

President's Speech CFU Congress 2019

The Minister of Lands, Agriculture, Water, Climate and Rural Resettlement, Honourable Air Chief Marshall (Rtd.) Perrance Shiri, President of the World Farmers' Organisation Dr. Theo de Jager, members of the Diplomatic Community, invited guests, farmers and friends. It is with great pleasure that I welcome you all to the 76th Annual Congress of the Commercial Farmers' Union of Zimbabwe, and I would like to thank you each one of you for making time in your busy schedules to attend today. It is very encouraging to see such a great turn out.

Before I go any further, I would like to preface my speech with the following. I am absolutely convinced that our creator, Almighty God is working today in the affairs of men and that he uses people to accomplish His plans and purposes and we all have a part to play. In The Lord's Prayer, which most of us who have grown up in Zimbabwe probably said on a daily basis during our school days there is a line which says "Your Kingdom Come, Your will be done here on earth as it is in Heaven". I along with many other Zimbabweans pray this every day and I am looking forward to the day when our prayers are answered and the way we do things in Zimbabwe looks like Heaven. If I didn't believe that there is hope for us and that God has not forsaken us, I certainly would not have the motivation to keep going.

When I took over as President from Peter Steyl last year, I did so with the expectation that we as the nation of Zimbabwe and us as the CFU were entering the final lap of the journey to bring closure to what has undoubtedly been the most difficult chapter in the history of our nation. The inauguration of His Excellency President E.D. Mnangagwa had recently taken place and he had stated that he was President of the second Republic and that this was a new dispensation. The new Cabinet had been announced and there was a new energy and ideas which were being put forward to turn around the fortunes of our wonderful country. We as a community had been reassured on numerous occasions in the preceding months that we had a vital role in the rebuilding of Zimbabwe. The doors in Government that had been for so long closed to us as an organisation were suddenly opened all the way to the highest office in the nation and we found ourselves being invited to more meetings and workshops than we had capacity to attend. And here, I would like to thank our Honourable Minister for opening his door to us and making us feel welcome. Thank you Sir for going out of your way to make time for us and for including us in all the processes and dialogues that have and are currently taking place to chart the way forward for agriculture. I would also like to thank you for recognising the importance of Farmers Unions and encouraging us to do better when it comes to representing our members.

Unfortunately though, in the months that followed, the real state of our economy was made public. The extent of our internal and external debt was far greater than any of us realised and it became more and more apparent that the road to recovery was going to be slow and extremely painful. The measures that have been and continue to be put in place to deal with the enormous problems, whilst they have brought some stability are causing all of us a massive amount of pain, with no end currently in sight. The extreme and in some cases fatal effects of the current economic situation on our members both farming and non-farming are laid out in great detail in the reports to Congress from the Regional and Commodity Association Chairmen and the Chairmen ARAC. These reports are in the Congress Brochure which I would encourage you all to read.

Like the road to economic recovery, the road towards a new dispensation is also one that is full of challenges and delays. A culture or way of doing things that has been in place for so long does not change overnight, especially when it involves so many institutions and people. His Excellency the President's mantra "Zimbabwe is open for business" for the most part has a long way to go before it has a positive impact on our constituency.

So where are we now on the road to recovery? The reality is that none of us actually know, but we are Zimbabweans and we are tenacious and we have against all odds come this far so we will not give up now. I personally have taken the view that this journey is an ultra-marathon and that we have no option but to pace ourselves and keep going until the end, whenever that may be, in the hope that we will have something of value to pass on to our children.

Having said all this, I do however believe that with a few bold decisions and some paradigm shifts, the road to recovery for Zimbabwe can be greatly shortened. The theme of this year's Congress is **Shaping the Future of Commercial Agriculture**. Honourable Minister I am so glad that you are here, because as our line Minister you have a leading role to play in this process. I know that you wear many hats. You are an ex-military man, you are a politician and you are a farmer. I may be wrong, but I think that you have been a farmer longer than you have been a politician, so I would ask you to listen with your farmer hat on as I continue.

