of political organisation that took the form of resistance against apartheid, against colonialism. My appeal is how do we channel that level of political organisation into greater levels and a greater culture of economic organisation” (4:47).

Instead of creating and getting behind an economic vision, farmers want to be successful immediately: “…there is the perception that we’ll just start huge and we’ll make a success overnight and we’ll be rich next year” (5:37). They also expect government to provide them with inputs in order to become successful, and are not willing to take initiative: “… your classic example of the water tanks. Money is made available for buying water tanks in this drought that has hit, probably among the worst hit areas, and people see that government are putting these tanks in strategic areas which they fill with their water tanker. And they say why must we pay money when [the government will eventually deliver tanks?] They expect to get free things when we are saying look you can do it through the savings. And then have your own tank. But they are saying, no we are not willing to save and buy a tank, because the government [must/will bring it]. They just want to wait. And say maybe they will bring something to us” (7:34).

One interviewee (as did another interviewee quoted in the next failure factor) felt that this dependency culture was partly created by politicised development and that NGOs have also now fallen into this trap: “… you get a government coming in that has politicised development. That’s the problem. They have politicised all the development activities and what we have now is a mindset of dependency, which is worse than it has ever been in our experience. So these poor growers will sit at the community ... day in and day out ... And the community will say [to the extension workers]: ‘Well, what have you brought for us today?’ [The officer will answer:] ‘Well training and mentoring’. [And then the farmers will complain:] ‘No, not training. We want ... what asset have you brought for us to be given? Because ... the other NGOs are now also doing the same thing unfortunately. And it’s just entrenching that beggar mindset of we’ll only do something once you come and do it for us” (7:30).

Another interviewee felt that the dependency culture could be addressed by no longer giving grants, but instead turning them into loans with repayment schedules and conditions: “But you must understand that money, one, it must be paid back and I cannot just say oh, I agree, how much do you want? I need R100 000. No, no, take it. [And] two, there must be conditions” (8:25).
iii. Disaggregated government support – different approaches by government, often duplicating private sector efforts that also get support from government, and focusing on land redistribution rather than farmer development.

A number of interviewees explained the challenges related to the way DAFF programmes were distributed over national, provincial, and district levels: “… we did not have, really, a big voice in a way, because we are a disaggregated department, we’re at national. [It is] sometimes difficult getting our cluster guys into our CASP [Comprehensive Agricultural Support Programme] system … because remember, we do not want to dictate to provinces. We dictate to them what are the commodities like, through the RAAVC [Revitalisation of Agriculture and Agro-processing Value Chain] and through the nine point plan” (1:28). “The big challenge is that at a national level government enforces it, but it is at local and provincial level where your big challenge is. Government enforcement, government spearheading, and making sure that we apply legislation to protect, I mean you cannot just put all of that on government” (4:33).

Government also seems to lack the capacity to support farmers, both in terms of registering structures and providing them with continued extension: “… they form interest groups and now as we’re talking about accessing the market and also financial support for whatever things that they want to do. So now they are faced with a situation when they knock onto government departments that they will need more like formal things, where they have to register and stuff like that. So they get stuck. They can have everything, the constitution done and they go for registration and sometimes they don’t get the certification … Sometimes it just gets lost along whatever. They [then] get discouraged, and … say it’s not working. And they stop” (7:26).

Interviewees considered that there were too few extension workers and that they were wrongly trained and often used for political purposes (as also mentioned in the previous failure factor): “… we have development workers on extension and advisory services and most of the people did not have the technical know-how. That came out, clearly, on the profiling of extension, which was done in 2007. And then, secondly, what came out clearly is that we have 2 210 extension officers. Now the ratio of extension officers to [farmers, is a problem]. And, thirdly, nobody actually asked the question, in terms of the curriculum of these extension officers, which curriculum did they go through. They trained a specialist on extension, but you’ll find now that most of the extensionists were only trained as crop science people, animal science people.” (2:11).

