

CFU Calling

02 September 2011

EXECUTIVE NEWS

This is certainly not the way we would like to start to write the weekly bulletin but we have to report the callous and savage attack on Mr Colin Zietsman and his wife Phillipa "Tinks", which resulted in the death of well-known Centenary farmer Colin. They were attacked and ruthlessly beaten by two individuals with blunt objects whilst they slept in their upstairs bedroom on their farm at 2 am this morning. Phillipa is now recovering in hospital in Harare from several severe injuries but is conscious. We all pray for her full and swift recovery from this terrible incident.

Although the homestead was fitted with alarms these were bypassed by the attackers who entered through a window on the second floor. Although the motive appears to have been robbery there was no money in the house at the time as wages were only due for collection from the bank today.

The Commercial Farmers' Union sends our sincere condolences to the family on this very sad loss of another great member of our farming community, who merely wanted to farm in this great country of ours.

We urge all farmers and their families to be extremely vigilant at all times, especially as this is the second incident of its type using similar tactics that were used on a farm only one farm away last year. That farmer was also savagely beaten and was hospitalised for several months before his final recovery from his severe injuries. In that case money was stolen but the assailants have never been arrested despite a substantial reward being offered.

If it is the same people involved then they may strike again somewhere because this time they came away without finding any cash in the house which may be what they were after.

From what we understand the reaction of the Centenary Police was swift and the property has been sealed off with tracker dogs and a forensic team expected on the scene, which we greatly appreciate. We will do our best to keep you informed and urge our members to stick to the known facts when reporting the incident to friends.

The incident reported last week where police were allegedly physically involved in the removal of personal property from a homestead and barns as well as the forceful eviction of a farmer has still not been satisfactorily resolved. However, we are encouraged to hear that JOMIC have held a meeting with the Police to discuss this incident as well a few others where the police have been accused of allegedly reacting ineffectively to violent incidents against farmers. We await to hear the outcome.

There has also been increased invasions and pressure on wildlife habitat in one conservancy. Several high-level meetings have been held on this subject and we look forward to a satisfactory conclusion, especially over the imposition of so-called partners on farms within the conservancies.

The continuation of incidents and evictions of farmers go totally against a number of sections in Article V of the GPA which many individuals and regional nations are encouraging being fully implemented in full as soon as possible.

One example of these sections is section 5.9 (b) which states:

"ensure that all Zimbabweans who are eligible to be allocated land and who apply for it shall be considered for allocation of land irrespective of race, gender, religion, ethnicity or political affiliation;"

It goes without saying that the majority of us have applied for land in the past but sadly the applications which were filed many years ago still await responses.

We saw in the press this week a headline, "Banks Happy with Changes to 99-year Leases", which most certainly pricked up our ears. However, Bankers Association President, Dr John Mangudya pointed out in the article, "Clause 24 the Government can cancel the lease on account of breach with 17 grounds provided for as breaches. There is no provision guaranteeing the interests of a money lender in the event of cancellation of the lease".

Although we must say that we have had some extremely encouraging and interesting meetings on our Way Forward proposal again this week the situation still seems not to ever change significantly on the ground to support any confidence in agricultural investments.

This week another 2 farmers were found guilty under the Gazetted Land (Consequential Provisions) Act and sentenced to fines of about US\$ 400 and were both evicted from their homes and businesses on their farms without any mention of any form of compensation.

Although there are a myriad of possible defences offered in the courts the judgments are simply based on whether or not you have an offer letter; a permit; or a lease. Whilst we continue to appeal to the authorities for a moratorium on evictions and prosecutions and distribution of land the prosecutions continued this week with at least another 12 farmers appearing in court around the country who are trying to defend themselves against these prosecutions.

The wheels of government are working very slowly but although we are making considerable progress we desperately need to see a huge change in the attitude of some individuals on the ground who continue to disrupt farmers on the ground for their own apparent agendas.

President Charles Taffs, Vice President Peter Steyl and Dr Clive Levy have spent 3 days in Zambia with the Zambian Farmers' Union President at their annual Congress as well as addressing some of our farmers up there who moved there to continue farming when they were evicted from their farms in Zimbabwe. They will also be attending a few field days where Dr Levy will be addressing the farmers as well as doing some consultancy work in the field which he specialises.

The Director Hendrik Olivier attended the annual Congress of the Transvaal Agricultural Union held in South Africa and will also be back in office next week.

We note there is a sudden interest on the Internet with a few detailed stories being circulated about individual farmer's evictions and events leading up to each eviction. This was prompted by Guy Watson-Smith following the recent death of the high profile beneficiary of his own property. This has been followed by a few others, which is something that we will certainly not discourage at all because what has happened to the majority of our farmers in this country must never be allowed to be completely forgotten or swept under the carpet.

