



Commercial Farmers’ Union of Zimbabwe Annual Congress 2016

“Building Agricultural Competitiveness in Zimbabwe”

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1. Agenda

73rd ANNUAL CONGRESS AGENDA

VENUE: ART FARM

DATES: 27 OCTOBER 2016

Time	Activity	Presenter/Facilitator
0800 - 0930	Closed Session: <ol style="list-style-type: none"> 1. Opening Prayer 2. President's Report to members on behalf of Council of the Affairs of the Union. 3. Presentation of Audited Financial Statements 4. Appointment of Legal Practices and Auditors 5. Confirmation of the Trustees 6. Resolution in relation to License Fees 7. Internal discussion on Compensation Options 	CFU Council
0930 – 1000	Tea and Arrival of Guests for the Open Session	All
1000 - 1010	Welcome Remarks and Introductions	Marc Carrie-Wilson (Acting CEO)
1010 – 1040	Address by Guest Speaker: How Africa Can Improve its Competitiveness in Agriculture	Dr Theo de Jager (President of SACAU and PAFO)
10-40 - 1110	Address and Official Opening by The Secretary for the Ministry of Agriculture, Mechanisation and Irrigation Development	Mr Ringson Chitsiko
1110 – 1140	Address by CFU President: Making Agriculture Competitive	CFU President Peter Steyl
1140 – 1220	Panel Discussion on Competitiveness in Agricultural	TBA
1220 - 1240	Plenary Session (Question and answers and debate)	Marc Carrie- Wilson
1240-1250	Solidarity Messages from Sister Farmer Organisations	Farmer Organisations
1250 - 1300	Vote of Thanks	Marc Carrie-Wilson
1300 onwards	LUNCH and Presentation of the Oscar Awards	All
1400 -1430	Post Congress Council Meeting and Electoral College	



2. Rules of Debate

Order of Debate

- The Proposer will identify him/herself clearly.
- The Proposer will speak.
- The Seconder will speak.
- General Debate will take place.
- The Proposer will wind up the Debate.

Note: If required, the Minister, Government representative or guest will be asked to reply at a time requested by the CFU President

Length of Speeches

Proposer of Resolutions	–	5 minutes
Seconder of Resolutions	–	3 minutes
Mover of Amendments	–	2 minutes
Other speakers	–	2 minutes

The proposer of a resolution may reply at the conclusion of debate, limited to three minutes. Government representatives and guests are requested to keep their speeches as short as possible. The President may at his discretion allow an extension of these limits.



3. Past Presidents of the Commercial Farmers' Union

1910 – 1914 HON R A Fletcher, MLA
1914 – 1916 E Wilson, Esq
1920 – 1923 C S Jobling, Esq
1923 S M Lanigan O'Keefe, CMG
1929 – 1931 H B Christian, Esq
1932 – 1935 G N Fleming, Esq

RNFU

1942 – 1944 John Dennis, OBE
1944 – 1946 Hon H V Gibbs
1946 – 1948 J M Caldicott, Esq
1948 – 1951 E D Palmer, Esq
1951 – 1954 J MacIntyre, Esq
1954 – 1956 M Chenells, Esq
1956 – 1963 E B Evans, OBE
1963 – 1968 T Mitchell, DFC
1968 – 1970 J W Field, Esq
1970 – 1972 R G Pascoe, Esq
1972 – 1974 M E Butler, Esq
1974 – 1976 C Millar, Esq
1976 – 1978 C J Strong, Esq
1978 – 1979 D R Norman, Esq

Honorary Life Presidents Trustees

A J Laurie, Esq Dave Bouma, Esq
R G Pascoe, Esq Robert Swift, Esq
C G Strong, Esq
C G Tracey, ICD, Esq

Honorary Life Vice Presidents

C J Taffs, Esq

CFU

1979 – 1980 D R Norman, Esq
1980 – 1981 D B Spain, Esq
1981 – 1983 J M Sinclair, Esq
1983 – 1986 A J Laurie, Esq
1986 – 1988 J R Rutherford, Esq
1988 – 1990 J H Brown, Esq
1990 – 1992 A D P Burl, Esq
1992 – 1994 A J Swire-Thompson, Esq
1994 – 1996 P MacSparran, Esq
1996 – 1998 N Swanepoel, Esq
1998 R D Swift, Esq
1998 – 1999 N Swanepoel, Esq
1999 – 2001 T Henwood, Esq
2001 – 2003 C Cloete, Esq
2003 – 2007 D S Taylor-Freeme, Esq
2007 – 2009 T R Gifford, Esq
2009 – 2011 G S Theron, Esq
2011 – 2014 C J Taffs, Esq
2014-present P Steyl



History of the Commercial Farmers' Union of Zimbabwe Farming Oscar Award

'The Commercial Farmers' Union of Zimbabwe Farming Oscar Award has a long and proud history having been introduced in 1961 by the late Mr C G Tracey during his term as Vice President to the Commercial Farmers' Union as an award in recognition of "those people who have generally done well for agriculture".

'This annual Oscar has become known as the "Farming Oscar" to be given to some person or persons who have given outstanding service to agriculture, and has been awarded to people who have contributed to the Industry in its widest sense.

Over the years winners have been chosen from the practical and scientific disciplines of agriculture, as well as from the administration and leadership roles with the winners selected in recognition of having contributed significantly to the agricultural progress in Zimbabwe.



4. OSCAR Winners- Commercial Farmers' Union Award

OSCAR WINNERS – COMMERCIAL FARMERS' UNION AWARD

1961 E B Evans, OBE	1988 J Brown
1962 A Rattray, OBE	1989 R K Harvey
1963 E R Campbell, CBE	1990 P Millar
1964 R Stockil, KBE, OBE	1991 Dr S Hargreaves
1965 A C Black	1992 R Ternouth
1966 Dr I McDonald	1993 Dr P Grant
1967 Dr H Pereira	1994 R Winkfield
1968 J R Southall	1995 D Smith
1969 W Margolis	1996 M Edwards
1970 H R Mundy	1997 H Smith
1971 The Hon J C Graylin, ICDCMG	1998 V Hurley
1972 C G Tracey	1999 N Swanepoel
1973 Dr R C Elliott	2000 P Lombard
1974 M E Butler	2001 Dr L T V Cousins
1975 N Spoel	2002 R Tattersfield
1976 R A Griffith, ICD, MBE	2003 Dr J Jackson
1977 J R Humphreys	2004 D Hasluck
1978 D K Worthington	2005 Dr J Grant
1979 C J Strong	2006 D S Taylor- Freeme
1980 Max Rosenfels	2007 A Masterson
1981 D R Norman	2008 D Drury
1982 J W Field	2009 R H Vaughan-Evans
1983 J M Sinclair	2010 Mike Campbell & Ambassador Xavier Marchel
1984 J W Hayward	2011 B Oldrieve
1985 H J Quinton	2012 Dr C Foggen
1986 John & Jill Laurie	2013 L R Bruce
1987 Dr R W Mupawose	2014 C J Taffs
2015 Dr D Bruce	



5. Resolution: Farmers' License Fees and Rules

The Council of the Commercial Farmers' Union resolves and recommends to Congress the adoption of an Annual License Fee for the 2015/16 year commencing 1 October 2016 to become due and payable.

Council further resolves and recommends to Congress the adoption of a payment commencing 01 October 2016 and ending 30th September, 2017 applicable to all members as illustrated in the following schedule:

CLASSIFICATION OF MEMBER	FEE PAYABLE
OPERATING MEMBER (STANDARD LICENSE)	US \$ 500 per annum or US \$ 50 per month
NON OPERATING MEMBER (ARAC LICENSE)	US \$ 100 per title deed up to a maximum of 2
CORPORATE MEMBER (ASSOCIATE MEMBER)	US \$ 1200 per annum



6. Tabled Reports

Regional Reports – 2016

MIDLANDS REGIONAL 2016 REPORT TO CONGRESS

Crops

Maize harvesting is complete. Shelling and selling is taking place. Soya beans production is low and only irrigated crops produced reasonably fair yields. Dry land soya beans were not viable. Sorghum output is low and not significant. Wheat and Barley are due for harvesting shortly. Water and power supply has been good. Vegetable crops are plentiful in the basic commodities and a huge increase in potato production has seen prices coming down by 20% to 30%. Preparations for the 2016/17 season are underway with farmers having started buying fertilizer for Sorghum, Silage and Maize crop.

Livestock

Grazing in most parts of the province is plentiful due to the late rain in April, however bush fires are out of control and all burnt pasture will lead to a grazing shortage before the November / December rains. However, in Gweru East, veld is very dry and cattle struggling without supplementary feed which is expensive. Poultry prices and supply is stable but a bit low so viability is under pressure.

