

## THE IMPACT OF SUCCESSION PLANNING ON THE SUSTAINABILITY OF CANE PRODUCTION BY SMALL-SCALE CANE GROWERS IN THE NORTH COAST OF KWAZULU-NATAL, SOUTH AFRICA

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### ABSTRACT

*This paper forms part of a research study for a PhD, which has been conducted in the North Coast of KwaZulu-Natal and focuses on the sustainability of emerging cane growers. The research problem of the study was that cane growers cannot be sustained beyond the current generation of existing farmers because young people are not interested. Agriculture takes place in rural areas which are characterised by high levels of poverty. Cane farming, like other agricultural production activities, is the major economic driver in these areas. However, the current cane growers are ageing and the economy will be negatively impacted unless the youth succeed their parents as farmers. Sustainability of cane production depends on the preparedness of the offspring of the cane growers to succeed them as farmers.*

*The results of the study revealed two responses. The first response suggested that young people whose parents are cane growers are willing to succeed their parents and become cane growers. The second response suggested that where discussions on succession planning have taken place there was an increase in the number of young people indicating an interest in succeeding their parents. The paper concludes with a recommendation that there is a need for developing succession planning in the North Coast farming area.*

**KEY WORDS:** Cane grower, cane farmer, sustainability, succession planning, youth, extension implications.

### 1. INTRODUCTION

A study was conducted in the North Coast of KwaZulu-Natal cane growers. It focused on the sustainability of emerging cane growers. The rural areas where cane farming activities take place are characterised by high poverty and unemployment levels which are contributing factors to youth migration to the cities. Youth migration into urban areas is an important feature of rural youth and unless young people remain active in agriculture, which is the main economic driver in these areas, they will migrate to big cities and the situation in rural areas will remain worse off. The *National Development Plan* (NDP) of South Africa recognizes this challenge and is trying to address rural development, for example agriculture is seen as

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one of the economic drivers which has the potential to create employment and fight poverty (NDP, 2011).

The problem investigated in the study relate to poor nonexistence of succession planning in the cane growers which will affect sustainability of farming in the long run. Sustainable agriculture is about the future which means future generations will have to continue to play a role if sustainability is to be ensured. However observations show that youth are not involved in cane growing. The question which can be asked is whether the youth from cane growers are prepared to succeed their parents as farmers and to understand the implications of their choices on sustainability of cane farming.

This is even more critical because the current generation of cane growers is ageing. It can be argued that without direct youth involvement there will be no sustainability in cane growing in the North Coast area of KwaZulu-Natal. This situation will negatively affect the livelihood of cane growers in the study area. The objective of this paper is twofold, namely to report and discuss the views of youth who are from the cane growers family about succession planning and secondly to discuss the opinions of youth who are from the cane growers family about their views with regard to future participation in their parents farming cane enterprises.

## **2. THEORETICAL BACKGROUND**

The concept of sustainability has been explained by various authors (Dumanski, 1997:15; World Commission on Environment and Development, 1987; Groenewald, 2002:1-4), with different views about sustainability being proposed. The World Commission on Environment and Development (WCED) sees sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987). Groenewald (2002:4) on the other hand, observed that irrespective of the site, nature or practice, “the major objective of sustainable agriculture and rural development is to increase food production in a sustainable way and enhance food production”.

It is further asserted by the same author that sustainability is now regarded as a norm of evaluation rather than a specific identified farming practice because sustainable agriculture is a process rather than an occurrence, a direction rather than a destination, and a philosophy and system of farming. In the context of sustainable agriculture it is important to take a long term view with the aim of ensuring long term supply of products to future generations.

Sustainability is about taking a long term view with the objective of ensuring long term availability of goods and services.

The issue of sustainability coupled with the retirement age of cane growers across the globe has become a thorny issue among the authors (Mtembu, 2010:2). The younger generation is not keen on farming (primary agriculture). This generation prefers to work overseas, tour the world, work in other industries and this poses a big risk to our small-scale grower (SSG) sector mainly because the average age of a grower in that sector is about 53, which is quite close to retirement.

The challenge of the ageing farmer population is not only a third world phenomenon and according to Wiley, Rose & Halpin (2009:3) the average age of a U.S. farmer today is nearing 60, up from 50 in 1978. “Just five percent of farmers in 2002 were between the ages

of 25 and 34” (Schweitzer in Wiley, Rose & Halpin, 2009:3). It can be indicated that any meaningful discussion about sustainability should take into cognisance the circumstances of young people who are either current or potential farmers.

