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GROUND NUT FARMING IN TSETSEJWE  
BY  
DR. ROBERT CURRY  
STUDIES IN DEVELOPMENT MANAGEMENT  
NO. 6  
MAY, 1978

**Botswana  
Lesotho  
Swaziland**

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## FOREWORD

The Institute of Development Management has undertaken a series of Studies in Development Management. These have a two-fold purpose; first to provide much needed additional materials based on local experience for use in IDM training courses and seminars; and second, to assist members of the IDM and others concerned in analysing development policies and programs and their implementation.

This study is the sixth in the series to be published. It was undertaken for the IDM by Dr. Robert Curry of the California State University, Sacramento, during the months of June and July, 1976.

The author assumes full responsibility for the contents of the study. Provided acknowledgement is made part or all of the study may be reproduced.

George V. Haythorne,  
Director.

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## GROUND NUT FARMING IN TSETSEJWE

### I. Introduction

Botswana's National Development Plan for the 1973-1978 period stipulates that an aim of agricultural policy is to develop "... basic food-crop production to provide improved and more reliable food supplies for most farm families, and, for those who show sufficient management ability, the encouragement of commercial production to increase cash incomes". The ground nut farmers of Tsetsejwe indeed have shown an ability to develop successfully a new and viable cash crop. Their successes reflect what agricultural policy aims to achieve and in this sense, focusing on their story could be useful and instructive.

### II. Background to Tsetsejwe Ground Nut Farming

The Tsetsejwe farmers shifted to ground nut production from sorghum and other basic crops for a variety of reasons. Sorghum and maize are routinely regarded as cereal staples by nearly all Botswana farmers. But their cultivation requires constant attention and quite often sorghum and maize produce relatively small returns to farmers for the time that they must spend in growing these crops. During the late 1960's and early 1970's Tsetsejwe farmers began giving serious thought to an idea that would have them shift their lands, and their farming time, to a new cash crop, one offering a potential for greater returns. The idea was growing ground nuts (or peanuts) for sale in South Africa. It was in the latter 1960's that the first of the villagers began to shift his acreage from sorghum and maize to ground nuts. Several years later others followed his lead. They sought to augment their incomes and to increase the returns from the time that they spent in the fields. And while some Tsetsejwe farmers subsequently turned to other cash crops, primarily beans and sunflower, in the main, they switched to ground nuts. The trend promises to continue through the foreseeable future.

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The materials prepared for this case are drawn from fact and are provided for classroom use. No effort towards evaluation has been made. The case was prepared with the generous co-operation of officials from the Department of Agriculture. The case was made possible due to the generous assistance of the farmers of Tsetsejwe. Excellent interpreting assistance was provided by Mr. Silvestor Moapare.

According to Mr. Lebanna Lebanna, an Agricultural Supervisor who spent some time in the Tsetsejwe area, the first farmer to develop an interest in peanuts did so in about 1968 or 1969. He is Mr. Jeromia Dikhang who successfully planted, harvested and sold a ground nut crop at that time. Since then, other farmers have followed his lead by turning to ground nuts. Their switch has proceeded steadily and rapidly. Mr. Lebanna reported that by 1973-1974, ten farmers planted 620 acres, harvested 1,353 bags of shelled peanuts, and sold 939 bags for a total of R21,003.03. But this was just a beginning according to an interview by Lopang Ditgang published in the March, 1976 issue of Agrinews, a monthly publication of the Ministry of Agriculture. In the interview, Mr. Lebanna said that in 1974-1975, the number of farmers planting peanuts doubled to 20. They planted 1,240 acres, harvested 7,440 shelled bags, all of which were sold, for a total of R193,440.55. This reflected a healthy increase in the shell bag price and, as well, a substantial increase both in acreage planted and in yield per acre. During 1974-1975, one local farmer, Mr. Gaborone Marapula, harvested 416 shelled bags from 120 acres, yielding a sales revenue of R8,975.50. He was the area's leading producer both in terms of quantity harvested and sales revenue received.

It is estimated that for the 1975-1976 season, farmers planted upwards of 2,000 acres in peanuts, according to the current Agricultural Demonstrator, Mr. E.I. Phili. The local farmers refer to their new crop as "The Shallow Diamond", one which, for them, has indeed become a profitable crop.

