

# CFU Calling

## 5 August 2011

Usually our Congress is held in the first week of August, which would have in fact been this week and immediately after Congress the team traditionally takes advantage of school holidays and takes a well earned break.

However, this year has certainly been very different as the new team was rearing to go as soon as Congress was over and have covered a lot of ground during the last ten days negotiating and laying the ground work to endeavour to make their ongoing work, which was explained at Congress, a reality.

Over the past 10 years our farming community have been through hell and back which has seen the virtual death of the commercial agricultural industry in Zimbabwe. It is the aim of the new team in your Union to get agriculture back on track in the shortest time possible and not to be mired down by indecision and procrastination of the powers that be.

We have a job to do and we need to create an environment which will enable us to get on with it so that our farmers who want to get back farming can do so freely and for those who don't, and so desperately need compensation, to receive this as quickly as possible.

In order to achieve this there are three main drives being undertaken by your new team at the Union:

### 1. Policy of Commercial Farmers' Union

This section would be overseen by President Charles Taffs himself who has personally undertaken to work towards achieving the following:

- a) Work towards achieving the security of tenure and property rights
- b) Work with Government to level the playing field in order to create an environment so that anyone can farm and invest in agriculture in the future with full confidence and security.
- c) Raise the profile of your Union and to break down the negative perceptions of your Union.
- d) We need to secure your Union financially recognising that we can no longer rely on members' subscriptions or donor funding.
- e) Agriculture House and the rest of the property needs to be developed into an agriculture based business park by bringing in new commercial partners to assist with development.
- f) The compensation issue needs to be resolved as soon as possible to remove the conflict so we can move forward and which also needs to be dealt with as urgently as possible and in a transparent manner.

### 2. Development of Business Chamber

Firstly we are looking for a second Vice President who would be responsible for developing and co-ordinating issues in the Business Chamber and production issues, which would include:

- a) Be responsible for expanding and oversee the running of the Business Chamber
- b) Sourcing funding and loans for farmers at preferential and affordable rates
- c) Expansion and development of the Discounters Club which already has some 430 partners
- d) AgriZim expansion and through involvement with other Unions would make it the largest magazine publication in circulation in Zimbabwe
- e) Creating preferential trading partners with the following:
  - i. Fertiliser companies
  - ii. Tractor, truck and equipment dealers
  - iii. Chemical companies
  - iv. Seed houses
  - v. General agricultural dealers

The viability and profitability of farming has become an increasing problem over the past few years since the multi-currency was adopted. There is a huge window of opportunity out there with the expected increases in commodity prices but we need to work towards reducing the production costs through the above in order that the farming sector can take advantage of the window.

The Business Chamber should also bring financial benefit to your Union through passive incomes obtained from commissions etc.

### **3. Development of Joint Commodity Council**

Vice President Peter Steyl is no longer involved in ARAC which he worked so hard to establish but will now be solely responsible for developing a good working relationship with the Zimbabwe Farmers' Union (ZFU) to create the proposed Joint Commodities Council.

This association will be set up under the Zimbabwe Farmer Alliance Trust (ZFAT), which has already been established. The ZFAT is made up of the Presidents and Vice Presidents from both of the Unions and can cater for up to an 8-person board but it is specified that it must have equal representation from both Unions.

The ZFAT will initially be responsible for the establishment and management of the numerous commodity associations which would be combined under ZFAT whilst also operating individually under each Union. It is planned that representation from each Union's commodity would make up each joint commodity association.

In order to achieve this we need to re-engage and redevelop all the structures we had, some of which have been put in mothballs.

In particular we need to establish active representation in districts on each of the following:

- a) Agricultural Labour Board (ALB), which would cover NEC and NSSA issues as well as labour
- b) Catchment and Sub-catchment River Boards
- c) Environmental Management Authority (EMA)

We also need to re-establish a broad-based Technical Team which would offer a good service to farmers on cropping, livestock and environmental extension and research.

We also need to re-establish our previous relationships with the agricultural colleges and research stations which would need to be reopened around the country again.

Any feedback or ideas from our membership to bring this all about would be greatly appreciated, as would nominations to fill the empty seats on CFU Council. The above could only be achieved if we all work together as a united body and work towards re-establishing active farmers' associations up to Regional executive committees.

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Most of the problems on the ground this week were related to prosecutions of farmers under the Gazetted Land (Consequential Provisions) Act, either by Lands officials or by, an increasing number of beneficiaries. The threat to our wildlife and habitat in several conservancies continues despite many promises being made on an amicable resolution, especially over the imposition of new partners issue.

This weekend is the Hero's Day and Defence Force's Day on the 8<sup>th</sup> and 9<sup>th</sup> respectively so our offices will be closed Monday and Tuesday but will be open again from Wednesday 10 August 2011.

