

# Factors Influencing the Formation of Strategic Agricultural Partnerships between Commercial and Emerging Farmers in KwaZulu-Natal, South Africa

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## Abstract

South Africa's agriculture sector has remained untransformed since the dawn of democracy. Commercial, mostly White farmers still generate roughly 95 per cent of the country's agricultural products. Black commercial farmers still account for 5 and 10 per cent of total commercial production. The remainder are thousands of small-scale or emerging African farmers, distinguished by their disorganised production techniques, lack of arable land, and inadequate and inefficient on-farm infrastructure. Such structural inequalities require alternative solutions where commercial and emerging farmers form strategic partnerships, and employees and community members benefit from such partnerships. Some farmers have demonstrated resilience by forging strategic partnerships. These strategic partnerships are constructed with a combination of existing livelihood capitals. This paper explores the factors influencing the formation of strategic agricultural partnerships. The study is located in KwaZulu-Natal province. The study adopted a qualitative research methodology. Also, the study employed the sustainable livelihoods approach (SLA) as a theoretical framework. A total of nine (9) commercial and emerging farmers were interviewed, including two (2) focus group discussions with ten (10) emerging farmers. Data were analysed thematically using the NVivo software to create emerging themes. The study found that push and pull factors influenced commercial and emerging farmers to establish partnerships. Pull factors such as access to markets resolved the challenges of emerging farmers in selling products to domestic and international markets. Push factors such as fallow land use and risk spreading

revealed broader issues of land reform and the policy of land expropriation without compensation. The study's findings have significant policy and practical implications for creating strategic agricultural partnerships that enhance rural livelihoods, encourage farming sustainability, and promote social justice.

**Keywords:** Strategic agricultural partnerships, rural livelihoods, emerging farmers, social justice

## **Introduction**

South Africa's agricultural economy still reflects the historical injustices caused by decades of colonialism and apartheid. Thousands of large-scale commercial White farmers in South Africa generate roughly 95 per cent of the country's agricultural products, making up the country's dual agriculture economy (Nekhavambe 2018). Black commercial farmers still account for 5 and 10 per cent of total commercial production (Shihlobo & Qobo, Addressing Constraints to South Africa's Agriculture Inclusiveness 2021). Only thousands of small-scale or emerging African farmers are currently distinguished by their disorganised production techniques, lack of arable land, and inadequate and inefficient on-farm infrastructure (Nekhavambe 2018). Additionally, there are significant disparities between young, primarily Black farmers and large-scale commercial farmers. The gap between small-scale or emerging farming (mostly Black) and commercial agriculture (primarily White) has become more entrenched due to several factors (Sihlobo & Kirsten, South Africa's Dualistic Farming Structure is not Sustainable 2021). Low production output by emerging and commercial companies in the agricultural sector results from their respective impacts of inequality (Ngephah 2010). The agrarian economy's inequalities in ownership and production require alternative strategies and interventions. Furthermore, emerging farmers' lack of or inadequate physical and human capital investment results in low output and declining revenues.

Agricultural transformation and land tenure in post-apartheid South Africa are interlinked, where the former mainly depends on the latter's security, especially in the rural areas. For farming and agribusiness to grow, secure land tenure must be a reality. Indeed, land tenure systems influence agribusiness growth and investment (Effossou & Cho 2021). Agriculture

offers the most significant potential to combat poverty and inequality in Africa's agrarian regions (Senbet & Simbanegavi 2017). South African agriculture must transform to ensure farming sustainability and food security while lowering the rapidly rising inequality between commercial and emerging black farmers. However, such a change will require substantial policy and financial decisions and contributions from the public and private sectors. Further study on alternate approaches is also essential to inform South Africa's agricultural development policy in light of this change. To accomplish the targets on agriculture and growth established by the National Development Plan (NDP) 2030, issues of land redistribution and ownership, market access and control, domestic and international trade channels, infrastructure and technology, and so on should be regarded as critical policy concerns. Commercial and emerging farmers are collaborating and demonstrating resilience by forging strategic partnerships.

