

CFU Calling

28 July 2011

The weather has certainly changed a bit for the better this week and hopefully the worst of winter is behind us but the fire season has already started.

This week was of course dominated by Congress, which was held on Tuesday, which was followed by the change of leadership with the bowing out of the old and coming in of the new who have certainly hit the ground running.

From all reports Congress was a great success and was very well attended by people from all around the country, which was very much appreciated. Our much awaited raffle for the weekend on the Zambezi Trader was finally drawn after Congress and the winner was Mr James Davy ticket number 0179.

See some highlights from Congress are below.

NOTES FROM CONGRESS 2011

All the Congress reports have been uploaded onto the website www.cfuzim.org Click onto Congress on the side menu, then 2011.

Ben Gilpin gave the first presentation on behalf of ARAC which was excellent. In his Power Point presentation he disclosed the following figures from the 2008 Gecko Survey:

- Compensation for closure 51%
- Prepared to return to farm 44%
- Prepared to farm elsewhere 23%
- Managers wishing to farm again 78%
- Farmers willing to reinvest in Zimbabwe 78%

Under the heading No Solution Without:

- Return to the rule of law
- Putting an end to disputed title
- Respect for property rights and investment agreements
- Re-engagement of competent farmers and skilled workers
- A revision of the indigenisation agenda

Under the heading Our Vision:

- A healed country with productive and empowered citizens
- A place where exclusion is replaced by fundamental acceptance of human rights including right to property
- A strong and vibrant Agricultural sector protected by the rule of law

Hendrik Olivier went over the Audit report, which was done by Grant Thornton, who were congratulated for one of the most thorough audits done for CFU. This is essential, especially with a certain amount of donor funding which has to be accurately accounted for. We are hoping that our new business section will be creating new revenue to keep our Union on stronger financial footing until the farming situation improves which would enable levy collection based on production again.

Last year the licence fees accounted for a mere 6% of the total income but if the full 4 000 ex/members paid and if all payments were paid, and in their correct categories, this would bring in a substantial amount which would equate to 21% of the total income.

Several amendments to the CFU Constitution were also proposed at Congress which will tidy up the finances and assets of your Union. In line with this it is necessary for your Union to draw up a register of all its assets, which also includes all assets of Farmers' Associations, Regional Offices and Commodities. It is

important that the Farmers' Association's assets in the form of farmer's halls, offices, sale pens, shareholdings, etc all be accurately recorded. We therefore seek the assistance of all previous Farmers' Association Chairpersons and secretaries to please come forward with such information so that it can be written down in the register. This is extremely important indeed.

All this information must be channelled to the Director on dir2@cfuzim.org

It was proposed and accepted at Congress that the Union changes its auditors from Ernst and Young to Grant Thornton following the successful audit and lower charges. Ernst and Young were congratulated and sincerely thanked for their long and outstanding service towards the Union.

Congress then went onto the choice of its lawyers for this year and it was unanimously accepted to keep Kevin Arnott as our main lawyer with David Drury advising when necessary.

The licence fee proposal presented to Congress, which was unanimously adopted, was the same as last year, which is:

Farming operators	US\$ 600.00
Associate/corporate/extended members	US\$ 1200.00
Non operators (ARAC) under 70 years	US\$ 100.00
Non operators (ARAC) – Pensioners 70 years & over	US\$ 20.00

Marc Carrie-Wilson presented the proposed changes in the CFU and NADF constitutions which stimulated some debate before being unanimously accepted by Congress. Although the NADF constitution stimulated most of the debate it was accepted by a substantial majority.

Vice President Taffs pointed out in his speech that there would be no asset improvement in the country until compensation is paid therefore this needs to be done almost immediately if we are to move forward. In the current situation there is an agricultural policy vacuum which is severely hindering the productivity in the industry.

Zambia has a sound agricultural policy which is pushing agricultural production forward in leaps and bounds – their wheat production has increased dramatically from 10 000 tonnes per annum to 320 000 tonnes per annum.