Thank You

Dr. Bill Moore

Midlands Chairman



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MASVINGO REGIONAL CHAIRMAN'S ANNUAL REPORT 2016

I am writing this report several months before our Annual CFU Congress is due to take place in October because Sue and I have been sent on 'forced leave' for 6 weeks by our family overseas in Australia and New Zealand. We are very fortunate that this has all been paid for by them and the break will be very much appreciated. Both families are farming over there so no doubt we will have the opportunity to learn more from their experiences in agriculture there.

Many things could happen between now (July) and Congress in October so please forgive me if some of the information herein is out of date. But better to do this report now than to have no report at all.

As we reflect back on this past difficult year for agriculture we most certainly must not allow the departing of several more of the wonderful people go unnoticed. They were all a big part of our farming communities around the province, who helped make it so easy and such a pleasure for me to serve our members.

Although the first two of our friends, below passed on before our last Congress, which we held on 28 October 2015 their names could not be mentioned in our Congress brochure, which was published a few weeks before Congress. We would therefore like to include them by honouring them at this year's event.

- **Jacobus Marthinus "Kosie" Erasmus** left us on 3 October 2015 in South Africa to where he had retired following his departure from his Makanya Farm, just North of Chatsworth. Kosie was one of the 3 Erasmus brothers who grew up to be incredible cattlemen in the Gutu/Chatsworth District. When their district became part of the Catchment Zone their contribution in the form of large quantities of high quality export cattle to EU countries was enormous.
- Then on 15 October 2015 we were all very shocked to hear the sad news of the departure of **Hannalah Jackson** in Bulawayo, the loving wife of 60 years of a wonderful marriage to Dr Japie Jackson. This tragic loss was so unexpected and shocked the entire district of Gutu/Chatsworth and far beyond as she was so well known. She was very sadly missed by so many as she was such an incredible lady.
- We then received the news of the passing of yet another of the Low-veld sugar pioneers, **Guy de Robillard** on 29 December 2015 in Mauritius. Guy played a huge part of the development of the sugar industry in those very early days when the dry Low-veld was transformed from Mopane scrubland to the gem that it was in its peak. His own sugar property was, like so many others at the time an absolute show piece of good farming.



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- The next most influential farmer from our province who we lost this year was **Silas Hungwe**, who passed away in Harare on 25 April 2016. Although not one of our members of our union Silas was President of the Zimbabwe Farmers' Union, for just under 20 years and with whom we worked very closely with. He had retired from ZFU a year or so before his death due to illness. He was very well respected in the industry.
- Long-time resident of the Low-veld and manager on several Sugar farms, **Willem Botha** was the next to leave us. He did not suffer a natural death as he was killed in a brutal attack during a robbery on a farm which he was managing near Triangle. Being such a most amiable character and hardworking man he was well-known and respected in the sugar industry.
- Then we heard of the passing of another farm manager and another of the Lowveld's real characters, **Piet Kloppers**, who worked mainly in the Mwenezi area for Sam Cawood for so many years. He passed away in hospital South Africa on 20 July 2016 after being ill for a while.

The past season was a very usual one as it was seriously affected by the El Niño phenomenon. Fortunately there were suitable warnings given about its activity so our few farmers were able to take the necessary steps to overcome the predicted shortage of rainfall. As a province, we are used to unpredictable rainfall and near drought conditions, but for those who were trying to grow crops on our old farms replanted up to 3 times during the season.

For the 'grass farmers' the irregular rain was not too much of a problem as the very late rain that fell did some good to tide them over for a little while longer. We can only hope for very early rains in the new season to get the grass back again. Probably the main problem with grazing is that under the current system of smallholder farming there is absolutely no grazing management able to be practiced.

This has unfortunately resulted in the overgrazing and killing off of most of the perennial grasses for which the Low-veld was so renowned.

For cattle ranchers, of which we have only a very few left, the lack of control over livestock movement from neighbouring properties has continued to be a problem. As has also been the cost of compliance to the payment of numerous taxes, levies and for services rendered. Probably the latest one being the land rentals and development levy has been the last straw that broke the camel's back. The imposed fee of \$5.00/ha is a huge problem for cattle (and wildlife) ranchers whose profit margins were already so small. This is especially in agricultural regions IV, V and VI, which can only safely accommodate 1 LSU to about 15ha. = ± \$75.00 per LSU per annum.

Furthermore, with the current unemployment and the poor economic climate farmers are having great difficulty in covering their overheads due to the low prices being offered on the market, which has shrunk considerably and so dramatically.



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With the lower rainfall conditions of the past season the restrictions imposed by the prevailing Foot and Mouth Disease in the province and beyond this has also heavily impacted on the viability and survival of the national herd. Cattle could also not be marketed to best advantage. Although a FMD control specialist has been contracted and a number of valuable workshops held, little has been done to implement the recommendations put forward by the consultant.

The fact of the matter is that nothing positive can be achieved until there is the political will and an amicable resolution to the land situation including the return, and respect of property rights.

I would like to recognise the considerable and significant work, which Jaco Erasmus continues to do on behalf of the cattle industry. And for all the meetings and workshops which he has attended at which his knowledgeable input is always considerable, as well as being well respected and very much appreciated. It is with people like this that we can make our industry great again. Thank you Jaco.

Although it has been difficult to obtain the exact dam levels for the season, none of the main dams took in much, if any, water at all. Certainly Mutirikwi did not take any water at all leaving the sugar industry in dire straits. As of 25 July 2016 the level was 14.58%. The much talked about Tokwe-Mukorsi Dam had its gates still open during the rainy season as there was still conflict with the companies who had not yet completed the sealing of the wall.

Finance for the completion of the dam was finally made available during the year and we are told that the outstanding work will be completed by December this year. Although the existing irrigation development systems are able to utilise some of this water immediately, most of the future development and expansion has been put on hold due to the uncertainty of the completion of the dam. Once completed this, the largest dam in Zimbabwe, will certainly put our province back on the map again. The fishing should also be better than Mutirikwi due to the higher ambient temperatures in that area.

The sugar industry has therefore not had a wonderful year and the main companies made major plans to conserve what little water was available to them, with Mutirikwi starting the season at around only 20% capacity. Some 5000ha of the older cane which was due to be replanted this year was left unwatered as part of the water conservation regime, which was undertaken. This will be replanted once water is available.

The below are figures from Stephan Schwarzer who is still hanging in there doing a remarkable job overseeing the sugar industry. Thanks Stephen.

Forecast total harvest to both mills 3,440,000 Tons cane with the estimated sugar production at 430,000 tons. To date one third of the crop has been crushed. Sugars to date 142,000 tons. Both mills operating well and crushing average of 400 t/cane and hour each. Crushing is due to be completed by end of November.



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The water situation is critical. Application rates at 40% of normal at this time with predicted increase to 70% as the heat increases (late August onwards). Current calculations predict that this reserves at this time will take us through to mid-December.

DAMS as @ 25 July 2016

Date	DAM	% Full	% Full as at last week 18/07/16	This time last year as at 28/07/2015	Full Volume Mega litres
25/07/2016	Mutirikwi	14.58	14.58	40.93	1 378 082
25/07/2016	Bangala	29.70	30.11	14.87	126 588
25/07/2016	Nyajena	99.62	87.47	80.63	4667
25/07/2016	Gungwa Weir	100.00	100.00	47.00	6 425
25/07/2016	Muzhwi	17.92	18.26	83.91	106 961
25/07/2016	Tokwane	49.99	56.01	50.44	14454
25/07/2016	Tokwe Weir	70.59	79.30	78.00	6 304
25/07/2016	Jiri	48.60	49.70	43.00	20 000
25/07/2016*	Manyuchi	76.63	77.28	74.20	307368
25/07/2016*	Manjirenji	24.83	25.98	62.87	274 179
25/07/2016*	Siya	38.77	39.10	96.80	105 455
25/07/2016	Mteri	51.30	52.20	60.20	75215
*no update during time of report					

The wildlife industry has continued to be adversely affected by problems relating to land acquisition. The land and wildlife utilisation in the Save Valley Conservancy has been split between foreign investors protected by BIPPA and the Zimbabwean properties which have been taken over and run by National Parks.

The rhino poaching has continued this year despite a number of arrests being made. Until the kingpins of the rhino poaching cartel are brought to book this poaching will continue as the demand for the rhino horn is still out there.

In the largest conservancy they have had a very successful year so far in that they have only lost one black rhino to poaching (that they are aware of) and the discovery of one white carcass in May 2016 that died from natural causes.

Earlier in the year security team arrested the rhino poaching group that has been responsible for the poaching in the south of the conservancy dating back a few years and are accountable for the poaching of 4 rhino in October and November of last year.



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A second group was arrested later and it is thought that they may have been responsible for the rhino lost in March 2016. The latest success is the arrest of another group suspected to be a well-connected criminal syndicate responsible for poaching in other parts of the country and in neighbouring South Africa. The security team is working with the judiciary to try and secure swift convictions and issuance of mandatory sentences.

