



c/o Norwegian Embassy, 5 Lanark Road, Belgravia, Harare

HDC Industry Update: August 2020

Overview

On Friday 21st August 2020, the Horticultural Development Council held its first Annual General Meeting. With the madness created by COVID19 at the moment, this was no small task but a very necessary milestone to ensure the continuity and drive of the Council to continue striving to meet our objectives. The meeting itself was a small affair with only outgoing and incoming Board members present in person, in order for us to maintain strict COVID safety measures and social distancing. The remainder of our members joined us via zoom, again our very grateful thanks to those that were able to take the time out and join us from afar.

This was definitely NOT the inaugural AGM that we had hoped for when HDC was newly formed. We had planned to launch with all the pomp and fanfare of the Hortiflor Expo that was due to be held in Harare in March but the pandemic took hold and this was postponed to September 2021. As we were not able to wait that long and with the virus showing no signs of abating we had to continue even if only with the basic Agenda for reporting to membership.

Below is the Chairman's Report given to members;

Welcome Remarks

Allow me to acknowledge important guest here present or virtual as protocol dictates. I also want to acknowledge presence of board members, Conrad Archer, Vice Chairman, Liam Philp, Rufaro Gunundu, Paul Spear, Brian Kagondo, Bruce Laver, Edith Jaravani, John Perrott, Nick Shaxson, Edward Dune, Daniel Fowler and our CEO Linda Nielsen.

May I kindly ask members to observe a minute of silence in respect of people that have died of COVID 19.

Formation of HDC was facilitated by Ministry of Lands, Agriculture, Water and Rural Resettlement particularly Honourable Peter, Vangelis Haritatos, Deputy Minister in the Ministry of Lands, Agriculture, Water and Rural Resettlement. We owe our presence to him and the many men and women who formed the first steering committee to make this a reality.

On May 8 2019, stakeholders met at the Rainbow Hotel to discuss the deteriorating operating environment in the industry, a multi stakeholder meeting was financed by Mr Dick van Raamsdonk to look for solutions to the morass. It was at that point that Deputy Minister Haritatos implored the stakeholder to look into resuscitating Horticultural Promotion Council. A series of events put that in motion resulting in the formation of a Steering Committee whose mandate was to look at the constitution and ensure a board was in place.

Today we hold our first AGM to have a board elected by members. Some old faces will remain and new ones emerge to push the agenda of horticulture coordination. The first year was marked by difficulties caused by the novel corona virus which upended cold chain logistics. The world is in a state of flux, demand for some produce has gone south and continued ultra-loose monetary policy will fuel new debt crisis. As HDC, we are still surviving on borrowed funds, I would like to, at this point, acknowledge the financial assistance we received from Zimflex and Zimflora, as well as donations and contributions from Makandi Estate and African Preserves to fund holding of this AGM here.

Industry Update

Berries are one of the fastest growing industry with a hectare of 300 and still growing. With a total tonnage of 3000 have gone to date.

Avocados exported more than 4.5 million tons to Europe this year with 700,000 kgs going into South Africa. The Avos are looking forward to the successful completion of the China Protocol as Asia is looking to be the hub of horticulture convergence in the near term. This a market that the country should pursue at whatever costs and it is incumbent upon the government, ZimTrade and HDC to pursue a bilateral trade agreement with China under the auspices of the China Protocol.

Flowers had a very difficult year due to covid as demand completely collapsed and huge tonnage was thrown away both at home and at the auction floor. In Kenya, growers had to give out to hospitals to front line workers for free. Freight costs doubled up overnight with no freights on other days. Passenger planes were converted to cargo in Kenya due to shortages. There has been a marked decrease in investment in the flower industry owing to among other things short term and expensive financing models as well as lack of finance. While there was a marked marginal increase in investment overall in the horticulture industry around 2017, we have seen that tapering off owing to a hostile investment environment, continued depressed economic activities, lack of saving and investment as well as the elephant in the room, land tenure.

Citrus enjoyed a good year with demand across the whole world rising because of the need to boost immune. Currently, the Citrus Association is pushing ahead with an audacious move to put a staggering 6000 ha in the next 6 years. This a very commendable inclusive envisaged growth that I wish the other value chains learn from. The investment hinges very much on key enablers chief among them, availability of land with long tenure guaranteed by government, investment in cold chain and port facility at Beira or Walvis Bay as South Africa facilities are failing to cope due to increased activity in that country. The China Protocol is key to drive investment in cold chain and stakeholder approach in guaranteeing investment.

