B A S I S

Collaborative Research
Support Program

Farmland Redistribution in KwaZulu-Natal, 1997-2003

SRD Ferrer

University of KwaZulu-Natal

BASIS CRSP

This posting is provided by the BASIS CRSP Management Entity
Department of Agricultural and Applied Economics,
University of Wisconsin-Madison
Tel: (608) 262-5538
Email: basis-me@facstaff.wisc.edu
http://www.basis.wisc.edu

December 2004

SRD Ferrer
University of KwaZulu-Natal
ferrers@ukzn.ac.za

BASIS CRSP outputs posted on this website have been formatted to conform with other postings but the contents have not been edited. This output was made possible in part through support provided by the US Agency for International Development (USAID), under the terms of Grant No. LAG-A-00-96-90016-00, and by funding support from the BASIS Collaborative Research Support Program and its management entity, the Department of Agricultural and Applied Economics, University of Wisconsin-Madison, USA. All views, interpretations, recommendations, and conclusions expressed in this paper are those of the author(s) and not necessarily those of the supporting or cooperating organizations.

FARMLAND REDISTRIBUTION IN KWAZULU-NATAL, 1997-2003

SRD Ferrer

ABSTRACT

Census surveys of land transactions sponsored by BASIS I&II show that 201,856 hectares of the Province's commercial farmland transferred to previously disadvantaged South Africans over the period 1997-2003. This represents 3.8 per cent of the farmland originally available for redistribution in 1994. During 2003 the rate of land redistribution in the province fell from over one per cent in 2002 to below the mean for the study period of 0.5 per cent per annum. This decline in the rate of redistribution tracks a general decline in the total area of farmland traded within the Province and a significant decline in the area of farmland purchased with cash by previously disadvantaged people. Increases in the real price of farmland during 2003 appear to have contributed to this slowdown. During 2003 the land wealth transferred only with government grants declined by 20.2 per cent and the area of land transferred only with government grants declined by 57.5 per cent. Despite this trend, land reform funded with government grants transferred greater land area and greater land wealth to disadvantaged owners in 2003 than did privately financed transfers.

The encouraging initial performance of LRAD in 2002 was not sustained during 2003, partly because no new emerging sugarcane farmers were established in 2003. The absence of private-public sector partnerships in financing land transfers during 2003 is cause for concern, and may be related to problems in the administration of the LRAD programme, which have continued to impede applicants' access to these funds. Findings also suggest that the extent to which gender bias is addressed in the LRAD programme depends largely on the institution administering the application.

1. INTRODUCTION

The U.S. Agency for International Development (USAID) sponsored BASIS Collaborative Research Support Programme has monitored government (SLAG) and private farmland transactions in KwaZulu-Natal since 1997 (Lyne & Darroch, 2003). This study augments these previous analyses of commercial farmland transactions by analysing the Deeds of Transfer recorded in KwaZulu-Natal during 2003. Ferrer and Semalulu (2004) reported that the initial performance of the LRAD programme during 2002 was favourable. The primary focus of this paper is to examine the on-going performance of the LRAD programme and the response of lending institutions to LRAD.

This paper is structured as follows: Section 2 gives an overview of the process used to identify land transactions that transferred ownership from previously advantaged to previously disadvantaged people. This is followed by a discussion of the results from the 2003 census survey. The paper ends with conclusions and some policy implications to help government meet its goal of redistributing farmland in order to promote political stability and facilitate economic growth.

2. DATA SOURCES

Data for the study were drawn from annual census surveys of the Deeds of Transfer recorded for farmland in KwaZulu-Natal from 1997 to 2003. Lyne and Darroch (2003) previously analysed data from 1997–2001 census surveys and Ferrer and Semalulu (2004) analysed data from the 2002 census survey. Land transactions recorded by the Deeds Registry in 2003 were filtered and stratified by race, gender, and mode of land acquisition (see Figure 1)[1]. Under the filtration process, all transactions listed separately by the Deeds Registry for each subdivision of land, but acquired by the same owner, were consolidated. Then all transactions involving areas smaller than one hectare and those with per hectare prices exceeding that commanded by the best quality agricultural land in KwaZulu-Natal (R 45,000) were removed in an attempt to exclude transfers of rural land to residential and industrial uses.

Transactions involving land transfers from one formerly disadvantaged owner to another were removed unless the land transferred from males to females. The remaining farmland transfers were then classified as 'advantaged to advantaged', 'advantaged to disadvantaged' and 'disadvantaged to advantaged' based on the race and gender of the previous and new owners. The 'advantaged to disadvantaged' transactions were then categorized into five strata according to mode of land acquisition, namely **grant only**[2], **mortgage and grant** financed**,** **mortgage** financed, **cash** purchases and **non market** transfers.

The term 'advantaged' refers to legal and juristic persons that had the right to transact in land prior to 1994 (i.e. whites, government departments and white-owned corporate entities). The 'disadvantaged' group comprises of those persons excluded from land markets on the basis of racial segregation (i.e. blacks, Indians and coloureds). In addition, transfers from previously disadvantaged men to previously disadvantaged women were retained within the previously disadvantaged category so that the definition of 'disadvantaged' refers to all individuals who were previously excluded from land markets on the basis of racial and, to some extent, gender segregation. Lyne and Darroch (2003) noted that this process is not entirely accurate because race and gender are established primarily on the basis of the names of the parties transacting farmland. As a result, the true annual rate of land redistribution in KwaZulu-Natal may be understated.