Obviously what happened to many though is still very sensitive and still deeply hurts but let us help you by getting all the stories, photos and facts together in one place, i.e. through Mike Clark on mashc@cfuzim.org. Although the facts will be inserted in the reports currently being put together their confidentiality is absolutely secure, unless otherwise authorised by the person concerned as it was in the case of Guy's which is now on our website as well as being widely circulated on various email groups.

The new CFU Council will be meeting for the first time during the morning on **Wednesday 7 September 2011**. This will be followed at **2.30pm** on the same day by the **Open Farmers' Meeting**, which will be held at the Union offices in Harare. Please make every effort to attend' whether you are living in Harare or out in the districts as this is an ideal opportunity to get to know the new team and find out what progress they are making on both resuscitating agriculture and compensation.

It is important therefore that we start rebuilding our structures out there and in particular you need to propose the election of representation on CFU Council of 2 dedicated people, one farming and the other not farming from each province/region. We still have a few positions on council which urgently need to be filled. Vice President Peter Steyl has been tasked with this so please liaise with him directly psteyl@cfuzim.org

AGRICULTURAL SHOW 2011

As you are aware, the Agricultural Show at Exhibition Park ran from the 19th August to 26th August 2011. It ran for longer this year instead of the usual one week. CFU had a stand this year, for the first time for many years. Our stand was situated on the verandah of the LIT offices and it was manned by Debbie Mylroie, Square Simon and Freedmore Chizhowa. Exhibition Park has upgraded all their facilities and everything was freshly painted, the grounds well maintained and the gardens well tended. There were many national and international exhibitors and the standard of individual stands was impressive. Thank you to the Farmers and Members that stopped in at the stand and supported us whilst enjoying a cool drink or a refreshing bottle of cold water.

There was generally much interest in our stand with many people commenting that they were not aware that CFU was still "up and running". NADF had their manuals and booklets on sale at the stand and this generated a lot of interest with many sales. Lots of leads and contacts were made with suppliers and manufacturers for Preferential Trading Partners which are being followed up. Watch this space as we anticipate being able to draw more companies on board so that further discounts and benefits can be passed on to Members.

General Notice 318 of 2011.

PUBLIC HOLIDAYS AND PROHIBITION OF BUSINESS ACT [CHAPTER 10:21]

Public Holidays in 2012

IT is hereby notified, for public information that the days listed in the Schedule will be public holidays in 2012 in terms of section 2 (1) of the Public Holidays and Prohibition of Business Act [*Chapter 10:21*]. The list does not include any days which the President may declare to be public holidays in terms of section 2(2) of the Act.

HON. T. MAKONE [M.P.],
Co-Minister of Home Affairs.

HON. K.C.D. MOHADI [M.P.],
Co-Minister of Home Affairs.

26-8-2011.

Schedule

PUBLIC HOLIDAYS IN 2012

1. New Year's Day, being Sunday the 1st of January
2. Public Holiday, being Monday the 2nd of January
3. Good Friday, being Friday the 6th of April
4. Easter Saturday, being Saturday the 7th of April
5. Easter Sunday, being Sunday the 8th of April
6. Easter Monday, being Monday the 9th of April
7. Independence Day, being Wednesday the 18th of April
8. Workers Day, being Tuesday the 1st of May
9. Africa Day, being Friday the 25th of May
10. Heroes Day, being Monday 13th of August
11. Defence Forces National Day, being Tuesday the 14th of August
12. National Unity Day, being Saturday the 22nd of December
13. Christmas Day, being Tuesday the 25th of December
14. Public Holiday, being Wednesday the 26th of December

Zimbabwe Crop Producers' Association

PRODUCER PRICES

Local Purchaser Trading Prices as at 2nd September 2011 R6.99 - US\$

Commodity	GMB	Agrifoods	PHI Commodities	Staywell	Croplink	ProGroup
White Maize	285	230	240	240	250	250
Yellow Maize	285	230	-	230	250	250
Maize Bran	100	115	150	160	130	140-180
Soya beans	500	500	600	535	600	600
Soya bean Meal	-	650	680-700	675	700	680
Wheat	466	-	P grd 460 St grd 450 Utility 440	480	500	-
Wheat Bran	100	150	-	130	160	-
Groundnuts	500 (unshelled)	-	950 (shelled)	900 (shelled)	-	-

South African Foreign Exchange (SAFEX) as at 2nd September 2011

Commodity	Rand/Tonne	US\$/Tonne	Import Parity Rand/Tonne	Import Parity US\$/Tonne
White Maize	1610	233	1770	256
Yellow Maize	1652	239	1812	262
Wheat	3090	447	3250	470
Soya beans	3060	442	3220	465
Sunflowers	3791	548	3951	571

Update – Zimbabwe Electricity Supply Authority Tariff increase

From the desk of Marc Carrie-Wilson

On Thursday the 25th of August ZESA reportedly announced the long debated increase in electricity tariffs. According to reports, the new price of electricity will be increased from 7.5 cents per Kwh to 9.3 cents per Kwh (Kilowatt hour) and will apply as of September 1, 2011. This represents about a 31% increase. Despite the hike, ZESA argues that Zimbabwe will still have the lowest power rates in the region.

