



Commercial Farmers' Union
of Zimbabwe



ANNUAL CONGRESS 2015

**ZIMBABWE HAS THE POTENTIAL,
WE NEED TO DEVELOP THIS POTENTIAL**



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AGENDA

COMMERCIAL FARMERS' UNION OF ZIMBABWE 72nd ANNUAL CONGRESS

Sango Conference Centre, Cresta Lodge, Harare

THEME: ZIMBABWE HAS THE POTENTIAL, WE NEED TO DEVELOP THIS POTENTIAL

07.00 – 08.00 Registration of delegates

CLOSED SESSION

08.00 – 08.30 Opening with scripture reading and prayer

08.30 – 09.30 Regional Chairman Annual Tabled Reports
ARAC Annual Tabled Report
Advocacy, Lobby and Labour Report
AISD Annual Tabled Report
Appointment of Legal Adviser(s)
Confirmation of Trustees
CFU Financial Accounts year ending 31st March 2015
Appointment of Auditors
Resume of 2014 Resolutions
Resolutions
(a) Membership and Licence Fee
Way Forward
Debate

09.30 – 10.00 Tea

10.00 – 13.00 **OPEN SESSION**

10.00 – 10.30 Guest Speaker, Dr Evelyn Nguleka, President of the World Farmers' Organisation
Address to Congress on how can Zimbabwe unlock the potential and move forward.

10.30 – 11.00 Guest Speaker, Official from the Reserve Bank of Zimbabwe. Address to the Congress on Compensation matters.

11.00 – 11.30 Address to Congress by President of Commercial Farmers' Union, Mr Peter Steyl.

11.30 – 12.00 Address to Congress by Government of Zimbabwe Official.

12.00 – 12.30 Wishes of goodwill from visiting Agricultural Unions.

12.30 – 13.00 Debate / Questions.

13.00 **CLOSURE**

13.00 – 13.30 Post Congress Council Meeting.

LUNCHEON

13.30 CFU Farming Oscar and Honorary certificates to be presented during luncheon.

15.30 **END OF FORMAL PROCEEDINGS**



NOTICE TO COMMENCE THE 72nd ANNUAL CONGRESS

It was agreed at the Council meeting held on 24th March 2015 that Congress would be held at Sango Conference Centre, Cresta Lodge, Harare.

Notice to members was given on 3rd July 2015 that Congress would commence at 08.00 hours at Sango Conference Centre, Cresta Lodge on Wednesday 28th October 2015.

**MR HENDRIK OLIVIER
DIRECTOR**

RULES OF DEBATE

ORDER OF DEBATE

The Proposer will identify himself clearly.

The Proposer will speak.

The Secunder 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

Secunder of Resolutions - 3 minutes

Mover of Amendments - 3 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.



PAST PRESIDENTS OF COMMERCIAL FARMERS' UNION

CFU

1910 – 1914	HON R A Fletcher, MLA	1979 – 1980	D R Norman, Esq
1914 – 1916	E Wilson, Esq	1980 – 1981	D B Spain, Esq
1920 – 1923	C S Jobling, Esq	1981 – 1983	J M Sinclair, Esq
1923	S M Lanigan O'Keefe, CMG	1983 – 1986	A J Laurie, Esq
1929 – 1931	H B Christian, Esq	1986 – 1988	J R Rutherford, Esq
1932 – 1935	G N Fleming, Esq	1988 – 1990	J H Brown, Esq
		1990 – 1992	A D P Burl, Esq
		1992 – 1994	A J Swire-Thompson, Esq
		1994 – 1996	P MacSporran, 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

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

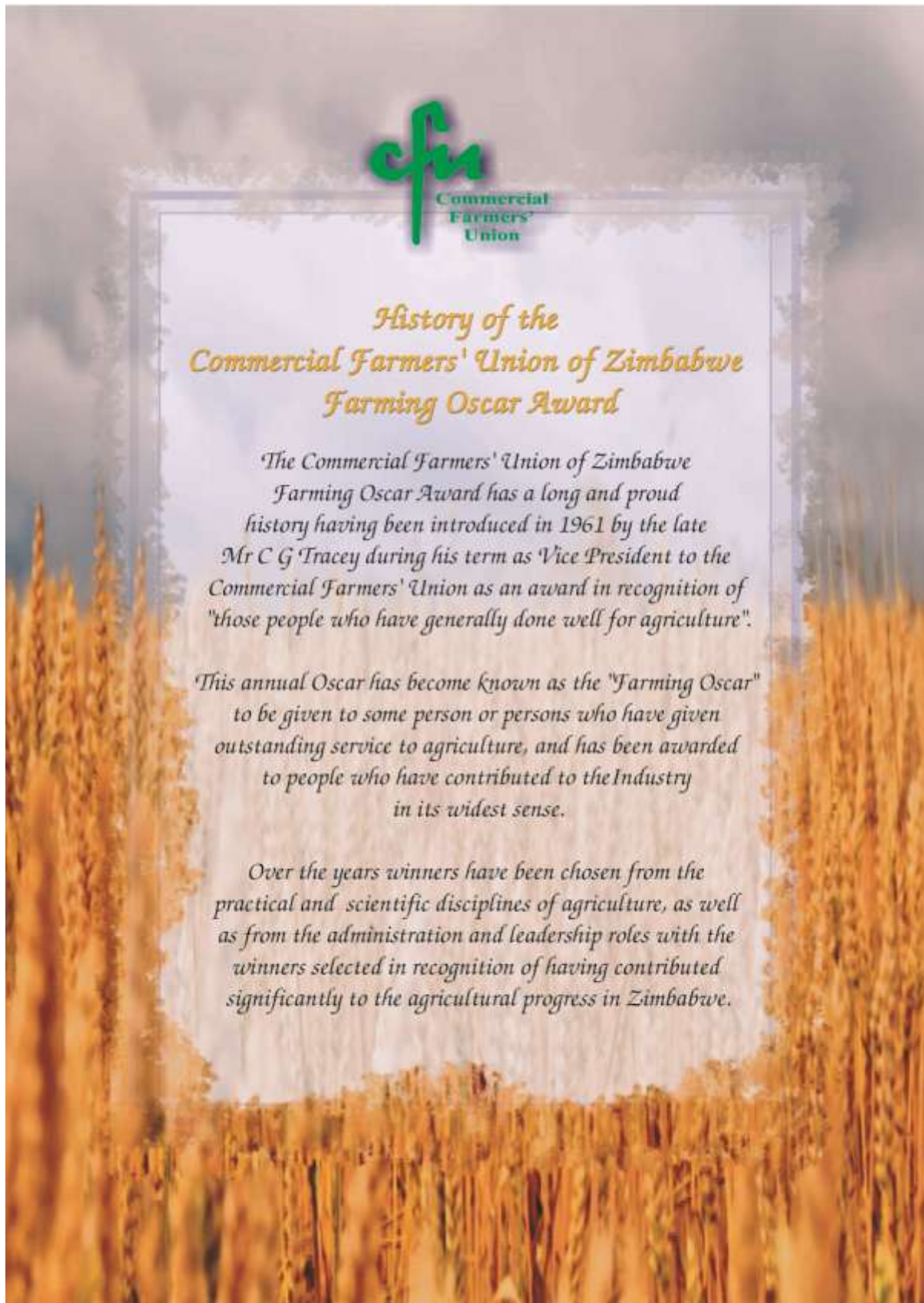
- A J Laurie, Esq
- R G Pascoe, Esq
- C G Strong, Esq
- C G Tracey, ICD, Esq

