

## ARAC CHAIRMAN'S ANNUAL REPORT 2018

Mr. President, Vice President of the CFU, Ladies and Gentlemen, Good afternoon.

On behalf of our ARAC committee I would like to welcome you all to our 2018 ARAC AGM. It is my honour to present The Chairman's 2018 report on the ARAC committee and I will touch on some associated committees.

I am most grateful for the support I have received from each of the members of the ARAC Committee. In particular we have had many robust meetings identifying and examining different aspects of Compensation and your committee has been able to pass on its views to the CFU Council which has repeatedly taken up ARAC's advice.

For more years than any of us care to remember, we have been ignored by an intransigent administration who disregarded virtually all Human Rights; Farmers especially have borne the brunt of this onslaught ... AND ... then, You will all remember our surprise when suddenly in November Mugabe was stood down and we dared to hope ..... Yes a "New dispensation" .... It was quite a lot to absorb. Now we are poised on the Freest, Fairest election in our history. Albeit not perfect, we should all take courage from:-

- The numbers of Election observers who have arrived,
- The opening of space for free speech,
- The reining in of Police demands for bribes and those dreadful spikes
- And the pronouncements made by senior members of the administration.

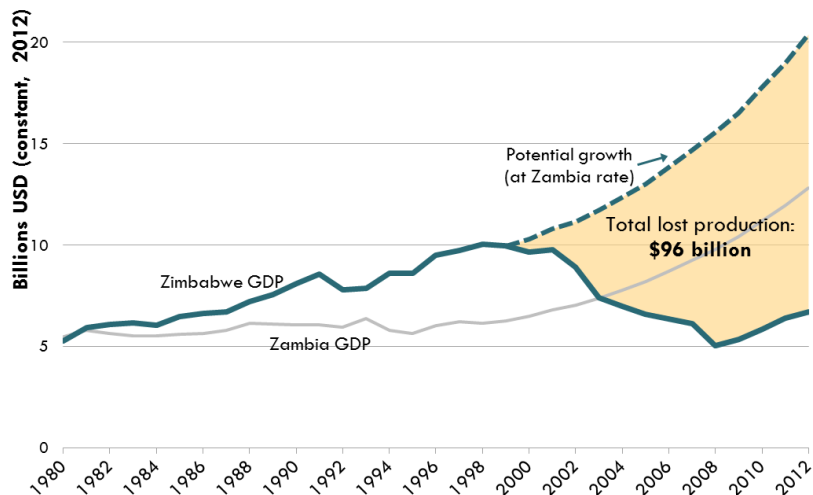
Yes there are serious challenges we all face, not least of which relate to the economy and budget over reach. The cost of the Fast Track Land Reform has been estimated to be around 96 Billion USD in the projected lost wealth over the first 12 years when evaluated against the neighbouring countries.

Todd Moss of the Centre for Global Development compared Zimbabwe's actual economic growth rate with the most likely trajectory of its economic growth *without* the land seizures.

Source

(Todd Moss, 20 March 2017, [How Misrule Has Cost Zimbabwe \\$96 billion...and Counting](#), Global Centre for Global Development)

### Estimate of Economic Cost of the Fast Track land acquisition programme



If this is to be extrapolated through to the end of 2017 then the Economic cost could be between 15 and 20 times ValCon's Global valuation (Permanent Improvements and Land ONLY).

I put it to you that Agriculture is the key to our country's prosperity and at centre stage of this is **respect for Property Rights**. The value of Land as security for loans is the crux. There are two major points that are pivotal:-

- The deeds we hold to our properties describe our ownership and until they are legitimately acquired and paid for they remain ours and cannot be used as collateral
- The collateral power of land and its tenure with the security of property rights remains the very bedrock of confidence to all and any investors

We all know the loss of this secure tenure has reduced our country to a "peripatetic" nation, where so many of its talented citizens have drifted away to pastures new or, indeed fled.

Whoever wins the election on Monday and this remains to be seen ... Let's remember the Joy demonstrated by that Saturday's march in November last year, which confirmed all the finest interaction, our country-men can have, and from all walks of life. Let's work towards and look forward to embracing the unity this country so dearly needs. Job creation is foremost in the minds of all the people from agriculture to factories, mines and all other industries.