[1] The stratification applied to the 2002-2003 census surveys differed from the stratification applied to the 1997-2001 census surveys (see Graham & Lyne, 1999) in order to investigate transfers financed with a combination of LRAD grant and private mortgage loans.
[2] Grant only refers to land transfers partially or entirely financed with government SLAG or LRAD grants but without additional loan finance.

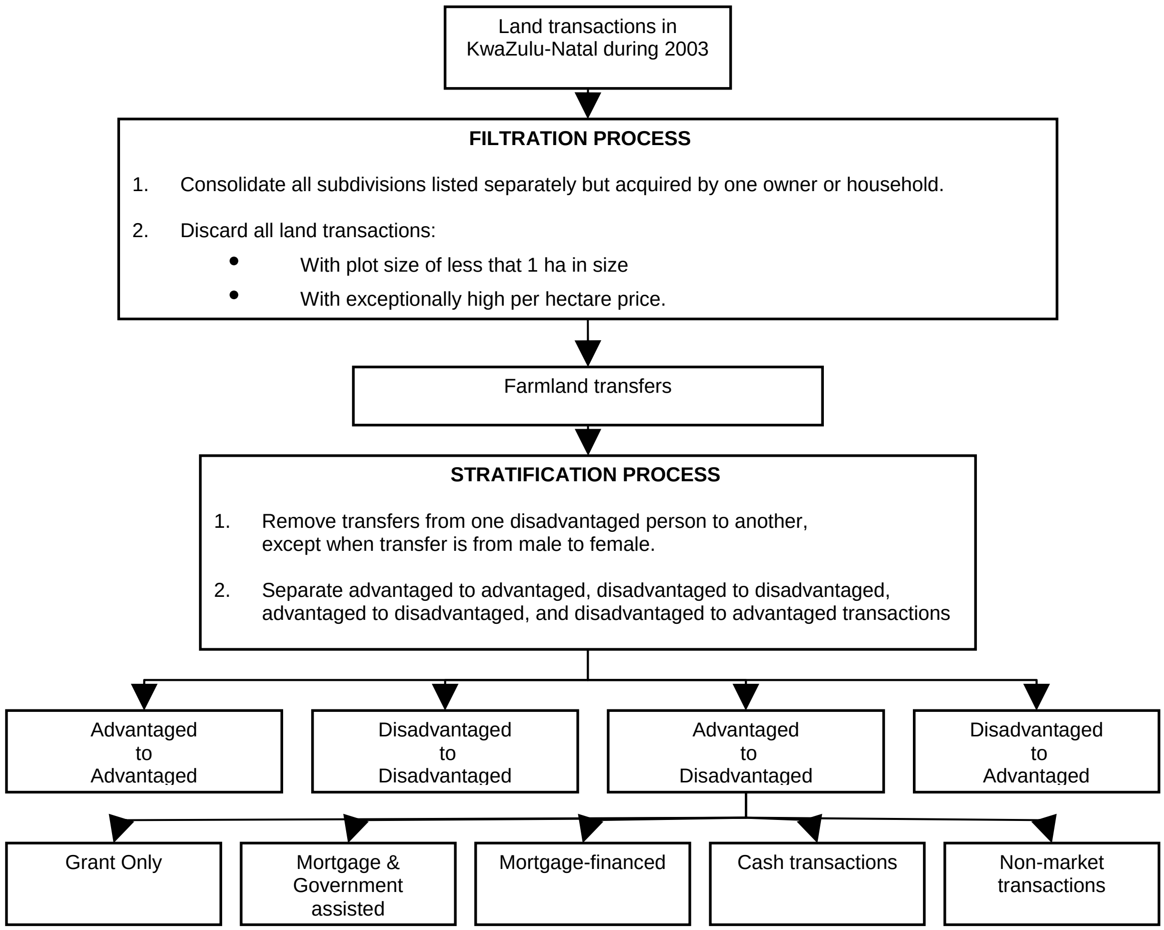

Figure 1: Filtration and stratification of land transaction census data in KwaZulu-Natal, 2003.

3. THE RATE OF LAND REDISTRIBUTION

The total area of all farmland transferred to new owners in KwaZulu-Natal annually during 1997-2003 is presented in Table 1. At the time of South Africa's political democratisation in 1994, there were some 5.3 million hectares of land available for redistribution in KwaZulu-Natal (Lyne & Darroch, 2003), comprised of commercial farmland and state owned land, including public protected nature conservation areas. It is estimated that 2,395,847 hectares, or 45 per cent, of this land transferred to new owners (advantaged and disadvantaged groups) during 1997-2003. The total area of farmland transacted in KwaZulu-Natal during 2003 is less than two thirds of the mean annual area transacted during the preceding six years. Reasons for the relatively quiet farmland market during 2003 are probably related to real increases in farmland prices during 2003 making farmland less affordable.

The annual rate of farmland redistribution was computed by expressing the area acquired by previously disadvantaged entrants as a percentage of the area originally available for redistribution in KwaZulu-Natal. Trends in the rate of land redistribution are illustrated in Figure 2. Transfers to previously disadvantaged South Africans accounted for 201,860 hectares representing about 8.4 per cent of total farmland transferred, or 3.8 per cent of the total area originally available for redistribution.