Trustees

- Dave Bouma, Esq
- Robert Swift, Esq

Honorary Life Vice Presidents

- C J Taffs, Esq





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



MIDLANDS REGIONAL ANNUAL REPORT
AND REPORT TO CONGRESS 2015

This time last year we were all hoping that by this next AGM today the land tenure issue would be, if not resolved, then much closer to resolution, that jambanjas would be a distant memory and that those capable of extracting value from land would be left to farm in peace. Farmers would simply be able to farm and those 'cell-phone farmers' and 'homestead farmers' i.e. those who simply occupied a farm because it had a good house would at the very least have to pay for what they had taken. And those of us forced off our land completely would be close to receiving compensation in some form or another.

Well, we have made progress in that direction, though nowhere near as far as we hoped or realistically expected. Compensation is recognized publically by Government and the international finance community as needing to be paid and the number is included in the National Debt. Land tenure and the rule of law are accepted as being a necessary prerequisite for economic recovery. We have much more sensible and sympathetic senior diplomats, particularly at the EU and Britain. The Vice President last week stated categorically that the cause of Zimbabwe's economic collapse was the land reform programme. He fell short of saying it was wrong or ill-advised but he did say that's what ruined the economy.

Now, a year ago most of that would have been unthinkable. So, let's think back and see what real progress has been made. That progress did not happen on its own. People here like Pete and Hendrik work tirelessly and the number of meetings they attend on our behalf is staggering.

Turning to our Province, the past rainy season was very patchy and as a consequence summer dry land crop production was poor with very little maize being harvested. The possibility of a strengthening El Nino points to another poor season. A good winter wheat crop is being produced under irrigation in the Sherwood block. Dairy and poultry is being produced though under difficult conditions of rising costs and poor demand. The same situation of poor prices and weak demand is effecting the production of vegetables. The land issues are fairly stable at present.

Thank you.

Dr Bill Moore
Midlands Chairman.
August 2015



MASVINGO REGIONAL CHAIRMAN'S ANNUAL REPORT 2015

“Next Year Will Be Better”

When I noticed this book on the shelf at a second-hand book seller the thought came to my mind of how that used to be. No matter what hardships we faced we were always optimistic, made a plan and fought our way through all adversities, no matter what they were and how insurmountable they appeared to be.

I look back to 1992 when the Land Acquisition Act came into being and how it shattered our daily lives, which were never to be the same again. But we stood firm as we, quite rightly felt we were on the high moral road and what was about to happen was totally wrong. We initially felt that surely there was a far more sensible solution and far less destructive ways of bringing about the desired land reform in Zimbabwe. How wrong we were as the politics and greed simply took over and totally destroyed commercial agricultural production in Zimbabwe.

Although some chose to fight for their rights in court while others surrendered land as an appeasement to enable them to continue nothing has been able to stabilise the situation. Nothing has been able to halt the situation despite the knock-on adverse effects to our nation, people and economy.

Your union has in the meantime lobbied hard on the compensation issue at the forefront of which have been Patrick Ashton, Charles Taffs and John Laurie. The team at the Valuation Consortium have done an incredible job of correlating and collecting data ready for the valuation process when the formulae are finally agreed. For this we thank them most sincerely for all their incredible work and for many others who have jointly participated in the process in so many other ways too. They are of course backed up by the very able Ben Purcell Gilpin and of course the ARAC Committee.

Primarily your Union's mandate is to promote agricultural production with this being our eventual aim to get our industry back on track for the participation of all. For this to happen property rights need to be fully respected once again and the rule of law returned, being applied in an unselective manner.

One may argue that this is simply a pipedream which can never happen in Zimbabwe but this is where there is such an advantage of bringing all of the agricultural unions together as there is a common cause. Everyone, in all sectors of agriculture and business is seriously affected by the loss of property rights and the unselective rule of law.

In our own province we have over 150 'black' (which is a word not normally used in my dictionary) owned properties yet they are unable to farm properly due to the lack of collateral value of their title deeds. Similarly the Offer letters and A1 Permits have absolutely no security or collateral value. In order to move forward value must be put back into the land.

I am genuinely so looking forward to the day when we can all work together, farm together and have a complete open door again with the relevant ministers and the powers that be so that we can all work towards resuscitating and improving agriculture for the good of Zimbabwe, and of course our children.

Is this too much to ask and will this ever happen? Surely we have by now completed our most arduous and most difficult climb up to the top of the hill so we can now look forward to reaching our goals and destinations on the much faster downward slope? Surely the period of uncertainty from 1992 until 2015 must come to an end soon?



Your team up here in Harare have been tirelessly working towards achieving this and who can comment on significant and positive changes being noticed in recent months. We truly believe that we must move forward and to put the past truly behind us and we desperately need the encouragement from all quarters to enable us to do so.

Should, by some incredible miracle the desired major changes be effected in time for others to participate during this coming season, sadly the weather may not be on our side at all, if all the forecasts and predictions turn out to be correct.

For far too many of our wonderful community they will no longer be able to personally take advantage of any significant changes that may take place in our industry as they have moved along to the better world with our Lord.

- Well known Masvingo personality Harry Wardley passed away in the middle of September 2014 and unfortunately missed mention in our last year's report. He will always be one of our most unforgettable characters who was a part time farmer on a smallholding. But he touched everyone's lives.