Collaborations

I would like to express my gratitude to our partners namely,

- (1) **FAO**, who donated a vehicle, office chairs and laptops. We still have a continuing relationship in the form of the Value Chain Studies and I know they are keen to assist HDC in the coming years.
- (2) **Palladium** who were instrumental in policy documents for HDC, Strategic Plan as well as development of Membership Value Proposition. Palladium have also funded HDC indirectly through participation in the National Horticulture Framework Document as well as National Development Goals. We remain grateful for this relationship and we hope for stronger ties going forward.
- (3) **Queens University Belfast**, managed to source funds for our social media platform, funding which helped us in the acquisition of a top of the range printer, photocopier.

This was done through their partnership with UKTP and ITC. We are forever grateful for this gesture.

- (4) **COLEACP**, we are still in the nascent stages of our collaborations but I for see bigger things happening on technical expertise especially dealing with FCM and fruit flies and phytosanitary and plant protection issues.*
- (5) The **Dutch Embassy**, they committed to meet our budget shortfall and we still remain hopeful that the support will come through. We are very grateful for Martin Cargo which continued to fly as other air freights bailed.*
- (6) **National Horticulture Working Group**, it has been helpful to navigate government red tape and bureaucracy.*
- (7) **Ministry of Lands, Agriculture, Water and Rural Resettlement**. The Ministry provided secretariat during the nascent stages of HDC. We remain indebted to Mrs E. Sumowah for her legal advice as well as registration of HDC under the Farmers Licencing and Levy Act as well as subsequent promulgation of an SI to support registration of HDC. We have continued our collaboration via our involvement in the National Horticulture Strategy Document, National Agriculture Framework and National Development Goals. We remain hopeful of working together on the National Horticulture Recovery Framework.*

Our Financial Position

We started the year on zero budget with much of budgetary support pledged by our three main funding partners namely FAO, Dutch Embassy and Palladium. To date, the only support we have received are a vehicle donated by FAO, Office furniture and two laptops. We have also received support in the form of policies for HDC as well as formulation of HDC Strategy Document as well as Membership Value Proposition from Palladium.

We are still awaiting budgetary support from the Royal Netherlands Embassy. Delays in disbursement was caused by lockdowns and corona virus. As for FAO, we were very late to get HDC constituted and because of that, we missed out on the funds they had committed. I am positive that going forward, the help will certainly come.

We received support from our members as well as donations which went to specific areas. We remain hopeful that as our membership expand, so will be our finances. It is critical going forward to look at industry wide levy with consultation with various stakeholders to see if this is an avenue to guarantee financial sustenance of HDC. This is however a decision that can't be taken arbitrarily as the industry is also struggling under the yoke of heavy levying but should players feel the need to have this going, it becomes an imperative. The other option is to widen the sources of revenue to include other institutions like USAID which have been instrumental in funding growth of the Ethiopian Horticulture Producer Exporters Association together with the Kingdom of the Netherlands.

Going Forward

I remain hopeful that the New Year, as with the incoming Board, brings in new tidings. We are in a boat and for us to reach the shores, everyone need to peddle. I know that China Protocol is developing very well and with it will be serious opportunities. We continue to hope for serious government to government bilateral relationship with Zimbabwe and various countries to ensure we grow our industry base. With that also, policies and enablers from our government will make this industry the best it can be.

We are looking forward to work closely with the new Minister of Lands, Agriculture, Water and Rural Resettlement, Dr Anxious Masuka who we worked with in the National Horticulture Strategy as well as National Agriculture Policy Framework.

Thank you for the support and wish the new Board success in their endeavour.

Gorden Makoni

Outgoing Chairman of the Horticultural Development Council

Following his report, the Chairman announced the incoming Board, being:

Category	Representative
Producer Associations -	
• Zimbabwe Tea Growers Association	Brian Kagondo
• Citrus Growers Association of Zimbabwe	John Perrott
• Zimbabwe Export Produce Growers Association	Stanley Heri (Chairman)
• Avocado Producers Association of Zimbabwe	Nicholas Shaxson
• Export Flower Growers Association of Zimbabwe	Jason Young
• Zimbabwe Berry Growers Association	Stuart Torr

Farmers Unions –

- | | |
|----------------------------|----------------------------|
| • Zimbabwe Farmers Union | Simba Muchena |
| • Commercial Farmers Union | Liam Philp (Vice) |

Individual and Trade members, being:

Driptech Irrigation	Peter Henson
Lingflora	Tatenda Karimazondo

After a brief break-away session the incoming Board announced their Chairman, Stanley Heri and Vice Chairman, Liam Philp.

During the vote of thanks, Liam Philp thanked all outgoing Board members for the hard work they put in and for participating in the AGM. He gave special thanks to the outgoing Board Members for their sterling work in the formation of the Council, welcomed the incoming Board Members and expressed hope for a new exciting journey to look forward to.

In his closing remarks Gorden Makoni expressed gratitude and appreciation to all members, pioneers of the journey, outgoing Board members and wished the best for the incoming Board.