Zimbabwe has changed from the bread basket of the region to a huge retailers market with the country now being net importers of the majority of goods and agricultural products which were previously grown here.

One of the ways of achieving adequate productivity was to bring down the cost of lending and hence production so we can become competitive with the imports. The Union will have a passive income from our proposed low interest loans which are currently under negotiation with banks etc.

At the moment the Union is putting together a register of assets held by commodities and farmers associations as essentially these assets fall under the management and care of the Union once those commodities or farmers associations have gone into mothballs. We need to ensure these assets are not lost and if they are to investigate ways of recovering them.

He said that we need to position ourselves for a full recovery and in doing so we should develop a relationship with all businesses with us in the centre. As it is we already have sole signing off powers of the finance which we are currently organising.

It is a fact that the borders will soon all be opened to allow free flow of products therefore we need to urgently look at the whole production chain to bring down our costs so we can be competitive. Under current production costs we would be unable to compete and therefore not sell our products.

It is essential that we capacitate the Union to get away from sponsors that have assisted us over the past few years and our ultimate objective is the formation of a single agricultural union to represent all agriculture in Zimbabwe.

There were questions on the recent importation of a possible 45 000 head of Red Area cattle from Botswana which are being dumped in CSC Bulawayo to make way for the reopening of the Botswana EU export

contracts. This is causing prices of beef in Zimbabwe to drop to low and sub economic levels. The decision was a political one as there was no consultation with the Union or the industry.

He ended by giving outgoing President Deon Theron an emotional thanks:

"Finally I would just like to say a few words about my friend and colleague Deon Theron. I have never in my life met a couple with such honesty, integrity and general common good as Deon and Martha. They themselves have lost everything, faced constant persecution and prosecution and yet have never wavered at the task at hand, that being to help and serve others. To those who have been critical of this man really have no understanding of the facts. Deon it has been a privilege and an honour and I thank you for the opportunities given to me under your leadership. May you and Martha move on and get to enjoy the life that you both deserve."

Johannes Moller, President of AgriSA, said that in the '70s there was an international glut in food production during which time Africa went away from production preferring to trade their minerals for food. But we have to remember that in the '60s there was a World population of 3 billion against the current 6 billion. There are already food shortages as prices rise higher than the 2008 peak. 40% of countries would be buying in food but any increased production must be sustainable, safe and most of all affordable. We need to stabilise the prices.

Climate change is having a negative influence on production in Africa so we need to think more of carbon positive production when increasing. For example agriculture uses 67% of all water used. Production must increase by 100% over the next 40 years. Africa's agriculture is undeveloped and the soils are classed as poor with erratic rainfalls even in the equatorial forests. The infrastructure is also very poor.

Political interference in the land issues is a major problem which was discussed at the recent G20 meeting. Political instability in Africa is another major problem.

At the moment there is a window of opportunity as the days of maize production of around 300kg/ha are no longer acceptable. South Africa is working with NEPAD and AgriSA has agreements in many foreign countries. What is also needed and being headed towards is a uniform currency.

With our expertise in agriculture we are indispensable in Africa. We all need to react, both black and white as we are on the brink of a new rise in food and agricultural prices over the next 5 to 10 years. We must therefore develop agriculture in Africa to take advantage of the increases. History will overcome all the corrupt governments very soon.

Jervis Dzimba of the Zambian National Farmers Union then spoke saying their maize production is now sitting at 1.6 million tonnes this season. He said their recipe for success is they have spent a long period in working on increasing the production of maize coupled with input support programmes, the quantities of which are now being reduced to individuals to increase the subsidised numbers to about 900 000 selected beneficiaries and training in conservation agriculture methods.

10 years ago Zambia was a net importer of wheat but now they are close to export levels.

Another success of the agricultural industry is the price incentives, which although difficult to predict are now linked to an information discovery system through SMS texts where farmers can keep an eye on the highest prices for their product. Contract farming has also proved popular as has the wide distribution of the required inputs giving easy access to everyone.