Their successes have not come easily. When ground nuts were first introduced to the Tsetsejwe area, it was difficult for the local Batswana farmers to switch their lands from traditional staples to planting peanuts. There were shortages of proper planting and harvesting implements. Threshers and shellers, called winnowing machines, were introduced in the late 1960's when Jeromia Dikhang bought machines for his own use. Seeing that there was a demand for them locally, he hired them out to his farming compatriots. This enterprising farmer, Mr. Dikhang, planted a first-year peanut crop of 60 acres from which he harvested 154 shelled bags, selling them for R3,338.57. He used his cash receipts to buy more machinery for an outlay of more than R3,000. He used the machinery on his farm, and assisted another farmer, Mr. O. Mosarwana. He then hired the implements out to his other neighbours who wanted to use them either to thresh or to grind food for livestock. In this way, the region's whole farming community was benefitted by Mr. Dikhang's introduction of additional machinery.

Once the implements were obtained, local farmers began to hire the required labor. This was not a problem because some of the farmers holding fewer acres provided labor to the larger farms. These smaller farmers benefitted from peanut sales by earning wages in excess of the incomes that they would have earned if they had used their time in ploughing and harvesting maize and sorghum. They earned wages instead of continuing their traditional cultivation. Other non-peanut growers earned wages augmenting the incomes that they received from traditional cultivation.

The Tsetsejwe peanut farms have been successful in no small measure because of the diligence and persistence of their owners. In his Agri-news interview, Mr. Lebanna noted that in Tsetsejwe, "We are blessed with diligent and courageous farmers; their records show desirable yields. A proof that the farmers are diligent in commercial crop farming is that although it is not easy to destump large areas of land, a total of 5,490 acres have been wholly destumped, ready to be ploughed and planted." In addition, destumping and wire fencing are not inexpensive to the farmers. It costs R20.00 for labor alone to destump an acre using an axe, mattock and shovel. So the local peanut farmers clearly expect the "Shallow Diamond" boom to go on.

Besides the initiative displayed by the farmers, other factors have been important in the success of the ground nut ventures. First, proven peanut seeds, treated with insecticides, have been available from South African suppliers. Second, while it has been difficult to rotate crops because of the attraction generated by ground nut profits, farmers have been encouraged to do so by the local Agricultural Demonstrator. Mr. Phili has pointed out the necessity of maintaining soil in fertile condition. Third, by fencing out wildlife and livestock, they have protected their acreage from possible serious abuse. Fourth, recent years have witnessed good to adequate rainfalls. The only fear that the farmers have is the one that is endemic to Botswana: the lack of sufficient rainfall.

Tsetsejwe farmers and their workers have been well rewarded for their past efforts. All of the farmers planting peanuts sell them to a South African Co-operative buyer, and each time they sell successive crops to their buyer, they receive bonuses on their previous year's sales. With their sales and bonuses, the farmers not only cover their costs, but they have income left over to meet their own needs. Those working as farm labourers report that their incomes are greater than what they would have received if they had devoted their time and lands to planting traditional staples.



### III. The Tsetsejwe Farming Area

Tsetsejwe village is located in the Backline area just north of Botswana's Tuli Block. (See map on page 5.) About 2,000 farmers live near the village and most of them are small, subsistence producers. About ten per cent of them sell cash crops to supplement subsistence production. In the 1976-1977 season about 40 or 50 farmers are expected to plant peanuts. The local Agricultural Demonstrator, Mr. Phili, predicts that this number will soon grow to 100 and that it could go even higher.

The farms at Tsetsejwe vary in size, but all are held under traditional tribal tenure, not freehold. Some are very small, while others are actually quite extensive agricultural enterprises. Large farms are operated by the areas three "Master Farmers", Jeromia Dikhang, Gaborone Marapula and O. Morsarwana. The larger farms grow a combination of staples — maize and sorghum — and other crops such as cowpeas and sunflower as well as ground nuts. Crop rotation plays some role in the selection of crops. And in addition, almost all of the region's medium and large sized farms reserve some land for cattle-grazing. The cattle are sold mostly to the Botswana Meat Commission although a few are slaughtered for local use, including to provide rations to farm workers. The people who work the smaller farms also raise cattle and they mainly sell them to the Commission through an agent.