Whilst some of the areas have experienced poor rainfall other areas within the conservancy have received sufficient rain for some grass to grow. The wildlife has therefore migrated to the better grassed areas. However, the fences against the communal areas are still down and unable to be repaired so the constant movement of uncontrolled domestic animals is a huge threat to the grazing. At the time of writing no wildlife has been captured to feed in bomas or to be translocated. This is probably due to the high costs and lack of available finance.

Although there are virtually constant discussions on controlling this menace as well as bringing in many other benefits for the surrounding local communities no final resolution has yet been reached.

We congratulate and sincerely thank Weldon Schenck for taking over the difficult task as Chairman of the Save Valley Conservancy this year, being a drought year.

Bubye River Conservancy reported the late rains saved them from a disaster and the grazing should see them through, provided the rains start when they should – October / November.

Armed poaching incidents were on the increase with more gangs cropping up every month. The biggest challenge has been that information is being leaking from within. Some scouts that have turned rogue are allegedly heading some of the gangs that are coming in. The cost of the anti-poaching has increased by 50% this year due to the increase in poaching. There were two shoot outs with rhino poachers so far this year. They arrested another poacher who had a silenced .375. The silencer was made in Sweden and had been fitted to the rifle in JHB. The same rifle also had a red single point site that had also been fitted in Jhb. The fellow had 2 rhino and 2 attempted murder charges against him but was given bail and defaulted – he is still on the run but did attempt another sortie there last month.

Unit tax levies have been negotiated with all but one RDC to make them affordable but the Land Lease tax is totally unsustainable on any extensive wildlife property.

Working here at CFU Headquarters has been another difficult year as it has been particularly emotional working through the downsizing exercise, the huge financial constraints and then moving into the much smaller premises in the Harare Exhibition Park. In the process we have had to cut right down which meant the loss of some of our most dedicated and loyal staff as we simply could not afford them.

This has unfortunately included Hendrik Olivier, who started off at the Regional Executive in our province right at the start of the land acquisition exercise. We have been through a lot of rough and difficult times together and I would like to recognise the dedication and incredible work which he has done for our union on behalf of all our members.



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On the upside, at least I have had Rob Beverley to continue supporting me as our very capable Vice Chairman and parting with some of his incredible wisdom for which I thank him most sincerely. Rob is also on the ARAC committee where he keeps a keen eye on the best methods of valuation of cattle and game ranches for compensation.

Benoit Lagesse has also had his work cut out on the Audit Committee as well as the Restructuring Committee where his very wise head and sound guidance has been very greatly appreciated by all. Thank you Ben!

Working with Peter Steyl has again been an absolute pleasure as he shares my enthusiasm of bringing all four of the Agricultural Unions to work together. This is initially under the Federation of Agricultural Unions of Zimbabwe within which each union will retain their own identity. The next step would be the formation of a single union working very similar to the Zambia National Farmers' Union, which should assist to move Zimbabwean agriculture forward in leaps and bounds.

On the compensation side I would like to recognise the difficult work, which has been continued behind the scenes by Patrick Ashton, Wynand Hart, Charles Taffs and John Laurie and the rest of the team. Despite the difficulties encountered by the current situation they have skilfully put in place the groundwork for as and when the political will is there so that the long overdue compensation can be paid. Wynand has also looked after our South African citizens' interests.

I once again thank my family for allowing me to continue to use up so much of my time to carry on this work on your behalf.

Thank you and God bless.

Mike Clark

Masvingo Regional Chairman

July 2016



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MASHONALAND WEST CONGRESS REPORT 2016

Overview

The 2015/16 season was characterised by El Nino at its highest levels since 1992. The province had long dry spells ending with the wettest March recorded in 40 years. Some farms in the area were more affected than others. Marketing and delivery of crops was smooth and delivery to the GMB seemed relatively easy with payments being made timeously. Generally in 2015/16 there ended up being an overall average rain fall with the majority of it falling in March 2016. The large dams still have substantial amounts of water in them and in 2016 a bit more wheat has been grown in the area as more commercial farmers are venturing into joint agreements with the current tenants on the land. There is also an increase in the irrigated tobacco crop planted but still small by comparison to the water reserves. Land prep again, for the coming year is not hugely apparent for any of the crops and there are still large amounts of land that are underutilized. There is a land audit currently ongoing of which the results have not yet been produced.

Crops

Generally there has been below average dry land yields for the past season. There have been some very good irrigated yields of tobacco and row crops reported. There is an increase in potatoes and green maize farming this winter. Power supply for the wheat production was a marked improvement on previous seasons and there is generally a good yield being produced. Finance for farmers continues to be a problem and there is an urgent need for banks and finance houses to provide a loan facility with a fair interest rates especially for those farms starting again.

Cattle

The commercial herd is down significantly in numbers and there is a perennial challenge with running a herd due to fences being stolen, keeping grazing intact and fires under control. There are however a few cattle producers left in the district that are committed to keeping their herds running and there are also the pedigree herds that are so important to our future in beef production. A couple of producers have entered into the Nestle dairy initiative and are working on increasing their herds and milk production.

Security

While in general there have been fewer incidents of late of farm evictions and work stoppages there have still been a few instances and once again we ask the relevant authorities to stop these incidences and allow the farmers that have managed to stay on the land to concentrate on production and farming going forward.

General

In conclusion 2015/16 has been a difficult season with the farmers out there continuing production under less than ideal circumstances. There are large areas of unutilized and underutilized land with irrigation that has the potential to produce this country hundreds of thousands of tons more food and exportable crops.



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Mash -West like the rest of the country should be looking at production as our primary goal and set aside the counterproductive rhetoric and policies that are hindering the progress of agricultural production in Zimbabwe. To the farmers in Mash West and the rest of the country, well done for the production and commitment to the past season and let's hope that 2016/17 is peaceful, productive and thankfully there are predictions of a La Nina this season and that rains will be kind to all of us whether Commercial, A2 or A1 farmers.

Roy Linfield

Chairman Mash West (North)



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MATABELELAND REGIONAL REPORT FOR CONGRESS 2016

The season started with very little rain over most of the Provinces both North and South resulting in crop failures and poor dam inflows. Grass cover was also very sparse. Fortunately we received good late rains and farmers took advantage of and the late planted maize crop allowed farmers to reap a small crop. Dam levels came up allowing most areas to survive the season. Unfortunately the grass cover regrowth was poor in some areas, resulting in these areas struggling to survive the season. Most farmers who cut and bale hay reported a 50% decline in grass cover and quality.

CATTLE

Prices of all grades dropped to below last year's figures due to the shortages of cash as the buying power of the man in the street is no longer there plus offloading by farmers both commercial and communal as they try to survive. Of concern is Govt.'s reluctance to issue licenses to export hides resulting in hides rotting as the leather industry cannot handle the quantity of hides being supplied. Thus resulting in losses in both to the industry and the country. Farmers are also concerned at the increasing number of costs which are being pushed on to the producer by the Govt. The latest being animals for slaughter being branded S and a fee of US\$200.00 per animal. All these costs add up to the producer.

POULTRY

Chicken producers are reporting holding large stocks of slaughtered birds as sales are down. Concern that imported chicken is still finding its way on to the markets.

GENERAL

The general public are fed up and angry as the economy continues to fall and the reluctance on the part of Govt. to turn it around. The talk of Bond notes has caused panic resulting in long queues at the banks as people rush to draw out their monies. Farmers continue to ask about the compensation for their properties as 16 years later and still no sign on the part of Govt. to resolve the issue.



Commodity Association Reports- 2016

Zimbabwe Crop Producers Association

Good morning CFU President, Acting Director, Presidents of other Unions, guest speakers, invited guests, ladies and gentlemen. It gives me great pleasure to welcome you all to today's Zimbabwe Crop Producers Association Open Forum. This forum forms part of the open session of our Annual General Meeting and it follows on from the closed session of the AGM that we have just completed.

I would now like to present the Chairman's report for this the 14th Annual General Meeting of the Zimbabwe Crop Producers Association. To begin with, as I am sure there are many people present who may not be familiar with who the Zimbabwe Crop Producers Association is and how it came into existence, I would like to share with you a little of our history.

We are the Commercial Farmers Union's Commodity Association that represents the interests of grain farmers, with our focus, being mainly on commercial maize, soya beans and wheat. The Zimbabwe Crop Producers Association was formed in 2002 when the Commercial Grain Producers Association, the Commercial Oilseeds Producers Association and the Zimbabwe Cereal Producers Association were amalgamated. The Commercial Grain Producers Association was the representative body for maize and other summer grains, the Commercial Oilseeds Producers Association was the representative body for soya beans and other oilseeds and the Zimbabwe Cereal Producers Association was the representative body for wheat & barley.