The Yeatman family had a very sad year during which they lost three members of their family over a couple of months:

- First to go was Ronnie Yeatman on 4 December 2014 who was one of the original sugar farmers in Chiredzi in the 1960s who was also a well-respected international sugar consultant who helped establish successful sugar plantations around the globe.
- Then Ronnie's son-in-law Mark Cox sadly passed away very suddenly and unexpectedly on 17 February 2015. He was one of our young farmers in Chiredzi who had also lost his farm.
- The next in the family tragedy was Ronnie's brother-in-law Barry Burbidge who passed away after a long battle with cancer on 6 March 2015. He was a major force in the development of the sugar industry being a director of Hippo Valley for many years.
- On the 21 February 2015 another Chiredzi sugar cane farmer Peter Wenham sadly lost his loving wife Jill Wenham of so many years.
- Then on 14 April 2015 another of the original sugar cane farmers from Chiredzi, Doug Dabbs passed away.
- On 20 May 2015 we then heard the sad news of the passing of Clive Ambler-Smith. Most of us knew Clive for the many years he spent with Keith Knott on Nottingham Estate developing the incredible citrus on the Limpopo River.
- The next in our long list of friends who are no longer with us this year was the absolute shock of the passing of that incredible lady Theresa Warth on 2 June 2015 who was an outstanding farmer and a leading force in animal welfare and conservation in her community.
- Another one on our list for 2015 was the passing of Martin Grobler from the Mwenezi/Beitbridge area who will always be remembered as one of my unforgettable characters.
- This report had already been written and sent for publication when we heard of the passing of (nearly) 92-year old Lawrence Nicholson who was another one of our most



unforgettable characters and wonderful personalities and cattlemen from the Mwenezi district who will be sadly missed but never forgotten.

Yes, indeed it has been a very sad year for many of the family and relatives of all of the above who each played a significant part in our farming communities and who will be sadly missed by so many others too. Having been such a part of our lives they will long be remembered as the backbone to our communities so how can we ever forget them? They can now rest in peace away from the traumatic times which we have all been enduring over recent years. God bless them all and we thank them for being such a wonderful part of our lives too.

The past season itself was an unusual one with the rains not falling to meet the requirements of most of the dryland crops. Fortunately, the runoff from the rains was better than during the last few seasons, which benefitted our main reservoirs significantly.

Sadly though the one dam we have all been looking forward to being completed and filled, the Tokwe Makorsi had to let all of its water run through due to the construction of the dam still being incomplete. There has been so much drama over this dam over so many years that one wonders if there is not a "River God" interfering like what was rumoured to have happened during the construction of Kariba!!

Therefore, if used wisely, there should be sufficient water to carry the sugar crop through the next season as long as there is some inflow in the next few months.

The major companies which are involved in the sugar industry have become the target of a lot of threats over indigenisation during the year. Only recently the matter appears to have been smoothed over and their commitment and the significant role that they play in the industry was finally fully recognised. Their winter maize crop which they planted was acknowledged and greatly appreciated by their former critics. This maize project was a great achievement and of great benefit to our nation which was very much appreciated by all.

We are half way through the sugar cane milling season and progress is good. Estimates for the season are 480,000 tons sugar. This is an increase again on last year's production of 443,342 tons sugar. A reassessment of the crop left in field is currently being undertaken and indications are that we may see a drop of about 20,000 tons sugar.

Voluntary water rationing is in place at 80% of normal allocation and at current dam levels we expect the Mutirikwe- Tokwe system to carry to July 2016 and the Manjirenji-Siya system to August 2016 with no inflows. Repairs are almost complete on the Bangala Dam outlet works and the repair to Muzhwi will only commence in late November due to the requirement to discharge water to allow repairs.

We hope that the drought predications are proved wrong however should there be no inflows and therefore water runs out we would still have a millable crop of approximately 75% of harvestable area. The effects on sugar production would only be felt in 2017/18.

Our wildlife industry has also been under severe strain with several of the properties now falling under National Parks management. Whilst this was meant to assist with the poaching National Parks were generally not in a financial position strong enough to play an equal part in the costs of the operations. The operators had to foot this entire cost even though their hunting quotas were severely restricted – if they were even given one at all.

Poachers have taken full advantage of this turmoil and so far this year some 10 specially protected Rhino have been killed in one conservancy alone. This was made up of 8 Black Rhino and 2 White Rhino killed for their horns only. So far no arrests have been made.



The wildlife industry has been badly affected by the lack of clear policy from the Ministry and Nat Parks, in the late issuing of permits (or not at all) to hunt/manage animals and on the takeover of Zimbabwean owned properties in the SVC.

The industry has also been badly effected by Parks not granting permits (when they do) that are open to public inspection, we now have the "Cecil" case which would have been avoided with open public hunting quotas which could have been verified by operators and clients.

The lack of official reporting on the state of the countries elephant by Parks has led to the banning of elephant trophy's to the US. The resent elephant country wide census has shown the Parks have lost control in many areas that they have, the lowveld where the conservancies are and where Parks have an NGO assisting it, have shown a huge population increase though. So as a country we still have a viable population. (CAMPFIRE will be able to operate again, as communities were almost all reliant on elephant hunting for CAMPFIRE funding).

All is not lost, recently there have been elephant workshops to regain management control, fight corruption/poaching, produce reports for international bodies that Zimbabwe is obliged to report to etc. This should see the ban lifted.

There is also movement on resolving the conservancy issues, conservation is a very public issue and difficult to hide from the international community.

Most BIPPA properties in the SVC received the permits to operate midyear, the rest of the properties have been put under National Parks administration, pending joint venture agreements which will include local communities, workers trust, indigenous investor and the private sector. We await more details from the Ministry of Environment.

Very little hunting to no hunting or any business has taken place on most of the non BIPPA properties this year for now the fourth year in a row. Although a couple have been able to make some plan with the very small quotas which were issued very late.

With the cattle industry being one of the commodity associations which we have restarted in preparation for the joint commodity meetings through ZFAT several interesting meetings have taken place which I have personally been involved in. We have also been very fortunate to have had Jaco Erasmus also attend several of the meetings including our very first joint meeting with the other unions – and interested parties. Jaco's intimate knowledge of the industry coupled with the fact that he is still operating quietly specialising with his Veldmaster breed of cattle brings a much appreciated knowledge and common sense to the meetings. We congratulate him on his appointment as Vice Chairman of Cattle.

Foot and Mouth Disease has been the major problem in our beef industry with the destruction of all the fencing making Zimbabwe a single enzootic zone, which makes control now almost impossible making the disease endemic throughout most of Zimbabwe. The same group mentioned above have attended several emergency meetings called by Government on Foot and Mouth Disease at which we would like to feel that our input was indeed useful. Unfortunately it looks like the disease is going to be around for some time now because of the high cost and efficacy of the current vaccines in use, the lengthy carrier status in cattle and the apparent inability to implement efficient movement controls.