Please note that the ARAC Office will be closed next week, reopening on Monday 15<sup>th</sup> August 2011.

If anyone comes in wanting ARAC and needs assistance please could you direct them to Mrs Rose Brent – Room 124.

Membership queries are to be directed to Mrs Louise O'Connor.

Please enjoy the holiday break with your families and drive safely.

### **A Consultative Trip to Zambia by Dr. C. Levy**

Dr. Levy was invited to visit Zambia by Greenbelt Fertilisers Ltd. between 18 – 22 July to help them determine the cause(s) of several problems occurring within their wheat clients' fields, and to provide expertise on the identification and control of barley diseases and pests to farmers at several field discussions. Greenbelt Fertilisers Ltd. have about two-thirds of the market share of fertiliser sales in Zambia and are expanding their operations both within Zambia and in Southern Africa. Last year, they commissioned a 'state of the art' fertiliser formulation plant in Mkushi, and have plans to install a similar facility in Beira in the near future.

Due to the infrequency of air-flights between Harare and Lusaka, Monday 18 July had to be used to transfer Dr. Levy up to Mkushi, firstly by Zambezi Airways and then by road. Other members of Greenbelt Fertilisers (GBF), CHC Commodities (CHC), and South African Breweries (SAB) met over dinner in the evening to discuss the week's programme.

The following morning started early with visits to three large-scale barley producers in the east of the Mkushi farming block. These comprised 'one-on-one' interactions with the owners and any problems and concerns were addressed. After lunch, the 'group' moved over to Francis Farms P/L, where a field discussion had been arranged for local Mkushi farmers, trade representatives and other interested parties. Approx. 30 people attended (considered a good turn out) and they heard talks on the marketing (CHC), agronomy (SAB), fertilisation (GBF), and common diseases and pests (Dr. Levy). The field discussion was followed by a braai and drinks, which GBF provided.

On Wednesday, Dr. Levy and John Boucher, GBF agronomist, broke away from the barley tour to visit the Somahwe Farms operated by the Jenkins family in the western Mpongwe district. Two lands, under centre-pivot irrigation, had shown widespread bronzing and tip-firing on their 'Nduna' wheat following spraying with "Blue Urea" during booting (three weeks earlier). This apparently gross leaf damage had not appeared elsewhere in Zambia under previous, and similar applications. This problem was the primary reason for Dr. Levy's invitation. Approx three hours were spent in the affected field and every possible cause was investigated. Frustratingly, the plants had grown out of the gross symptoms and they were actually difficult to see. Affected plants showed a bleaching at the tips and upper periphery of the leaf blade of only one leaf per plant. This was usually the flag leaf, but several F2 leaves were also affected. The cause was almost certainly not the urea application, or other chemical applied, was not an elemental deficiency (from soil and foliar analyses) or moisture stress, but was likely to be a genetic reaction in the plant to a specific environment at the time.

The following morning saw a return to Lusaka. Dr. Levy met up with the 'barley tour group' at GBF's main offices in the Chinika Industrial Area of Lusaka, and then travelled with Glen McGregor, GBF agronomist, down to another barley field discussion at Rafeen Farm, south of Mazabuka. This afternoon event was of similar format to that of the one in Mkushi. The audience was much smaller as it is a much smaller community, which has only recently ventured into barley production. Dr. Levy was able to advise the hostess that the stunted circles in her wheat were being caused by a sub-surface compaction, rather than a *Rhizoctonia* infection, she had mistakenly identified from information on the Internet; she was really grateful for the advice. The field discussion was again followed in the evening by a braai and drinks provided by GBF. The 'tour group' then returned to various hotels/guest lodges in Lusaka for the night.

Friday saw Dr. Levy being taken up to another early morning barley field discussion on Chiansi Farm, east of Chisamba, followed by a visit to potato production on Khalamanzi Farm, further south. Wheat, barley and potato fields were then visited on three sections of the Zambezi Ranching & Cropping estate, north east of Lusaka. A small discussion group on wheat production and marketing was held with the section managers at the last stop. The 'tour group' (now joined by a soil scientist and a fertiliser formulation specialist from J.R. Simplot Company, Idaho, USA) drove on to Galaunia Farm, Lusaka East to another barley field discussion in the afternoon. This event was well attended, with about twenty people present. Comparative testing of various fertilisers, applied to large plots of wheat, were also viewed. The excellence of the field management and crop potential on this farm was readily evident. A braai and drinks followed this event, but

Dr. Levy did not stay for these as he had to be at the airport for his return flight to Harare – which, ironically, was seriously delayed due to technical problems!