Table 1: Estimated annual rates of land redistribution in KwaZulu-Natal, 1997-2003

Study year	1997-2000	2001	2002	2003
1 Area of farmland originally available for redistribution (Ha)	5,308,559	5,308,559	5,308,559	5,308,559
2 Area of land transacted (Ha)	1,583,749	267,233	316,840	228,025
3 Area of farmland acquired by, or for, disadvantaged people (Ha)	91,160	27,324	56,411	23,965
4 Annual rate of land redistribution (%) ([3/1] * 100)	0.44	0.52	1.06	0.45
Cumulative rate of land redistribution (%)	1.78	2.30	3.36	3.80

The rate of farmland redistribution increased to its highest level of 1.06 per cent in 2002 following the introduction of the LRAD programme in August 2001. During 2003 the rate of land redistribution declined to approximately the mean rate of land redistribution during 1997-2001. The decline in the rate of land redistribution in KwaZulu-Natal observed in 2003 compared with 2002 exceeds the rate of decline in the area of farmland traded within the province. The proportion of transferred land that was acquired by previously disadvantaged owners declined from 17 per cent in 2002 to 10.5 per cent in 2003, but remains greater than a mean of 6.4 per cent during 1997-2001. This finding is disappointing after the initial positive impact of the LRAD programme in 2002. Possible reasons for this are discussed in section 5. An average annual rate of farmland redistribution in excess of 2.3 per cent is required from 2004 to 2014 to reach the target level of 30 per cent by 2014.

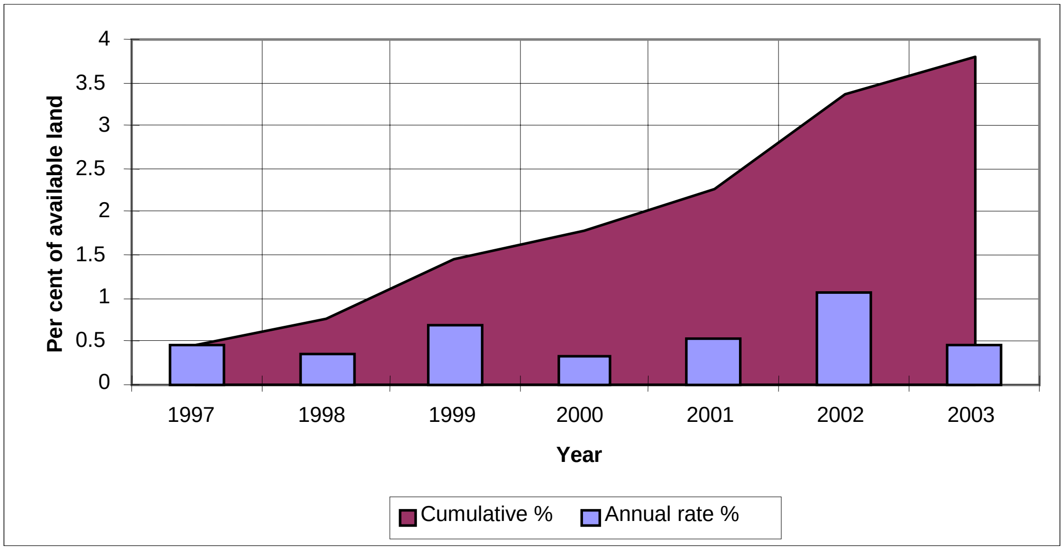

Figure 2: Estimated annual and cumulative rates of farmland redistribution to previously disadvantaged owners in KwaZulu-Natal, 1997-2003

4. CHARACTERISTICS OF FARMLAND ACQUIRED BY ADVANTAGED AND DISADVANTAGED OWNERS.

Table 2 compares the mean area of all farms, and the mean price of all purchased farms, acquired by previously advantaged and disadvantaged people in KwaZulu-Natal over the period 1997-2003. The table also compares the weighted price of land purchased by members of these groups. All prices are expressed in real terms using 2000 as the base year. The t-values test for differences in the mean characteristics of farms acquired by the advantaged and disadvantaged groups.

Table 2: Characteristics of farmland acquired by previously advantaged and disadvantaged owners in KwaZulu-Natal, 1997-2003 (at constant 2000 prices)

Farm characteristic	Year	Advantaged	Disadvantaged	t-value
Mean farm area (Ha) for all farms transacted	1997	365	125	3.6***
	1998	1,007	100	2.4**
	1999	287	114	6.7***
	2000	268	109	5.7***
	2001	294	179	3.8***
	2002	329	337	0.18
	2003	283	233	
Mean real price (R) for all farms purchased	1997	1,193,882	532,775	1.4
	1998	754,373	318,086	4.4**
	1999	879,400	312,339	3.4***
	2000	638,808	355,668	3.6***
	2001	652,318	382,006	3.3***
	2002	754,749	518,451	2.8**
	2003	723,221	309,418	
Weighted real land price (R/Ha) for all farms purchased	1997	2,554	2,796	
	1998	1,442	1,791	
	1999	2,761	1,678	
	2000	2,337	2,326	
	2001	1,993	1,660	
	2002	2,006	1,159	
	2003	2,470	1,135	

Note: *** and ** denote statistical significance at the 1 and 5 percent level of probability, respectively.