Review of the Past Season

I would now like to move on to a brief review of the just ended 2015-16 agricultural season. Those of you who attended last year's ZCPA Open Forum I am sure will remember well the excellent presentation that was given to us by representatives from our Met Office. The many charts and tables that were presented all pointed to a severe drought. We all hoped and I am sure that many of us prayed that the experts would be proved wrong. This unfortunately was not the case and the whole sub-region experienced very severe drought conditions until early March when meaningful rain fell across most parts of Zimbabwe.

By this time however, the damage had been done and most crops had gone far beyond the point of recovery and yielded from very little to absolutely nothing. There were however a few exceptions and those farmers who had access to irrigation or for one reason or another planted their dry land crops late did manage to achieve some reasonable yields. National production of all crops was however way short of national requirements and this has necessitated the importation of large quantities of maize wheat and soya beans.

According to official statistics, maize production declined from 700,000 tonnes in 2014-15 to 511,000 tonnes in 2015-16. The national annual requirement for maize is around 2.2 million tonnes. Soya bean production declined from 57,900 tonnes in 2014-15 to 47,700 tonnes in 2015-16 and wheat production is also expected to decline slightly from 62,300 tonnes last season to 60,000 tonnes this season.



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Delta has however contracted a small area of barley production this season, after not producing any barley last season.

For those who did manage to harvest a crop, this season, there has been the added benefit of generally higher market prices. This is as a result of the regional shortages and also the fact that the GMB has greatly improved the timeliness of their payments, thus offering an alternative market at a higher price than is generally being offered by the private sector. We as producers hope that this will continue, especially for the coming wheat harvest.

Association Matters

I would like to now turn your attention to the activities of the Zimbabwe Crop Producers Association, and in order to put things in proper perspective, I need to give you some more of our history.

As I mentioned earlier, the Zimbabwe Crop Producers Association was formed in 2002 by the amalgamation of the Commercial Grain Producers Association, the Commercial Oilseeds Producers Association and the Zimbabwe Cereal Producers Association. Prior to 2002 each of these associations had their own elected farmer representatives and their own executive officers and staff. They were well funded through statutory crop levies that were collected by the buyers of the crops and as a result they were able to be very active in independent research, extension services, distribution of market information and a whole host of other activities that were of benefit to their members. Probably one of the greatest achievements of these associations was the setting up of the Agricultural Research Trust Farm in 1983. ART as it is known to most of us is still running today and is currently the only privately owned Agricultural research facility in the country. The ART Farm annual report and their independent variety trials for maize, wheat and soya beans still provide us with the only really unbiased results on which to compare competing products.

The amalgamation that took place in 2002 was necessitated by the fact that when the Fast Track Land Reform Programme began, our predecessor associations lost most of their members and could no longer function as separate entities. Since 2002 we have managed to keep things going through support from our parent body the Commercial Farmers Union, through some donor funded projects and through other income generating projects.

We have however since 2002 continued to lose our members and our ability to raise finance. The donor funded projects have come to an end and the other income generating projects have failed to produce any meaningful income. We are now in the situation where we can no longer afford any employees and we have no financial resources. The Land Reform programme coupled with the extremely challenging economic climate in our nation has also taken its toll on the Commercial Farmers Union and thus their ability to assist has also greatly diminished. The result of all this is that today's Open Forum marks the extent of the public activities of the ZCPA since the last AGM that was held this time last year.



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Whilst it is a far cry from the achievements of our predecessor associations, at least we are still going, and at this point I must thank Ben Purcell-Gilpin who has managed to fit in the management of the crops association along with the many other jobs that he already does for the CFU. Thank you Ben for helping us keep going.

Whilst the lack of full time staff and resources has meant that we have not been able to be active in the public arena, it does not mean that we have not been working behind the scenes. We have continued to take an active role in trying to bring about an environment in the nation that is conducive to profitable crop production. We have been represented by members of the CFU team and elected members of the ZCPA management committee at numerous forums and meetings. I would like to express my gratitude to the CFU President Pete Steyl for the amount of time that he has put into attending meetings and other events that directly benefit our members. I would also like to thank the Acting Director Marc Carrie-Wilson for his tireless efforts on our behalf. His ability to work together with representatives of the other Farmers Unions to get a consensus when he tackles difficult issues such as wage negotiations and the price of ZINWA water has saved farmers hundreds of thousands of dollars.

But, having said all this, we now have to ask the questions; Where to from here? Is there a future for us as an association? My answer would have to be yes, but not in our current form.

Agriculture was the engine that powered the economy of Zimbabwe and I firmly believe that our economy will never really recover until agriculture recovers. Earlier in my address, I highlighted the history and achievements of our predecessor associations. I did this not only to illustrate how far down we have gone, but also to illustrate what can be achieved when people unite and pool their resources. All farmers whether large or small scale face similar challenges and now is the time for us to join hands and work together to find answers to the challenges we face and to influence the policy makers so as to ensure the creation of a conducive environment for agriculture in Zimbabwe. Now is the time for us to join hands and build together. Whilst it may well be some time before we are in a position to buy farms and set up research stations there is much that we can do on a relatively small budget.

I am sure there are some people here who will remember the 10 tonne club for maize and wheat and the 4 tonne club for soya beans, the Maize Grower and Soya Bean Grower of the year competitions that were held annually. These initiatives were started and run by the predecessor associations of the ZCPA and were hugely successful in promoting efficient and profitable crop production. I personally remember as a young farmer starting out eagerly anticipating the reports from these various competitions that detailed how other farmers were achieving high yields. I remember being inspired by attending the many field days that were held on the winner's farms as I realised that these excellent results were achievable for anyone who was prepared to work hard and apply of sound farming techniques.



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I am convinced that if we put aside our differences and the things that have divided us in the past and choose to work together, the results will astound us. I for one have children who are growing up and I would like to see them choose a career in agriculture and it would be great to be able to pass something of substance and value on to them.

In this regard I am excited to inform you that plans for the formation of a Federation of Agricultural Unions are at an advanced stage. The documents setting out the Trust that will oversee the process have been signed and the Trustees have been chosen. The ultimate goal is the formation of a single agricultural union representing all farmers. I believe that it is within this framework that we as the Zimbabwe Crop Producers Association have a vital role to play and we are more than willing to join with our fellow farmers from other unions to work towards restoring Zimbabwe back to its status as the bread basket of Southern Africa.

Conclusion

In conclusion, as we head towards the 2016-17 season in spite of the many challenges we face, there are many positive signs that should encourage us as crop producers. We live in a world that has a rapidly growing population that will have to be fed and we are living on the continent that has the most underutilised land. We face a situation within our region where all the commodities we produce are still in short supply, so prices are likely to remain firm. There are also indications that the season we are about to enter is likely to have above normal rainfall which hopefully will result in above average yields. In addition there are indications that the prices for some of our inputs will continue to remain low, thus helping to contain production costs.

It is also encouraging to see that there is healthy competition between our farm machinery and equipment suppliers and as a result they are continuing to be pro-active, with price reductions and finance packages with reasonable terms and interest rates to enable farmers to replace aging equipment. A further positive factor is that the supply of electricity appears to be significantly more reliable than it was this time last year, which should be a great help to those who use irrigation facilities to get their summer crops established early.

Finally, whilst none of us know what this coming season holds, I am convinced that there is someone who does. He is Almighty God, our creator. He has promised in the Bible that if His people will humble themselves and pray and seek His face he will hear from Heaven and forgive their sins and heal their land. If there ever was a time when we as nation needed to do heed these words, it is now.

It now remains for me to thank the members of the Crops Association Management Committee who have supported me through the year and have taken time out of their busy schedules to attend meetings. Also thanks are due to the CFU President Pete Steyl his leadership, support and encouragement and to the rest of the small but motivated compliment of CFU staff.



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Finally, special thanks are due to Ben Purcell-Gilpin, Marc Carrie Wilson and other members of the CFU staff for all the work that they have put into the organisation of today's programme. I am sure that we will all benefit greatly from the crop production forum that will follow this address.

Thank you and may God Bless you all.

Andrew Pascoe, Chairman ZCPA.



CATTLE PRODUCERS' REPORT TO CFU CONGRESS 2016

Good morning CFU President, Director, Invited Guests, Ladies and Gentlemen. At this time I would like to table the Cattle Producers' Report to this the 73rd Annual Congress of the CFU.

General overview of the cattle industry:

The past season has been a difficult one for most producers with the effects of El Nino being felt across most of the country. The impact was felt very severely in the smallholder sector particularly in Masvingo and Matabeleland areas. Uncontrolled veld fires and arson in areas where grass has grown remains a national problem. Uncertainty over tenure for commercial farmers remains the principle obstacle to the growth cattle operations and even stud breeders have been adversely affected by the seemingly never ending land reform programme.

Livestock Identification and Traceability:

Access to markets and disease control has increasingly become the drivers of livestock traceability systems. Zimbabwe is no exception to this end over the past year there has been a review committee in place to consult stakeholders, research, review, and make recommendations in regard to the cattle population in the country. A pilot implementation is now on going in two regions in Matabeleland.