Long term finance has been sourced externally for the purchase of equipment and generally Government provides a conducive environment to encourage production. There are district information centres as well as chairmen of farmers associations being close at hand. These chairmen all represent their farmers on the board of the ZNFU.

His advice to us was simply to change from being viewed as an elite organisation to an all inclusive body and then we will all succeed whilst working together with hundreds of thousands of others. We need to look at the country itself as we are certainly not in the majority.

Richard Maasdorp of ZETDC said that the nation needs 2 200MW of power daily yet peak production in only about 1 400MW thus leaving a gap of about 600MW. Therefore the load shedding would continue for

another 4 – 5 years. ZESA is not a parastatal but a business yet it is being run as a parastatal. Kariba has a maximum production of 700MW and is a kick in station. We are already using our full water allocation so although we can add another 2 units the water allocation is a problem.

Hwange can produce a maximum of 800MW but has been running at about 650MW for a couple of weeks. They had it up to 700MW recently but the system is unstable because no money has been spent on maintenance. There have already been 28 hot shut downs from uncontrollable surges from neighbouring countries through our regional linkage, which also cause much damage.

If they are paid the right tariff they could make the system more reliable and stable and increase by another 100MW. The use of energy slows right down between 10pm and 4am therefore Kariba just idles and only uses 2 turbines so he advised people to work more at night when more power is available. He also advises that solar water heaters and energy saver lights should be used and installed in all new homes. The country also imports about 150MW

On plans to increase production at Hwange expressions of intent have gone out and tenders will be invited in September. KPMG have been engaged to advise on financing and investors in order to be more proactive. The current tariffs are sub-economic, which tends to turn away possible investors.

There is a 3 – 4 year construction period of any new power generation plants before they come on line. Several of the thermal power stations have been put back on line but power from these is expensive so this is used along dedicated lines and sold at a blended price of 12.5c per kWh. Payment is in advance every month. There are also free riders tapping the lines.

Sable Chemicals uses 80MW and was switched off two months ago over a payment dispute. He admitted that there is also a 10% 'leakage' etc. A new billing system is being introduced over the next 2 months starting in Harare and being completed by year end. There are plans for 175 000 prepaid meters to be installed but these are not foolproof and would take 2 – 3 years before being effective.

Cabora Bassa is also a kick-in station. The generation costs of thermal (8c per kWh) and hydro differ and are blended but we would need to sell for about 11c per kWh before investors would bite.

150MW still goes to Namibia in the 4 – 5 year deal but fortunately they pay well on time – there are two years left in that contract and we don't have the money to buy ourselves out. He believed a recent court ruling against ZESA waved any bills made out before the dollarisation in February 2009.

A solar site has been identified but will be very expensive; there are no suitable areas for sustainable wind generation in Zimbabwe. We do have abundant gas reserves but it would take an investor about 1 year to understand the 'gas bubble' and then 2 – 3 years to construct. This is compounded by the apparently political problem of many just sitting on grants. It would cost about US\$ 600 million for the instillation of the other 2 units at Kariba.

Deon Theron's final speech is on the website and is well worth reading as it is filled with facts and figures.

Graham Mullett gave his excellent presentation on Valcon stating their sole aim was to secure adequate compensation unlike the CFU who also wants to get production going again.

In 1980 we held 14 500 000 ha of farmland with the rest of the country taking up 24 600 000 ha. Between 1980 and 2001 about 4 500 000 ha went to resettlement. By 2001 we held 10 315 000 ha with black indigenous holding 1 074 000 ha.

He said that he has lobbied internationally, regionally and locally – also institutions like the World Bank etc.

He revealed that about 72% of listed farms had been recorded equating to 5 324 935 ha on 3 650 properties or 14% of the country.

