

## **CONGRESS SPEECH 2012**

Honorable ministers, honorable mayor invited guests delegates, ladies and gentleman. It is a great honor to stand before you today as president of the commercial farmers union, at its 2012 congress to address you on this occasion.

This year can only be described as a year of immense difficulty and frustration for our organization on many fronts. We have over the last year, faced large challenges financially where we have been dealing primarily with a large carry over debt situation through a combination of theft and fraud outlined in our financial statements in an extremely difficult economic environment where traditional lines of income such as levies and active farmer contributions are greatly depleted against the continuing demise of commercial agriculture.

We have over the last year worked tirelessly to try and develop business strategies as outlined by Richard Taylor, with the aim of increasing revenue, expanding our relevance, creating business linkages as well as increasing our service base. This has been an extremely hard sell but is now starting to gel and I'm absolutely confident that the business chamber will be the primary financial motivator of the union in the future.

We have also been very active in bridging the divide between groups of individuals and organizations with pre determined positions after a decade long era of division, and we have seen as a result an improvement in our membership across the board. We have and will continue to promote the common sense approach in a non personal non provocative manner but I must emphasize that the time for pre ma donna grand standing is over and that we must all totally unify and focus in finding a lasting solution within which we can all benefit.

Our associations within the CFU are slowly being restructured to work alongside our Zimbabwe farmers union partners in the ZFAT program, but again this has been a slow process and very difficult particularly in the sphere of finding leadership of these associations with the necessary required vision, when our active farmers continue to be prosecuted, persecuted and evicted from their farming businesses. Our active farmers are facing a near impossible task, many who are still holding on to their land holdings are fighting an endless battle in the courts which we know is demoralizing, debilitating and financially draining with some farmers now having appeared in the courts in excess of 100 times to defend their status on something for which they worked and paid for within the laws of Zimbabwe. Our farmers continue to face viability issues with no affordable or structured money available, leaving many of them at the mercy of traders and suppliers who in the main control both the supply and takeoff prices, greatly reducing the farmer's options, this is not a good business model.

Our farmers continue to farm in a collapsing infrastructural environment with erratic power supplies and poor service delivery further loading the already high costs of production. We see our farmers continuing to be targets of bullying and extortion from many departments and organizations searching for money from a depleted capture environment, and during the year we have seen some farmers being prejudiced to such a level they have had to close their businesses. Our farmers continue to work in a policy vacuum, with unclear and indecisive policy being the order of the day, some of that policy in direct contrast to the best interest of commercial farming. To those farmers still on the ground I salute you for your perseverance and tenacity and rest assured that your union will continue to do whatever is possible to ensure your continued security.

To our dispossessed farmers the fight for a fair and comprehensive solution continues. Through our ARAC offices we are working to try and find such a solution and feel that we have an extremely workable position that if adopted by government as policy would greatly move this country forward. The situation, twelve years after this process began, that we find ourselves in, is by any international standards of fairness and normality totally unacceptable, with many of our farmers dying in poverty after a lifetime of production, development and commitment to this country. As Zimbabweans we should hang our heads in shame in what can only be described as a national disgrace.

The issue of interim monthly payments to be advanced against the eventual total receivable value so eagerly discussed and anticipated has yet to materialize despite continued effort and dialogue with the relevant

authorities. I can assure you that we will continue to push for this program in the short term as we are fully aware the length that this would go to assist in alleviating the current financial stress faced by many of our former farmers. The issue of compensation and re evaluation is being discussed at the very highest levels and this will be a reality, however I am unable to give you a time frame, but will continue to drive this as a priority.

To those within our community who continue to deny the hope of many who are openly stating that such a process will never happen, move away, remove your entitlement, and donate your title deeds to government, but do not halt or divide this process.

To our members I thank you for your increased support over the last year, but I must add a caveat to this. We all need to take a step back and in doing so take a good look at ourselves and take cognizes of the fact that all of us, everyone, has a part to play in finding a country solution and that in that process both commitment and honesty are not negotiable, it has over the last year saddened me to see in some instances open dishonesty within our community in both speech and actions, this behavior only delaying what we are all waiting for.

For the first time in many years we have formed, with the three other registered farming unions, the joint presidents council within which we discuss issues affecting agriculture and it is interesting to note that although we came from very differing positions we are fast closing the gap with most issues being common to us all, the primary one being that of security of tenure against which all other issues rely.

As a country we find ourselves in a very dire position. We have above 90 percent unemployment in the formal sector leaving 10 percent of the population carrying 100 percent of the tax cost, placing an untenable burden on the tax payer base forcing more and more companies and individuals to either close or join the informal sector in what can only be described as a continuous spiral of diminishing return, we are seeing the continued shrinking of our agricultural and other productive bases leading to our society becoming consumptive, increasing the demand for imported product thereby driving up our countries import export deficit now leaning towards 50 percent of our official GDP.

As mentioned before we are facing a rapid infrastructural collapse particularly in the rural areas with large power deficits, deteriorating roads, no affective rail system, clean water delivery and much more. We have and continue to see in certain areas the deterioration of the rule of law, selective application of this law and a compromised judicial system particularly apparent in our commercial farming sector.

We see our banking sector struggling to survive with very tight liquidity as well as the huge demand placed upon them to meet the ever expanding import payments, added to this a rising default ratio due to the increased number of failing businesses.