Back in the 1980's and 1990's there was a saying that if Agriculture sneezed, the economy got Pneumonia. Such was the importance of the Agricultural sector. I am convinced that reviving commercial agriculture will be the fastest way to economic recovery for Zimbabwe. It is indisputable that the thriving Agricultural Sector led by the Commercial Farming Sector is what gave Zimbabwe the status Bread Basket of Central Africa. It is also indisputable that it was the demise of the Commercial Farming Sector following the Fast Track Land Reform Programme that caused us to lose our status as the Bread Basket and become a net importer of food. I am well aware that in the past, in good seasons, the communal sector produced more maize than the commercial sector, but a thriving commercial sector is the foundation on which a thriving communal sector stands.

During the 1980's and 90's there was unprecedented private building of dams and new irrigation schemes. Dams such as Arcadia, Jumbo, Musumbura and a host of others were built by farmers and thousands of hectares of new irrigation were developed. There was also huge investment in other agricultural infrastructure. This may be a simplistic way of looking at things, but if the system we had worked so well in the 80's and 90's, then surely the sensible thing to do is to look back and identify what it was that made it work so well and see how these fundamentals can be incorporated into the new Land Policy and the new Agricultural Policy which are currently being formulated.

So what are the fundamentals that need to be in place in order for there to be a thriving Commercial Agriculture sector in the future? What was it that led to such huge private investment in Commercial Agriculture in the 1980's and 90's and why has this investment almost completely ceased. In my view, there are three fundamentals which are all related.

- 1) The first is the sanctity of property rights. In the 1980's and 90's an investor had confidence that his investment was safe because property rights were respected. Unfortunately, the way the

Land Reform was conducted and the Compensation issue dealt with has completely eroded property rights. No one in his right mind is going to invest his money into something he could lose tomorrow without any compensation, and no reputable Financial Institution is going to invest the funds that depositors entrust to it where there is a high risk of losing everything. This is the situation that has prevailed on most of the agricultural land in Zimbabwe for the last 18 plus years.

This fact is highlighted in a conversation I had with a friend who is doing his best to farm in the current environment, by way of Joint Ventures with beneficiaries of the Land Reform Programme. I asked him how he deals with J.V. partners and his response was that if he has a problem that cannot be resolved satisfactorily, he simply removes all of his infrastructure, including underground pipelines and cables and moves somewhere else. This is hardly the recipe for long term investment.

How can this situation be rectified. Payment of fair Compensation according to international best practice to the farmers who lost land in FTLRP would go a long way towards demonstrating that property rights are going to be respected going forward and would be the first step towards encouraging new investment. We are happy to note that His Excellency put this at the top of the list of priority's when he was in Davos at the end of 2017 and that further commitments to pay compensation have since been made. We are grateful for the involvement of Independent Assessors in the valuation process and look forward to an agreement on the global figure for the value of compensation. Once this Global figure is agreed on, we are confident that ways will be found to raise the finances required and a mechanism put in place whereby a significant portion of this finance can be used to kick start commercial agriculture. The benefits of this to the economy as a whole would be enormous. Payment of compensation would also remove the conflict that still hangs over the land and enable us to close this chapter of our past and move forward.

We were also encouraged earlier this year by the willingness of the Government to make Interim Relief Payments to former farmers who are in financial distress. What has however been extremely disappointing for our members is the inordinate length of time it has taken to make these payments. The commitment by Government was to pay by 31 May 2019. To date, only around half of the 780 people who applied for the Interim Relief payment have received their money. With the declining value of the ZWL currency, the Interim Relief payment which was equivalent to USD10,000-00 is now only worth USD3,500-00 at the current Interbank Rate. We would implore you honourable Minister to do whatever you can to speed up the process so that the remaining farmers receive their payments before the value is further eroded.

2) The second fundamental is secure, tradable tenure in an active land market.

In my own situation in the late 80's I was able to use my land as collateral and as a result, in the space of 1 year I was able to build a large dam and increase the irrigated area from 40ha to 285ha.

In 2002 my farm was acquired by the Government under the Fast Track land Reform Programme. Overnight my Title Deeds became valueless and I could no longer use my land as collateral and thus make use of finance from banks.

When it comes to security of tenure, we are told that we need to get an Offer Letter and then we can apply for a 99 Year Lease. Following the acquisition of my farm, I was promised an Offer letter, but for almost 8 years despite frequent written and verbal requests nothing was forthcoming, despite support from the District and Provincial Lands Committees and the Provincial Governor. Finally in 2009 when I was facing arrest and conviction for illegal occupation of State Land, a now late Vice-President intervened on my behalf and I was finally given an Offer Letter. Many of our members are still in the same position as I was in 10 years ago and despite their best efforts, they still have not been able to get Offer Letter's and live continually with the very real threat that at anytime, someone could arrive with an offer Letter for their land and they would have to pack their bags and leave.