The trend of divergence between the mean area and mean real market value of farmland acquired by advantaged and disadvantaged buyers reversed during 2003. However, the trend of growing divergence in the quality of farmland purchased (approximated using weighted real land price per hectare) by the two groups since 2000 continued. Reasons for this discouraging finding are investigated in section 5.

5. MODES OF LAND REDISTRIBUTION

Modes of land redistribution identified in the 1997-2001 census surveys were government grant-assisted land purchases, private purchases (mortgage loan and private cash), and non-market transfers (bequests, and donations). In addition to these modes, the 2002 and 2003 census surveys identified land transfers financed with a government LRAD grant combined with own equity and a mortgage loan. Table 3 compares characteristics of farmland acquired by disadvantaged owners for each mode of land redistribution during 1997-2003. Figures 3, 4, 5 and 6 illustrate how these characteristics have varied within the study period. All financial values in Table 3 and Figures 5 and 6 are expressed in constant 2000 prices.

Table 3: Characteristics of farmland acquired by disadvantaged owners by mode of redistribution in KwaZulu-Natal, 1997-2003 (constant 2000 prices)

Farm characteristic	Grant only	LRAD plus Mortgage loan	Private mortgage loan	Private cash	Private non-market	Total
Number of transactions	166	20	214	390	481	1,168
Total area of land (Ha)	86,381	5,905	40.996	49,077	19,502	201,860
Total market value of land (R million)	63.90	16.58	149.72	69.17		299.38
Mean area of farms (Ha)	527	295	192	143	41	
Weighted farmland price (R/Ha)	753	2,809	3,653	1,312		

Although farmland purchased only with government grants transferred over 42 per cent of all the land redistributed, these transfers involved land of poor agricultural quality relative to private market transactions. This can be attributed to the high proportion of group purchases under the SLAG programme where the beneficiaries were primarily interested in maximizing land area for residential and grazing purposes. Since August 2001, aspiring farmers have been encouraged to purchase land by combining an LRAD grant with equity and mortgage loan finance. This mode of redistribution accounted for ten per cent of the total area acquired by previously disadvantaged owners in 2003, and six per cent in 2002. Twenty farms were acquired using combined grant and loan finance, transferring 5,905 hectares with a market value of about R16.58 million to the previously disadvantaged. At a weighted price of R2,809 per hectare, the quality of farmland redistributed via this mode was significantly higher than that of other government-assisted transfers and cash purchases, and is similar in quality to land purchased privately with mortgage loans.

During 2002, 11 of the 14 transactions financed using a combination of debt finance plus LRAD were financed by Ithala Finance & Investment Corporation (Ithala), and three were financed by the Land Bank. During 2003, all six transactions in this mode were financed by the Land Bank. It is of concern that whilst other private banks have financed farmland transfers to disadvantaged owners, LRAD grants were not obtained towards these land purchases. Currently the Land Bank enjoys the privilege of being the only bank permitted to approve LRAD applications. Ithala approved over R24 million in loans towards the purchase of farmland by previously disadvantaged individuals, conditional upon the approval of LRAD grants during 2003. None of these transactions were recorded in the Deeds of Transfer for farmland in KwaZulu-Natal, 2003, suggesting that frustrations voiced by private banks that grant funds were not readily accessible during 2002 (Ferrer & Semalulu, 2004) have persisted during 2003. Historical under-spending by the DLA is an ongoing problem. Clearly this state of affairs is adversely impacting on land redistribution in KwaZulu-Natal.

The number of land redistribution transactions declined from 174 in 2002 to 103 in 2003. Between 1997 and 2002, this figure remained consistently between 150 and 200 transactions per year, except for 1999 when over 300 redistributive transactions were recorded. Figure 3 shows distinct trends in the relative proportions of land transferred by each mode of land redistribution between 1997 and 2003. The 40 per cent decline in the number of transactions during 2003 can be attributed primarily to a 60 per cent decline in the number of farmland transactions financed privately with cash from 2002 to 2003. The number of government-assisted transactions (including those partially financed with LRAD grants) declined by 38 per cent. Unfortunately, more data are required to identify whether this decline stems from a reduction in the number of restitution, redistribution or tenure-reform transactions. The number of transactions financed with private mortgage bonds (including transactions partially financed with LRAD grants) has declined since 1999. However, the proportion of transactions financed through this mode has grown from 16 per cent in 1999 to 19 per cent in 2003, and has averaged 17 per cent for the study period. The establishment of emerging farmers on medium-scale sugarcane farms by private sugar millers has contributed significantly towards the number of transactions financed using mortgage bonds during the study period. Ithala approved loans for 23 farm purchases by emerging sugar farmers during 2003, however, transfer of ownership of this land did not occur during 2003.