At this stage all cattle will be identified to particular dip tanks. These facilities in communal areas and farms have been allocated unique two letter codes which will be branded on cattle in their catchment. Alongside a two letter provincial code these brands ensure origin can be clearly established. Considering that most cattle owned by smallholder farmers live and remain in the district where they are born, there is no plan at this stage to tag all cattle. Such a system aims to minimize costs for cattle holders. Animals will be tagged on sale and movement out of the specific zone.

Producers who wish to record their animals will be able to tag and the system will be compatible with performance data recording. Alongside the drive for all cattle owners to have individual brands, there are moves to align the Brands Act and Veterinary Control Legislation and brands for LITS to be done on a single registry.

The market:

Cattle prices appear to be slightly better than a year ago. With the forecast of a better rainy season sale prices for weaner and bulling heifers have shown a steady improvement in the last couple of months. There have been significant imports of live cattle from South Africa and Namibia where the drop in the value of the Rand has encouraged such trade.

Consumer price resistance for beef is a continuing problem as disposable incomes continue to fall and the purchasing power of the country's civil service is impacted by delayed pay dates and the cash crisis. The continued growth of chicken in the market remains consumption threat.



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Grading System:

On the beef grading side, stakeholder consultations and consultant recommendations have been finalised and we await the gazetting of a new classification and grading scheme that does away with the previously used fleshing index which was introduced in the 1970s. The index consistently discriminated against smaller framed indigenous carcasses and resulted in disconnect between buying and selling grades. The new system reflects quality through age, and fat assessments and measurements of yield are consistent and expressed in a classification that will hopefully be acceptable to producers, abattoirs and meat buyers.

Foot and Mouth Disease:

Foot and Mouth remains a problem in the country. The year has seen broad consultations on the way the country deals with the situation. Dr Gavin Thompson was the principal consultant in this process and his findings have suggested that a strategy based on Commodity Based Trade, a strategy successfully implemented in the Caprivi Strip of Namibia. The system aims to minimise risk at each step of the value chain in beef marketing may be the way to go. Deboned and low Ph stabilized meat has an almost negligible possibility of carrying and transmitting FMD. In addition resort to the past methods of control which relied on veterinary fences and vaccination zones, is problematic because of cost and also complications with vaccine efficacy. The country's previously clear separation of virus strains into specific geographical areas has been largely broken down and as a result of the uncontrolled movement of cattle. At this time, whilst cattle/buffalo contact remains an issue, the transfer from cattle to cattle seems the primary problem.

Certainly, where producers have exotic cattle that suffer considerably from FMD infection and particularly dairy herds, vaccination is a must and bio security arrangements will be essential in future.

A united, broad and inclusive Producer Body:

It is regrettable that I once again report that there has been limited progress in this regard. For close to six years we have hoped that a body that comprehensively deals with producer issues in an inclusive manner could be established. There remains a degree of concern amongst some producers that too close an affiliation to the Union will be detrimental to their stay on the land. In the meantime cross cutting matters that relate to doing business are eroding viability. Such can only be dealt with by a strong and broad based body for effective advocacy.

It is hoped that with the recent signing of the Federation of Zimbabwe Farmers' Unions Trust agreement, such action will at last facilitate the formation of an inclusive commodity forum for beef producers.

As the Federation looks towards a sustainable model of funding it has been suggested that a value chain approach towards commodities may be the answer. A branding concept has been suggested that would of itself require an accreditation process which may be a niche for farmer Union Commodity associations to meet.



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If value chain participants from producers through to processors and retailers are compliant, it may be possible to leverage access to attractively priced finance and so encourage membership subscriptions.

Considerable work still needs to be done on the myriad of regulations that affect cost of production. LMAC recently presented a thorough review of many obstacles and made specific recommendations for Government on the policies and strategies that will improve business in the livestock sector. There were many hurdles identified amongst them: RDC Levies, land taxes, Vaccine levies and AMA regulations and EMA requirements and VAT on raw material imports for stock feed and other items in the value chain.

Conclusion:

It remains for me to thank those folks who have engaged in the ongoing debate and also those who have facilitated it. We need however to do more than this and I hope with commitment and dedication we can in the not too distant future look to the establishment of a functional and effective beef producers body that covers the full spectrum of representation that is required to have a beneficial impact on production.

Mark Hook

Cattle Producers Association Chairman



Agricultural Recovery and Compensation (ARAC) Report- 2016

ARAC CHAIRMAN'S REPORT for 2016.

Mr. President, Distinguished Guests, Ladies and Gentlemen, Good afternoon. On behalf of our ARAC committee may I welcome you all to the CFU's 73rd Annual Congress. It is my pleasure to report back to you on the workings of your ARAC committee up to August 2016.

I think it is appropriate that I first turn to our parent institution, the CFU. You will all know, Peter Style our president. He has had an extraordinarily difficult year dealing with the consequences of the extremely fragile financial position that the Union faces. The complications of downsizing both our former offices and personnel have taken its toll, but, Peter has taken up the challenge with stoic determination and unflagging energy. I wish to commend him for his dedication. There can be no doubt that at this fragile time the Union deserves your full support to pull it through this trying period. So do please offer any assistance you can to our President and loyal staff. In particular, please bring yours and encourage your friends to bring their membership up to date.

Ladies and Gentlemen, there has been renewed impetus, over the past twelve months, in the drive for compensation. I will describe this later, but, and you will understand this it comes with a modest financial cost. Not one of your Farmer representatives, namely John Laurie, Charlie Taffs, Mac Crawford, Pete Style and myself draw nor will draw a cent for the all our time and effort promoting compensation efforts. But this is not to say that there are no significant costs to the CFU supporting ARAC's initiative.

To this end past and present members will have noticed that CFU, our parent organisation, have introduced a payment system based on title deeds. This is to ensure that as far as possible we can continue with our compensation drive as well as keeping your union afloat under the current very difficult circumstances. The new payment system is based on the fee of \$100.00 per title deed. I shall welcome any comments on this fee at the end of this report, bearing in mind that anyone who is unable to afford this modest charge may request to pay a lesser amount.

Peter continues, to generally apply himself to more general Agricultural issues, such as the creation of a Federation of Agricultural Unions, and to which He is making notable progress. Indeed do not be surprised if we have some form of united Agricultural congress soon. Nevertheless, he takes a great interest in the affairs of ARAC; to this end has attended all our meetings, guiding and reporting back to your committee. For this Peter we are most grateful. In addition, you have also dedicated much of your time to lobbying all of the international and internal stakeholders concerning compensation thus supporting John Laurie (our Valcon consultant), Charlie Taffs (our CFU consultant), in their quest to bring the compensation issues to the forefront of the National agenda and International Arena.

Since our last AGM in August last year, there have been notable achievements moving the Compensation process forward.



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So here, I would yet again, draw your attention to the dedication of John Laurie who in concert with Charlie Taffs, has almost single headedly driven and steered the compensation front over the past 16 years. In every respect, with modesty, diplomacy, devotion, sensitivity, delicacy, discretion, tact... I can go on and on... he has dedicated his whole being to pursuing compensation for his fellow farmers. John, thank you from all of us here and I know this message of appreciation will be echoed throughout the ALL the stakeholders throughout the whole world.

At the time of speaking to you all last year those responsible for addressing the compensation issue namely John Laurie (Consultant to ValCon), Charles Taffs (Appointed Consultant to CFU), Mac Crawford (Chairman SAFCA), myself (Chairman ARAC sub-committee of CFU) and ValCon, felt a wave of optimism because:-

1. We had engaged three Zimbabwe Cabinet Ministers (Finance, Agriculture and Lands) in confidential meetings at which we had had been given certain assurances that ValCon would work together with the Ministry of Lands and Rural resettlement (MinLRR) to achieve a common position on both Farm data and valuations, which would lead to a Global figure for compensation.
2. The UNDP and The EU had funded both The Ministry of Lands and Rural Resettlement (MLRR) to enable them to engage in this operation and also they had engaged two consultancies to guide the above process.
3. The then upcoming IMF meeting in Lima was to address Zimbabwe's debt position at which the farm compensation would be near paramount.

Again in March this year (2016), we were heartened at the outcome of a workshop held at the National Conference Centre with all stakeholders (including UNDP and EU), which gave unanimous support for the above mentioned issues leading to a consensus based solution for farm compensation for the Zimbabwe Government's Fast Track Land Reform.