The area's farms and the acreages devoted to peanuts vary in size. There are three Master Farmers in Tsetsejwe — Jeromia Dikhang, O. Morsarwana and Gaborone Marapula. Their ground nut acreage varies from 175 to 600 each on an annual basis. There are ten other farmers in the area who plant from 70 to 120 acres. The remainder of the smaller ground nut producers use less than 25 acres for peanuts. These farmers either are small land holders or they use relatively little of their acreage for ground nuts. The farmers in the area who grow ground nuts do so while growing other crops, particularly sorghum and maize. In addition, those who rotate their crops usually plant no more than two consecutive ground nut crops. The rotation suggested by the Agricultural Demonstrator is to use new seeds and fertilizer with the second successive crop and in the third year rotate the land to maize. He suggests using the acreage to grow either sunflower or cowpeas in the fourth year and then return to peanuts in the fifth. He strongly recommends using fertilizer when the land is once again converted to peanuts.

Tsetsejwe is the only village in the Backline area whose residents plant and harvest ground nuts on any significant scale. The farmers in neighbouring Metsibotlhoko grow mainly staples and raise cattle. The

same is mostly true for Mathatane, but two farmers in this Backline village are following the Tsetsejwe farmers' lead. They have planted ground nuts and are now in the process of shipping their first harvests to market in South Africa.

The neighbouring Tuli Block lies south of the Backline along the Botswana side of the Limpopo River. Its farms are free-hold and they are much larger than those in the Backline and their crops are more diversified. Many of the farmers grow green vegetables and a few of them use their extensive land-holdings to graze upwards of 2,000 head of cattle. The Tuli farmers are either Botswana who have government or business connections in the mainstream of the country's economy or they are farmers whose nationalities are primarily South African or British. In addition to the relatively large land holdings, the farms tend to be highly mechanised. Farm machines and implements are purchased from South African sources and second-hand machinery is either traded-in or sold to other farmers such as those in the Tsetsejwe area.

#### IV. The Tsetsejwe Farmers

The Tsetsejwe farmers, in the main, share some prevalent characteristics. They tend to reflect the qualities of entrepreneurship. Those who first went into peanut farming were willing to stake something of their own and risk losing it in an effort to gain added material well-being for themselves and their families. They sold cattle to obtain seed, and they diverted their existing farmlands to a new crop — one with which they had no previous experience. In effect, they sacrificed "safe" opportunities to use their lands and time to cultivate traditional staples. The sacrifices were often very real ones because in the early years of ground nut farming in Tsetsejwe, crop failures accompanied inadequate rainfall. But the farmers faced these obstacles; through their persistence, courage and diligence, they continued pursuing a good idea until peanuts were indeed profitable cash crops.

The village's farmers began growing and selling peanuts for various reasons. Mr. Dikhang, the first to plant peanuts, got the idea from a Tuli Block farmer with whom he was acquainted. In the 1960's he sold cattle to buy seed and planted 60 acres with the assistance of the farmer who introduced him to the idea. After an initial good harvest, he experienced a string of very disappointing crops due to inadequate rainfall. But he was undaunted and finally enjoyed good years. When his crops again were good due to adequate rains another Master Farmer, Mr. O. Mosarwana, got the idea of growing ground nuts. He was influenced by Dikhang's new found success. Mr. Dikhang assisted his neighbour by

sharing with him what he had learned about peanut farming. The two entered into a very successful period as their harvests expanded and their receipts from the South African buyer increased. Each bought machinery with his receipts and each has continued to expand his peanut production levels. Cash receipts from the sales to the South African buying co-op continued to grow.

Gaborone Marapula, the third of the three most productive farmers to enter into peanut production, got the idea from Mr. Lebanna who was then the Agricultural Demonstrator for the Tsetsejwe area. Mr. Marapula began in 1972-73 when he planted 300 acres, eventually increasing this to a planned 600 acres. But in 1975-1976 he reduced this acreage back to 300 acres because of the late rains as well as some crop rotation.

When the profits began rolling in, the farmers continued to reflect a classical entrepreneurial characteristic — a willingness to undertake risk. They bought second-hand equipment from the nearby Tuli Block farmers thus using their bonuses and some of their regular ground nut earnings to expand their capacity to produce even more peanuts.

There are several personal characteristics contributing to making the Tsetsejwe farmers impressive entrepreneurs. They are a hard-working and sober lot and, in the main, they are well-travelled and have observed business and farming activities outside their region. They seem to have an idea of where they are going and how they are going to get there. Typical of responses from the farmers interviewed is a comment by Mr. Mpeema. He worked for a South African farmer and learned of the profit opportunities afforded by ground nuts. He then returned to Botswana, obtained land from the Land Board, planted peanuts, and is about to sell his second crop and receive his first bonus. With it he plans to buy machinery and after obtaining even more land from the Board, he will clear the acreage and plant more peanuts. With his expected future profits, he plans to send his children on to school beyond the primary level, he hopes all the way to college. His views are typical of those who have made the Tsetsejwe experience such a successful and admirable one.