The data is available at any time and anywhere with the intricate software he is using, but he does not give individual values at this stage as the values are constantly changing. One of these is satellite time line imagery so he can measure buildings and development within 1% accuracy. He estimates government would take at least one week to value a property against his 5 – 10 minutes per farm. Government would

take about 100 – 200 years to complete their task but his system would take 6 months to a year once the values are fixed.

He has divided farms into 150 valuation zones which differ due to soils, rainfall and type of farming. He also has a peer assessment exercise to confirm estimated valuations based on past experience and local knowledge.

Hans van der Merwe of AgriSA, Doug Taylor-Freeme the President of SACAU, Paul Zakariya of ZFU and Sakkie Coetzee from Namibian Farmers' Union gave the final addresses.

The Guest Speaker at the official opening was Mr Ryno van der Merwe, the President of the Namibian Agricultural Union who updated us on agricultural affairs in Namibia.

At the post Congress Council meeting Charles Taffs was unanimously elected as the next President and Peter Steyl and the new Vice President.

At the evening session the recipient of this year's well deserved **Farming Oscar** was **Brian Oldreive** of Foundations for Farming.

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On the situation on the farms we have had another two farmers violently evicted from their properties in Manicaland and another two evicted by a Gweru magistrate after finding them guilty under the Gazetted Land (Consequential Provisions) Act.

In the conservancies (and National Parks) where there are an approximate 220 rhino poaching cases still outstanding the investigations have now turned to security personnel working for ranchers in the conservancies. Some of these have been arrested and allegedly assaulted and treated very badly and remaining in custody for nearly 2 weeks now under very suspicious circumstances indeed.

During the evening of Congress when most of the delegates and visitors were enjoying their evening another ceremony was taking place at the French Embassy in Harare. This was the presentation of the French **National Order of Merit** medal to **Mr Clive Stockil**, who by all account was the founder of the huge Save River Valley Conservancy in Chiredzi.

Last year, Clive finally stepped down as Chairman of the conservancy after completing a marathon 19 year stint of extremely hard work most of which was carried out during the most difficult of times. At that final meeting the conservancy members showed their appreciation of his dedicated work by presenting him with an engraved memento which was made in the conservancy. It is the dedicated work of people like Clive who set a huge example to others and most certainly leaves an indelible mark in history and on our future. We ourselves offer our most sincere congratulations.

Last week we congratulated **Dr Japie Jackson** on the celebration of his 80th birthday. This was a little premature as he was only treated to a surprise party by his brother in Gweru last weekend as he will in fact be celebrating it on his real birthday date of 20 August 2011 when he will be with his children in New Zealand. Sorry Japie, but it was good to see you at Congress!

Business Chamber (from the desk of Richard Taylor)

This is the same as last week, however things are moving forward if only slowly. The underwriters are back in Zim again and are meeting with the banks going through the modalities of the cover.

However as with most new schemes there are always teething issues. There is still a lot of negotiating to be done between the various players in this scheme, which to us is a frustration, in that it all takes time. We would like this now but again we need to be patient for a little longer. As one bank manager stated, "we have been working on this for 18 – 20 months now and we are close, so please another 2 or 3 months in the overall picture is not much longer"

All players in this scheme want this to work just as much as we do. We will continue to push as much as we possibly can for every ones benefit.

On the insurance side, we are learning all the time! The fundamental matter is an insurance policy provides protection on the Asset, at no stage can financial guarantees be arranged. There are 2 aspects to the insurance proposals:

- a.] the proposed insurance cover is for political riot, strike, malicious damage and/or looting cover
- b.] the local conventional "comprehensive" cover which caters for the fire, theft, accident risks. Both classes will be a prerequisite of any lender.

We apologise for any misunderstanding as far as "financial guarantees" are concerned but should anyone require clarification please contact Richard Taylor.