This paper explores the factors influencing the formation of strategic agricultural partnerships. The study was located in KwaZulu-Natal, South Africa. The study found that push and pull factors influenced commercial and emerging farmers to establish partnerships. Pull factors such as access to markets resolved the challenges of emerging farmers in selling products to domestic and international markets. Push factors such as fallow land use and risk spreading revealed broader issues of land reform and the policy of land expropriation without compensation. The paper provides an on-site analysis of these pull and push factors to understand the dynamics of strategic partnership building and determine how they can be replicated. The study's findings have significant policy and practical implications for promoting strategic agricultural partnerships as a strategy to enhance rural livelihoods, encourage farming sustainability, and advocate for social justice.

## **Literature Review**

Securing land tenure is essential for the expansion of farming and agribusiness. Indeed, land tenure systems influence agribusiness growth and investment (Effossou & Cho 2021). Hence, improvements and guarantees of secure land tenure can attract much-needed investments in the rural areas of South Africa. The land is linked to agriculture and has the potential to create jobs, reduce poverty and underpin rural livelihoods (Cousins 2015). However, Africans were deprived of secure tenure to arable land, resulting

in perpetual impoverishment in a currently most unequal society. So, access to land use in South Africa is a fundamental resource that enables agricultural food production, food security, and poverty alleviation (Babatope & Mushunje 2019). However, land tenure should focus on more than agricultural investment prospects or attaining the socio-economic objectives of poverty reduction and food security.

Strategic partnerships in agriculture and agribusiness in South Africa should be documented more. However, strategic partnerships in land reform in South Africa were widely used to seek to empower historically disadvantaged individuals and communities (Lahiff, Davis, & Manenzhe 2012). Recent case studies and success stories have been highlighted by journalists (Schoonbee 2019; Sishuba 2019). However, these case studies have yet to be researched in-depth and published in accredited journals. As a result, the literature scope of private-private partnerships or joint ventures in agriculture, especially between commercial and emerging farmers, remains limited even in the context of South Africa's land reform and broad-based black economic empowerment (BBBEE) policies.

Lahiff, Davis and Manenzhe (2012) examined two strategic partnerships from the sub-tropical fruit and nuts areas of Limpopo province in South Africa. Due to the land reform programme, these partnerships were formed, transferring parts of commercial farms to historically dispossessed communities. The study analyses two case studies of land reform in Limpopo province, namely Moletete and Levubu. Impoverished communities in these sites were eager to continue with farming activities that previously existed before land restitution (Lahiff, Davis, & Manenzhe 2012). As a result, these communities entered into contractual agreements with commercial farmers, who were farming the repossessed land to maintain farming productivity and viability. These strategic partnership arrangements would ensure that communities' long-term benefits materialised (Lahiff, Davis, & Manenzhe 2012). Such benefits included land rent paid by commercial farmers who were now tenants rather than landowners. Other benefits included providing employment opportunities for community members.

In other cases, communities would partner with commercial farmers on land not previously used by the latter. These strategic partnerships would be in the form of a start-up joint venture, where the commercial farmer was expected to contribute the technical skills and resources required to begin farming activities. Hence, the commercial partner would assume the role of

a strategic partner in such joint ventures (Lahiff, Davis & Manenzhe 2012). The strategic partner was also expected to provide managerial expertise and organise access to commercial farming credit from lenders (Lahiff, Davis, & Manenzhe 2012). Meanwhile, the state-funded the land reform and provided specific start-up grants. The outcome of these strategic partnership arrangements meant that strategic partners benefited from management fees and a share of profits. At the same time, communities as custodians of the land also benefited from a percentage of profits, land rentals and employment opportunities.