#### V. Recent Ground Nut Harvests in Tsetsejwe

Acreage cleared, ploughed and planted in ground nuts has expanded dramatically. Ground nuts are planted at the time of the first adequate rains. This usually takes place sometime between October and December. The peanuts are harvested in April or May depending upon when they were planted. The peanuts are then shelled on each farm where they are then bagged and stored awaiting delivery to market. The farmers hire trucks

owned by Tuli Block farmers, or they hire the vehicle owned by the operator of the Backline Store located near the village.

Table I shows data on acres planted, bags harvested, shelled and sold, and revenue received for the years 1973-74, 1974-75 and an estimate for 1975-76. No completely adequate records are kept but the figures give a reasonably accurate picture of the Tsetsejwe situation. It should be noted that for the 1975-76 harvest, the three master farmers expect to harvest up to 2,000 bags from approximately 725 acres, and they could receive in the neighbourhood of R45,000 depending upon price and grade (a matter discussed shortly).

Table I. Ground Nut Farming in Tsetsejwe

| <u>Year</u> | <u>No. Farmers</u> | <u>Acres</u> | <u>Bags Harvested</u> | <u>Sales Receipts</u> |
|-------------|--------------------|--------------|-----------------------|-----------------------|
| 1968/69(a)  | 1                  | 60           | 154                   | R 3,388.57            |
| 1973/74(a)  | 10                 | 620          | 1,353                 | R 21,003.03           |
| 1974/75(a)  | 20                 | 1,240        | 7,440                 | R 193,440.55          |
| 1975/76(b)  | 36                 | 2,500        | 2,500                 | R 250,000.00          |

(a) Source: "Peanut Profit", Agrinews, Vol. 7 No. 3 (March 1976).

(b) Data for 1975/76 are estimated based on interviews with Tsetsejwe farmers. Since the crops were just being harvested, shelled, bagged and transported to market, final data were not available. In addition, many of the farmers do not keep adequate records and some estimating is therefore required.

#### VI. Factors in Producing Ground Nuts

Land is obviously required if ground nuts are to be grown. The farmers in the area began planting peanuts on land that was once used for maize, sorghum and other staples. But as the farmers recognised the profitability of selling peanuts, they began to request additional acreage from the Land Board. For the most part, the land has been granted to farmers making requests for additional land. The Land Board's basic requirement is that the farmers clear and plant, or intend to plant, on the land already assigned to him. Only the farmers to the west of the village said they had not received sufficient land allocations from the Board. The reason, they declared, was that the land is used for cattle grazing by farmers in a neighbouring village.

Once a farmer is allocated new land, or when he decides to divert his existing land-holding to peanuts, he must clear the bush, plough and plant with the first rains, harvest in April or May, and then shell, bag and transport the ground nuts to market. Labor is an important factor in all of these functions. The local farmers have encountered no problems with labor availability, but a number of them complain about rising labor costs. The current wage is 40 cents per day for a male worker with rations provided. Other labor, school-children, for example, is hired at lower wages during school vacation. Children and women are employed on a seasonal and part-time basis particularly during the busy months. Few farmers have permanent employees. The three largest farms have from two to five permanent workers who primarily fill foremen's jobs.

The farmers report that wages have increased steadily in recent years, increasing from 20 to 25 to 30 and then to 40 cents per day. Improved rations have accompanied the wage increases. While the wage level appears pitifully low by industrial standards, the workers feel that their lot has been improved by the availability of wage employment. Most of the workers supplement their own farming outputs with the money incomes and rations.

The seeds required for planting are purchased from South Africa, mainly from the Co-op which buys harvested peanuts. The price per bag of seed has also climbed steadily. In 1973, a bag cost R14.00 and this increased in succeeding years to R15.00, R18.00 and for this past year, R21.00. Each bag of seed can be used to plant from about six to nine acres and the peanut harvest per bag of seed is in the neighbourhood of 20 to 30 bags of various grades. Since the farmers tend not to keep adequate records, the above estimates have been made by the case writer based on his interviews with farmers in the area.