The New dispensation has re-invigorated us all and it was uplifting to hear the newly installed President at his Inaugural speech enunciate policies that we can all associate with. In particular EDM's leading call for the Farmer's to be paid. This was followed up by His Government's prioritizing Compensation as the most important action for immediate attention as proclaimed in the Zimbabwe Investment Guidelines he took to DAVOS. Patrick Chinamasa, the Minister of Finance, recently stated on his visit to Washington, "Government and the farming community hope to have the mechanisms in place by September".

In respect to the **COMPENSATION STEERING COMMITTEE**; your foresight in approving the formation of the CSC in August 2015 and its subsequent approval by CFU and SACFA's (Southern African Commercial Farmer's Association) Councils has, I believe, been rewarded by the extraordinary progress that has been made resolving our seemingly intractable crisis regarding compensation.

At this juncture I wish to again put on record my admiration for my colleagues on the Compensation Steering Committee. Undaunted by the enormous task he alone has shouldered for eighteen years, John Laurie, indefatigably chairs the CSC. John's work rate would defeat men many decades younger than him. John is at the forefront of every compensation initiative. He attends multitudes of appointments and meetings. Incessantly he lobbies every one he knows ... and there are many. In addition Charlie Taff's list of contacts seems endless. His fine lateral thinking mind and persuasive arguments have opened doors, created space for engagement and guided the innovative engagement with GoZ in regard to compensation. There can be no doubt that without these two STALWARTS there would be no significant movement on the Compensation front.

In addition, both Mac Crawford and Alan York have been extremely supportive to our CSC Chairman and particularly effective representing Lowveld Ranchers.

We meet at least twice a month and in the meantime there are many separate tasks lobbying, meeting Farmers in small groups and engaging with various GoZ bodies. Individually or as a committee we are engaged at least 3 days a week and the Chairman devotes every day to Compensation matters all for no reward.

Lest there be any doubt, all the above effort is being undertaken by individuals at their own expense, with no financial reward EITHER NOW OR IN THE FUTURE or, for that matter, cost to you the

dispossessed farmer. Any talk otherwise is completely untruthful and extremely hurtful to those who have so generously dedicated their time to resolving Compensation for our taken assets. There have been some extravagant untruthful insults and downright lies peddled by some very few in our constituency; I condemn them unreservedly.

The CSC is now at the stage we need Expert advice/Input into our engagement with the GoZ. With this in mind, I must acknowledge the tremendous contributions they have made by several such gentlemen. However for the time being they must remain nameless for profession reasons, but whom together have illuminated the path. They will know who they are.

Allow me now to turn to ValCon. ValCon has created a very accurate extensive valuation for which we must be most grateful to Shallon Bester in particular. Single headedly he has created an enormous Data base of exceptional quality. It is no lie to say that it is admired by professionals worldwide and outstrips any other data source concerning our compensation. You can all be justly proud of this information and our wholehearted admiration and thanks go to Shallon.

Wendy de la Fargue agreed to assist ValCon in the New Year. Her contribution to managing Farmers queries has been very professional and is greatly appreciated. With the news of movement on the compensation issue, there has been a "tsunami" of fresh interest in ValCon's data, both internationally and from farmers either verifying their information or even registering for the first time. Wendy has dealt with each task so efficiently, that once again, she can be contacted by farmers and they can expect to be given an appointment within a few days.

In my 2017 Chairman's report I urged farmers to "ensure that their credentials to the ownership are unambiguous and up to date. In particular, many titles are held by Private Companies and even corporate bodies. Please make sure shareholdings are not muddled, pledged or encumbered inextricably somehow" this remains true.

Last year the CSC requested Valcon to urgently value Land in addition to the permanent improvements. ValCon told us that they have identified over 150 categories of land which have to be overlaid on the central data MAP. Accepting that there may be some tweaks, this exercise was completed last year in time to be included with the "GLOBAL" figure that GoZ requested in November from ValCon.

Property Rights are paramount and we, the dispossessed farmers holding our deeds, are the key. This is why the resolution of our compensation issue is so important to the welfare of Zimbabwe. The Government of Zimbabwe has come to recognise this and that they 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.

I do not need to remind you all of the incredible injustices we have variously suffered. However for the sake of the record, and not because I wish to rub salt into old wounds), I list here some of the major costs Farmers have borne, to make other stakeholders aware of the illegal and outrageous manner in which we have been treated.

