

Poverty Incidence among Smallholder Farmers in the Amathole District Municipality, Eastern Cape Province, South Africa

L. J. S. Baiyegunhi¹ and G. C. G. Fraser^{2*}

¹*SAEES- Discipline of Agricultural Economics, University of KwaZulu-Natal, P. Bag X01, Scottsville 3209, Pietermaritzburg, South Africa*

²*Department of Economics and Economic History, Rhodes University, Grahamstown, South Africa*

**Telephone: +2746 603 7403, *E-mail: g.fraser@ru.ac.za*

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ABSTRACT Strategies aimed at poverty alleviation need to identify factors that are strongly associated with poverty and are amenable to modification by policy. The study employed a household welfare function, approximated by household expenditure per adult equivalent to offer explanation for the incidence of poverty and its correlates. Data were collected from a household level survey of 150 smallholder farmers in the Amathole District Municipality, Eastern Cape Province of South Africa. The Foster, Greer, and Thorbecke (FGT) poverty index was used to analyse the extent and severity of poverty and the results revealed that about 44 percent of the sampled households live below poverty line with average poverty gap of 0.097, while results from the Tobit regression model showed that household head's gender, age, education, households' dependency ratio, occupation, security of land rights, credit availability, social capital and assets ownership are important determinants of smallholder farmers' poverty. Implications for smallholder farmers' poverty reduction were discussed.