### **ZIMBABWE CROP PRODUCERS' ASSOCIATION** (From the desk of Richard Taylor)

R6.95 – US\$1

South African Foreign Exchange (SAFEX) as at 5 August 2011

Commodity	Rand/Tonne	US\$/Tonne	Import Parity Rand/Tonne	Import Parity US\$/Tonne
White Maize	1862	268	2022	291
Yellow Maize	1873	269	2033	293
Wheat	2950	424	3110	447
Soyabeans	3320	478	3480	501
Sunflowers	3895	560	4055	583

International Gulf

Commodity	US\$/Tonne			Import Parity US\$/Tonne
Wheat	312			462
Maize	296			446
Soyabeans	528			678

Source: South African Grain Information Service (SAGIS)

For accurate weather forecasts go to [www.yr.no](http://www.yr.no).

If one looks at the import parity for SA maize, then GMB at \$285 for maize is fairly accurate on their price.

Some interesting reading as to world production and prices of commodities. Indicates that prices should remain firm for some years to come and more than likely will increase.

### **FAO FOOD OUTLOOK 2011 – Global market Analysis**

Halfway into this turbulent year and with new marketing seasons for major food crops commencing soon, this is a critical time to evaluate current developments in global food markets and to draw the early outlook for 2011/12. In a remarkable turn of events, earlier prospects for more comfortable supply situations and stable prices gave way to increasingly worrisome outlooks and to an escalation of international prices to levels not seen in decades.

In fact, the FAO food price index in May stood at a near historical high of 232 points, down only 6 points from the February record. While unfavourable weather was the main culprit, a host of other unpredictable factors negatively impacted stability in the food markets, including the catastrophe in Japan, an unprecedented wave of political unrests engulfing many countries in North Africa and the Near East, another strong increase in oil prices, prolonged uncertainty in financial markets and in the global economy.

In the cereal market, barley, maize and wheat are being, for the most part, influenced by production problems and depleting inventories. Maize stocks have fallen to a critical low in the United States, the world's largest maize producer and exporter. Rice is an exception thanks to a record world output and large opening stocks. In addition, generally good cereal production in importing countries, as opposed to exporting countries, also dampened the impact of high international prices this time around as compared with 2007/08.

In the oilseeds sector, prices have also risen sharply, supported by a tightening supply and demand balance. Quotations for dairy and meat have not been spared, as prices have been propelled (to record levels in the case of meat) by climbing costs of production, low animal inventories and virtually exhausted product stockpiles. On the back of dwindling export supplies, sugar markets experienced a sharp price surge too, before retreating in recent months. Against this backdrop, food import bills are projected to soar to an all-time high of almost USD 1.3 trillion.

Positive price prospects always boost plantings and this year is no exception. Higher expected returns, combined with good weather, have already resulted in larger outputs in the southern hemisphere, for grains as well as for soybeans. Winter plantings in northern hemisphere countries have also registered notable increases. However, in many instances, the prospect for an expansion in grain production this year does not rest on larger plantings alone but also on expectation of a return to regular climatic conditions. In the Russian Federation, more normal weather after last year's devastating dryness is expected to improve supplies. Encouragingly, the country has announced the lifting of its export ban from July 2011. Weather permitting, excellent crops are also anticipated in Ukraine. However, difficult spring weather conditions prevail in many important producing regions, which eventually, may hamper yields.

In Europe and North America, too much rain in some places (maize in the United States) and lingering dry condition in others (wheat in the United States and in the EU) are a major concern. With many countries already struggling with elevated domestic food prices, the conclusions of this year's harvests, especially for those crops that are currently the tightest, such as maize, will be decisive in determining future prices.

Given the sharp run down on inventories and only modest overall global production increases for the majority of crops, world prices are likely to remain high and volatile. The most critical months still lie ahead in terms of shaping final crop outcomes. FAO is monitoring the situation closely and, as in the past, will keep the international community informed.

### **Business Chamber** (from the desk of Richard Taylor)

The frustration of time and not knowing is still with us. Having said this however, we are that much closer to agreement between the parties in their negotiations, as to what satisfies individual banks and the underwriter's insurance cover. We have been asked again to be patient, but be assured we are doing all we can to put pressure to get this finalized.

Everything is a process of negotiation, so once again we have this with the HP companies. Their costs are still too high for most of us. They are prepared to do medium term finance, but this comes at a cost along with all sorts of guarantees. With the holidays upon us, some of the people we are talking to are now on leave. This adds up to time.

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.

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. We have had a few complaints, where members have received their membership cards and have noted that they have a waiting period before they are able to get their medical benefits, even though they have had cover for over a year on their previous schemes. This is being dealt with. For all those that will be travelling away, I wish you all an enjoyable trip, drive safely and I hope we will have good news for you on your return.

For further info on any of the above please email me [rtaylor@cfuzim.org](mailto:rtaylor@cfuzim.org)

### **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](mailto:dir@cfuzim.org)

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