

**DETERMINANTS OF ACCESS TO FARM CREDIT BY EMERGING  
FARMERS OF THULAMELA LOCAL MUNICIPALITY, SOUTH AFRICA**

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**A Dissertation in the Department of Agricultural Economics and Agribusiness  
Submitted to the School of Agriculture in partial fulfilment of the requirements**

**For the Degree of**

**MASTER OF SCIENCE IN AGRICULTURAL ECONOMICS (MSc. AEC)**

**AT**

**THE UNIVERSITY OF VENDA**

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**June 2013**

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## ABSTRACT

*This study was conducted in the Thulamela Local Municipality of South Africa to investigate key determinants of access to farm credit. This involved a systematic random sampling of 175 respondents from the study area. Logistic regression model was used to analyse data. Structured questionnaires with both closed and open-ended questions were used to collect data while for the study. Data collected by structured questionnaires were captured into Excel spread sheets and the SPSS Version 19.0IBM programmes and analysed through descriptive, inferential statistics and Logistic regression techniques. Major findings of the study were linked to lower youth participation and dominance in the agricultural sector by retired elderly people with low literacy levels. Most farmers had large families with unemployed family heads who drew their incomes mainly from pension, remittances and government grants. Most of these emerging farmers in the Thulamela Local Municipality accessed agricultural training, extension, and market for produce however they possessed expansive farming experience. Several other major factors affected these farmers as were new market entrants in the agricultural value chain. Among other negligible factors, location of the farm project, age of the farmer, farm income, expenditure and the credit amount applied were found to be the key determinants of access and supply of farm credit. Farmers located further away from their service centres had better chances for farm credit access. Farm income increased because of more credit access while limited expenditure was associated with no farm credit. The study recommends strategies leading to improved access and supply of farm credit by emerging farmers. On the other hand attracting, training and mentoring youths to participate in agriculture as well as educating and training elderly farmers would help solve problems of limited education and expansive experience. The following were proposed as tasks for further research i.e. investigating access and supply of credit from an agribusiness point of view and examination of limitations in donor activity (NGOs) in the supply of financial resources to South African emerging farmers.*

**Key Words:** *Access to credit, Credit constraints, Farm credit, emerging farmers*