From the reports I expect the new tariff structure for Agricultural customers to look pretty much as follows:

	Agricultural Customers					
	Low Voltage E5.1		11 kV Supply E5.2.11		33kV Supply E5.2.33	
	CURRENT TARIFF	NEW TARIFF	CURRENT TARIFF	NEW TARIFF	CURRENT TARIFF	NEW TARIFF
a) Fixed Monthly Charge	\$31.99	\$48.77	\$88.14	\$134.39	\$88.14	\$134.39
b) A monthly Capacity charge per unit of demand	n/a	n/a	\$4.88	\$7.44	\$3.58	\$5.46
c) An uninterruptable demand charge	n/a	n/a	n/a	n/a	n/a	n/a
d) On peak energy charge per Kwh	\$0.08	\$0.12	\$0.08	\$0.13	\$0.08	\$0.13
e) Standard energy charge per Kwh	\$0.08	\$0.12	\$0.04	\$0.06	\$0.04	\$0.06
f) Off peak energy charge per Kwh	\$0.08	\$0.12	\$0.03	\$0.04	\$0.03	\$0.04

The increase has met with an outcry from representatives of industry business and ordinary consumers. One report even mentions a legal challenge against the Zimbabwe Electricity Regulatory Commission:

"Harare, August 31, 2011 - The Confederation of Zimbabwean Industry (CZI) on Tuesday said it plans to take legal action against the Zimbabwe Electricity Regulatory Commission (ZERC) over the effecting of a 31% tariff increase on electricity charges as the body was not properly constituted to take the decision.¹"

The CFU position on this issue remains as follows:

The viability of the production of many agricultural commodities is already very marginal. The electricity tariffs combined with the relatively unreliable and erratic supply noted in farming areas has been a key component in the collapse of the viability of Zimbabwe's winter cropping programme; affecting mainly wheat and barley. Indeed local buyers of these commodities are already looking to competitors in the regional markets such as Zambia to meet demand.

Therefore, a tariff hike could only be sustained if:

- a) It was a modest increase;
- b) There was no reliance on unreasonable estimates of power consumption; and
- c) It was to be accompanied by the immediate and absolute improvement in the reliability of electricity supply

We have requested from ZETDC the production of a simple farmer specific brochure indicating step by step procedures for the self calculation of electricity consumption and charges (relating to normal, 11kv and 33kv supply). I have been promised that this will be available soon....

Soya Contract Farming URGENT REQUEST !!!!!!!

From the desk of Marc Carrie-Wilson

The union has recently been participating in the formation of the "National Soya Association" which is a forum where representatives of producers, processors, crushers, brokers, input suppliers and other actors in the soya value chain can meet to co-ordinate an approach to developing the soya industry.

In line with this initiative the Union has been negotiating for the most favourable terms with various traders who are offering contract farming schemes to those interested in producing Soya this season.

Please could all members who are interested in exploring their options in terms of Soya production for this coming season contact me (marc@cfuzim.org or 0772865199) as **urgently as possible** to indicate their interest and find out more details.

Business Chamber and Discounters Club (from the Desk of Richard Taylor)

We welcome Debbie Mylroie to the Business Chamber and Discounters Club. Debbie has taken over from Robyn Norris who has moved on to greener pastures.

Time rolls on and planting dates draw ever nearer. The holdup has been for the letter of guarantee of the loan facility from the HP Company, African Century.

The good news is that African Century signed yesterday so we are now full steam ahead with the finance scheme, allowing those farmers who's loan applications are approved, to access the finance in the next couple of weeks. Please bear with us, as we have still not received in writing the people that will be dealing with your loan applications. We are meeting with all the players in this scheme on Monday to finalise the structures that will need to be followed. After the meeting I will send out an email (Monday afternoon) explaining the structures with the names of the relevant people and their offices that you can submit your loan applications to, starting Tuesday. The two schemes

¹ <http://www.radiovop.com/index.php/business/7000-zesa-tariff-increase-unsustainable-czi.html>

(African Century, 3-yr Capital Development Finance and NMB Seasonal Finance) are linked, hence the delay.