Another study analysed six (6) strategic partnerships between commercial agribusiness and emerging farmers in the Eastern Cape, which were important in the government's initiative to commercialise emerging farmers through export-led initiatives. This study looked at to what extent strategic partnerships in the citrus sector enhanced the transition from emerging to commercial farming for black farmers in the rural outskirts of the Eastern Cape (Bitzer & Bijman 2014). This study found that export-oriented strategic partnerships were limited in their ability to commercialise emerging farmers and called for policymakers to move beyond a pragmatic approach to partnerships (Bitzer & Bijman 2014). However, the intentions of agribusiness as strategic partners and the achievements reached by these agri-partnerships proved that such arrangements could potentially aid agrarian transformation. Bitzer and Bijman (2014) also identified two forms of partnership structures in Eastern Cape's strategic agriculture partnerships. The partnership structures were either co-management or co-ownership.

In co-management partnership structures, agribusiness and emerging farmers manage the latter's farming activities while engaging in a mentorship and support programme (Bitzer & Bijman 2014). In these co-management arrangements, the emerging farmers retain profits while agribusinesses receive management fees for their contributions. Also, since both parties jointly manage farming operations, there was joint learning and skills transfer. In co-ownership structures, agribusiness and emerging farmers would establish a new business entity that will serve as an operating company, where both parties become shareholders and receive dividends based on their share ownership (Bitzer & Bijman 2014). Also, the operating company was liable for land rental payments to emerging farmers and a management fee paid to the agribusiness. Both partnership structures presented complex ownership and power relations and presented challenges

and opportunities for agribusiness and emerging farmers (Bitzer & Bijman 2014). A common denominator in both partnership structures was agribusiness's objective to increase production and obtain a competitive advantage in the agriculture industry.

A prime example of a sustainable strategic agricultural partnership was tested in an agrarian setting through a partnership initiative between a large-scale commercial white family owned Schoonbee Landgoed Farm and an emerging black-owned Thebe Investment Corporation. This partnership resulted in a farming initiative known as 'Project CHANGE' for the commercial production of grapes and citrus in Limpopo province. Project CHANGE was a collaborative partnership structure between the two entities, where resources, skills and export networks were shared to maintain commercial viability and create shared social value (Schoonbee 2019). As a result, 70 per cent of CHANGE's grapes and citrus were earmarked to be exported to over 60 countries globally (Schoonbee 2019). This form of partnership, where profits are used to add social value to communities, created job opportunities while investing in rural communities' education and healthcare. Hudcová, Chovanec and Moudrý (2018) also agree that this form of partnership, where profits are invested back into rural communities, has a socio-economic benefit to disadvantaged groups through the participation of employees and community members in strategic planning and decision-making, where any possible profits are used to develop rural communities.

Previous studies on strategic partnerships between commercial and emerging farmers and agribusiness in South Africa have specific deficiencies and limitations. Some studies focus on the commercialisation of emerging farmers through access to markets and investments (Bitzer & Bijman 2014; Okunlola *et al.* 2016; Steenkamp, Pieterse & Rycroft 2017). Other studies focus on strategic partnerships in promoting the government's land reform agenda (Lahiff, Davis & Manenzhe 2012; Anseeuw, Fréguin-Gresh & Davis 2015). Unlike previous studies that focus on imposed partnerships due to some government mandate associated with land restitution, this paper investigates the voluntary bottom-up strategic partnerships formed by mutual trust and existing social relations in rural farming communities. This investigation revealed some pull and push factors that encourage mutually beneficial collaborations between two or more farming entities. My study contributes to an emerging body of knowledge on collaborative strategic partnerships in South Africa's agrarian dual economy, focused on boosting

commercial viability and farming sustainability while embracing participatory governance and adding shared social value.