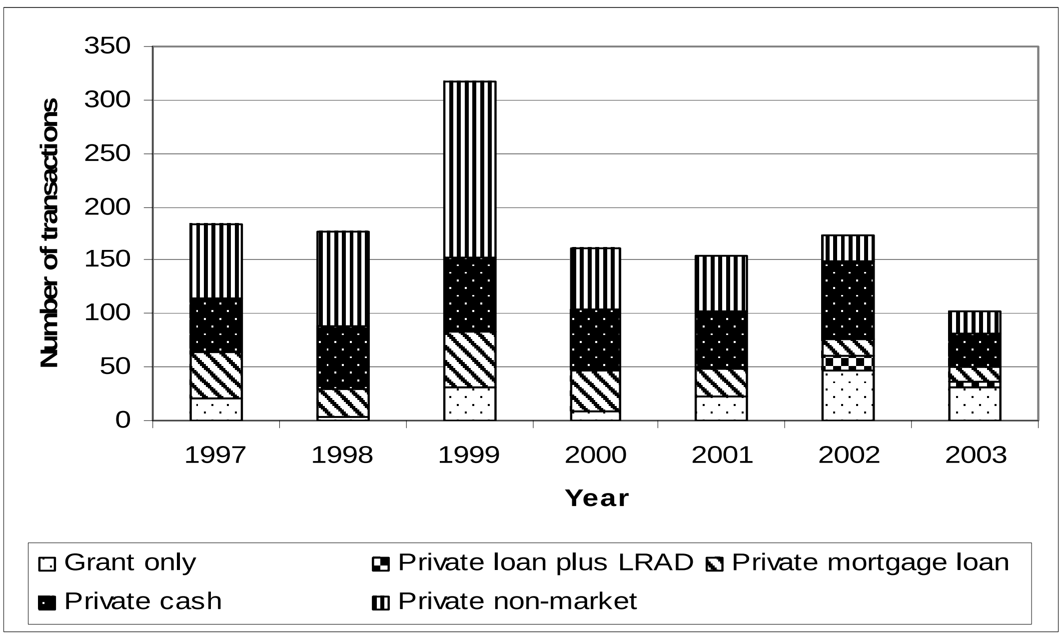

Figure 3: Annual farmland transactions by mode of redistribution to disadvantaged owners in KwaZulu-Natal, 1997-2003

Although non-market transactions are the most numerous, the total area of farmland transferred via these transactions is small relative to market and government-assisted purchases. Over the period 1997–2003 the total area of farmland redistributed by private purchases (90,073 hectares made up of 49,077 hectares via cash purchase and 40,996 hectares via mortgage loans) is similar to that redistributed via government grants (92,283 hectares made up of 86,381 hectares via "grant only" and 5,905 hectares via "Private loan plus LRAD"). Figure 4 shows that the area purchased only with government grants increased steadily after the moratorium on SLAG grants was lifted, peaking in 2002, but declining significantly in 2003. During 2003 government-assisted transfers redistributed more land than private market purchases (15,137 hectares versus 6,943 hectares).

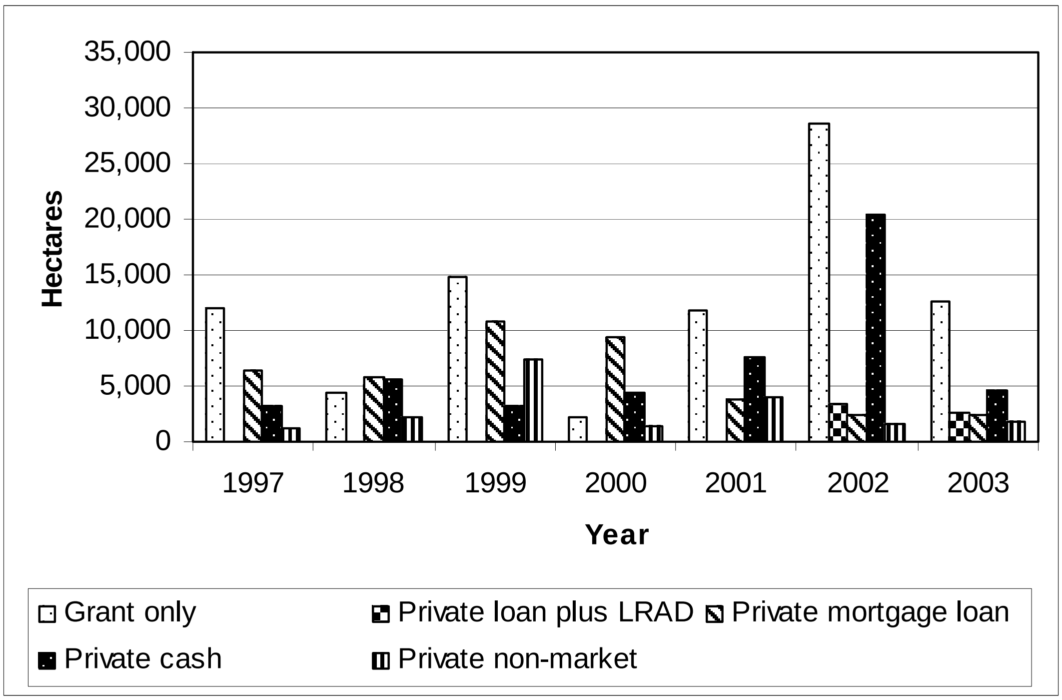

Figure 4: Annual area of land by mode of redistribution to previously disadvantaged owners in KwaZulu-Natal, 1997-2003

On average, beneficiaries of government grants purchased the largest farms (mean of 520 hectares), while bequests and donations transferred the smallest farms (mean of 40 hectares) to previously disadvantaged South Africans. Within the set of private purchases, the census results during 1997-2003 show that the mean size of farms financed with own cash was small relative to those financed with mortgage loans (126 versus 200 hectares). These observations are consistent with Nieuwoudt and Vink's (1995) argument that buyers with limited equity cannot finance large farms using conventional mortgage loans due to cash flow problems. Instead they pay cash for relatively cheaper farms. The 2003 census survey shows that farms purchased with cash were of lower quality than those financed with mortgage loans (R1,294/ha vs. R2,017/ha). The quality of farmland financed using a combination of LRAD and private loan was relatively low (R948/ha). This is in sharp contrast to 2002 when the quality of land transferred via this mode was similar to that of land transferred using private mortgage loans only. This reflects the different lending approaches of the Land Bank (which financed all 6 transactions in this category in 2003) and Ithala (which financed 11 of the 14 transactions in this category in 2002).