When considering these difficulties is in perhaps not the time to return to the old method of infecting the affected cattle, confining them in a small quarantine area until the infective stage is over and then implementing the new sterilisation of meat through a scientifically proven



method through changing the pH in a specific way. With this new method now being recognised by the IOC the restrictions on beef export may even be lifted somewhat through the adoption of the (quote) “updated OIE Terrestrial Animal Health Code makes it possible for African countries with wild species like buffalo that naturally harbour foot and mouth disease (FMD) viruses to be able to trade beef without necessarily requiring the physical separation of wildlife and livestock through the extensive veterinary cordon fencing that has characterized animal disease management in southern Africa since the colonial era”.

We have seen huge changes in the beef industry in the country and to move forward we will certainly have to adapt to survive under the new circumstances. Our province is stated as having a cattle population of approximately 1.4 million, which is by far the most of all the regions in the country. However the survival and most beneficial marketing of these will be the definite challenge of the future.

As we have seen in the press during the year our main poultry breeder and producer in our province became prominent for the wrong reasons, when there was a challenge over the possession of the property on which day-old chicks are bred to supply chicks over the entire province. Very fortunately this valuable asset was saved and we hope to see it thrive in a very difficult market at the moment. With very high unemployment and the poor economy the local chick sales have assisted many people overcome these very real challenges and hardships. Very well done Helen and her team!

Although there has often been talk of offer letters “being on the Minister’s desk waiting to be signed” many of the very few of our farmers who are still hanging on are feeling very uneasy as the season progresses with the new one due to begin very soon. It is of great concern to us that we still have some of our top producers who have incredible expertise and experience having their lives and future in the industry being kicked around like the proverbial football.

This also includes an attempted to dislodge plantation farmers whose crops are of huge benefit to the country, especially in the Buy Zimbabwe and ZimAsset campaigns with their crops being exported worldwide. Fortunately this was nipped in the bud before more unsustainable damage was done.

Farming is not a game and surely after fifteen (15) years of oppression, racism and manmade destruction of our industry we must draw a line in the sand; take stock of the situation and move on so we can try to put the past behind us.

As is often pointed out at the (below) meetings by all parties involved, that under the present arrangement of land tenure nobody is secure on the land whether the farmer has an A1 Permit, an A2 offer letter or even title deeds, because under the current legislation these can be removed and cancelled giving only a few days or weeks to vacate the property with absolutely nothing.

What signal does this continue to give any possible investors, especially after the listing of another 23 farms for acquisition in the Government Gazette on 14 August 2015?

In saying this though we saw another recent headline welcoming South African investors to invest in agriculture in Zimbabwe. Good for them and absolutely nothing against our good neighbours but quite frankly, where does this leave us when we have been totally stripped of all of our assets, security and dignity with no means of ever playing any meaningful role in the resuscitation of our embattled industry. Would we as loyal Zimbabwean citizens merely be destined to remain at the back of the queue with our begging bowls behind our cash rich neighbours who are to be welcomed with open arms and treated with kid gloves? Why have the other 600 South African investors not been protected?



We are very serious, not only about moving forward, but also with the unification of the agricultural unions through Zimbabwe Farmers' Alliance Trust (ZFAT) of which I was privileged to have been appointed on as a Trustee. It has been an absolute pleasure working together with Zimbabwe Farmers' Union team which includes their extremely enthusiastic and charismatic President Abdul Nyathi. Not to forget of course the ZFAT team who work with absolute dedication. My ZFU Masvingo counterpart Phillip Mauta is also a Trustee and also a pleasure to work with.

I truly look forward to the day when we can all sit around the table and work together as a single union with common cause, devoid of all conflict over the ownership of agricultural land.

Over a period of several months this year an armed gang of robbers preyed on businesses and six of our farmers and their staff. In two cases farmers were shot and wounded by members of the gang and were lucky to escape with their lives only due to the poor aim of the assailant. In all cases farmers and their wives as well as staff members were tied up and flogged with sjamboks. In most cases a considerable amount of money, firearms and personal items were stolen in what must have been a most shocking, traumatic and painful experience.

Throughout this terrible period I must sincerely commend our farmers for coming together and working very closely with the under capacitated Police who finally made arrests of the subjects, bar one who managed to escape. We must commend and sincerely thank the participating Police, Prosecution and the Magistrate on their thorough work during the investigation which has led to the group receiving extremely long prison sentences of over 50 years each, which is unprecedented but which is quite befitting for the horrendous crimes they committed.

It would be amiss for me not to sincerely thank all of the staff and your elected leadership at CFU HQ. As you know I am here all the time, fortunately being sponsored by an outside donor for the Human Rights project, which will take me another two years to complete. I therefore work very closely with President Peter Steyl and Director Hendrik Olivier whose incredible dedication and commitment is highly commendable. In fact I find it very difficult to find the words to describe the incredible work they do as I see what they do every day and the frustrations they have to overcome.

All of the few staff we have here are all totally committed and form an incredible team who are such a pleasure to work with. I also sit on Council and the Executive Committee where we try each month to keep your union afloat financially under the guidance of our own Benoit Lagesse who is one of our Audit Committee who keeps us on our toes. I must thank Benoit and them all for their hard work and commitment.

Not forgetting Marc Carrie-Wilson who is an absolute breath of fresh air as well as the other back room staff who do such a sterling job operating quietly behind the scenes, providing vital backup and help to steer the ship on the correct course.

Once again my sincere apologies for not getting out as much as we should but each week I do try to get as much information out to you all via our weekly CFU Calling e-newsletter. I am also in regular contact with a large number of you on email, telephone or when you pop into the CFU HQ, which I encourage whenever you are in "Bambazonke".

Rob Beverley has as always provided me with huge backup support with his wisdom and experience. This is also used on both the ARAC Committee and CFU Council where it is very well respected and much appreciated. He is a great team player indeed. Thank you Rob.



For Rob and me it has been an absolute honour and privilege representing our farmers in Masvingo Province, who we are so proud of – albeit from a distance. We must both also thank our families for allowing us to do so.

It is imperative that you all continue to support your Union and to dig deep and renew your membership annually so that your Union can be financially strong enough to remain the leading light in Agriculture in Zimbabwe. By continuing to work together and undivided this is the only way to succeed to achieve our eventual goals.

So, yes, next year will be better – (or we sincerely hope so anyway), because this trauma has to come to an end sometime soon!

Thank you and God bless.

Mike Clark
Masvingo Regional Chairman
September 2015



MASHONALAND CENTRAL CHAIRMAN'S ANNUAL REPORT 2015

Yet another season has slipped passed, with unfortunately very little to show for it. The vast majority of arable land, in one of the most fertile provinces of the country, being only partially cropped and production levels marginally above the subsistence threshold.