As a result of the current land status there is no active land market therefore no equity release on the land leading to no mortgage market or value leading to no meaningful investment, be it foreign or other, this has left our producers across all sectors technologically prejudiced, with no ability to long term plan, the final result being uncompetitive both regionally and internationally, leading to viability issues which ultimately leads to closure. Unless we deal with the fundamentals on the table, Zimbabwe and its population will be dependent on inputs and the prices there of.

The collateral effects of the land reform program have been felt across all sectors once the agricultural land value had been negated through the non respecting of property rights, the country as a whole was and has been left with an investor confidence crisis which has seen the demise of our economy not just restricted to agriculture.

The tragedy of this is that by not dealing with the land issue in a comprehensive and conclusive manner this country is quite literally being held to ransom, depriving us of the ability to actively participate in the global arena, we are seeing our neighbors over the last decade expanding their productive base at our expense posting an impressive GDP growth and development. However Zimbabwe still has a small advantage that being its relatively well developed infrastructure which we must immediately put to good regional use to maintain our advantage and

relevance. The countries around us although expanding their productive base have not kept up with the infrastructural development needed to cater for this production expansion but if Zimbabwe delays and allows these countries around us to develop supply and value addition infrastructure we will be bypassed, we must with urgency stabilize and strategize to capture the immense investment lines currently coming into central Africa so that we can again become a leader in the region rather than a slave to the global system that we currently are today. As stated before the fundamental issue of tenure cannot be over emphasized and to highlight the importance of this is I would like to use two recent examples which show this fact, in central Africa a poor country called Rwanda coming out of an intensely violent period in the 90s began issuing title deeds in 2007 and to date has issued 1.7 million titles which has resulted in a fourfold agricultural GDP growth over the same period. On the other side of the world in Eastern Europe a country called Georgia coming out of 70 years of state ownership within the old soviet system began in 2004 issuing title and between 2004 and 2009 salaries rose twelve fold with employment levels rising three fold a thirty six fold increase in population earnings.

Ladies and gentleman we as a country can no longer wait we have isolated ourselves for far too long and we now need to take this country forward with agriculture at its hub, and to those who say that Zimbabwe no longer needs a active commercial agricultural sector due to our extensive mineral resources let them understand that GDP growth in agriculture is four times more effective in reducing poverty than any other industry.

In your folders there are some tables that emphasize the real urgency needed to solve our land crisis. The first table shows the amount of arable land available against the percentage of that land being used per global region. Sub Saharan Africa is currently only using 22 percent of available arable land, leaving 80 percent unutilized. This 80 percent represents 67 percent of the total global unused arable land.

Table 2 shows the current consumption increase per global region up to 2050, sub Saharan Africa showing a fivefold increase in demand. The third table shows the forecast consumption increase over a 15 year period and a land usage increase over the same period. Consumption has increased by 23 percent and yet world farmed area over the same period has only increased by 1.8 percent leading to naturally higher commodity prices and potential food deficits.

What does this all mean for us?

On the positive side it means that agriculture is going to be the gold rush of the future, together with everything related to it, but in order for Zimbabwe to benefit from this rush it must adjust its policy in 10 vital stages.

1. We must become investor friendly.
2. We must have consistent and sound policy, together with good governance and rule of good law.
3. In agriculture we must promote and expand the industry through symbiotic relationships between large and small producers, allowing for volumes of scale to become effective as well as allowing access to crops and markets normally allusive to the small scale sector.
4. We must develop in parallel value addition industries to maximize returns to producer's, as well as reducing the dependency on imports.
5. We must develop a strong banking sector to accommodate the specific needs of agricultural funding for both development and crops and services there in.
6. We must position ourselves strategically with our neighbors so that we become a focal point between the east coast the west coast the southern coast and central Africa.
7. We must develop strong relationships with our neighbors forging comprehensive partnerships and mutual policies in energy development, water capture and usage, road and rail networks and much more.
8. We must expand our research, educational, and extension services so as to keep up with the latest trends and technologies to ensure our competitive edge and economic survival.
9. We must become active members of the global community participating in and abiding by trade and legal agreements. We will never survive if we choose to remain isolated.
10. Last but not least, this is the point on which all others depend on and that is that we must promote a strong robust tradable tenure system whereby the full value of our countries equity can be mobilized to the development of this country, always remembering that investors will only ever invest in equity and will never invest in debt.

Ladies and gentlemen the future could belong to us but that future only belongs to those of us who see possibilities before they become obvious and we must now grasp that future, it is in our hands and we at the CFU must position ourselves so that we can actively participate in such a future.

In ending ladies and gentlemen a few words of thanks.

To our South African friends and guests you have always been there for us in our times of need which over the last 12 years have been many and for that we are truly grateful and I hope that one day we will be in a position to assist you in return. To John Laurie who works tirelessly on the mapping and peer assessment program, all at his own cost never to slow down even during a recent period of ill health. John when the dust settles many many people will owe you a great deal.

To my vice president Peter Steyl I thank you for your support and loyalty over the last year you are a man strong in conviction, focused in vision and jovial in application a pleasure to work with, although with a tendency to talk too much. To my director Hendrik you are a man who has over the years been greatly under estimated and you have shown your metal this year by keeping this ship afloat in the most difficult of times. To you and all your staff who have worked within this difficult period with an extremely heavy work load often with inadequate reimbursement I thank you all.

To my trustees my council and my EXECO member's thank you too, for the time and energy donated to this union and I hope that in the short term we will be part of a rapid recovery process.

**CHARLES TAFFS**  
**CONGRESS 2012**