Figure 5 shows the contrast in land wealth transferred by the different modes of redistribution in KwaZulu-Natal during 1997-2003. From 1997 to 2001, private mortgage loans redistributed more land wealth than other market transactions. In 2002, mortgage loans (including LRAD-leveraged mortgage loans) continued to redistribute the greatest wealth compared to other market transactions. However, the proportion of land wealth redistributed by government grant-financed transactions increased from an average of 17 per cent during 1997-2001 to 24 per cent in 2002 and 48 per cent in 2003, excluding transactions financed using LRAD leveraged mortgage loans.

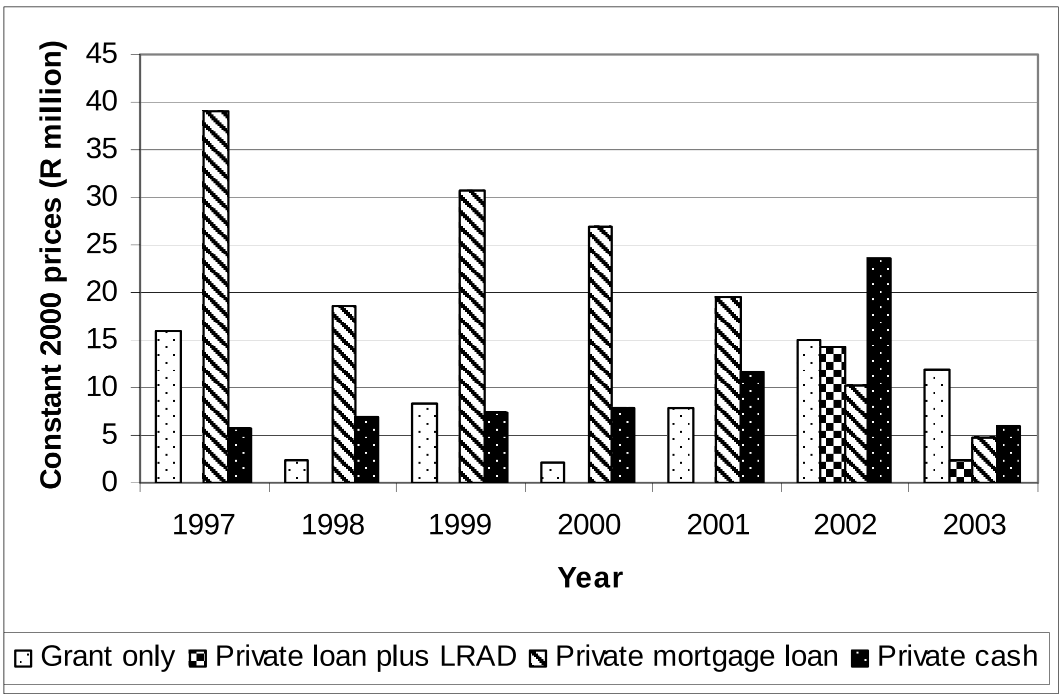

Figure 5: Market value of farmland by mode of land redistribution to disadvantaged owners in KwaZulu-Natal, 1997-2003

During 2003 the weighted real land price was R947/ha for land financed with government grants (this price was the same for land financed only with grants and land financed with a combination of LRAD grants and a Land Bank mortgage bond.) If price is taken as a measure of land quality, then land financed with cash was, on average, of higher quality (R1,294/ha) and land financed with mortgage bonds from private banks was, on average, of an even higher quality (R2,017/ha) than land financed with government grants. It is uncertain whether the increase in the average quality of land financed only using LRAD grants in 2003 compared with 2002 (R539/ha) is attributable to improvements in the quality of land transferred through the restitution or redistribution processes.

6. LAND REDISTRUBUTION BY GENDER TYPE

Table 4 compares land transactions according to gender and mode of land purchase. It shows that women (as sole owners or married co-owners) are well represented in the overall number of transactions involving previously disadvantaged South Africans, particularly those involving bequests. Women accounted for 513 out of 1,280 transactions involving disadvantaged owners (40 per cent) compared to 458 (36 per cent) for men only and 309 (24 per cent) for corporate[3] owners. Of the market transactions, women were well represented in cash-financed transactions, but were under-represented in transactions financed with mortgage loans. In 2002 women were involved in 50 per cent of all transactions co-financed with LRAD grants and mortgage loans, however this declined to 17 per cent in 2003. The reason for women being well represented in the 2002 “private loan plus LRAD” transactions reflects that the private sugar millers and Ithala have addressed gender equity objectives in selecting and financing emerging commercial sugarcane farmers.