The farmers need empty bags which they also buy from the Co-op. Prices for bags have climbed gradually from 45¢ to 49¢ and then to 50¢ and finally 55¢ each since 1973.

Many of the larger and middle-sized farm owners have purchased second-hand machinery from Tuli Block farmers. They have obtained tractors, harvesters, planters and shellers. Machinery prices have tended to increase and many farmers complain that the cost of petrol has risen exorbitantly. For those few who use chemical fertilizers, purchase costs have also risen.

Transportation cost increases have accompanied the general rise in production costs. In 1976 the fee for transporting one bag of shelled peanuts to market was R1.20. The preceding years' cost had remained at R1.00.

The farmers feel that the cost of getting goods to market is quite high and there is talk of jointly purchasing a second hand truck from a Tuli Block farmer or from some other source.

Table II summarizes the production and transportation cost increases in various resource categories for the past four years.

Table II. Cost Increase in Ground Nut Farming

| <u>Year</u> | <u>Labor Cost/<br/>Day</u> | <u>Transportation<br/>Cost/Bag</u> | <u>Seed</u> | <u>Empty<br/>Bags</u> |
|-------------|----------------------------|------------------------------------|-------------|-----------------------|
| 1972/73     | .20                        | 1.00                               | 14.00       | .45                   |
| 1973/74     | .25                        | 1.00                               | 15.00       | .49                   |
| 1974/75     | .30                        | 1.00                               | 18.00       | .50                   |
| 1975/76     | .40                        | 1.20                               | 21.00       | .55                   |

Source: Interviews with Tsetsejwe farmers.

#### VII. Factors in Marketing and Selling Ground Nuts

The farmers do not influence the demand for peanuts. Demand is independent of their activities and they simply supply to fill that demand. Peanuts are purchased by a South African co-operative which in turn sells them to peanut oil and peanut butter producers. These finished products are marketed throughout Southern Africa, some of them being sold in Botswana.

The farmers feel that they have no option other than to sell their peanuts to the co-op. At present there is no local market in Botswana and no other outlet exists in South Africa that can match the co-op's prices. The co-operative is located in Potgietersrus, about 200 kilometres from the village. There are smaller co-ops in other South African towns on the road to Potgietersrus. There are co-operative buyers in these towns such as Swartwater, but they offer the Tsetsejwe farmers a 50 cent lower price per bag. The small co-operatives would then simply transport the peanuts to market.

When the ground nuts reach the South African co-op they are checked for grading. The individual farmer does his own grading but he is checked in the Republic and often the grades are changed. In fact, some bags are rejected by the buyer. The grades range from one to four, the former carrying a higher price based on superior quality. Farmers neither know in advance what the price paid will be nor do they have complete assurance

that their grading will be accepted. They do not know how much they will be paid until their cheques are actually received.

A factor which serves to keep the farmer selling to the co-op is the bonus system. A bonus is paid to each farmer when he sells successive crops to the South African buyer. No bonus is paid for the first crop. The bonus is calculated on the quantity and grade sold the previous year. The farmers are unaware of precisely how the bonus is calculated, and the cash receipt slips that they receive do not indicate the bonus formula. However, it does appear that the bonus is in the neighbourhood of seven to ten per cent of the previous year's cash receipts. The bonus is paid in two instalments, the first in February and the second in October.

While the farmers are generally pleased with prices, bonuses and their gross receipts, they would like to have more information about how prices are set and how bonuses are determined. The Farmers Committee is now considering appointing some of its members to look into the matter. This year has been disappointing because the farmers were told that the price for grade one would be R30.00 but the actual price has been around R25.00. The buyer argues that rising labor costs in South Africa prevent higher prices from being paid to Botswana peanut exporters.

During the past four years the average price of peanuts (considering the mix of grades) has risen annually from R16.00 to R18.00 and currently to about R22.00. The increases in bonuses reflect this price trend. Bonuses are going up annually because of increases in the base prices and increases in output. The bonus rate remains about seven to ten per cent but it is based on a progressively higher level of previous-year quantities and cash receipts. The cash receipts reflect not only greater quantities sold and higher purchase prices, but improved grades as well. One farmer, Mr. R. Lesole, reported that all of his peanuts for the current year were sold at grade one. He credits his remarkable success to crop rotation and the use of chemical fertilizer. This will be reflected in his next year's bonus as well as this year's receipts.