### **3. RESEARCH PROCEDURE**

The study focused on the youth (aged 14 to 35 years) whose parents or close relatives are small-scale growers (SSGs) that are located in the areas of KwaZulu-Natal North Coast and Zululand Region. There are seven mills on the North Coast of KwaZulu-Natal. The respondents were the young people whose parents are cane growers who supply five of the seven sugar mills that are situated on the North Coast of KwaZulu-Natal. These mills are Maidstone, Darnall, Gledhow, Amatikulu & Felixton.

According to the *National Youth Commission Act of 1996*, youth are defined as all people between the ages 14 to 35 years (Mathivha, 2012:15). Although there are various definitions of the term “youth”, for the sake of simplicity the researchers decided to use this definition.

A probability sampling approach was adopted in this study which meant that each member of the survey population had a known and equal chance of being selected. There were five strata representing five sugar mills and simple random sampling was applied in each stratum of the total population. A total of 193 respondents were reached from a survey population of the offspring of 11,527 growers who delivered cane to the five mills under study in the 2013/14 season. Almost 99 percent of respondents are located in communally owned areas that fall under the jurisdiction of traditional leaders. Except for three Indians all other respondents were Black South Africans.

There are various data gathering methods, namely observation, face-to-face interviews, self-administered methods, focus groups and personal interviews. The data gathering method / technique that was predominantly applied was that of face-to-face interviews. In terms of the data gathering instruments, a structured questionnaire was utilised, since this was mainly quantitative research. The questionnaire was piloted before the main data collection took place and some changes were subsequently made to the questionnaire. The gathered data was captured and manipulated using statistical software. As part of the analysis frequency distributions as well as statistical analyses such as chi-squares were undertaken. In terms of ethical considerations, the respondents were assured that confidentiality would be maintained and that they were not forced to participate in the study.

### **4. FINDINGS AND DISCUSSIONS**

The demographic details of respondents were as follows:

- A total of 57 percent respondents were male, while females comprised 43%;
- 63.2% of respondents were between the ages 19 to 30, while the 31 to 35 age category comprised 24.4%;
- Almost 40% of respondents had done agricultural subjects at school;
- At least 57% of respondents had completed Matric and the other 14% had attained a tertiary qualification. Only two percent of respondents had never been to school;
- At least 62% of respondents have undergone some training in sugarcane agriculture. This may be formal, informal or a combination of the two; and

- Regarding occupation only 34.4% were unemployed. The rest are engaged in full or part-time studying (25.5%), full-time or part-time employment (28.7%), running a business (7.3%) and working full time while studying part time (4.2%).

From these findings it is clear that unemployment is one of the challenges facing our youth in rural areas. This situation will later become a poverty trap because many will be afraid to have families due to lack of financial resources to support their families. Unless this situation is addressed many young people will soon reach the adulthood without any form of formal employment, a situation which may exacerbate poverty in the rural areas of the North Coast of KwaZulu-Natal.

#### a) Succession Planning and Future Participation

Masondo, Nxumalo & Eweg (2009) indicated that only five percent of youth are involved in sugarcane agriculture. The youth were asked to indicate whether they were involved in succession planning. Their responses are indicated in Table 4.2.1.

**Table 1: Respondents response to the issue of succession planning.**

Type of Response	Frequency	Percent
No	114	59.1
Yes	75	38.9
Missing	4	2.1
<b>Total</b>	<b>193</b>	<b>100.0</b>

The involvement of youth in Table 1 reflects that the issue of succession planning has not been widely discussed as shown by the number of respondents (59.1%). It is presumed that under normal situation, parents ought to have discussed this matter with their children. One wonders what could be the reason for not discussing with their children when red signs are clear that these parents are ageing and need new blood to continue with farming. This is a painful situation displayed by the cane growers.

#### b) Willingness of someone in the family to take over farming

The perceptions of youth towards farming have created negativity against agriculture as a career. According to Leavy & Hossain (2014:9), this perception is reinforced among youth by the fact that farming is often viewed as a way of life rather than a career. The lack of a role model of a youth farmer entrepreneur can be seen as one of the contributing fact towards this negative perception. Respondents were asked to check whether there is someone in the family who was willing to take over farming. The responses are indicated in Table 2.

**Table 2: Willingness of someone in the family to take over farming.**

Responses	Frequency	Percent
No	22	11.4
Don't know	66	34.2
Yes	102	52.8
Missing value	3	1.6
<b>Total</b>	<b>193</b>	<b>100.0</b>

According to Table 4.2.2, the majority of the youth (52.8%) indicated their willingness to take up farming in the family as opposed to 45.6 % who said they were not willing to do so, or did not know if they would. The reason why the youth's perception is slightly above 50% could be seen as a product of family discussion within some cane grower families.

