

06TH January 2012

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1. EXECUTIVE NEWS

We start this bulletin by wishing everybody a productive and peaceful 2012. We hope that all your dreams come true and that you can stick to all the New Year resolutions you may have personally made.

On our part the office officially reopened on Tuesday 3 January 2012, albeit with only a small staff compliment as some of the staff took a few extra days to take advantage of the school holidays to be with their children. However, we should have everybody back on duty by next week.

This is therefore a shortened bulletin as several sections will not be included due to the inactivity of markets out there as well as staff being away on leave.

Although it has been a bit difficult to meet with other people we deal with outside the building we have held a strategy meeting early in the week in which we went over our goals and achievements from last year and to set new goals for the new year ahead.

Looking back over the past extremely difficult year it was felt that a lot of time was still spent 'fire fighting' and although we had achieved quite a lot there was not very much that was tangible. Whilst we have made huge strides in some areas we were prevented from completing or concluding the work due to the well known problems we face as a nation.

Your team has resolved to place a greater effort this year at achieving its goals set for this year as there is a sense of optimism that there will be the necessary change for the goals to be fulfilled.

Here in Harare, the Christmas break was certainly a very wet one with over 200 mm of rain falling over that period. Listening to reports coming in from around the country we are happy to say that most of the country has had a good start to the season. The South East Lowveld which was extremely dry has, in most places already received a full season's average rainfall. The dry arid land has been transformed into a green paradise which the wildlife has benefitted hugely from. This rain has been much less in some of the Lowveld areas though although the grass is coming through.

Gweru reports a near perfect season with significant falls of rain falling almost a week apart. The Chegutu district reports scattered falls of rain despite the ITCZ being over the country during the Christmas period. One property in that district reports that they are extremely dry and the crops may have to be replanted should more rain fall later.

Whilst the rain has caused rivers to flow and fill dams with Kariba opening its flood gates this week the meteorologist's predictions of a dry January and February certainly does not fill us full of confidence that there will be a successful season this year.

As we all well know the national crop production has done a dramatic decline since 2000 and this year we hear that South Africa is importing both maize and wheat stocks. On top of this our own importation of maize from Malawi has dried up. Even if we could, by some miracle, resolve the issue of property rights we do fear major shortages in the region this season. Too much damage has already been done and, as was experienced at the banks before Christmas, there is no finance available, even to fund vital food production in Zimbabwe.

Just before the annual Christmas shutdown we held a successful Open Farmers' Meeting at Wingate Golf Club where we addressed the issues surrounding the sale of Agriculture House and received their full support. Unfortunately, every one of our members could not be there so we continue to have some members who do not fully understand the main issues, which are covered below:

- The funding of your union had fallen dramatically at a time when it is needed the most. This is due to the fall of revenue which used to come in from levies and licences due to acquisition of our farms.
- Your Union's main asset is its investment in Agriculture House which was generating a very small income by renting out most of the office space in the building, which equated to only one third of the rental which your Union pays Agriculture House P/L for the use of office space within its own structure.
- The decision to sell the building, which belongs to 9 shareholders, being commodity associations, was not easy and has been mulled over by Council and Agriculture House P/L for a number of years.
- The final decision was made by the board of Agriculture House P/L at their meeting late last year after a buyer had been identified and a satisfactory investment portfolio was presented. CFU Council and the Audit Committee have also been involved in the decision making process.
- The capital obtained from the sale will be used to invest in the property market in investments which are more lucrative than the present structure as its value has been rather static over the last few years. The shareholders' asset value will therefore be retained and will hopefully increase with the asset value being invested in a more sought after market.
- A small portion of the capital will be used to re-house your Union at a time when it is a buyer's market and the rentals from the other investments will be used to partially run your Union, with the rest coming in from other sources like licences etc.
- Therefore the asset value of Agriculture House will be retained, and hopefully increased as the market improves. Be assured that the decision was made purely on business grounds, which was made to look after the assets of your Union.

We do hope that this explanation has cleared up some of the suspicions and rumours which are still doing the rounds but if you do still have any questions to ask we would be only too pleased to answer them. You can come in and see us or else come to the next Open Farmers' Meeting, dates of which are listed below.

In two week's time there will be a meeting of the committee formed by the prospective buyers of the building at which they will make their final decision on the purchase of the building. Following this we would have a 90-day period in which to vacate the building and relocate. All our plans are in order and even if the current interested party change their mind we do have another very interested party knocking at our door.

Richard Winkfield's book, **The Bottom Line**, is selling like hot cakes so don't miss out on buying one for an ideal Christmas present. They are available from Mike Clark at your Union office. Come and get one before we close for Christmas.

2. **SECURITY**

Thankfully the Christmas period was relatively quiet although there were a few cases of new well-connected beneficiaries attempting to take over properties or to seize assets. With the talk in the

press of elections this year we can only expect the worst so any farmers still out there need to be vigilant and increase their family's personal security. Although the talk of elections may be pure speculation at the moment there is definitely a lot of political activity on the ground.

