**Introduction**

Agricultural sector worth > R225bn to SA’s economy, increasingly diversified, export-oriented yet challenged:
- Continued concentration – questionable (economic & social) sustainability
- 50% of fresh fruit (R830 billion p.a.) exported < 10% produced by black farmers

Agrarian transformation unconvincing, despite extensive policy intervention
- Recent policy (NDP & APAP) focus on high value commodities

**Comparative, profiling case study of leading small-scale macadamia farmers in Vhembe, Limpopo.**

**Commercial subtropical fruit sector**

High technology, input use - high quality export product.
- Positive growth expected – growing middle class, food demand, prominence of healthy diets.

Challenges - irrigation, phyto-sanitary barriers, outdated cultivars.
- Market respose, value chain efficiency - key to success.

Production cost estimate - R34 000 - R64 000 /ha in 2016, depending on scale.

**Smallholder subtropical fruit sector**

Range from subsistence to market orientation with decreased home consumption & local selling, towards formal markets, more labour, input, mechanisation & capital usage.

Farming one of several strategies, on < 6 ha, communal tenure - combining fruit types, vegetables, maize, chicken.
- Irrigation is common, unsophisticated and insufficient.

Produce is marketed, mostly local and informal.

**Conclusions and development options**

Economic transformation opportunities in Vhembe - high value fruit agro-ecologically well suited.
- Big gap between commercial growers and leading smallholders, despite public and private investment.
- Smallholder invest much less in their enterprise than evident in commercial orchards.

Commercial farmers have superior access to water, capital, technology, transport infrastructure.

Pest control and theft difficult to address effectively in village environment.
- Financial management differences clear – should be a focus area for transformation initiatives.

Infrastructural improvement (roads, irrigation, processing, marketing) will be critical.

**Case study – seven leader farmers**

All born in the village or residing there for 29 years +.
- All aged 50+, except one young man inheriting the enterprise.
- All have electricity, 4 have running water at home, 2 have reliable cars.

Six practiced irrigation – some innovative – 2 planning hight tech systems.
- All sell at formal markets, sales vary from a few crates to 20 tons.
- All have Shaa, hire labour, invest substantially and farm fully.

All have Macadamia, also avo, litchi, mango, leafy vegetables, 5 practice beekeeping.
- All have additional income - business, pensions, remittances and/or social grants.

Receive government support, including services from extension.
- Crime a major concern – most not sure if this originates only from ‘outside’.

**Methodology**

Action research, combining qualitative & quantitative data collection + policy review.
- Established typology of small-scale fruit farmers - compared with commercial sector - focused on investment & output data

Case study of 7 macadamia farmers with commercial inclination

**Results**

**Table 1: Subtropical fruit statistics (provided by the Subtropical Growers’ Association)**

<table>
<thead>
<tr>
<th>Subtropical Fruit</th>
<th>Avocado (Nov - Mar)</th>
<th>Mango (Dec - Apr)</th>
<th>Macadamia (Feb - Apr)</th>
<th>Uitchi (Dec - Apr)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial growers1</td>
<td>340</td>
<td>120</td>
<td>480</td>
<td>130</td>
<td>1000</td>
</tr>
<tr>
<td>Emerging growers2</td>
<td>78</td>
<td>54</td>
<td>50</td>
<td>25</td>
<td>207</td>
</tr>
<tr>
<td>Area planted</td>
<td>15 500 ha</td>
<td>7 000 ha</td>
<td>20 000 ha</td>
<td>7 700 ha</td>
<td>44 300 ha</td>
</tr>
<tr>
<td>Annual Production</td>
<td>± 115 000 tons</td>
<td>± 175 000 tons</td>
<td>± 45 000 tons</td>
<td>± 20 000 tons</td>
<td>± 241 000 tons</td>
</tr>
<tr>
<td>Annual Value</td>
<td>± R13.8 b</td>
<td>± R13.8 b</td>
<td>± R2.4 b</td>
<td>± R13.8 b</td>
<td>± R16.14 b</td>
</tr>
<tr>
<td>Employment (seasonal + permanent)</td>
<td>± 5 100</td>
<td>± 3 000</td>
<td>± 8 000</td>
<td>± 2 400</td>
<td>± 18 500</td>
</tr>
</tbody>
</table>

* NIS = Nut in shell (1.5% kernel moisture content)
1: Members and non-members of the Subtrop associations. Non-members are included
2: Emerging growers that are members of the Subtrop associations. Non-members are excluded
3: *Avocado, not mentioned, is the largest subtropical fruit by value, contributing R4.69 billion to total ag GDP in 2013/14, with 64 510 ha under production.

**Main source of HH income**

- Agriculture
- Wage labour
- Grants
- Private pension
- Remittances
- Small business

**Figure 2: Main source of household income as stated by smallholder fruit farmers in Vhembe**

For more info on the research programme – see https://inclusivevcc.wordpress.com/home/