No farmer "stole his farm", in point of fact, the vast majority of farms' ownerships (approximately more than 70%) were transferred after our independence, registered at the Deeds office, and in particular, with the approval of the Government of Zimbabwe through the issuance of Certificates of no present interest!!

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 eighteen (18) years. Ninety (90%) of dispossessed Farmers have NOT been paid anything

Dispossessed farmers aged 60 yrs at GOZ acquisition are now generally 78 Years old!!! :-

i.e. They are:-

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

IN ADDITION TO THE ABOVE FARMERS:-

- Were obliged to pay SI 6 of 2002 (Gratuities which were formerly the responsibility of the PURCHASER)
- Lost their Home
- Lost their Pension (generally identified by livestock and the property itself)
- Lost their Businesses
- Lost their Cattle or wild life (Movables)
- Lost their Tractors and Equipment (Movables)
- Lost their regular income from their business

Much of which led to enormous stress leading to health issues and often death. And of course let's not forget in many cases Farmers were beaten, their homes looted and trashed and sadly not a few farmers were murdered.

THE DELAY WITH PAYMENTS HAS NOW LASTED UP TO 18 YEARS

IN ADDITION farmers have had to bear the burden of:-

- THE COST OF LAWYERS
- THE COST OF REMOVALS
- THE LOSS OF INTEREST or INCOME
- THE LOSS OF CREDIT LINES
- INCREASINGLY POOR HEALTH
- ADDITIONAL Med Aid and Insurance PREMIUMS

In particular the markets for movable assets collapsed because of the over-supply, and so Farmers could only offload their movable assets at "rock bottom prices" further exacerbating their dire situation.

EFFECTS OF DESTITUTION HAVE RESULTED THE LOSS OF THE ABILITY TO PAY FOR food, rent, med aid, medical, etc.

**BEARING IN MIND THE ABOVE IT WOULD BE SCANDALOUS TO MAKE FARMERS BEAR THE ADDITIONAL COST OF SEVERE DISCOUNTS OF THE ACCURATE VALUES ASSESSED BY VALCON**

CSC's attention is now directed towards Terms and Conditions. These are very important. Particularly in view of the extended time etc. as above.

For the past three years we have tried to get some sort of relief in advance of full compensation. Perhaps this is now a real possibility

To you our ARAC Members....

I believe we have reached a significant understanding at last with the vast majority of our farmers through their representatives in SACFA and CFU and I back this up with the unanimous support we have received at the March CFU Council, The near unanimous support of SACFA at their meeting in December (83:1) and the near unanimous support of you our ARAC members at last year's AGM. I would add that The Chairman has received well over a hundred letters of support after his last Newsletter. Thank you all. A difficult and hugely important task is made much less arduous knowing that there is this sustained support from you.

The final resolution of our issues is on the horizon. It will take a little while longer, as we are yet to finalise. So much of what we do has to be confidential as we explore what may be possible, I am sorry for this but I know you will understand.

As soon as we have a solution the CSC will make recommendations to the SACFA and CFU Councils for their approval to make recommendation to you the Farmer, who will by then be in receipt of your individual confidential assessment. You will have the final say to accept or decline in full knowledge of these recommendations.

An arbitration arrangement will have to be established to cater for any Farmers who dispute their assessments.

Compensation is not at all just about dispossessed farmers. Here are a few benefits to the nation that have been identified by John Laurie. Economists will identify many more advantages largely about creating jobs and wealth which will improve life for every single Zimbabwean citizen.

### **CONSTITUTIONAL COMMITMENTS REGARDING COMPENSATION TO FARMERS AND ITS ADVANTAGES TO THE COUNTRY AS A WHOLE**

"The President's Independence Day speech on Wednesday April 20<sup>th</sup>2018 reiterated his commitment to the "new Zimbabwe" and the need to "work together in righteous unity" to realise the "potential for investment".

It is fast becoming apparent that the economic recovery and future prosperity of the people rest on upholding the Constitution and inviting confidence back into all areas of business in Zimbabwe. His Excellency, President Emmerson Mnangagwa, has achieved 2 of the 3 points for "immediate action" noted in his Investment Guidelines in January 2018 at Davos. Namely, 1.9 (b) Amendment of the Indigenization and Economic Empowerment Act. (March 2018), 1.9(c) Special Economic Zones. (February 2018). This leaves 1.9 (a) Compensation for losses sustained through the Land Reform Program.