Table 4: Distribution of land transactions by gender in KwaZulu-Natal, 1997-2003

	Male owners	Female owners or married co-owners	Corporate owners
Cases	458	513	309
Grant only (%)	0	0	100
Private cash (%)	46	34	20
Private bond (%)	51	28	21
Private loan plus LRAD grant (%)	55	40	5
Private non-market (%)	31	65	4
All transactions (%)	36	40	24

Table 5 shows that the total area of farmland acquired solely by men during 1997-2003 was higher than that acquired by women as sole owners or married co-owners (39,597 versus 27,513 hectares). Farms acquired by women were also, on average, smaller (54 hectares) than those acquired by their male counterparts (89 hectares) largely because the areas inherited by women tended to be relatively small. Figure 6 shows that with the exception of 1997 and 1999, men purchased almost twice the total area purchased by women. Overall, corporate entrants acquired more land than males and females combined over the six-year study period. In 2003, corporate entities accounted for two thirds of the farmland transferred to previously disadvantaged South Africans in KwaZulu-Natal. The gender representation of these corporate entities is not known but it seems likely that they favour men. This is certainly true of the community trusts and communal property associations (CPAs) established by government to represent the interests of beneficiaries that pooled their SLAG grants to purchase land collectively (DLA, 2001). That these groups were primarily interested in maximizing land area for residential and grazing purposes is evidenced by the poor quality of

[3] A corporate owner is a juristic entity representing the interests of one or more people.

land purchased by corporate entities (R1,184/ha) compared to that purchased by men (R2,459/ha) and women (R2,889/ha).

Table 5: Farmland characteristics by gender in KwaZulu-Natal, 1997-2003 (constant 2000 prices).

Farm characteristics	Male owners	Female owners or married co-owners	Corporate Owners
Mean area of farms (Ha)	89 n = 446	54 n = 501	437 n = 308
Total area of land (Ha)	39,597 n = 446	27,513 n = 501	134,523 n = 308
Total market value of purchased land (R million)	88.4 n =314	57.46 n = 222	153.23 n =292
Weighted land price (R/ Ha)	2,459 n = 312	2,889 n = 222	1,184 n =291

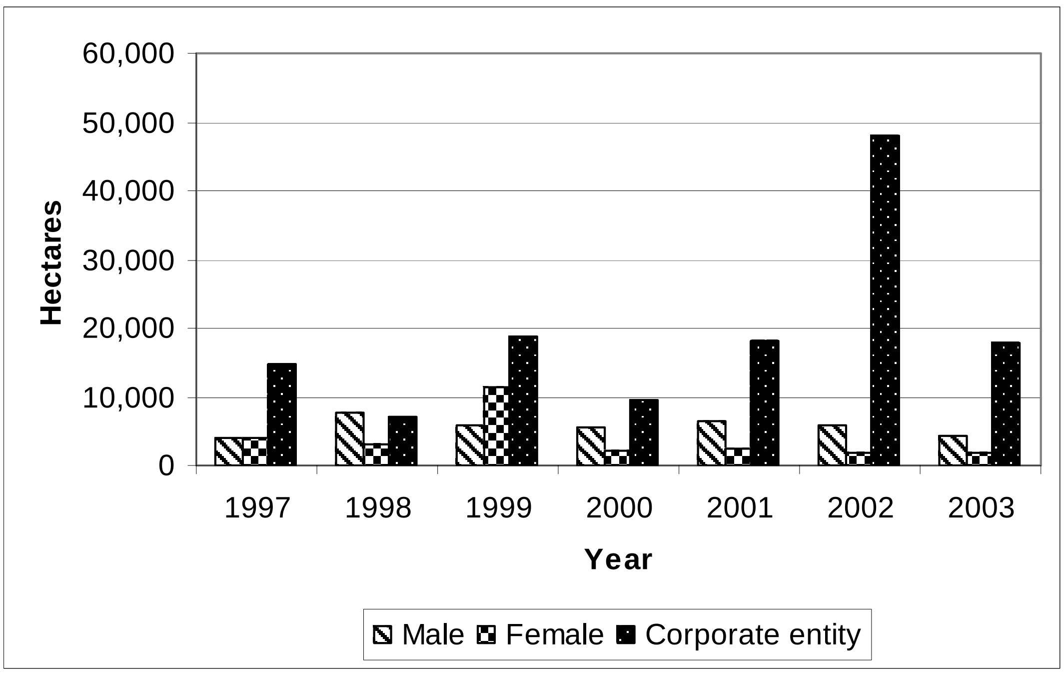

Figure 6: Total area of farmland transacted by category of disadvantaged owners in KwaZulu-Natal, 1997-2003

No grant funded equity-sharing schemes were known to be operating in the Province during the study period (Lyne, 2003). Farmworker equity-sharing schemes (which have the advantage of redistributing wealth and income streams as opposed to just land) could help correct the gender imbalance as women are usually well represented amongst farmworkers. On six of nine equity-sharing projects analysed by Knight and Lyne (2002) in the Western Cape during 2001, more than 50 per cent of the worker-shareholders were women. Despite the success of these projects in other parts of the country such schemes have not yet taken hold in KwaZulu-Natal.