Dr. Max Mutema who convened the workshop has written in his yet unpublished report *"The workshop was also a clear testimony of what can be achieved if a platform to engage, dialogue, consult, and negotiate is created"*

In subsequent confidential meetings, with the same Zimbabwe Ministers, it became evident that whereas the Minister of Finance remained firm in his support for the process of consensus, leading to a Global value for compensation, the Minister of Lands and RR was obdurate that his Ministry would make the land assessments unilaterally and the Minister of Agriculture was ambivalent at these different meetings. The Ministry of Lands & RR has little capacity to collect accurate Farm data fifteen years down the line and it can delay the process at will. In any event it is highly unlikely that a consensus can be reached with the dispossessed farmers for FAIR and acceptable level of compensation under the current political circumstances. These antagonistic attitudes are reflective and characteristic of the confusion and intransigence of the different belligerent administration divisions and factions, over the succession issue.



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On the National Financial side, recently news has filtered through that the IMF had replaced its Staff Monitoring Program Team (SMP) and the new SMP Team has given Zimbabwe a strongly adverse report in contradiction to the former team. This report has concerned itself with the Zimbabwe Government's failure to fulfil its promises, made in Lima, to address the fundamental requirements to re-engagement with the Bretton Woods organisations and we believe this has led these Organisations to discontinuing discourse for the time being. It is quite clear that the whole Lima exercise has been Window dressing for the benefit of the IMF. We will continue a conversation with Government, in due course, but make no mistake we have not had the wool pulled over eyes!

The above two paragraphs are bad news for our on financially distressed dispossessed farmers, and whereas our Zimbabwean Constitution declares that compensation must be paid (and all stakeholders agree it will be), it is uncertain when this maybe.

Many commentators say we have to go through this process. It will be of the utmost interest to hear what John Robertson, our Guest Speaker, has to say later.

This being the case, may I take a little time to explain the "ARAC Initiative". ARAC has been collecting data from many of our fellow dispossessed and financially challenged farmers. We did this to establish the magnitude of the problem. As the process went forward it became quite clear that the vast majority of dispossessed farmers are putting a brave face on things but in reality have or are about to sell their only homes in order to survive. Therefore we have pitched the beneficiaries at possibly up to about 2,500.

The outline of the proposal is as follows:-

This proposal aims to fund limited financial relief for dispossessed commercial farmers who, as a result of the Fast Track Land Reform (FTLR) program in Zimbabwe, mostly are now near destitution.

The problem

The Government of Zimbabwe (GOZ) have implemented a FTLR but have been unable to fund the acquisition of Land and Permanent Improvements stretching back over the past sixteen (16) years.

Dispossessed farmers aged 60 years at GOZ acquisition are now generally:-

1. 16 years older
2. Unemployed
3. Of frail health
4. Without funds
5. An ever greater burden on their families and humanitarian agencies

The Solution to this maybe:

- A financial instrument that could be created by which dispossessed farmers can access loans to relieve their destitution until a consensus based general solution is reached between the various stakeholders regarding the valuation and funding of the FTLR is achieved.



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- A suitable institution should be identified that offers loans to title-holding former owners of FTLR acquisitions against the certain eventual compensation owed by the GOZ for the properties they have taken.

Example

Institution “A” would create a suitable financial instrument to offer for public subscription a fund of about USD 60 million which would offer, to approve former farmers, facilities, to loan up to say USD 24,000 each year until a general settlement is reached. The loan establishment charges would have to be capitalised as the farmers are generally destitute. The fund should cater for approximately between 2,000 to 3,000 farmers who would be invited and might wish to take up this facility. The collateral for these loans would be provided by farmers surrendering their deeds together with a certified valuation (from ValCon including the value of Land) to a reliable independent referee for later presentation to the GOZ in exchange for the overdue compensation from which the loan would be repaid.

The new 2013 constitution declares that compensation must be paid and this might be sufficient collateral for a creative lateral thinking fund manager to be comforted.

ARAC continues to assist former farmers with SI6 compilations, introducing some very elderly or infirm members to the rigors of dealing with the Ministry of Lands and Rural Resettlement, collecting and delivering food parcels to some 50 persons, providing information on jobs vacancies and generally liaising with the former farming community in the outlying districts. Ben Gilpin, our ARAC manager, has fulfilled these tasks with care and patience and to him has fallen task of compiling the weekly ARAC update in the CFU calling. In addition Ben has taken on the onerous tasks of managing the Crops, Animal and Horticultural commodity associations. I do know this keeps you occupied! Thank you very much Ben.

Regarding the scope of the formal negotiations, we will one day hold with the stakeholders, it is essential, **I repeat essential**, that we have a united front representing a consensus of views. To this end I would like to expose two issues.

The first issue I mentioned last year. It is rather similar the Chinese President’s comments when China changed economic course. He said “I do not care what the colour of the cat may be; if it’s tabby or marmalade! The question is does it catch rats?”

There are multiple drives for compensation, both internal and external. They are not mutually exclusive. Each has advantages and disadvantages. My view is that we should prepare ourselves for each event.

So, I APPEAL TO THOSE ARDENT SUPPORTERS OF THESE ALTERNATIVE APPROACHES TO SUPPORT BOTH INITIATIVES and not in any way, disrupt or vilify the other. We are all after the same thing for goodness sake. FULL and FAIR compensation.

In any event, there is no credible alternative representative body with any significant credibility, clout or substantive connections. Without both the CFU / SAFCA, I can assure you all, nothing will happen. Yes the CFU is not perfect but let us rather fix it.



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In respect to ValCon, it is quite clear that they have an enormous data base of approximately 20 times the number of farmers greater than any other known agency. They should be congratulated for their perseverance, largely due to John's influence, against very difficult odds. Should you wish to know your "estimated" value, I am sure ValCon, could arrange for you to have it, at least for those farms they have completed the verification process.

This leads me to the second issue that concerns us all here today.

It has become obvious that we have to have a clear mandate for our farmer representatives from CFU / SAFCA / ARAC. They are:-

John Laurie as farmer and ValCon Coordinator

Charlie Taffs for CFU

Mac Crawford for SAFCA

Patrick Ashton for ARAC

Alan York as farmer who together with Mac Crawford will ensure the ranches in the Southern part of our country are fully represented.

By paying your \$100 to CFU you would also be mandating the above to represent you. May I have your verbal approval for this mandate for our representatives to present to CFU Council for their approval?

IN ADDITION IF YOU DISAGREE PLEASE LET US KNOW WITHIN THREE WEEKS.

We must have closure to this issue.

Property Rights are paramount and we are the key. This is why the resolution of our compensation issue is so important to the welfare of Zimbabwe. The Government of Zimbabwe will have to eventually discharge its debt to those who have been so cruelly dispossessed of their livings, homes, businesses, pensions, and in many cases their health and even their very lives.

My request to you all today, is to **insist all** our friends and colleagues unify behind our elected leaders in the CFU /SAFCA and discuss and lobby for any of their different points of view within the established structures. The doors are always open for reasoned debate and suggestions.

It remains for me to thank you all for attending today. Your support is so appreciated.

I would like to wish Marc Carrie-Wilson, our loyal Acting Director, who has already made his "mark" and is highly respected throughout his portfolio, success in his new appointment. It will not be an easy road to tread over the next few months but be assured we will all try to assist you in all your new responsibilities



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To Mike Clark for the unenviable task of compiling endless input data and publishing the CFU calling each week. What a fine job you are doing albeit behind the scenes. He is on a well-deserved break in New Zealand and Australia, details of how to connect with him are in the CFU Calling August 19th Version.

To Bob Swift, Chairman of Farm Families Trust, I wish to thank you and your committee for all your efforts in supporting and helping our elderly and less fortunate members in their time of need, with assistance for the medical expenses that they otherwise would not be able to afford.

To all the staff at the CFU, who each in his or her own way contributes to the smooth running of your Union a particularly big thank you.

I should also like to applaud Wynand Hart's contribution to the general compensation issue. He is largely in the International Route forum, yet he continually contributes to the dialogue in a constructive manner. Thanks Wynand for all your selfless effort.

And of course to John and Charlie... please say the word so that we can give you the support you so richly deserve.... a deep expression of gratitude.

It only remains for me to thank you, our ARAC members and the committee of Pete Steyl (our Ex officio Vice Chairman), Byron Dardagan, Rob Beverley, Jim Barker, Kerry Kay, Rod Swales, John Perrot, Dave Sole and Harry Orphanides for your time, consistent effort, support and dedication to the cause, all for no financial reward.

Thank you.

Patrick Ashton

Chairman ARAC



Agricultural Information Services Department Report- 2016

INTRODUCTION

This paper serves to give developments that have occurred in the economy and the agriculture sector since the last Congress in October 2015. It also contains production data for the 2014/15 season and estimates of agricultural output for the current 2015/16 season

THE ECONOMY – OVERVIEW

GDP and Inflation

Zimbabwe's GDP growth has in recent years slowed considerably due to the underperformance of key sectors of agriculture, mining and manufacturing. A GDP growth rate of 1.2% is expected this year slightly above the 1.1% growth realized last year. Annual inflation is expected to continue on a deflationary trend this year. In August inflation gained 0.18 percentage points to -1.43% from the July rate of -1.60%. Zimbabwe's inflation remains the lowest and the only one in negative territory in the SADC region.