Another interviewee also felt that extension officers were not being trained correctly: “For three years you are going to teach them organisational development, or you are going to teach them behavioural science, and behavioural science, for me, is the foundation for extension, but you have some scholars who think extension is a theory, or the school of information dissemination. And now the extension officer is supposed to know what a cooperative is all about, but a lot of them do not know” (1:55).

One interview felt that extension lacked focus and was often politicised, especially before elections: “What makes it more problematic is that in most instances we end up confusing the role of an extension officer. Do you understand? Because now an extension officer should load and pull a trailer of 20 000 chicks for those farmers, which is not the role of an extension officer. An extension officer at some point, when there are local government elections, is being used by politicians, ward councillors and all those things, so that they have a buy-in to that person. Then they go and buy fertiliser to be seen as if this councillor is assisting the community and that they use extension officer. That is why, now, we need these forums, at a national level, to put their foot down on what extension officers are supposed to do” (2:34).

In terms of companies supporting smallholder development: “Many of them start in the early 2000s and many of them also get government support to do so. My big fear is that government tends to start to do
things on their own. For example, AgriParks: It’s a shining example of how they want to reinvent the wheel” (4:26).

With regard to the land issue: “You prioritise farmers, you know the land issue, and all of those other things, will be resolved by itself. But the problem now is we have prioritised land and rightly so, restitution, but at what cost? At what cost? Giving people land just due to some or other reason will not solve the issue. You create poverty traps in the process if you do not equip people with the necessary skills, and you do not ensure that you attract entrepreneurs to the sector” (4:30).

iv. A lack of competent people to manage the administrative side of an organised structure

The work involved in the administration of a group is often underestimated, resulting in structures that fail: “... there is a lot of work to do, it is not a simple [thing] to manage ... there is a lot of administrative work and there is a lot of coordination that is needed” (3:33-34).

v. Drawing from previously supported discussions, other failure factors include structures imposed on smallholder farmers by external parties, and poorly structured entities without beneficiation or governance structures.

3.5 REALISED BENEFITS AND OTHER SUSTAINING FACTORS

The potential benefits that incentivise smallholder farmers to organise are not always realised, yet some clear realised benefits have meant that groups have stayed together. Realised benefits could thus also be considered as sustaining factors.

Realised benefits differ between less formal and formal structures. One interviewee explained this clearly: “... the more informal the organised structure is, the more it is for information sharing, buying power, sharing even labour, like role division, stuff like that. The more formalised it becomes, the more potential there is to use that organised structure for marketing purposes and getting to market ... And not only marketing, because the more formal you become, the more you are going to get other services, like accounting services, you are going to need specialised [people]. That is why, if you look at citrus, they have got specialised extension officers, so the more specialised, you can bring other services on board” (1:49).

Another also explained how an informal farmers’ association could become more than one thing: “... first have a farmer association at local level, which serves as, number one, as an information hub, also as a development hub, also as a support hub, also as a security hub, but more specifically as a learning hub. So at local level they come together, they meet ...” (4:13). It seems that the togetherness created by structures is of great value to members and motivates them to remain involved: "What I found fascinating over the years is when you look at the membership lists of the associations and you compare it to the selling lists, not everyone who’s a member sells. So there could be so many explanations for that, but one of which could be I just want to belong to this group because it’s a resource for me … I pay my R30 a year to belong to this club. Another reason could be that well I joined thinking I’d sell but I didn’t have any excess or another reason could be I’d like to be part of this group but I sell privately. All are feasible and I think the reality is a combination of those" (5:19).