## **Theoretical Framework**

The study adopted the sustainable livelihoods approach (SLA) as a theoretical lens. This approach underpins the people-centred theoretical framework and focuses on sustaining and enhancing livelihoods and building resilience for impoverished communities. This framework allows communities to identify existing capitals that can mitigate risks by identifying influential organisations and institutions and developing interventions that lead to livelihood outcomes (Apine, Turner, Rodwell, & Bhatta 2019). In the case of strategic agricultural partnerships, farmers identified and combined existing capitals to establish strategic partnerships with mutual benefits. Kuang, *et al.* (2020) stated that the availability of livelihood capitals influences which appropriate livelihood or adaptation strategy farmers choose. The sustainable livelihoods approach analysed responses by commercial and emerging farmers from socio-economic shocks that resulted in collaborations as a critical livelihood strategy. Thus, strategic agriculture partnerships were viewed as interventions to help enhance livelihood strategies to reduce vulnerability to shocks and improve food security.

## **Methods**

This study has adopted a qualitative design methodology. The reason for adopting a qualitative methodological approach is to document the lived experiences of commercial and emerging farmers who formed partnerships that benefit rural communities. Documenting lived experiences requires rich data from interviews and observations. Also, the beneficiaries' experiences of these partnerships, that is, employees and community members, were documented through focus group discussions. Qualitative studies depict an approach that allows an understanding of our context (Merriam & Grenier 2014). The study was located in KwaZulu-Natal province. Also, the study employed the sustainable livelihoods approach (SLA) as a theoretical framework. A total of nine (9) commercial and emerging farmers were interviewed, including two (2) focus group discussions with ten (10)

emerging farmers. Data were analysed thematically using the NVivo software to create themes from emerging patterns.

## **Pull Factors**

The study's objective was to determine why commercial farmers (CF) and emerging farmers (EF) enter strategic agricultural partnerships. Hence, the researcher asked all participants why they entered into partnerships, including aspirations and influences. Pull and push factors influenced the formation of strategic agricultural partnerships. Some pull factors included access to markets, fallow land use, increased profits, and growth potential. The push factors included risk spreading and security. Most of these pull and push factors had a positive value for both commercial and emerging farmers. Interestingly, all strategic partnerships were self-initiated and were, in various ways, mutually beneficial for both partners. For emerging farmers, the motivation to partner with commercial farmers was the potential of transitioning from subsistence or emerging to commercial farming by accessing the commercial farmers' markets. Meanwhile, commercial farmers were motivated by the potential for increasing revenue, with some keen on skills transfer and community upliftment.

## ***Access to Markets***

Access to markets was a pull factor influencing the formation of strategic agricultural partnerships. Most emerging farmers stated that this factor was one of the main reasons they partnered with commercial farmers. One of the commercial farmers mentioned that both partners directly benefited from the market access through their partnership. The lack of access to markets posed a significant threat to emerging farmers. Nkrumah (2021) also noted that new-entrant farmers face challenges accessing lucrative markets. Emerging farmers must ensure they produce what will be sold quickly in the market; otherwise, their produce goes to waste. The lack of access to profitable markets leads to post-harvest losses and forfeiture of agricultural income by emerging farmers (Nwafor & van der Westhuizen 2020). Existing market orientation strategies often benefit large-scale commercial farmers rather than emerging farmers (Bitzer & Bijman 2014). In this study, emerging farmers benefitted immensely by accessing the commercial farmers' mark-



ets. Some emerging farmers in the tea tree production industry could export their products to international markets using high-valued foreign currencies. An emerging farmer alluded to the following:

*After the harvest, our partner was the one who was marketing and buying from us as well. The partnership helps us a lot because we do not encounter a challenge in terms of what we can do about our mealies harvest. When our maize has ripened, we are able to test them to see if they are ready to be harvested. When it is ready, we call him to assist, and he comes with the trucks to load it (FG2 Participant 1, EF).*

This strategic partnership proved to link emerging farmers to the markets effectively. The partnership also eradicated some challenges emerging farmers face, such as inadequate machinery required for harvesting. Meanwhile, a commercial farmer also mentioned how the strategic partnership had a positive value:

*So, they do not have any storage facilities. So, I bought the crop from them and bought it from them at the market-related price, and I stored it in my storage. So, it benefits them a lot, and then they do not have the storage, and also, they have a guaranteed market. So how did it help me? I am guaranteed some maize (Participant 6, CF).*