The HP company, we set up the HP scheme with seems to have hit another hurdle. We are still negotiating with them and others to get the best deal available for tractors, vehicles, equipment generators etc at affordable rates and payment terms. We have had further discussions this week with the two companies and will be meeting early next week to hopefully get these signed. On signing we will be able to access these. Whoever is looking to access HP agreements will need either, a bank guarantee showing how and when payments will be made, or they will need a contractor's letter guaranteeing payment against the specific contract. Otherwise they will ask you to put up some form of security.

We continue to look at avenues that will be beneficial to farmers, reducing cost of production through access to more affordable finance, equipment, inputs etc which improves overall viability.

With the Preferential Trading Partnerships, most companies have the agreement and these should be signed up between CFU and the companies within the next week or 2. Once we have these all signed I will send a list of the PTP companies to everyone.

The Liberty Blue medical scheme continues to grow in membership. For all of us under 70 please remember that for every 300 members who join this scheme, we will be able to help our over 70's by get 4 x 70 and older onto this scheme.

For further info on any of the above please email me rtaylor@cfuzim.org

NATIONAL ASSOCIATION OF DAIRY FARMERS (from the Desk of Rob Van Vuuren)

PLEASE NOTE : Dairy Farmers who are concerned about Foot and Mouth Disease in close proximity to their operations should liaise with their local Provincial Veterinary Officer regarding a vaccination programme. Each case is dealt with on an individual basis by the Department of Veterinary Field Services.

Rhodes Grass Seed

We have traced a supplier of both Giant and Katambora Rhodes grass seed in Harare. If you wish to purchase this, please contact : Lomag on (04) 885 645 or Mr Manning on 0772 260 431.

If anyone left a jacket behind draped on their chair at the CFU Congress on Tuesday 26th July, please contact Debbie Mylroie.

**NADF has for sale Automatic Syringe Kits at a cost of \$100.00 per set.
Should you be interested in purchasing these, please contact
Debbie Mylroie on livestock@cfuzim.org or during office hours on (04)309837.**

LIVESTOCK INFORMATION

We have in stock and available at our offices at present :

Animal Foods of Central Africa Technical Handbook @ US\$10,00 each

Stock Registers @ US\$5,00 each

Daily Milk Records of Individual Cows @ US\$5,00 each

Recommended Guide to Good Dairy Farming Practices @ \$2.00 each

Dairy Handbooks @ US\$40,00 each

Cattle Producers' Association Beef Production Manual @ US\$40,00 each

Go Green Mastitis Mint @ US\$10,00 each

Automatic Syringe Kits @ \$100,00 each

Should you be interested in purchasing any of the above items, please call at Commercial Farmers Union, Agriculture House and see Debbie Mylroie.

CATTLE PRODUCERS ASSOCIATION

CC sales have advised that their sales are still restricted because of the foot and mouth outbreak. However, the Veterinary Department is now allowing them to have one young/breeding stock sale per month and this takes place on a Friday. NADF therefore only receives the figures after the CFU Calling report is submitted for publication so some of the prices published are already a week old.

The NADF in conjunction with the CFU Inputs Department are still in the process of updating the 6 Beef Cost of Production Models.

BOTSWANA CATTLE

There is obviously much concern about the slaughtering of Botswana cattle in Zimbabwe. I obtained the following information from the Director of Livestock, Production and Development.

The recent outbreak of Foot and Mouth Disease in Botswana resulted in the EU exports being stopped. Botswana had two options :

1. Engage a slaughter out strategy
2. Get an agreement for Zimbabwe to have the animals slaughtered in Zimbabwe.

The Director believes there are 20 000 animals involved and since local slaughtering account for about 18 000 head a month, the effect should be short term!!

He understands the implications for local beef producers and stressed there was no consultation before this Government to Government agreement was signed.

Had there been an active Cattle Producers' Association this situation could possibly have been curtailed or at least dealt with differently. Beef producers need to appreciate the importance of an association to represent their interests.