Additional sustaining factors include making a profit, setting up appropriate structures correctly with structures being owned by smallholder farmers, mentors with an exit strategy, leadership and vision, and continued access to resources.
i. **Making a profit**

“They are making profit. None of those farmers have actually gone broke. Even now, with the drought, I know some of the guys have more than one piece of land, and some of this land and things they got because of being members of the secondary cooperative, they have had some injections and financing” (1:57).

ii. **An appropriate structure**

Structures that accommodate smallholder farmers by meeting them where they are: “We can walk, we can access. It becomes a social point. They go there, they buy seeds. They sell their vegetables. Buy their seeds and chat to other farmers about problems they’re having. So that’s a really good system. I never want to change that. And that’s the benefit they accrue” (5:39).

iii. **Setting up a structure properly**

“[As I] mentioned, it’s very important to us also that they have a constitution because a model we’ve seen that works really well for small groups is the Save Act model, we work with them. We’ve got over 50 savings groups functional and they’re all functioning so smoothly. They really function well. And when we looked at why this was such a success, what it often boils down to is we stick to our constitution. The constitution is what we as a group agree to upfront, how we’re going to work, what our rules are” (5:31).

iv. **Ownership**

“…only through that ownership of the actual system that is developed will there ever be sustainability of the system” (3:10). “Okay, how that thing is structured, you have all these other smaller groupings that are linked to the bigger processing centre. So there are shares involved in that, so government has ten or 15, 20%. You have your marketers, these guys that have a percentage, and you have I think provincial government, national government’s shares is together, and then you have at least more than 50% is held by the small individual groups and individual farmers” (1:58).

Ownership can also reach beyond the primary structure, to the rest of the value chain: “... your smallholder farmers make quite a lot of money, because he gets money when he brings in his tea, then he gets money when it is graded, and then he gets another dividend right at the end when they are busy with – so a smallholder farmer actually benefits three times under that system … That is why it works, yes, because guys do not feel like they are short-changed” (1:58).

v. **Mentors with an exit strategy**

“…we’ve said to these structures we will walk alongside you. We’re not putting pressure on you for time frames, but we’re not throwing big amounts of money at you either. And we’ve kind of entered into a partnership akin to a donor partner relationship in the sense that we are their supporter so we are kind of like a very small donor, but what that’s enabled us to do is to say we’ll give you some money for start-up. So you need to dream up your dream and do your budget, your start up budget. How do you want your hub to work? No, there’s not lots of money. You’re starting small. So within a limited budget what can you achieve? And then as a safety net we’ll give you a small monthly subs per month to run the business but it’s not forever. It’s phased in. Remember, I mentioned there are phases like one, two and three. The subsidy will tail off by phase three, no more subsidy” (5:27). “Our role is to give information, mentor, give them options, help them think things through, be a friend alongside” (5:35). “... we have a very good way of reaching people and giving and capacitating them. Whether they end up dropping from the programme or whatever, those skills that have been received stay with the people. Even a person who used to be a
member who’s no longer a member, but if you walk around the garden you can see they have been taught how to do a deep trench and they still do it” (7:35).

vi. **Leadership and vision**

“... leadership is the key in any organisation. But not, well leadership is the key, but not all leadership, even the members themselves. If members, they know what they want, but they won’t know unless there’s a good vision which is guidance, direction, which is given by the leadership. So leadership is the key, key, key” (8:17).

vii. **Continued access to resources**

“It’s working but it’s slow, it’s working very slowly. I think maybe it’s because of the resources coming from various places” (13:23). “… they get a lot of support from the Western Cape government. They also get a lot of support and guidance from us and Agri SA. They also get a lot of support from various other NGO’s and different stakeholders, and guidance and support, and things like that. But at the end of the day it’s they themselves that make that difference, by being productive and investing and things like that” (4:45)

### 3.6 ANSWERING THE RESEARCH QUESTIONS

This section reorganises some of the findings and themes from the previous sections to answer the research questions. These answers do not contain any direct supporting quotations, but instead rely on the supporting quotations in previous sections.

i. **What motivates smallholder farmers to organise?**

Smallholder farmers organise into groups to improve their livelihoods or support a cause. The promise of specific benefits that contribute towards improved livelihoods or strengthened causes seem to further incentivise smallholder farmers to organise. Benefits are not always realised, but nevertheless act as incentives and include sharing information and resources (and supporting each other through difficult times), increasing negotiating power, achieving economies of scale, and being able to access funds and other forms of support.