This deal will be for seasonal finance through NMB and capital development finance with African Century (being a 3-yr facility). We have had a lot of proposals and cashflows brought to us already, waiting to be submitted. For those that are still waiting to see if this facility would amount to anything, you need to get your proposals and cash flows together, bring them to us at CFU, in order to get your referral letter prior to submission to the relevant managers at NMB and the HP Company. The processes that we need to follow will be:

Proposals need to be seasonal finance required for your various crops (please note, that at present this does not include tobacco) and livestock, projected forward for 3-yrs. **Only project forward for 3-yrs if you are requiring capital development finance.** Within the cash flow you will need to show how you will be able to pay back your capital purchases, should you be purchasing pivots, tractors, equipment etc through the HP Company. This is required by the HP Company as the bank will have to provide you with a guarantee that the installments will be paid according to your repayment schedule on your cash flow.

These proposals you will need to bring to either myself or Neil Wright. We will go through these with you and amend should there be a need to adjust (please bring a copy of the proposal on your flash stick). A letter of referral with the CFU stamp will then be given to you, with the names of the relevant contact people to submit your loan application to. The bank will then do their due diligence on you and your proposal. Should this be accepted you will then have to go to Optimal Insurance Company to insure your crops and livestock. Once you have the insurance cover you return to the bank to submit this, where they will then start the process of transferring your funds into your account.

From the bank you can now proceed to the HP Company with your proforma invoices for your capital purchases. The HP Company will also do their due diligence on you and your proposal. On their acceptance, you will be required to go and get the items insured (fully comprehensive cover). Return with the insurance cover note and they will then pay the company direct for your required items.

We have through our talks with traders, one company come forward with a minimum price contract for Soyabeans and highest price on the day of sale should this be more than the \$550/ton minimum price contract. A good deal for farmers wanting to diversify, or already growing Soyabeans. The contract will be \$550/ton minimum price for 2ton/ha (my apologies for the error on the tonnage last week). Anything over this you can speculate with or sell to the same trader. For info on this contract please contact Graham Murdoch on 0772 235 588; email gmurdoch@intergrain.net

We have had a number of Companies sign the Preferential Trading Partnership agreements now, these being: Tarry's, Bain, Afgri, Lomag Irrigation, Seed Co, ZFC, Omnia and others, where they will offer discounts to union members who have the discounters club cards on spares, pumps and specific items. Will let you know more on these deals next week.

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)

National monthly formal milk intake remains in the 4,2 to 4,4 million litre range. Estimates for the informal trade range between 15% and 20%. Supermarkets continue to carry large stocks of imported milk and milk products, perhaps a lot more than the shortfall from the local production.

Dairy Services are commended to become more active and visible, although they struggle to carry out their function due to lack of resources. Aglabs continue to improve on their milk test results and gain the confidence of both producers and processors.

The following regional meetings are scheduled:

Mash A – 29th September 2011 at 9.30a.m. at CFU Harare

Mash B – 21st September 2011 at 10a.m. at the Beatrice Club
Chipinge – 27th September 2011 at 10a.m. – venue to be confirmed
Mutare – 28th September 2011 at 10a.m. – venue to be confirmed
Gweru – 23rd September 2011 at 10a.m. at the CFU Offices Gweru
Bulawayo – 22nd September 2011 at 10a.m. – members pavilion Z.I.T.F

These meetings require your support to discuss issues affecting you our member and very importantly we look forward to your participation with regards the new proposed N.A.D.F Constitution.

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 the NADF Offices.

C.P.A

BEEF OPEN MARKET PRICES (PLEASE NOTE THESE PRICES ARE ONLY A GUIDE)

VENUE	MT. HAMPDEN (29.08.2011)		BULAWAYO	
	AVE. PRICE	AVERAGE	AVE. PRICE	AVERAGE
GRADE	NO. OF CATTLE	PER KG LV WT	NO. OF CATTLE	PER KG LV WT
SUPER				
CHOICE	7	1.81		1.77
COMMERCIAL	9	1.59		1.6
ECONOMY	14	1.52		1.38
MANUFACTURING	13	1.52		1.2
WEANER HEIFERS	36	1.84		
BULLING HEIFERS	1	1.46		1.67
WEANER STEERS	35	1.79		1.55
LONG WEANER HEIFER	18	1.71		
LONG WEANER STEER	10	1.9		
FEEDER STEERS	1	1.83		1.63
COMM WEANER STEERS	1	1.53		
COMM WEANER HEIFERS	6	1.5		
BULL	3	1.5		1.42

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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