In summary, the farmers feel that they are making progressively more profits despite the fact that their costs are on the rise. They believe that their cash receipts are increasing more rapidly than their production and transportation costs. Several reasons appear to underly this: first, grades are improving due to more knowledge about the growing process; second, more acres are being planted and output per acre is increasing due again to improved farming methods; third, the use of machinery is cutting the cost of production; and fourth, the improved prices and bonuses are adding rapidly to receipts.

### VIII. Impact on the Tsetsejwe Area

Obviously the primary beneficiaries are the ground nut farmers. However, the villagers generally are benefitting from the sales of "Shallow Diamonds". Not only are there more opportunities to earn income and rations, but other factors are involved. For example, the local village school's headmaster reports that while the school has three streams in the first through fourth grades, the fifth grade has only two streams and the sixth and seventh grades have one stream each. This means that more children have been starting school during the past four years, a period coincidental with the peanut boom. The headmaster is confident that more children are going to school because their parents or guardians can now afford to pay the tuition and other costs. Their capacity to pay, he feels, is due in the main to wages and profit earnings provided by ground nut sales. In fact, he pointed out that one farmer has paid the tuition of no less than ten children this year.

### IX. Some Remaining Problems

Tsetsejwe has certainly enjoyed growing success in selling ground nuts. But this should not mask the fact that some problems remain. These were voiced in interviews with more than a dozen farmers, including the three largest producers, all of the others whose farms cover more than 100 acres, and a sample of farmers whose holdings are relatively small. The basic problems have to do with rainfall, the Pula's introduction, poor record keeping, and transportation difficulties, including the requirement that they must obtain export permits from Gaborone.

Rainfall is an obvious problem, and farmers can do little about it. However, they do have one technical option — irrigation. Mr. Lesole has built a dam on his farm and with this year's bonus he is going to buy a generator to pump water. Others are either in the process of building dams or contemplating doing so. The Limpopo is more than twelve miles to the south and pumping from it would be an expensive proposition, one far beyond the reach of the Tsetsejwe farmers. They feel that a major effort by Government would be required if they are ever to tap the Limpopo's water flows.

Lack of rain in the past has meant a loss for some farmers. Jeromia Dikhang suffered four consecutive bad seasons before the rainfall became ample enough for him to plant successfully. This year Mr. D. Manyeula claimed to have nearly lost much of his crop. The late rains caused Gaborone Marapula to plant late and on fewer acres.

The Pula's introduction raises other problems with which the farmer must contend. Currently, of course, Botswana uses the South African Rand.



And some of the Tsetsejwe farmers bank in South Africa and from these accounts they arrange to cover normal business payments. They are unclear about what the status of these accounts will be when the Pula is introduced. Others bank in Pikwe and they too do not seem to fully understand the implications of dealing in a foreign exchange situation. It appears that a rather thorough explanation of the intricacies is in order. In addition, for those banking in Pikwe, many farmers raise the hope that the commercial banks involved will provide mobile banking units for use in Tsetsejwe. Their banking activities are likely to increase, and the road to Pikwe is a long and rough one. And using it is time consuming for those who own vehicles. Those who do not must rely on neighbours for lifts to town.

One problem that appears to be crucial is that the new agricultural entrepreneurs of Tsetsejwe simply have not had previous business experiences. They are not prepared to conduct their current business activities on a sound basis. Records are seldom kept. When they are, no systematic accounting of business records is performed. The Agricultural Supervisor has attempted to get the farmers in the habit of keeping records and organizing them in a manner that would let the farmers know just how well, or how poorly, their businesses are doing. Mr. Phili, suggested that perhaps some short courses could be provided for the local farmer-businessmen. Given that some of their gross cash flows approach R50.000 annually, the lack of fundamental training in, and a basic appreciation for, account-keeping and analysis could become costly indeed. On one occasion, for example, a farmer being interviewed produced a bag containing various receipts for a four year period. The receipts were completely unorganized, much less analyzed, and their total value appeared to exceed R50.000. On two occasions, not a single receipt was kept by farmers who were being interviewed. The Agricultural Demonstrator is attempting to introduce the idea of sound book-keeping practices by calling to the farmers' attention the need to know just how well, or how poorly, their farming businesses are doing. The farmers appear to recognise this deficiency and they are discussing what to do about it at meetings of the Farmers Committee.