Weather

The rains in Mashonaland Central started late this past season. This resulted in most of the maize and soya crops being planted towards the end of December. January saw very heavy rains falling which caused leaching of the top dressing nitrogen fertilizers. Rains petered out around the end of February, making it a very short season for dry land cropping. Towards the middle of April very heavy unseasonal rains fell in most areas, with some places receiving in excess of 200 mm. This coincided with the summer harvest, resulting in high losses from lodging, poor quality, high levels of disease and problems associated with late weeds, especially in the soya crop. Generally most dams received sufficient run off to over flow.

A worrying note for the coming season is the very high probability of extreme El Nino conditions.

Crops

The small area of irrigated crops preformed well this past summer, especially those in production under the contract farming groups, where inputs and water were made available on time. The dry land crops were at the mercy of a difficult season and were poor, as a result of the late planting, an excessively wet January and late rains during the harvest period. Generally there was more maize planted this season, rather than tobacco or soya beans, due to the expected Government control price of \$390 remaining in place from the previous season. This price did not however continue and buyers were allowed back to a free market system, resulting in commodity prices crashing at the time of peak harvest, due to liquidity problems with the commodity traders and their reluctance to store large volumes of grain, particularly while cheap imports are allowed into the country.

Viability of crop production continues to be under threat due to the inability of farmers to access finance at reasonable rates and the delay in receiving payments from the markets, especially GMB. Added to this are the challenges of power outages from ZESA, exorbitant ZINWA rates and the low productivity of labour. The viability problem is most severe in the winter wheat crop, and plantings have been very low this season. This past season has also seen a shortage of contract harvesters available for combining grain crops adding to delays in getting farmers crops off the field.

Grazing this winter has been good, because of the late April rains, but live stock numbers are low, the only effect of the extra grass has been to fuel extensive veld fires burning unchecked across the province.

General

Members of the CFU in this province remain low and several of those still farming have during the course of the year been harassed and even evicted from their farms. This is totally unacceptable in a country which is not self sufficient in basic food crops.

It remains for me to thank the CFU team for all their hard work in the trying circumstances we find ourselves in, and to wish all farmers a successful 2016. I pray God's blessing and protection over you.

Angus Guthrie
Mashonaland Central
October 2015



MASHONALAND WEST (NORTH) 2014/2015 REPORT

Overview

The 2014/15 season was characterised by fluctuations that seemed to be at work at all facets of production on the farms. The district had very wet spells with a report near Lion's Den of 325mm in a 24 hour period. Then the province had long dry spells. The season started early in some areas and late in other. Marketing and delivery of crops was smooth for some, delayed and chaotic for others, with price uncertainty and the inevitable debate about delivery to the GMB and risk payment delay or take the lower price from others in the market with a better chance of payment. Generally in 2014/15 there was below average rain fall with timing being an issue in most cases. The dams however are all generally full with little winter crops being grown. A small irrigated tobacco crop has been planted by comparison to the water reserves. Land prep for the coming year is not hugely apparent for any of the crops.

Crops

Generally there has been average satisfaction shown for the past season even though some very good irrigated yields of tobacco and row crops reported. Dry land was average and as always the timing of the onset of the rains being a critical aspect. Winter crops are down in hectares with Delta cutting their barley crop and farmers choosing not to move all their irrigated land into wheat production. Finance being one of the reasons and the uncertainty of markets and price with the competition of imported wheat and flour causing negative pressure on wheat prices.

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.

Other

Unfortunately there is very little production of chicken, pigs, sheep and goats. Although there is good potential for growth in these sectors this is being held back by the fact that investment is needed to boost them, coupled with the fact that finance is not readily available and that there is not enough money circulating within the economy for people to purchase these types of foods. There has also been serious competition from imported poultry with the imported chicken price below the breakeven price of locally produced chicken.

Security

Sadly there were a few incidents of intimidation, extortion, violence and eviction reported in the past year. The farming community implore the authorities to condemn this behaviour in the



strongest possible way and to act strenuously to apprehend those involved and prevent further incidence of this nature.

General

In conclusion 2014/15 has been a difficult season with the farmers out there continuing production under less than ideal circumstances. There are large areas of unutilised and underutilised land with irrigation that has the potential to produce this country hundreds of thousands of tons more food and exportable crops. 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 2015/16 is peaceful, productive and that even though there are predictions of a super El Nino that rains are kind to all of us whether Commercial, A2 or A1 farmers.

Roy Linfield
Chairman Mash West (North)
September 2015



MATABELELAND REGIONAL REPORT FOR CONGRESS 18th SEPTEMBER 2015

Invited Guests, Ladies and Gentlemen, I would like to welcome you all to the AGM and thank you for taking the time to support your elected members.

Unfortunately the leadership in Harare are unable to attend due to the cost cutting measures as they were down in Bulawayo last month.

Over the past year Cedric and myself have worked extremely well together to further and protect the interests of the Matabeleland Farmers both within the union and SACFA. Turning to the land question, this is probably one of the most frustrating issues we have the misfortune of having to deal with as each province has it's own agendas being driven by the local politicians seeking to enrich themselves. Also we have had to deal with the suspicions levered at members who are still farming by others as to "how come". This does not help to bond unity amongst us. Most of us are now struggling to make ends meet as the economy is in freefall with no end in sight. The recent Supreme Court case has given some relief to businesses, but has impacted on the workers which in turn will impact on the businesses as the buying power of the man in the street is eroded even further, and so the vicious circle continues.

Turning now to the production and the forthcoming season, maize production was down by an estimated 40% on last year's poor production. There are little or no production preparations for this season. The prediction of a very strong El Nino for the next two seasons will impact harder on us in the South of the country. This could not have come at a worse time when one hears that Kariba is at its lowest for the past forty years as the lack of rains in the North of the continent has impacted on the inflow and power generation will have to be cut. Add another bad season as is being predicted and we have a disaster in the making.

Moving on to the Foot and Mouth, which has virtually shut down our beef industry in Matabeleland. We have seen the Veterinary Services unable to provide basic vaccination programme and resorting to shutting down our sales and some of our private abattoirs. This has forced our producers to sell to selected operators which in turn leaves the door open to price fixing. This is unacceptable and needs to be sorted out.

On the issue of compensation which of late has been strongly debated amongst members, I believe we are now moving into the final phase and hopefully we should start to see some progress towards finality.

In ending I would like to thank Gay and Cedric for all their support over the past year and to all members for supporting us.

Thank you.