**c) Relationship between succession planning and willingness of siblings to take over farming**

In order to analyse the relationship between the two main objectives of the paper, namely succession planning and willingness of siblings to take over farming, an analytical tool of cross tabulation is used. The findings are presented in Table 3.

**Table 3: Cross tabulation - Relationship between succession planning and willingness of siblings to take over farming.**

Variables		Is there someone willing to take over farming within your family?		Total
		No/Don't know	Yes	
<b>Was the issue of succession planning discussed in the family?</b>	<b>No – Count</b>	73	41	114
	Expected Count	52.8	61.2	114.0
	Was the issue of succession planning been discussed in the family?	64.0%	36.0%	100.0%
	% of Total	38.8%	21.8%	60.6%
	<b>Yes – Count</b>	14	60	74
	Expected Count	34.2	39.8	74.0
	% within Has the issue of succession planning been discussed in the family?	18.9%	81.1%	100.0%
	% of Total	7.4%	31.9%	39.4%
<b>Total</b>	Count	87	101	188
	Expected Count	87.0	101.0	188.0
	% within Has the issue of succession planning been discussed in the family?	46.3%	53.7%	100.0%
	% of Total	46.3%	53.7%	100.0%

Based on the results of Table 3 and Table 4 there was a statistically significant association between discussion of the issue of succession planning and willingness of someone in the family to take over the farm. From the shaded rows in the cross tabulation in Table 3, it can be seen that in families where succession discussions have not taken place, only 36% of participants said that there is someone willing to take over the farm. In contrast, in families where succession discussions have taken place, 81% of participants said that there is someone willing to take over the farm. The reason for this positive attitude was created by the fact that there was a discussion of succession which led to an increased willingness among the family members.

Another tool used beside cross tabulation in order to deepen the analysis, was the Chi-square. The aim of using this tool was to check the significance difference of the values under discussion. The results are presented in Table 4.

**Table 4: Chi-square depicting the significance of the analysis.**

	<b>Don't know / Nobody willing to take over farming</b>	<b>Someone willing to take over farming</b>	<i>Marginal Row Totals</i>
<b>Discussion on succession - No</b>	73 (52.76) [7.77]	41 (61.24) [6.69]	114
<b>Discussion on succession - Yes</b>	14 (34.24) [11.97]	60 (39.76) [10.31]	74
<i>Marginal Column Totals</i>	87	101	188 (Grand Total)

The Chi-square statistic is 36.7382. The P value is 0. This result is significant at  $p < 0.05$ .

Table 4 provides the following information: the observed cell totals, (the expected cell totals) and [the Chi-square statistic for each cell]. The Chi-square statistic, P value and statement of significance appear beneath the table. Italic or colour blue means we are dealing with dependent variables. Judged from the findings of the analysis, the result is significant.

**d) Respondents' indications of whether they are personally prepared to take over farming**

Agricultural transformation, according to Leavy & Hossain (2014), depends in part on the extent to which capable, skilled young people can be retained or attracted to farming, and on policies that support that retention. Respondents were asked to indicate if they were personally prepared to take over farming from their parents. The findings are presented in Table 5.

**Table 5: Respondents' indications of whether they are personally prepared to take over farming from parents.**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
No	18	9.3
Don't know	29	15.0
Yes	144	74.6
Missing	2	1.0
<b>Total</b>	<b>191</b>	<b>100</b>

In Table 5, unlike in Table 2, respondents had to answer whether they are personally prepared to take over the running of the farms from parents. The responses show that 75% of respondents are willing to run the farms left over by parents. This response is encouraging; it may mean that the youth are willing to go to farming to succeed their parents.

**e) Cross tabulation between succession planning and willingness of the respondent to take over farming.**

This tool of cross tabulation was further engaged to evaluate the relationship between succession planning and willingness of the respondent to take over farming. The results are presented in Table 6.