Unfortunately, an Offer letter in itself does not give security of tenure, as I have since found out after being downsized twice in the space of and am now left with only 224ha of which only 65 is arable. As far as 99 Year leases go, things are not any better, as one has to get an Offer Letter first and even with an Offer letter they are taking an extremely long time to be processed.

Once you take it out of the market Land has no value. In a market its value depends on its productivity.

3) The third fundamental is access to land. After the second downsizing exercise, I was left with only 65ha of arable land and 15ha of pasture and the rest granite kopjies. Unfortunately, this land is not able to sustain my 120 cow dairy herd and my 150 sow pig unit, never mind produce the seed maize and many other crops that I used to. I am therefore forced to look for land and I now have to deal with 8 different beneficiaries who all have differing ideas as to what their land is worth. Some are very greedy and some don't even live in Zimbabwe. In addition, no long term security, downsized farms, irrigation infrastructure shared and in many cases vandalised, all make it very difficult to access suitable land farms.

The reality is that much of the best agricultural land is in the hands of the wrong people and thus it is lying idle. With the current system in place there is no possibility of land becoming available for anyone who wants to venture into agriculture.

I am convinced that if these 3 fundamentals were addressed and put in place, the recovery in the Commercial Agricultural sector would be extremely rapid and this would lead to an even greater recovery in the economy as a whole. If we continue along the current path of trying to deal with the other issues such as funding for Agriculture by way of Command and other programmes, without dealing with these fundamentals at best we will limp along, but we will never be able to recover fully.

I am well aware that there are host of other factors which are currently having an impact on Commercial Agriculture, such as labour regulations, the cost of doing business, SI145 on maize, the 30 day window for FOREX retention for Horticulture and the list goes on, but resolving all of these other issues without dealing with the fundamentals will have minimal impact in the overall scheme of things.

Again this may be simplistic, but in my view, the cause of the majority of the problems that our economy is now facing was the way the Fast Track Land Reform Programme was carried out and the resulting conflict which has yet to be settled in a satisfactory manner. I firmly believe that if we as Zimbabweans come together and choose to put the past behind us and in attitude of mutual respect work together to resolve our differences in a fair and just manner and then move forward together to rebuild our nation, we will find that we have a lot of friends who will give us all the support and help we need.

No one is going to just hand out billions of dollars to a group of white farmers. The same as no one is going to hand out billions of dollars to a country which has no capacity to repay it or even put it to productive use. If we together come up with a strategy and put in place the policies that will restore the productivity of our agricultural sector, this combined with the resulting increase in productivity in the downstream industries and value chains will make us the destination for more investment than we can even imagine.

In closing, I would like to reiterate the following: I personally and the CFU as an organisation are committed to working with our Government and all other stake holders in a constructive manner to resolve the unresolved issues still facing us and find the best way forward for us as a Commercial Agricultural Sector. We are hopeful that the new Land Policy and a new Agricultural Policy which are in the process of being drafted will lay the right foundations on which Commercial Agriculture can be rebuilt.

Finally, I would like to thank our many friends who encourage and support us. Without your support we would not still be going. I would like to thank the CFU Director, Ben Purcell-Gilpin, and his small but dedicated team who have and continue to work so diligently through the extremely difficult times we are going through. Thank you also to the CFU Council for your support over the last year and I look forward to further growth and progress in the coming year. Thank you also to the Compensation Steering Committee and in particular the Chairman John Laurie for his tireless efforts on behalf of all of us who are waiting for our compensation.

To my wonderful wife Louise and my family, thank you for supporting and encouraging me to keep going along this journey, and last but not least, thank you to my Lord and Saviour Jesus Christ for your overwhelming goodness to me. I am truly blessed to be living in Zimbabwe at this time in our history and I am looking forward to seeing you work miracles that will astound us all.

I pray that the 2019-20 farming season will bring the abundant rains and the bountiful harvests that we all so badly need.

May God bless you all.

Andrew Pascoe
CFU President