Mac Crawford
Matabeleland Chairman
September 2015



ZIMBABWE CROP PRODUCERS ASSOCIATION

CHAIRMAN'S AGM REPORT FOR 2015

Good morning CFU President, Director, ladies and gentlemen.

At this time I would like to present the Chairman's report for this the 13th Annual General Meeting of the Zimbabwe Crop Producers Association.

Review of the Past Season

I would like to begin with a review of the past agricultural season. The 2014-15 season has been very difficult for agriculture in Zimbabwe and grain production has been particularly hard hit. The rains were late starting in most areas, with the first meaningful rains falling in early December and in some areas only in late December. Once the rains did start, they were generally patchy and erratic with prolonged dry spells, apart from one very wet period during the first half of January 2015. One of our members in the north of the country went from the driest start on record to the wettest start on record in the space of 24 hours over New Years day.

This period of heavy continuous rain resulted in serious leaching of nutrients, especially on the lighter soils and many crops never fully recovered. The dry-land crops were then seriously affected by the patchy rains and extended dry spells that followed. To finish off what had already been a difficult cropping season, some areas received in excess of 200mm of rain in April which was too late to help most crops and resulted in some major harvest losses especially in the soya bean crop.

According to the figures available, national production of maize has dropped from 1.05 million tonnes in 2014 to around 700 thousand tonnes in 2015. Soya bean production has dropped from around 80 thousand tonnes in 2014 to around 50 thousand tonnes in 2015. Production of winter cereal crops has however been hardest hit and not because of the weather. The decision by Natbrew to completely withdraw from contract barley production for the 2015 season has greatly reduced the area under winter cereals. Some of the producers of barley have switched to wheat production but the major challenges surrounding the financing of production and the marketing of wheat, the poor viability of the crop and concerns over the ability of ZESA to supply power have resulted in many farmers deciding to either reduce areas or forgo growing a winter cereal crop altogether. As a result, wheat production is expected to increase slightly from the 50,000 tonnes produced in 2014 to between 55-60,000 tonnes this year and barley production which was around 30,000 tonnes in 2014 will be 0 this year.

To further exacerbate the situation, not only have grain producers been hit hard by reduced yields and a reduced area of crop grown, but we have also been hit hard by reduced prices for all grains with the exception of soya beans. Unfortunately the reduced prices for the commodities that we are producing have not been accompanied by any significant reduction in our costs of production. The net effect is that poor viability is one of the greatest threats that many grain producers are facing.

Association Matters

I would like to now turn your attention to association matters. Soon after the last Annual General Meeting we lost the services of our association manager, Mr. Richard Taylor, who had over the years done a sterling job managing our affairs. This, coupled with the untimely passing away of Dr. Clive Levy shortly before the last A.G.M. left us without any full time staff. The increasingly difficult financial position of the Commercial Farmers Union and our inability



to raise our own finances through the traditional crop levies has meant that we have not been in a position to employ anyone to replace these two valuable members of our team. This has undoubtedly had an impact on our operations. I must however at this point thank Ben Purcell-Gilpin who has now added the management of the crops association to the other jobs that he already does for the CFU. Thank you Ben for helping us to keep this association going.

During the 2012-13 and 2013-14 seasons the ZCPA managed a contract farming deal between IETC and the CFU. Through this partnership, 2000ha of maize and soya beans was grown under contract to IETC and a few ex-farmers were employed as mentors who were responsible for visiting and assisting the growers. This deal was however not renewed for the 2014-2015 season.

The lack of full time staff has meant that we have not been able to be very active visiting farmers or organising field days and other meetings during the past year. This does not however mean that we have not been busy. We have taken a very 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 and the Director Hendrick Olivier for the amount of time that they have put into attending meetings and other events that directly benefit our members. I would also like to especially thank the CFU Deputy Director Marc Carrie-Wilson for his tireless efforts on our behalf. I am continually amazed at his ability to deal with such an array of complex issues and yet always have a firm grasp of all the relevant facts and information. His clear and level headed approach and his tenacity when he tackles difficult issues such as wage negotiations, have saved farmers hundreds of thousands of dollars. What is of concern to me is that whilst all farmers are benefitting, only a few are contributing to the costs of running the CFU by paying their Licence Fees. I would like to encourage all members present to encourage their friends and neighbours who are not members to join up and pay their Licence Fees so that the excellent work that is being done can continue.

We have been represented at meetings with the Reserve Bank Governor, the Grain Millers Association, the Grain Traders Association and at the presentations to the Parliamentary Portfolio Committee for Agriculture. We have also been represented at meetings with ZESA, ZINWA, NEC, EMA and the AMA. Whilst attendance and representation at these meetings seldom produces immediate results, at least we are present and our voice is being heard.

We are also continuing to work with representatives of the ZFU and other interested parties towards the formation of a combined commodity association under the umbrella of Zimbabwe Farmers Alliance Trust. The ultimate aim of ZFAT is to see one Agricultural Union representing all farmers. Whilst progress is slow at the moment, it is something that we need to preserve with. Once all farmers are united and speaking with one voice on the many issues that concern us, we will have a far a greater influence.

Conclusion

In conclusion, as we head towards the 2015-16 season there are a number of positives that we need to take note of. We face a situation within our region where the commodities we produce are in very short supply and the indications are that prices will be higher in 2016 than they were in 2015. In addition there are indications that there will be price reductions for some of our inputs. It is also encouraging to see that our farm machinery and equipment suppliers are becoming more pro-active. A number of them have reduced their prices and have put in place finance with reasonable terms and interest rates to enable farmers to replace aging equipment.



These positives however need to be balanced against the negatives. The long range weather forecasts are predicting below average rainfall and we could be headed for a major drought. We are also facing a situation where we have a critical shortage of electricity which is likely to get worse before it improves. Those of us who are fortunate to have irrigation facilities and adequate water reserves may find ourselves in a position where we are not be able to apply the required irrigation because we don't have electricity to run the pumps. I heard of one contracting company that in addition to only contracting irrigated production is also insisting that farmers contracted to them sign up for drought insurance. To add to these, the continuing lack of security of land tenure makes investment in agriculture a highly risky undertaking. In light of the above, I would urge all farmers to exercise extreme prudence as they plan for the coming season. Unfortunately, very few of us have safety nets that we can rely on should things go wrong.

Whilst none of us know what this 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 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 and the Director Hendrick Olivier for their leadership, support and encouragement and to the rest of the small but motivated compliment of CFU staff. 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 meeting.

Thank you and may God bless you all.

Andy Pasco
Chairman
16 September 2015



CATTLE COMMODITY ASSOCIATION REPORT

CFU CONGRESS ADDRESS

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 72nd Annual Congress of the CFU.