**Table 6: Cross tabulation - Relationship between succession planning and willingness of the respondent to take over farming.**

Responses		Are you prepared to take over the farm from your parents?		Total	
		No/Don't know	Yes		
<b>Was the issue of succession planning been discussed in the family?</b>	No	Count	36	78	114
		Expected Count	28.3	85.7	114.0
		% within Has the issue of succession planning been discussed in the family?	31.6%	68.4%	100.0%
		% within Are you prepared to take over the farm from your parents	76.6%	54.9%	
		% of Total	19.0%	41.3%	60.3%
	Yes	Count	11	64	75
		Expected Count	18.7	56.3	75.0
		% within Has the issue of succession planning been discussed in the family?	14.7%	85.3%	100.0%
		% within Are you prepared to take over the farm from your parents	23.4%	45.1%	
		% of Total	5.8%	33.9%	39.7%
Total	Count	47	142	189	
	Expected Count	47.0	142.0	189.0	
	% within Has the issue of succession planning been discussed in the family?	24.9%	75.1%	100.0%	
	% within Are you prepared to take over the farm from your parents	100.0%	100.0%		
	<b>% of Total</b>	<b>24.9%</b>	<b>75.1%</b>	<b>100.0%</b>	

According to Table 6 there was a statistically significant association between discussion of the issue of succession planning and willingness to take over the farm. From the shaded rows in the cross tabulation table, it can be seen that in families where succession discussions have not taken place, 68% of participants said that they are willing to take over the farm. In contrast, to families where succession discussions have taken place, 85% of participants said that they are willing to take over the farm. Based on Table 6, it can be indicated that discussions of succession planning led to an increased willingness of participants themselves to take over their parents' farms.

## 5. EXTENSION IMPLICATIONS

The results have implications for extension because of the need to change the focus going forward. Generally, extension officers have not dealt with this topic as widely as they have dealt with topics such as technology and skills transfer. Succession planning should now be one of the major focus areas of agricultural extension. Agricultural extension requires a two

pronged approach, one focusing on farmers and the other focusing on their offspring who are interested in agriculture.

The first approach should focus on conscientising farmers about the importance of succession planning and this should be high on the agenda just like any other focus areas of extension. Since succession is a sensitive subject, especially in the African context, extension officers should be trained on how to educate farmers to deal with this and also make farmers understand the importance thereof. More education and communication by extension officers is required in order to deal effectively with this topic. Writing wills specifying how the farm will be handled post the current farmer is a sensitive matter to introduce to farmers and extension officers might be perceived as encroaching the private space of farmers, hence the need to train extension officers on how to handle this sensitive matter.

The second approach entails the need to look beyond the current generation of farmers and calls for extension officers to start directly engaging the farmers' offspring and ensure knowledge transfer to these young people. This issue should now be high on the extension agenda. When extension officers engage and train farmers it is important that they request farmers to bring along their offspring. Furthermore, special support and knowledge transfer programmes focusing on the youth should be driven by extension officers. As more youth participate in agriculture, extension officers will have to get used to dealing with a younger audience with different mindset and expectations. It calls for a different mindset on the part of extension officers. Extension should be forward looking without ignoring the present. This means that youth, especially those whose parents are farmers, should be targeted as part of agricultural extension while not neglecting extension to their parents.

Preparing youth for succession is complex and presents both challenges and opportunities. The challenges revolve around their high expectations and lack of farming experience. The opportunities that extension officers can capitalise on include youth interest in agriculture, youth's education levels which are usually higher than parents' and youth's embracement of new knowledge and technology. Further research might be required to give insight on how this topic can be introduced to African farmers. This will culminate in the issue of succession planning and youth in farming forming part of extension curricula.

## **6. SUMMARY AND RECOMMENDATIONS**

The majority of the youth of small-scale cane growers seem to be prepared to succeed their parents as cane farmers. This finding dispels the ideas that are usually heard that young people are not interested in farming. Our findings have pointed out that young people are prepared to succeed their parents. If there are discussion in the family about succession planning this further reinforce the idea to become a reality There is consensus in literature that there are fewer young farmers. It is not clear as to how many young people are involved in agriculture in South Africa. Currently there are efforts aimed at stimulating the interest of the youth in agriculture, hence the formation of organizations such as Youth in Agriculture and Rural Development (YARD).

In order to ensure sustainability of cane farming it is recommended that the issue of succession planning be discussed within farming families as part of youth preparation for farming careers. However, there are issues that become thorny to young farmers which go beyond the succession debate. These issues include limited land, reluctance by parents to retire and the problem of many inheritors in each family. The authors are of the view that

current youth involvement in farming should increase, regardless of whether they succeed parents or not, in order for them to get exposure. Furthermore, it is recommended that succession planning should be taken seriously if the future generations are to be sure of feeding the nation in future. It is recommended that the agricultural extension personnel employed by various role players in the agricultural sector should play a meaningful role in conscientising cane growers about the importance of succession planning.

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