There was a lot of activity last year on the formation of a Business Against Crime Forum of Zimbabwe on which we were invited to sit and even went as far as us assisting with the drawing up of its constitution. Unfortunately interest in its formation waned mid-year and nothing further was heard, but just this week there is renewed interest and a meeting of the group has been set for next week, which we hope will open new avenues to assist our resolution of problems on farms etc.

Unsolved Cases

We are still waiting for a few of the following so we can follow up on unsolved cases – murder, assault, robbery, stocktheft, poaching, etc:

- Case Number and date – RRB or CR numbers
- Name of Police Station which took the report
- Certified copy of original statement made to the Police

Should you be able to obtain the above please get them to Mike Clark or else scan and email to mashc@cfuzim.org so that we can put a docket together for the investigators.

3. GOVERNMENT GAZETTE

On the 30 December General Notice 594 of 2001 was published in the Government Gazette. It covers the acquisition of the properties listed below in terms of section 8 (1) of the Land Acquisition Act. The notice can be found of the following link <http://www.cfuzim.org/images/gn594of2011.pdf>

1. Rem of S/d A of Retreat – Salisbury
2. Rem of Retreat – Salisbury
3. Rem Ext of Eyerston of Arlington Est – Salisbury
4. Lot 9 of Hatfield Est – Salisbury

4. OPEN FARMERS MEETING

Below is a schedule for the Open Farmers' meetings to be held at your Union's offices during 2012. Should there be any change in venue, dates or times you will be notified.

2.30 pm	17 January 2012
2.30 pm	21 February 2012
2.30 pm	20 March 2012
2.30 pm	24 April 2012
2.30 pm	22 May 2012
2.30 pm	19 June 2012
2.30 pm	21 August 2012
2.30 pm	18 September 2012
2.30 pm	16 October 2012
2.30 pm	20 November 2012
2.30 pm	11 December 2012

Although the attendance at the meetings is predominantly made up of the older generation who have lost their property and are living in Harare we would also like to encourage more of the farmers, who have been able to continue farming to attend.

After all we are a farming organisation which does represent both the dispossessed and those who are still farming and therefore require input from both groups – and your spouses are also more than welcome to attend as well.

5. **ZIMBABWE CROP PRODUCERS' ASSOCIATION** (*from the desk of Richard Taylor*)

Some interesting reading: This is an extract taken from the **FAO's Global Food Situation**. What is interesting is "This year's global food import bill is expected to approach USD 1.3 trillion, with the cost of food purchases for the Least Developed Countries (LDCs) soaring by over a third from last year".

Of further interest to you all will be the knowledge that for the first time in decades, South Africa started importing Maize at the beginning of December and sounds like they have just started to import Wheat.

"In spite of improved supply prospects and weakening demand, agricultural commodity market conditions remain fairly tight, which is the major factor underpinning prices.

Production forecasts for nearly all key food crops in 2011 have risen steadily since the previous report in June. For cereals, while the forecast for ending stocks in 2012 has also been revised up significantly, larger anticipated inventories reflect not only improved production prospects but also expectations of a slowing demand growth because of the unfavourable macroeconomic environment. In spite of these developments, however, international prices of all commodities covered in this report continue to be high and, in most cases, above the previous year. Strong underlying demand in certain countries, where economic growth is robust, is price supportive. Aside from being high, most prices are also extremely volatile, moving in tandem with unstable financial and equity markets. Fluctuations in exchange rates and uncertainties in energy markets are also contributing to sharp price swings in agricultural markets.

Given all these uncertainties, it is difficult to predict how markets will evolve in the near-term. While there is some room for optimism that, for most commodities, prices could remain below their recent highs, the general picture still points to firm markets well into 2012. For most food commodities, next year's production will have to increase in order to meet the expected demand, albeit moderately. However, if this demand were to rise faster than currently envisaged, which is a possibility even assuming a slow economic recovery, then a more significant production expansion will be required. The question therefore is: do the current market signals convey the correct information for producers to adjust their production plans for next year? More critically, will there be enough time for an adequate production response in the event of an unexpected surge in demand?

Input costs, from fertilizers to energy, remain high, interest rates have climbed in many emerging economies, all of which could dampen production next year and, hence, draw down stocks and boost prices further. This year's global food import bill is expected to approach USD 1.3 trillion, with the cost of food purchases for the Least Developed Countries (LDCs) soaring by over a third from last year.

Reducing market uncertainty may not be among the fastest remedies for lowering the number of hungry. Yet, letting international markets continue in their present state, volatile and unpredictable, will only aggravate an already grim outlook for world food security. This is the reason why world leaders have been dwelling at length on the issue of price volatility since the start of the year. Such discussions gained momentum in recent months as attention turned towards finding ways to improve the accuracy of supply and demand forecasts for major food crops as an important first step in promoting stable and transparent food markets.

In June 2011, the Group of 20 (G-20) established a global information system under the banner of Agricultural Market Information System (AMIS). This initiative, proposed by a number of international organizations, has been endorsed by all G-20 Members and, subsequently, by the Committee on World Food Security (CFS). This issue of Food Outlook also introduces AMIS by explaining how it came about, its structure and objectives."

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 dir2@cfuzim.org

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