General overview of the cattle industry

In the past season the national beef cattle population has increased from 5.4 to 5.5 million head with more than 90% of cattle now held in the smallholder sector. The season has generally been a good year from a beef production point of view though parts of the country received lower than normal rain fall. In these areas this has put pressure on grazing. Some areas particularly in Matebeleland are faced with drought and the consequent lack of natural fodder bulk coupled with high stock feed prices are likely to result in increased livestock mortality in some places. Destocking may further be exacerbated by widespread burning and uncontrolled veld fires.

Whilst recorded slaughters at government grading monitored abattoirs have shown a marginal decline in numbers over the past couple of seasons, from an average of around 260,000 head per annum to around 246,000 head, numbers are likely to rise given the environmental challenges. This will also be driven upwards as small holders facing family food insecurity are driven to the sale of cattle to mitigate livelihood challenges. Much of this trade however takes place within the informal sector and is unrecorded.

The market

The market is generally soft and has been driven by low disposable income and thin margins as well as consumption substitution promoted by a glut of chicken on the market. Prices have generally been depressed and show a steady decline over the past three years. Not surprisingly producers are facing a cost price squeeze.

Foot and Mouth Disease

Access to market has been difficult for many rural areas where the spread of Foot and Mouth disease remains a challenge. The current outbreak which saw its origins in the contact between Wildlife and cattle as far back as 2010, is now driven primarily by cattle to cattle contact outside of the historical red zones. The pressure on producers in search of better markets and grazing has resulted in considerable indiscipline in the movement of cattle and the country is at risk of facing a permanent presence of the disease across all its districts. There have been significant difficulties experienced as regards vaccination largely from financial challenges to the timely purchase of adequate vaccine. Such delay in purchases has resulted in the spread of the disease. There are currently seven countries within the region dealing with FMD outbreaks and the only vaccine production facility in the region has struggled to meet the demand.

The Veterinary Department is now encouraging producers to import their own vaccine requirements. Certainly, where producers have exotic cattle that suffer considerably from FMD infection and particularly dairy herds, vaccination is a must.



Other disease challenges

In addition to FMD the production of beef cattle in the current environment that is characterised by a breakdown in movement control and fencing across the country; other significant challenges have been observed. Notably the expansion of areas of the country affected by Heart Water and the spread of severe strains of Thileriosis, Red Water and Gall sickness. This has put many producers on the spot and has called for a relook at the way tick control is practiced and managed.

A little known disease called Senkobo that is particularly difficult to control is now making considerable inroads into cattle herds in Mash west and adjacent areas. It requires very expensive treatment regime of Antibiotics and is of great concern.

In all these situations the cost and importance of biosecurity for cattle herds is a constant challenge for producers who continue to face constraints, insecurity and disruptions as a result of land reform. The seed stock industry has seen some positive policy support for the sector and there are signs of recovery in some breed societies, notably in the Boran society, where there continues to be strong growth in purebred registrations. However much remains to be done to create a conducive environment for the full development of the cattle industry.

A united, broad and inclusive Producer Body

This brings me to perhaps the most critical factor that lies within our own area of possible effect, namely the need for a united and inclusive producer voice for the industry. I have in the past year attended various stakeholder meetings and at all it is apparent that we lack the necessary coordinated and inclusive producer platform that is needed to input into key matters affecting us.

In the past several attempts have been made at the formation of such a forum. Invariably the matter has floundered on the concerns of some over inclusivity and also of ongoing affiliation with the CFU. More recent attempts have focused on directing our efforts towards the establishment of such a body under the umbrella of ZFAT. Whilst this is still in its infancy, it is clear that the task must be done and creative ways need to be found to get around the apparent obstacles.

This is for obvious reasons, notably the need to develop consensus on crosscutting issues such as the FMD problem and the way forward in regards to dealing with it. Whilst it is tempting to look at past remedies and methods of control, the likelihood of a permanently endemic situation across the country will require alternative strategies to be promoted. In this regard we need as producers to have a credible forum within which to inform ourselves and from which to articulate our needs and proposals to the key policy makers.

Another example that requires cohesive producer action relates to the ongoing proliferation of a myriad of cost of compliance matters ranging from RDC Levies, proposed land taxes, Vaccine levies and planned taxes on the fifth quarter. Profitability and sustainability is a concern in the face of such and some potentially new regulatory costs. A small profit is made per head sold and what are perceived to be relatively small per ha, per head or percentage of sales based levies can have a large effect on profitability. All these little bits add up until the producers output is consumed beyond the point of viability at primary level by agents anxious to meet their cash requirements regardless of any social contract to provide either justification or service. In our beef production models the sum total of levies and taxes outlined above is currently around \$54/head sold and amounts to 300% of expected profit.



Other matters that would benefit from coordinated action by producers include advocacy for the removal of 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 Commodity Chairman
October 2015



ARAC CHAIRMAN'S REPORT

TO THE COMMERCIAL FARMERS' UNION 2015 AGM

Mr President, Distinguished Guests, Ladies and Gentlemen, Good afternoon.

It is my pleasure to report back to you on the progress of your ARAC committee up to August 2015.

As you will all know, Peter Steyl has taken over the reins as CFU President. He has taken up the challenge with enthusiasm and energy and I would wish to commend him for his dedication. He has grown in stature with his appointment and is held in high esteem by many of the contacts he has made in his busy schedule. Peter has generally applied himself to more general agricultural issues, although he has engaged with most of the international and internal stakeholders, supporting Charlie Taffs in his quest to bring the compensation issues to the forefront of the national agenda. Peter has attended all our ARAC meetings.

This year our role at ARAC has focused on supporting the efforts of our representatives in their quest for a settlement of the compensation issues in addition to assisting former farmers with SI6 compilations, introductions of 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. Ben you have been a rock to whom many of us have turned to for your compassion and sympathy during these turbulent days. Thank you. Just by way of an example Ben has now found out that "Shurugwi OAP home has a few places for those elderly persons who might wish to make a home there". Please speak to Ben Gilpin about this if you know anyone in need.

Whereas full negotiation with Government and our representatives has been an elusive goal, there have been distinct and substantive advances in the preliminary preparations. These advances have been almost entirely brought about by John Laurie's and Charlie Taff's seeming endless energy and tireless efforts engaging with stakeholders who would otherwise much prefer the problem disappear. I am most grateful for their continued briefings and updating about their meetings, many of which by their very nature must remain confidential. I have every confidence that eventually we will win through and it will be to you whom the rest of us will be unendingly grateful. You are a great team and every farmer, on or off the land, should make every effort to encourage and support you. From us all at ARAC thank you very much for your unstinting daily commitment to our cause.