Up until now farmers have, after 18 years, not been paid for their losses sustained in the fast track land redistribution exercise. It is a Constitutional issue where the global figure has been arrived at by work done in the greatest detail by highly professional and independent Bodies. Further, the advantages to the country are potentially very significant, some of which are listed below:

1. It demonstrates clearly to potential investors, both internal and external, that Government is now sincere in meeting its obligations. The acknowledgement of property rights and security of tenure remain the key factors preventing current significant investment inflows. By doing this it can rebuild the country to become again the bread basket, the raw material hub, the agricultural stockroom and the tourist destination of Africa. **Job creation is a function of investment which is directly related to investor confidence in all property rights.**
2. Those assets taken, and paid for, will free up the land for the redistribution exercise, to include the farms taken amounting to some 7 million hectares and enable Government to make long term

plans for the future of agriculture in all its fields. The collateral power of land and its tenure with the security of property rights remains the very bedrock of confidence to all and any investors.

3. That there will be financial benefit to the country, the potential reinvestment of a significant portion of this money which will not just sit around. Correct fiscal policies following the reaffirmation of the Constitutional commitments will see a progression towards better food production, increased local manufacturing, repair and development of infrastructure, greater employment opportunities, strengthen our currency with imports and exports, boost share prices and pension prospects and allow for the implementation of fiscal discipline to name but a few. The provision of these will naturally create a popularity and support for the Government.
4. This anticipated reinvestment will lead to the creation of further work opportunities and development in the country. The President affirmed his task to "lead the nation forward to a new and exciting chapter" "constructively and with deep compassion" (Independence Speech 2018). Job creation is foremost in the minds of the people from agriculture to factories, mines and all other industries. This is of utmost importance to garner the support for the Government. If His Excellency can ensure the means to better the opportunities for the people, he will be assured their support.
5. Government must be congratulated on taking such a course where it recognizes and addresses an issue so soon after taking office, which has been sidelined for too long. Once secure tenure for agricultural land is achieved, then all sectors of the economy will benefit from the freeing up of security for bank loans.

The above and more will bring returns far exceeding the money actually paid out and will clearly demonstrate our adhering to what is considered as international norms.

Finally, this Government has taken over a country that is financially on its knees where rectifying all the mistakes, including corruption in the past, is going to take a lot of time. It needs some appreciation for what it has done already, despite the fact that the availability of funds is desperately limited.

The CFU will be holding its Annual Congress in late September. Pete Steyl will be stepping down after an extended period in office. Thanks are due to him for holding the fort during somewhat awkward and difficult times.

Andy Pascoe is expected to take up the reins. I would urge you all to give him all the support he will need to see us through. It is great to see younger men coming forward to pick up the baton."

Particular applause must go to Ben Gilpin as our new director. In the most tortuous handover Ben has proved his worth. He has not only taken over the important task as director but due to our downsizing he has had to absorb many other responsibilities formerly undertaken by staff that have left. Well done Ben.

Mike Clark and Louise Taylor O'Connor, albeit in the back offices, have served Ben with great loyalty. Their work load has increased significantly. Mike was a very worthy recipient of the Farming Oscar last year as it recognised his complete dedication to us all in the Farming world.

To all the other staff past and present, a big thank you for all you conscientious work you have put in. I point to Phillip Marodza who has proved to be a loyal and trusted staff member over the last fifty years.

It only remains for me to thank you, our ARAC members and the committee of Andy Pasco (our Ex officio Vice Chairman), Byron Dardagan, Rob Beverley, Richard Taylor, Kerry Kay, Rod Swales, John Perrot, Ian McKersie and Harry Orphanides for your time, consistent effort, support and dedication to the cause, all for no financial reward yet.

To Rob Beverly, who has had such a difficult and tragic year, may you continue to recover your strength, you have contributed significantly over this and previous years and we all wish you will see the Compensation exercise through to the end.

Rod Swales has decided to stand down, to him go our best wishes, again, his contribution both as a member of the ARAC committee and as a former Chairman has impacted extensively on our deliberations Thank you both particularly for your time and effort.

Thank you all, both here, attending this meeting, and those supporters overseas unable to be present today.

Your support is so appreciated.

Patrick

Patrick Ashton                      Chairman of ARAC 26<sup>th</sup> July 2018