External parties find it easier to work with smallholder farmers in groups instead of individually, but some also recognise the potential of group structures to become valuable containers of information and capacity that could make smallholder farmers less dependent on external support. They often use incentives such as access to funding or free training to motivate smallholder farmers to organise.

ii. **What types of structures are smallholder farmers organising around?**

As there are arguably as many kinds of structures as there are organised groups, rather than try to deal with them all the research instead created two categories of organised structures found among smallholder farmers: representative structures, and interest/benefit groups.

Representative organisations often take the form of a pyramid structure, consisting of layers of geographically located bodies with paying members and include AFASA, NAFU, and commodity organisations as examples. Participatory Guarantee Systems South Africa (PGSSA) could also be an example of a representative body. The primary function of these structures is to represent the interests of a group or groups of farmers at the highest possible levels, including lobbying on a policy level. These structures also convey information back to their members.

Interest/benefit groups tend to stay relatively small and consist of members in the same geographical area. Examples include savings and loan groups, dip tank associations, irrigation schemes, PGS groups,
and cooperatives. The main purpose of these groups is to connect farmers to certain benefits including information, resources, markets, and each other. These groups are often organised around a specific interest such as a farming method or wanting to save money for future investments.

There are also networks between different kinds of structures, and it seems that the more layered and complex these networks become, the greater the chance that their structures will last and operate independently.

iii. **What types of structures or other factors enable or facilitate successful organisation? What are the key institutional and governance considerations in these successful types or in general organising efforts?**

These two research questions are combined and answered together. It is important to understand that successful organisation does not necessarily lie in a specific structure, but rather in the approach to organising smallholder farmers. The focus should thus be on the process of organising, rather than on a preconceived structure.

It is best for structures to form organically and to be organised around a specific need. Such structures should meet farmers where they are and develop according to the needs and capacity of the group. Sets of agreed upon rules, including for example the distribution of resources and benefits, are vital to the sustainability of structures. Economic vision and specialised or dedicated leadership from within the structure are vital ingredients to successful structures. Structures should go through the process of forming, storming, and norming, and an informal structure best accommodates such a process. Structures should only formalise for clear reasons and likely benefits to their members.

iv. **What are the barriers to the implementation of structures or getting organised?**

There are a number of challenges farmers and external support parties face when creating organised smallholder structures. The three main ones include farmers’ reluctance to organise due to complicated group dynamics and the perception that true success requires one to farm individually, illiteracy, and government programmes that discourage private external parties from supporting smallholder farmers in their endeavours.

Linked to these challenges are some factors that cause structures to fail. They include:

- being organised by external parties (into inappropriate structures)
- being poorly structured without beneficiation or governance structures
- lacking competent people to manage the administrative side of an organised structure
- farmers often lacking an economic vision and thinking that having a formal business means instant success

These factors may be accompanied by the expectation that government must provide, and farmers rather waiting than doing something on their own initiative, and then government’s lack of capacity to lend support.

**RECOMMENDATIONS**

These concise recommendations could be read as a set, but as some are more relevant to external parties and others to smallholder farmers they are organised accordingly.

**TO ORGANISATIONS SUPPORTING SMALLHOLDER FARMERS**
• Allow farmers to organise organically from the ground up.
• Alternatively build onto existing community structures.
• Meet farmers where they are – do not expect them to work from where they are to where you want them to be to meet your agenda.
• Build capacity from the very start as part of an exit strategy.

TO SMALLHOLDER FARMERS
• Have a clear purpose and economic vision.
• Agree on a set of rules (which could become a constitution when you formalise).
• Employ administrative members to take care of the management and operational issues of the structure.
• Remain informal to resolve governance and operational issues.
• Only formalise for a clear, likely benefit to the structure.
BIBLIOGRAPHY