Agricultural markets are the main driving force of production outputs. A key success factor in emerging farming is access to lucrative markets (Machethe 2004). In the context of emerging farmers, market access can be defined as the ability to recognise and seize available market opportunities (Ngqangweni, Mmbengwa, Myeki, Sotsha, & Khoza 2016). 'Market demand drives output and increases profit, addressing the vulnerabilities of emerging farmers by increasing market power and enhancing rural livelihoods' (Ndlovu & Masuku 2021: 56). Access to markets resolved the challenges of emerging farmers in selling products to domestic and international markets. So, accessing the commercial farmers' lucrative markets brought some relief and boosted the income of emerging farmers. Also, commercial farmers benefitted by selling larger quantities to domestic and international markets

and profiting from those sales. Therefore, as a pull factor, market access added a positive value for both emerging and commercial farmers. Through strategic partnerships, emerging farmers could increase their profits, financial capital, and resilience to future shocks and vulnerabilities.

### ***Increased Profits and Growth Potential***

Increased profits and the growth potential brought by these strategic partnerships were a pull factor with a positive value. Commercial farmers were primarily concerned with expanding their farming businesses and obtaining a competitive advantage. Also, commercial farmers operated as private companies in a global capitalist environment, and their primary goal was profit-making. Meanwhile, emerging farmers revealed they entered these partnerships to increase their household income. So, most of the strategic agricultural partnerships were established to increase profits for both commercial and emerging farmers. A commercial farmer also mentioned a case where they assisted in selling the emerging farmer's maize (corn) for substantial profits after the price of maize increased due to the COVID-19 pandemic. Through this intervention, the emerging farmer paid all their debt and invested more in their farming business. As a result, they tripled their income and were now self-sufficient. An emerging farmer attested below:

*Now, we can make R1 million by planting mealies, but we could not even reach R200 000 before. Now, we can notice significant progress. We also do not take loans where we would worry about applying for loans in the banks (FG2 Participant 3, EF).*

Strategic partnerships analysed by Bitzer and Bijman (2014) revealed that emerging farmers retained profits and commercial farmers were paid management fees. I also found that emerging farmers retained the most profits from these strategic partnerships. Emerging farmers also used the income to settle off existing debt and expand their farming activities. So, increased profits were a pull factor in establishing partnerships with emerging farmers with abundant rural land. Meanwhile, emerging farmers were attracted by the growth potential that these strategic partnerships promised. Farmers revealed that the growth potential was one reason they opted to collaborate. Most farmers who responded above revealed that reinvesting profits in

farming was essential for growth and productivity. The SLA theoretical framework views increased profits and growth in agriculture as livelihood outcomes that, in turn, enhance livelihood capitals. For instance, if the profits are invested back into the business, as some participants indicated, financial and physical capital are boosted and could strengthen farmers' resilience to external shocks and stresses.

### ***Farming Skills Transfer***

The transfer of farming skills became another pull factor that attracted emerging farmers to collaborate with commercial farmers. This added-value factor was one of the crucial factors that influenced the formation of strategic agricultural partnerships. The skills transfer was particularly valuable to new entrant emerging farmers. An emerging farmer mentioned how they benefitted from new skills:

*We are new in this tea tree oil business and have no knowledge. So, they guide us not to use manure on our plants but to use compost instead. Furthermore, they also give knowledge about getting rid of any potential poison that may affect our plants. So, we can harvest trees that can yield much oil at the end and export (Participant 4, EF).*

Farming requires a combination of entrepreneurial, technical, and interpersonal skills. Farming interpersonal skills, such as organisational, water and waste management, and marketing skills, are crucial for successful farming, especially for emerging farmers who must dedicate extended periods to production monitoring (Muzekenyi, Zuwarimwe & Beata 2019). Emerging farmers often lack the entrepreneurial and technical skills necessary to maintain profitable farms (Muzekenyi *et al.* 2019). Through strategic agricultural partnerships, new entrant emerging farmers gained new skills and participated in the mainstream agricultural economy.