7. CONCLUSIONS AND POLICY RECOMMENDATIONS

The annual census surveys of farmland Transfer Deeds show that a total of 177,895 hectares or 3.4 per cent of the total area originally available for redistribution was transferred to previously disadvantaged people in KwaZulu-Natal during 1997-2002. This implies an annual transfer of about 0.56 per cent, which is falls well short of the government's target of two per cent per annum. The rate of redistribution rose from 0.5 per cent in 2001 to one per cent in 2002 after the launch of LRAD; however, it has declined to 0.45 per cent in 2003. The spike in 2002 is partially attributable to a backlog of SLAG-assisted transfers being processed during 2002 after a two-year moratorium. The decline in 2003 tracks a decline in the total area of farmland traded within the Province compared to other years of the study period. In particular, it is noted that the number of cash purchases made by disadvantaged owners from 2002 to 2003 declined by 60 per cent. Reasons for this trend are probably related to increases in real farmland prices in KwaZulu-Natal during 2003 making land less affordable, especially for owners with poor access to LRAD grants and debt finance.

Transactions financed only with government grants are increasingly becoming the dominant mode of land redistribution in the Province. During 2003 transactions financed with government grants (including LRAD grants leveraged with mortgage loans) redistributed more land and more land wealth than private purchases (15,137 hectares versus 6,943 hectares, and R14.3 million versus R10.7 million, respectively). Despite this trend, 2003 saw the land wealth transferred only with government grants decline by 20.2 per cent and the area of land transferred only with government grants decline by 57.5 per cent. Higher real land prices paid for these farms may either reflect (a) general increases in real farmland prices during 2003, (b) that beneficiaries of government grants paid prices in excess of market value, or (c) that land purchased with government grants was, on average, of a higher quality in 2003. Further investigation is necessary to determine whether there is a relationship between this observation and the characteristics of land purchased for restitution and redistribution purposes.

The number of transactions financed with a combination of LRAD-grants and mortgage finance decreased from 14 in 2002 to six in 2003. All six transactions in 2003 were financed by the Land Bank and transferred land of a relatively low quality. The absence of private-public partnerships in financing land during 2003 is of concern. One possible obstacle to these partnerships, voiced by Ithala, is the lack of access to grant funds. This situation has arisen because the Land Bank, the only bank permitted to approve LRAD applications, has not processed many of the deals for which it approved grants. This raises obvious questions about the delays in concluding deals, and the policy decision to deny other banks the privilege of approving LRAD grants for eligible clients whose loan applications have been assessed and found creditworthy. Inkhezo, an institution established by the sugar industry to accelerate the rate of land redistribution within the sector, was launched during 2004 and is expected to facilitate the role of private banks in financing the redistribution of sugarcane land in the future.

As regards gender issues, women as sole owners or married co-owners accounted for the largest share (40 per cent) of all transactions during 1997-2003, largely because bequests favour women. Women are also well represented in transactions to establish emerging sugarcane farmers by private sugar millers and financed by Ithala, which partly explains why the weighted real land price (quality of land) purchased by women compared to men is relatively high for the 1997-2003 study period (R2,889/ha vs. R2,459/ha), but relatively low in 2003 when no new emerging sugarcane farmer projects were established (R1,418/ha versus R1,898/ha). Nevertheless, during the study period, and in particular during 2003, previously disadvantaged women gained less land than their male counterparts (27,513 versus 39,597 hectares for 1997-2003 and 1,869 versus 4,241 hectares in 2003) and, after removing non-market transactions, they gained much less land wealth compared to their male counterparts (R57 million versus R88 million for 1997-2003 and R1.4 million versus R8.0 million in 2003). There is also concern that women are under-represented in land transactions involving corporate buyers as these transactions accounted for 74 per cent of the area transferred in 2003 and 67 per cent of the area transferred during 1997-2003. Finally, findings suggest that women are poorly represented in LRAD grants administered by the Land Bank. If further investigations verify this finding, one approach towards remedying this situation is for the DLA to extend these administration privileges to other financial institutions.

REFERENCES

FERRER SRD & SEMALULU AK (2004). Land redistribution in KwaZulu-Natal: an analysis of farmland transactions from 1997 until 2002. *Establishing farm-based Equity-share Schemes in KwaZulu-Natal: Lessons from USAID's BASIS Research Programme. Proceeding from a mini-conference held at Victoria Country Club, Pietermaritzburg, 26 July 2004.* Edited by Lyne M & Roth M,

GRAHAM A & LYNE MC (1999). Land redistribution in KwaZulu-Natal: an analysis of farmland transactions in 1997. *Development Southern Africa* 16(3): 435-445.

KNIGHT SL & LYNE MC (2002). Perceptions of farm worker equity-share schemes in South Africa. *Agrekon,* 41(4): 356-374.

LYNE MC & DARROCH MAG (2003). Land redistribution in South Africa: Past performance and future policy. In: Nieuwoudt WL and Groenewald J (eds.) (2003). *The challenge of change: Agriculture, Land and the South African Economy*. University of Natal Press, Durban.

LYNE MC (2003). Personal communication. Professor in Agricultural Economics, University of Natal, Pietermaritzburg.

NIEUWOUDT WL & VINK N (1995). Financing of land purchase by small scale farmers. *Development Southern Africa,* 12(4): 509-517

PRINGLE, D (2004). Personal communication. Divisional manager: rural development, Ithala Finance & Development Corporation, Durban.