GRADE	AVERAGE PER KG/LIVE WEIGHT PRICES			
	HARARE	GWERU	BULAWAYO YOUNG STOCK	BULAWAYO SLAUGHTER
SUPER	-		-	1.80
COMMERCIAL	1.46		1.40	1.45
CHOICE	1.77		1.66	1.62
ECONOMY	1.33		1.30	1.30
COMMERCIAL ECONOMY	-		1.34	1.33
MANUFACTURING	1.37		0.98	0.92
BULLS	1.71		1.37	1.38
WEANER HEIFERS	2.07		2.00 – 3.40	-
BULLING HEIFERS	1.69		1.70	-
LONG WEANER HEIFERS	-		-	-
COW & CALF	-		-	-
WEANER STEERS	1.57		1.35	-
LONG WEANER STEERS	1.54		-	-
FEEDER STEERS	1.76		1.60	-
COMMERCIAL WEANER HEIFERS	1.88		-	-
COMMERCIAL WEANER STEERS	1.10		-	-
BREEDING COWS	-		-	-
BREEDING BULLS	-		-	-

STANDARD MUTTON	-		-	-
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NATIONAL BULL SALE AVERAGES 2011 -27th July,

BREED	NO ENTERED	NO SOLD	AVERAGE	LOW PRICE	HIGH PRICE
Blonde d'Aquitaine	1	1	2050	2050	2050
Beefmaster	10	10	3300	2100	5000
Bonsmara	3	2	2250	2000	2500
Boran	2	2	3650	3400	3900
Brahman	49	46	3697	1200	15250
Droughtmaster	3	2	5500	3400	7700
Dorper	13	13	1338	1025	2750
Herefords	7	7	3510	2500	5000
Limousin	1	1	1200	1200	1200
Santa Gertrudis	3	3	1767	1500	2200
Simbrah	4	4	2600	2100	3300
Senepol	4	4	2300	2000	2800
Simmental	7	7	3293	2400	4000
Tuli	11	11	1977	1500	2900

ANTI-HIJACK UPDATE FOR JULY 2011

July has been a pretty cold month and with the added long power cuts experienced many alarm systems seem to have not been able to recharge fully before the next cut often leaving the premises vulnerable ... please check your equipment on a more regular basis for maximum safety.

There has been a report of two men, one young and one very large middle aged cruising around Chisipite/Highlands in a white Corolla looking to steal. NO NUMBER PLATES. The police do know about them. They broke a car window in broad day light and stole a bag outside Bon Marche. Known to ring the gate bell to say they have a delivery. Once on investigating this, the large man whom was standing at the gate and the young man who then got out of the car and took out a crate of whisky and put it on the ground and said they had to deliver it. Upon questioning them they said they would check the address with the company, very shifty. Warn your domestic workers NO deliveries unless this has been specified by YOU ... NEVER open the gate without checking who is there .

Never allow ANYONE onto your property without verifying their identity, this includes the Police, domestic staff should have a telephone number on which to contact you should they need to.
Keep gates locked at all times with a STRONG padlock.

A few incidents reported in public car parks outside shopping areas.... be alert and vigilant when parking as you may become a victim you may be under surveillance just check your vehicle's security and that ALL doors are locked and all shopping & valuables are in the BOOT, this only takes a few seconds to do and a wise move in the long run. Neighbourhood Watch teams have been established in quite a few suburbs around Harare, check in your area and see where you can assist and help the community in your area, we ALL have a part to play in the safety of our families ... do not leave this to just ' a faithful few' we all need to be involved. If we all assist in some small way the time of duty will not come round more than once a month or every six weeks..... this will spread the load more evenly. Make your area a safe, as crime free as possible suburb to live in YOU will make a difference!
Let's ALL fight this crime together - stay ALERT and SAFE !

ANTIHIJACK TRUST: Email: hijack@mweb.co.zw or hijack@zol.co.zw

COMMENTS AND VIEWS

Please let us know your comments and views on items contained within this issue or any other issues of CFU Calling by sending an email to us on dir@cfuzim.org

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