### **Push Factors**

#### ***Risk Spreading***

Land ownership remains a contentious issue in South Africa. Agricultural

land ownership remains skewed and highly racialised as land remains in the hands of white commercial farmers. The unequal land ownership in this country is also associated with unemployment and the inability of black South Africans to emancipate themselves and improve their quality of life (Mubecua & Mlambo 2021). Concerns over the inability to change property relations and the direction of land reform are being raised more urgently than they were during the first two decades of democracy (Ngcukaitobi 2021). Risk spreading was an intriguing push factor that some commercial farmers mentioned. A few participants mentioned that this push factor influenced them to partner with multiple farmers. A commercial farmer who has partnered with over five hundred farming entities, attested below:

*So, in saying that, if we did ever lose this farm or evicted from this farm for whatever political motive, we could just relocate the factory and keep the farms and keep our markets. So, it spreads our risk. We did not have our growers growing for us, and if we lost our farm, we would lose everything because we would have nothing to survive on .... We get the benefit of social upliftment, security, and risk spreading. Furthermore, the other part of spreading risk is we can do volumes (Participant 1, CF).*

This commercial farmer revealed quite an intriguing risk-spreading model, where they relied on other emerging growers for tea tree production. At the same time, they focused on tea tree oil distillery, marketing and exporting. As a push factor, risk spreading revealed broader issues of land reform, the land question, and the land expropriation without compensation (LEWC) policy in South Africa. Some commercial farmers mentioned that they entered into strategic partnerships due to political instabilities and uncertainties around the LEWC policy. In South Africa, there is a correlation between land inequality and increasing poverty (Kalabamu 2019). Hence, radical land reform policies such as LEWC were attractive political discourses in a volatile political atmosphere. Also, the slow pace of land reform in South Africa has called for a more radical approach to acquiring and redistributing land to landless and impoverished black Africans. Ngcukaitobi (2021) also mentioned that LEWC has been touted as an attractive solution amid failed land reform policies.

However, LEWC has ignited fear among specific white commercial

farming communities. Also, the proposed LEWC will create many issues and uncertainties in the agriculture economy (Sihlobo & Kapuya 2018). Xaba (2021) also states that such anxiety and uncertainty will reduce farmer investments in land, resulting in higher food prices and food insecurities. As a result, some commercial farmers revealed they were engaging in risk-spreading strategies, where they owned less land but maintained their agribusinesses. These commercial farmers entered into strategic partnerships with emerging farmers, where the former would produce and sell to the latter. This partnership significantly differed from contract farming, including specific partnership goals, skills sharing, and mentorship.

### ***Financial and Physical Capital***

Financial and physical capital, as livelihood capitals, play a dominant role in determining various livelihood strategies (Yang *et al.* 2018). Emerging farmers' lack of financial and physical capacities was still a significant pitfall. Most emerging farmers revealed challenges in accessing financial capital for start-up and expansion costs. Some also mentioned the lack of machinery as crucial physical capital. These farmers could not establish or expand farming activities. As a result, some emerging farmers were pushed to forge strategic partnerships with commercial farmers. In most of these partnerships, the financial support has yielded enormous benefits for both partners.

Emerging farmers encounter various structural challenges, including access to financial and physical capital, such as machinery. As a result, most emerging farmers could not utilise fallow land to expand their farming activities. The history of prejudice in South African agricultural growth is well-known, encompassing both gender and race (Hart & Aliber 2012). So, some emerging farmers were pushed to forge strategic partnerships to gain access to financial and physical capital possessed by commercial farmers. Bitzer and Bijman (2014) also stated that emerging farmers were driven by their need for financial capital and farming equipment. Hence, strategic partnerships presented opportunities for them to access state grants and other input subsidies (Bitzer & Bijman 2014). Some emerging farmers who received financial relief from their commercial partner attested below:

*If I may give an example of my case, I had a problem where I had land but no sufficient capital for start-up. Then I engaged him, and*