The current deflationary environment characterised by tight liquidity and high interest rates has created vicious cycles of debt traps that have driven both corporates and households into unprecedented bankruptcies. Tight liquidity and high interest rates prevail and many companies find it difficult to access funding. Local manufactured goods lack competitiveness against imports and unclear policies on property rights and indigenization deter foreign investors

Foreign Direct Investment (FDI)

FDI flows to Zimbabwe in 2015 were at US\$421 million from US\$545 million in 2014. Zimbabwe still ranks poorly compared to its regional peers Mozambique and Zambia who despite registering significant declines, received \$3.7 billion and \$1.6 billion respectively in investment in 2015.

Below are the key challenges affecting the economy;

- The impact of the drought on agriculture production, with attendant supply challenges along the agro-processing linkage value chain
- Depressed international commodity prices, particularly for our minerals;
- Limited domestic and foreign direct investment, also associated with the country's debt overhang
- High import dependency, which has contributed to de-industrialization and the drain of money from the economy
- Relative strengthening of the US dollar (anchor currency) against currencies of major trading partners, which adversely impacted export competitiveness.
- The growing fiscal deficit which is impacting on the liquidity of the financial system, as well as on business activity
- Overall fall in disposable incomes and weakening of domestic aggregate demand.



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Agriculture

In 2016 agriculture is expected to decline by 4.2% down from an initial growth projection of 1.8%. The downward revision was as a result of poor performance of most crops resulting from uneven distribution of rainfall in terms of both space and time last season. The agricultural sector continues to face challenges resulting from limited access to funding, high costs of production, poor infrastructure among others.

Mining

The mining sector is projected to register a somewhat modest recovery growth of 13.2% in 2016 up from 0.4% last year largely driven by the anticipated growth in gold, platinum group of metals and nickel.

Manufacturing

In 2016 the manufacturing sector is projected to grow by 0.2% which is similar to the previous year growth. Capacity utilisation is estimated at an average of 40 %. The manufacturing sector remains constrained by lack of funding, competitiveness and infrastructure challenges.

Financial sector

Bond notes are expected to start circulating in the economy by end of October and in smaller denominations of \$2 and \$5. Bond notes equivalent to \$75 million are expected to be in circulation by end of December. They will be released into the economy in sympathy with export receipts through normal banking channels up to a maximum ceiling of the facility of US\$200million. Lending to individuals (16.57%), manufacturing (15.38%) and agriculture (15.05%) continued to dominate the banking sector loan portfolio. Non-performing loans marginally improved to 10.05% as at 30 June 2016, from 10.82% as at 31 December 2015.

The Zimbabwe Stock Exchange recorded a 34% decline in market capitalization since January 2015, a reflection of the contraction of the economy.

Interest Rates

The Reserve Bank of Zimbabwe has been engaging the banking sector to reduce lending rates to a maximum of 15%. Some banks have already reduced their lending rates. However there are some banks which are still lending at rates above the agreed threshold (15%).

External Sector

The external sector is characterised by unsustainable trade and current account imbalances, reflecting declining exports, low foreign direct investment flows, and limited offshore lines of credit, against high current account outflows, primarily in the form of imports. Exports in the first half of 2016 declined by 9% to \$1.1billion from \$1.2billion in the first half of 2015. The import bill for the first half of 2016, though down 14% on the US\$2.9 billion for the corresponding period in 2015, remains unsustainably high at US\$2.5 billion.



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The annual current account deficit is projected to narrow down, from a deficit of US\$1,519 million in 2015, to a deficit of US\$1,069 million in 2016, partly on account of the projected decline in the import bill.

Agriculture and Weather Update

The Meteorological Service Department has predicted a good rainy season for 2016/17. The season is expected to start early probably two weeks from now in the low-veld. Farmers are encouraged to plant early since rains may subside between November and December for regions 1 and 2. According to the outlook normal to above normal rains are expected for the whole country between October and December 2016. Drier conditions are expected between November and December for region 1 and 2. The trend will persist for region 2 between December 2016 and January 2017 while region 3 is likely to receive normal to above normal rainfall for half of the season.

AGRICULTURAL OUTPUT ESTIMATES -2013/14

Preparations for the 2015/16 cropping season has been adversely affected by the very late arrival of rainfall and the effects of El-Nino induced drought. Most farmers planted late in the season because they waited for rains to begin and this reduced yields per hectare.

Maize

Maize production decreased from 700 000 tonnes in 2014/15 season to 511 000 tonnes in 2015/16 season. This year's maize harvest falls short of the national requirement of 1.8 million tonnes. Therefore, the country has to import 1.3 million tonnes of maize to cover up for the deficit.

Maize Imports

To date Government through the GMB has imported 188 831 tonnes of maize worth US\$71.5 million. The private sector has so far imported 278 000 tonnes of both maize and mealie meal worth over US\$100 million. GMB is currently holding 273 000 tons of maize in stock. Maize stock for GMB and private sector are enough to provide an eight months' food supply for the country.

GMB deliveries and payments

199 000 tonnes of maize worth US\$74.9 million have so far been delivered by farmers to the Grain Marketing Board (GMB) and currently payments for deliveries are being made within 14 days. However reports from some farmers show that they have not been paid for maize delivered in the 2014/15 and 2013/14 season.

Small Grains

Unfavorable weather conditions in 2016 has reduced sorghum output to 34 000 tons from 39 700 tons in 2014/15 season while production of millets remained static.



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Oilseeds

Soya beans output declined to 47 700 tonnes this year from 57 900 tonnes in 2014/15 season. There was a sharp decrease in groundnuts output from 88 900 tonnes harvested last year to 47 200 tonnes this year.

Cotton

Cotton production continues to decline because of unfavorable prices paid to growers. There was a sharp decrease from 105 000 tonnes in 2015 to 32 000 tonnes in 2016. Government will this season support 300 000 smallholder cotton farmers to put 350 000 hectares under cotton in a move to resuscitate the cotton industry.

Winter Crops

Wheat output is expected to decline to 60 000 tonnes this year from the 62 300 tonnes harvested in 2014/15 season.

Tobacco

According to the Tobacco Industry and Marketing Board (TIMB), farmers have sold 202 million kg of flue-cured tobacco worth \$594.1 million. This is an increase from the 199 million kg worth \$587.1 million which went under the hammer last year. The average price this year was \$2.94 slightly down from \$2.95 offered last year. Meanwhile, 767 541 kg of tobacco seed has been sold an increase from 672 600 kg of seeds sold at the same period in 2015 this indicates that tobacco hectareage is likely to improve this season.

Tobacco Exports

According to TIMB the country has so far exported 90.2 million kg of tobacco worth US\$435 million sold at an average price of US\$4.82. This is an increase from 86.5 million kg worth US\$ 436.6 million exported at the same period last year at an average price of \$5.04.

Horticulture

Horticultural output dropped to 65 000 tonnes in 2016 from 69 400 tonnes realized last year.

Livestock

The cattle death toll has continued to rise since October 2015 due to the prolonged drought. Regardless of these deaths the country has realised a 1% increase in its cattle herd from 5 477 million in 2014/15 to 5.528 million this year.

Milk production this year is expected to increase to 72 million litres which is slightly above the 71 million litres produced last year.



PRODUCTION VIABILITY AND INPUTS AVAILABILITY

Fertilizer

National annual demand of fertiliser for 2016/17 agriculture season is 350 000 metric tonnes, comprised of 170 000 tonnes basal Compounds and 180 000 Top dressing fertilizers. The country currently has 60 000 tonnes of top dressing and 40 000 tonnes of Compound D fertiliser in stock which are sufficient to start the agricultural season. The balance will be met through additional fertilizer productions by local companies and also through imports. AN fertiliser is currently priced at \$590/tonne while a tonne of Compound D is priced at \$550 (Windmill Pvt Ltd). The local fertiliser industry continues to struggle mainly due competition from imports, liquidity crisis, poor production history of farmers and high costs of production which affect viability.

Maize Seed

The country has enough maize seed for the 2016/17 season. The local seed companies have 40 000 tonnes of maize seed available for the coming season which is above the annual seed requirements of 30 000 tonnes. Seed suppliers have indicated that seed uptake this year is likely to be better because of the projected normal to above normal rain fall season. However the cash crisis and the decreasing buying power may negatively affect the uptake.

Stock feeds

To ensure that Zimbabwe remains self-sufficient in stock feed production, the stock feeds industry has made contingency plans to secure yellow maize for stock feed production this year so that white maize is reserved for human consumption. Some 200 000 metric tonnes of non-GM maize will be required for stock feed production in 2016.

Chemicals

Crop chemicals are readily available. However, uptake is very low because expensive and some farmers cannot afford them. 20Litres of Paraquat \$85.50, Stellar Star is costing US\$54/liter, Frontier Optima is at US\$30 per liter while Shumba Super costing US\$2.50/kg (Agricura Pvt Ltd).

