

## PRESS STATEMENT

MADE BY THE JOINT FARMERS' UNION PRESIDENTS' COUNCIL

This is a statement made by all of the registered Farmers' Unions in Zimbabwe namely the Zimbabwe National Farmers' Union, The Zimbabwe Commercial Farmers' Union, The Zimbabwe Farmers' Union and the Commercial Farmers' Union of Zimbabwe.

Recently, our respective Unions have reformed the Joint Farmers' Union Presidents Council. The aim of this platform is to ensure that there is unity amongst farmers on issues which are common to them all. The Joint Presidents Council will more enable our Unions to more effectively represent the interests of all farmers in Zimbabwe from all walks of life.

It has come to our attention in recent months that there have been moves by various Rural District Councils to pass through the Ministry of Local Government, Urban and Rural Development, a model by-law applicable to the whole nation that will have the effect of charging an 11.625% levy on the sale of all Livestock (Cattle, sheep, goats and donkeys) in all Rural District Councils. This is regardless of whether the sale is a private sale or at an auction at an RDC facility. The Ministry has sought to consult various stakeholders on this issue and as far as we are aware this process of consultation has not been concluded. However, we have further noted with alarm that a few Rural District Councils are attempting to adopt this proposed model by-law as a by-law specific to their particular districts. This is regardless of the efforts at consultation with various stakeholders which the Ministry has been making.

If this law is allowed to be passed it will have the effect of totally destroying the viability of Livestock Production in the Nation, particularly Cattle Production in Natural Regions 3, 4 and 5 where farmers are also being charged excessive land unit taxes by the very same Rural District Councils. The total cost to a farmer of selling one beast will be on average US \$ 85 dollars if the levy is allowed to go through. In short, the levy together with the land Unit Tax represents the total profit margin and more for the livestock farmer. This approach by the RDCs de-incentivizes the production of livestock to detriment of the nation and jeopardizes the livelihoods of a vast number of people dependent on livestock.

We have also noted with alarm the same trend of excessive charges by Rural District Councils in the Cotton sector. Ginners are allegedly charged excessive rentals for buying points and in some cases levies on Cotton purchased. Apart from the questionable legality of this, these costs will be simply passed on to the detriment of the farmers' producer price, and we would appeal to all Rural District Councils to desist from this practice and engage with the Farmers Unions.

On behalf of all the farmers in Zimbabwe we make the following appeal to the various Rural District Councils and the Ministry of Local Government, Urban and Rural Development.

Farmers want to be partners with Rural District Councils in the development and prosperity of their Districts. There must be a symbiotic relationship between farmers and their Rural District Council. When the farmers in a District are successful the Rural District Council will also be successful and provide proper service delivery. It is not the right approach to tax and levy farmers or the buyer of their produce out of existence. Here we must be clear although it has been stated that RDCs only will tax the buyers of commodities, it should also be noted that to tax and levy the buyers of agricultural

commodities is as good as taxing the farmers themselves, as these buyers will simply pass that cost on to the farmer by lowering the prices of those commodities.

We suggest that the framework for rural District Councils should be that any levies and taxes must incentivize the Rural District Council to help the farmer to have maximum production and ensure the economic prosperity of all people who live in the District.

We therefore make the following recommendations on this issue:

a reduction in land Unit tax to \$0.20 Region IV \$0.05 for region V and enforce on all residence. Review of other regions is also required.

A Reduction to sales levies to a reasonable fixed fee regardless of the value of the animal sold and to limit the application of this fee to RDCs to facilitating trade through maintenance of RDC managed sales pens only. That is NOT PRIVATE SALES.

The Development levy is a separate issue since not only RDCs are involved – There is need for a separate platform for this.

One reasonable rental to the Cotton Ginners Association with no duplication across ginneries and no levies charged on production of cotton.