The farmers encounter transportation problems during July and August when they begin shipping peanuts to market. As stated, ground nuts are planted at the time of the first adequate rains. This usually takes place sometime between October and December. The peanuts are harvested in April, May and June depending upon when they were planted. The peanuts are then shelled on each farm where they are then bagged and stored awaiting delivery to market. The farmers hire, in July and August, trucks owned by Tuli Block farmers, or they hire the

vehicle owned by the operator of the Backline Store located near the village. The Tuli Block farmers make their vehicles available to their Tsetsejwe counterparts only after they have transported their crops to market. Some of the Tsetsejwe farmers have to wait for transportation facilities.

The farmers face another problem in getting their output to market. They must obtain export permits from Gaborone prior to shipping ground nuts out of the country. They feel that they must have the permits on hand prior to harvest. Therefore, they estimate the quantities that they will be exporting and if they underestimate their output, they must obtain export permits covering the ground nuts not accounted for in the original applications. The reason for applying early is that if they wait until they harvest, they cannot be assured of receiving permits in time to ship to South Africa without added delays. They might otherwise have to store their bagged and shelled peanuts on their farms, risking spoilage. Several of the farmers interviewed said they nearly lost crops due to waiting for export permits.

The farmers contemplate taking two steps to reduce their transport and storage problems. The first, is to request that export permits be made available either at the Zanzibar crossing on the Limpopo River or through the local Agricultural Demonstrator. This would eliminate the need to obtain permits by mail from Gaborone. The mails arrive in Tsetsejwe weekly via a postal box located in Palapye. The sparse mail service adds to the difficulty of receiving export permits in time to assure prompt marketing of the perishable peanut export. One farmer mentioned that he ordinarily sends telexes to obtain permits. But he still faces the problem of sparse mail delivery service to the Tsetsejwe village. The second, is a move contemplated by the local Farmers Committee which would encourage farmers to pool their financial resources to buy a truck to be used communally to deliver products to market. The Committee envisions buying a second hand truck from a Tuli Block farmer.

#### X. The Farmers Committee

The Farmers Committee has been in existence in Tsetsejwe for several years. It was one of the first of the village's seven functioning committees. It has been a source of contact particularly among the owners of the larger farms in Tsetsejwe. Its meetings are normally attended by 50 or more people. All the difficulties outlined in the previous section have been discussed by the Committee in an effort to develop ways of resolving some of the peanut farmers problems.

Mr. Keipidile Motshabi is the Chairman of the Farmers Committee. Mr. Motshabi, elected by his fellow farmers, mentioned that the Commi-

tee is a good place for farmers to exchange ideas and information. In fact, he is a very new ground nut farmer whose first crop was harvested this year. His decision to convert some of his land to peanuts arose from several discussions with fellow farmers at the Committee's various meetings.

#### XI. Future Developments in the Tsetsejwe Area

One development likely to take place is using some of the peanut crop to fatten cattle. The Tsetsejwe farmers are aware that several of their Tuli Block counterparts use ground nuts as supplementary cattle feed. One Tuli farmer, who speculates in cattle purchase and resale, uses ground nuts for cattle fattening. He claims that in four weeks the result is substantial permitting him to buy leaner cattle at lower prices and fatten them to higher grades for sale to the Botswana Meat Commission. The Tsetsejwe farmers appear to be very interested in this process.

Another potential development is irrigation. Some farmers contemplate using ground nut earnings to irrigate their lands. Not only are they considering expanding peanut production but some of them are following another Tuli Block farmer lead — switching from ground nuts to even more profitable green vegetable crops. While growth in peanut planting, harvesting and selling will certainly continue, it could be supplemented by ventures into other cash crops.

Peanuts, or "Shallow Diamonds", have become increasingly important to the region's farmers. And in fact, the Tsetsejwe farmers are in the process of over-taking their Tuli Block counterparts in peanut output and sales revenue. According to Mr. Phili, the farmers will soon rank only behind the Barolong ground nut farmers in production and sales. While their successes have not proceeded problem-free, if the past is a key to their future, the people of Tsetsejwe can look forward to even better times.

#### XII. Questions for Discussion

1. Discuss the role of the willingness to undertake risk as an essential element in individual entrepreneurship.
2. Discuss the relationship of managerial expertise and experience as an essential supplement to entrepreneurship if a business venture is to be successful.
3. Discuss the usefulness of adequate book-keeping and data analysis as they pertain to successful management of a new venture.



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