Power Supply

Most Farmers reported that power supply this season greatly improved. However farmers raised concern regarding the delay in attending to faults by ZESA.

Environment

The rate at which the country is being deforested has reached alarming levels. The Forestry Commission has indicated that the country was losing 330 000 hectares of forested land annually, with tobacco farming being one of the major drivers of the destruction. Tobacco farmers across the country destroy about 50 000 hectares of forested land to cure the crop every yea. Other major causes of deforestation include the need for firewood. Agriculture expansion, rapid urbanization, and residential expansion as well as veld fires are also serious causes of deforestation.



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Future Prospects

The challenges and constraints that members face have remained largely unchanged since the new century began. They all centre on unresolved land reform issues that continue to seriously undermine productivity in commercial agriculture. Concrete actions should be taken to quickly resolve them so that Zimbabwe can once again become a country that achieves food security as a matter of routine.

Thank You

Antonnette P Chingwe

Economist



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TOTAL PRODUCTION OF MAJOR AGRICULTURAL PRODUCTS in ZIMBABWE (000 tonnes)																	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Grains and Cereals																	
Maize	2,043.20	1,476.24	498.54	754.00	950.00	750.00	945.00	697.00	417.10	781.25	819.25	895.00	833.00	798.00	1,200.00	742.20	511.00
Wheat	250.00	314.00	186.50	120.00	121.65	134.00	170.20	64.55	25.55	45.00	41.00	48.00	33.70	24.00	58.70	62.30	60.00
Sorghum	61.91	60.74	23.82	59.56	124.00	111.00	108.40	81.50	103.00	113.50	73.60	50.54	64.70	76.00	105.00	39.70	36.30
Barley	32.00	32.00	58.00	50.00	36.40	43.00	53.50	32.00	24.50	33.15	40.50	25.80	37.70	46.20	18.70	18.00	18.00
Small Grains (millets)	31.00	43.20	14.20	41.50	71.70	30.60	72.30	49.90	55.00	43.32	50.90	36.10	43.70	43.00	45.00	45.00	40.00
Traditional Export Crops																	
Tobacco Flue Cured	236.13	202.54	165.84	81.81	69.00	73.39	54.25	73.39	48.72	57.00	123.00	132.00	148.00	166.60	216.40	199.00	205.00
Cotton	353.00	280.50	195.67	159.50	364.20	196.30	207.90	255.00	223.02	210.09	149.90	195.00	342.00	133.00	114.00	105.00	32.00
Oilseed Crops																	
Soya beans	149.94	175.08	72.41	70.26	71.00	54.00	54.80	67.60	51.20	43.30	57.30	59.00	70.50	76.90	80.00	57.90	47.70
Groundnuts	190.89	171.78	58.56	86.50	64.10	57.80	83.10	126.80	116.55	44.46	136.70	97.50	108.20	130.00	132.00	88.90	47.20
Sunflower	9.20	30.30	4.63	16.90	20.20	7.40	16.70	31.10	33.40	16.25	11.80	8.23	6.90	10.00	12.00	21.00	25.00
Plantation and Industrial Export Crops																	
Tea	21.80	21.73	22.88	22.54	20.72	16.87	15.43	15.11	13.00	10.00	10.00	11.00	10.50	24.50	24.00	14.00	14.00
Coffee	6.54	7.26	6.60	5.52	7.20	3.96	2.70	1.86	1.32	0.50	0.40	0.40	0.30	0.40	0.50	0.60	0.60
Paprika	7.30	8.80	9.80	14.20	10.80	3.20	3.80	1.01	0.74	0.26	0.34	0.69	0.81	4.50	5.00	5.50	5.50
Flowers	17.86	17.86	21.89	22.80	20.17	16.27	14.33	10.17	8.00	5.00	7.50	7.50	11.00	11.00	12.00	15.00	14.10
Citrus	39.32	39.32	33.64	43.19	47.77	34.23	26.31	26.45	19.00	15.00	29.75	30.00	35.50	37.00	39.00	43.00	41.00
Fresh Produce	10.22	10.22	7.51	9.64	10.24	7.28	4.95	5.33	4.00	3.00	3.20	4.50	6.50	7.00	8.00	11.00	10.00
Sugar	538.00	515.00	581.00	502.74	422.30	400.00	446.65	400.00	380.00	280.00	300.00	333.00	372.00	420.00	445.00	412.00	400.00
Livestock																	
Dairy	187.05	176.77	153.13	114.08	97.64	94.55	92.50	87.36	47.72	37.00	47.00	56.00	55.90	54.60	56.00	71.90	72.00
Beef Slaughters (nos)	605.00	630.00	720.00	450.00	450.00	450.00	300.00	250.00	200.00	180.00	200.00	261.00	256.00	242.20	245.00	246.00	244.00
* Estimates																	



Labor Affairs and Advocacy and Lobby Report- 2016

INTRODUCTION

The year since our last Congress has been a very busy and eventful one both as a nation and as an organization. It has been my tradition to begin my report with a summary of the situation in so far as it relates to Zimbabwe's agricultural sector.

Agriculture remains constrained in its potential by a number of challenges. The country's policy with regard to transferable and tradable land tenure does not lend itself to maximizing investment opportunities. A failure to deal comprehensively and decisively with the long overdue issue of compensation continues to create negative investor perceptions when land based investments are to be considered. The overall business environment remains difficult with particular to administrative burdens in relation to compliance issues and high levies and taxes. The tax laws in Zimbabwe are relatively complex and inaccessible to entrepreneurs especially in the SME sector. This sector encompasses the majority of farmers. It would appear from reports made by some farmers to our offices that ZIMRA has been quick to penalize perceived noncompliance even where mistakes and failures to submit tax returns have been genuine and have not prejudiced the state. There are a multiplicity of Government institutions which seek to regulate and levy agricultural producers thereby undermining their competitiveness. The drought that prevailed in the early part of last summer season has compounded these challenges.

Looking forward into the next summer season, we are happy to note and we applaud Government's recent efforts to improve the ease of doing business in Zimbabwe. It is our hope that many of the above mentioned issues that constrain the competitiveness of private sector players in agriculture will be addressed by this process. We are also happy to note Government's acknowledgement that the compensation issue should be dealt with.

In addition we are happy that Government has sought to increase the production of Maize with a scheme which has come to be known as "command agriculture". We remain committed to playing our part in the growth of the agricultural industry and in support of any of Government's schemes that promote growth in our industry.

Labour Affairs Report

Our Labour affairs department remains extremely busy. The most notable issue of the last 12 months has been the several negotiation meetings held at the NEC with our social partners in the Trade Unions to agree on how to cap the use of Fixed Term Contracts. At a workshop organized by the NEC in the early part of 2016 where stakeholders of the NEC were briefed on the implications of Amendment number 5 to the Labour Act and additional training in negotiation skills was provided, it was agreed that each sub sector of the agricultural industry would negotiate the most appropriate way in which Fixed term contacts would be capped.



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Our particular interest is in the General Agriculture, Tea and Coffee and Horticulture sectors. To date agreements have been reached with regard to General Agriculture which has capped Fixed term contracts at 9 months renewable 6 times and Tea and Coffee which has capped Fixed term contracts at months renewable 7 times. The Horticulture sub sector is yet to go through the negotiation process.

The minimum wages have remained static. However, the employees have at the last wage review meeting in General Agriculture called for employers to consider a food/grocery hamper to be provided. After consultations with numerous employers it would appear that this cannot be sustained as a formal arrangement. In practice some employers already contribute Maize meal and other benefits but employers are of the view that this cannot be formalized.

We will hold more Labour training seminars in the future and we remind members that we are here to help and we can save you money in Labour disputes.

Advocacy and Lobby

We advocate for policies that improve the business environment for farmers. These relate to issues of Taxation and particularly VAT, ZINWA charges, ZETDC charges and availability, EMA charges and many more.

In the last year we have sought to play our part in fostering unity amongst farmers and we are pleased to announce that much progress has been made towards the formation of an inclusive federation of farmers' unions. It has been our policy for some time to ensure much of our advocacy and lobby activities be directed through this association with the other farmers' unions.

Marc Carrie-Wilson

Acting Director



7. In Memorium

The Commercial Farmers' Union remembers those members that have passed away during the last year and extends its heartfelt condolences to their next of kin.

Psalms 116:15

Precious in the sight of the LORD [is] the death of his saints.



8. 2016 Congress Sponsorship

The Commercial Farmers' Union would like to extend its sincere appreciation towards all those who have contributed in cash or in kind to the Union's Annual Congress for 2016. Without the generous support of these organisations, institutions, individuals and staff it would not be possible for the Union to host such an event.

Please accept our heartfelt appreciation.

MR PETER STEYL

PRESIDENT