*he assisted me with start-up costs (Participant 4, EF).*

*It is because of finance. It is because we were lacking financial capital. So, we thought that joining a partnership would benefit us. The commercial farmer supported us financially in that regard, for two years, which enabled us to become independent on the third year (Participant 7, EF).*

In most cases where an emerging farmer needed financial capital, they would turn to their strategic partner for financial relief. As a result, agricultural production increased by establishing and expanding farming activities. Agricultural production outcomes included food security, enhanced rural livelihoods, and increased income. Through the SLA theoretical lens, these outcomes further enhanced existing livelihood capitals, thus increasing the farmers' resilience to future shocks and vulnerabilities.

### ***Fallow Land Use***

One of the most valuable national resources is land, particularly in nations like South Africa, where land was historically utilised to implement oppressive policies such as racial segregation (Siebritz & Coetzee 2022). Fallow land use was a pull factor, especially in the rural areas where these partnerships were located. Most emerging farmers stated they had hectares of fallow land in the rural areas that needed to be utilised. Emerging farmers have access to fallow land under the traditional ownership of Ingonyama Trust. As an existing natural capital, fallow land could potentially enhance the rural livelihoods of farming communities. One of the emerging farmers attested below:

*I decided to join after contemplating my land that was lying fallow. So, I needed to plough for my own consumption and feed my children. The partnership assists by not allowing our lands to stay fallow because it does not help to have land full of weeds. (Participant 3, EF).*

For Participant 3, using existing natural capital that was lying fallow enhanced his rural household livelihood. The land was used for subsistence

farming and to generate household income. However, the lack of financial capital to start farming activities was a significant pitfall. A study by Pienaar (2018) revealed increasing volumes of fallow land due to dwindling agricultural production in South Africa. So, fallow land was a pull factor that attracted active emerging farmers and new entrant farmers who wished to grow food. Meanwhile, commercial farmers realised they could increase their yield by accessing emerging farmers' land. So, strategic partnerships provided a solution for both the emerging farmer who has land but lacks startup capital and for a commercial farmer who has financial capital and wishes to expand their farming activities.

## **Conclusion**

South Africa's agriculture sector is slightly transforming through these bottom-up strategic partnerships between commercial and emerging farmers. Some commercial and emerging farmers are transforming and demonstrating resilience by forging strategic partnerships. It was intriguing to explore what propelled these partners to collaborate. Interestingly, pull and push factors that influenced the formation of strategic partnerships were adding value to existing livelihood capitals. Some pull factors included access to markets, fallow land use, increased profits, and growth potential. The push factors included risk spreading and security. Emerging farmers needed to ensure they produce what will be sold quickly in the market. Meanwhile, commercial farmers had access to lucrative markets. Hence, these strategic agricultural partnerships resolved market access issues for emerging farmers. Commercial farmers were primarily concerned with expanding their farming businesses and obtaining a competitive advantage. Meanwhile, emerging farmers were attracted by the growth potential that these strategic partnerships promised. The fallow land was an existing natural capital that emerging farmers had an abundance of and that attracted commercial partners and investment. Some commercial farmers entered into strategic partnerships due to political instabilities and uncertainties around the LEWC policy. These farmers used risk-spreading strategies by owning less land and purchasing raw products from their emerging partners. Strategic agricultural partnerships proved to be mutually beneficial for both commercial and emerging farmers. Furthermore, the government and external stakeholders need to nurture and support strategic partnerships by reducing bureaucratic

red tape and enabling market access and export opportunities. There should be an equal level playing field between commercial and emerging farmers. Also, financial institutions should facilitate easy access to capital for farmers who initiate strategic partnerships.

### **Acknowledgments**

The financial assistance of the National Institute for the Humanities and Social Sciences, in collaboration with the South African Humanities Deans Association towards this research is hereby acknowledged. Opinions expressed and conclusions arrived at are those of the author and are not necessarily to be attributed to the NIHSS and SAHUDA.

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