ValCon has compiled an enormous data base that can be adapted to any compensation values for any and all the registered farms and to any scenarios which may come out of any agreement between the stakeholders concerned with assessing the values of assets to be settled upon. I commend our members for their assistance identifying and tracing many of our former colleagues who had been hidden over the horizon. Thank you all. The targeted registration of 85% of all farms has been exceeded, and it now only remains for most owners to complete the verification process. It is a fairly painless process of fifteen minutes at the ValCon offices. Do book. Graham Mullet and his team at ValCon should also be commended



for their tremendous effort under trying financial constraints. Some of you will know that ValCon was rescued by a few well wishing investors and it is largely due to them that ValCon is still operative. Thank you all.

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, in late November 2014, ARAC held an extended meeting of committee members together with other interested parties at which a consensus was reached regarding the way forward. The meeting discussed best practice, valuation methods, procedures for disagreements, private property rights, payment methodology, source of funding, disturbance expenses, damages, interest, commissions and many other aspects. I would like to thank and congratulate all the participants of this meeting, for their contributions and in particular for the manner in which they conducted themselves. At this meeting it was possible to air different points of view, correct some misunderstandings and most importantly give our team of John Laurie and Charles Taffs a clear picture regarding our preferences and what would and would not be acceptable. I know that both these gentlemen appreciated having a direct and frank discussion with all shades of opinion.

This November meeting was held in the expectation of significant advances by Government towards a settlement. Sadly it was followed by the extraordinary events associated with the ruling party's congress and the subsequent debacle. Once again nothing much moved on the compensation front.

However, during February 2015, some impetus was added to our aspirations when we had the opportunity to meet with three ministers of State and at which meeting ValCon presented the Minister of Finance (at his request) 20 valuations of various farms. They were supposed to be compared with the Ministry of Land and Rural Resettlement's values on these same 20 farms. It was believed at this meeting that a joint body would be formed to examine and compare these values. To our knowledge ZERO has emerged from this. I suppose, inevitably, we then discovered that the Ministry of Lands and Rural Resettlement had not prepared their contribution to value these 20 properties and when pressed by the Minister of Finance, the Ministry of Lands and Rural Resettlement staff admitted that they had only assessed and paid about 220 farmers for their farms in 15 years of acquisitions and then only at approximately 20% of the real value! Most had to accept this contemptible offering under financial duress. Notably, all but a very few were given payments in the Zimbabwe Dollar period and such payments were eroded almost before the ink was dry on the cheques as hyperinflation consumed the value of the local currency.

A little later in Parliament, The Minister of Finance announced that a global figure should be established and, although the country has no liquidity at present, he acknowledged a debt is owed to farmers and must be paid in accordance with the Constitution. We also know that the UNDP and EU are keen to get the land audit and assessment of compensation under way.

I would like to touch on one or two issues which have been fracturing our unity.

There is a line of thought that maintains we must remain strictly within international law and await the verdicts of these worldly courts. I admire the energy and courage of these people



and, if all else fails, then perhaps this may be our only recourse ultimately. However whereas these issues should be pursued and I would not wish to discourage this conduit, I am concerned that on their own they will take an inordinate time to mature, and so far, in any event, what judgements have been handed down have effectively been ignored by our government. So yes, let it trundle on but let it not be our sole thrust for justice and a fair settlement. It is also suggested that there may be a greater monetary value attached to this approach. I am not entirely sure this is a valid argument. It's a bit like delivering maize at \$390/ton to the GMB..... but never actually getting paid!! Besides which, excessive claims could be met with derision and potential funders might simply walk away.

Secondly, there have been calls for the CFU to dissolve as an organisation as it is presently constituted, and for it to focus purely on compensation or as some prefer to call it payment for assets.

In my view this would do two things which we would not wish to happen.

We would become irrelevant and forgotten

Part of our credibility is as an active stakeholder for the future of our country's agriculture to which we have so much to contribute.

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

For myself I am ashamed that every former farmer and every still farming farmer is not an ardent supporter. The CFU and ARAC comprise very good decent concerned people trying to do a very laudable job under severe constraints. What absolute nonsense is spoken when I hear "Oh! The CFU does nothing for me!!" There is no comparable organisation (warts and all) and there are many selfish "free loaders" content to feed of the energy and courage of a few dedicated people. I speak particularly to those non-members of the CFU who are farming today. You too, should be ashamed of not contributing and playing your part.

The CFU must remain relevant to the present and be part of the solution. To do this the CFU needs to show that with its vast experience and expertise, it is willing and able to significantly contribute to the recovery of Zimbabwean agriculture. This can be best done by continually leading the discussions towards how important property rights are; emphasising how virtually all wealth creation (production etc.) be it farming, mineral exploitation, patents, etc., is entirely dependent on secure property rights, upheld by the Constitution and local law and enforced by independent Law Courts free of political interference. Without which the Zimbabwean people's efforts will continually be hijacked by the PEDATORY ELITE, who are immune from everyday personal responsibilities and hold penal impunity.

Unadulterated bankable tenure, freely transferrable, without Ministerial veto or intercession is the only way forward for the nation. Inequality before the law, racism, impunity for criminal transgressors, patronage, greed, bigotry and mafia type elite governance has to at least evaporate, be outlawed and preferably be prosecuted.



It is my view that Pete Steyl's efforts to couple the CFU and the ZFU under the ZFAT banner are absolutely the best way forward for Zimbabwe agriculture and the nation. I commend him and his team of forward looking new generation people. In short it will be a joint effort of all the well meaning stakeholders that combined, resolves the collapse of the bread basket and opens up the agricultural sector to the sustainable wealth creating model we all know it can and should be.

For it is quite clear that those true farmers who are endeavouring to produce today, are saddled with finding financial collateral from assets in town, and this, apart from being inappropriate farm security, reduces and even deprives industry of the opportunity to secure loans, while farming / agriculture can and should stand on its own being its own collateral. From my own experience... Ref: A delightful elderly indigenous widow inherited a legitimate farm property bought by her husband in the late 1990s. She requested my advice on how she should proceed with a farm plan. We agreed that she would develop orchard crops to satisfy her local market. When I explained that it would take more than five years to recover her investment she threw up her hands and said "Oh no. The Government might take it away from me by then!!" Need I say more.... there can be little or no substantive investment, only deforestation?

Those recommending the doctrine for the CFU dissolution, down to a mere lobbying forum, are generally those living outside the country. Those who have chosen or been forced by circumstances to leave Zimbabwe, we do wish well, but unlike those of us who have remained here, they have less vested interest in the survival of this country and its future ability to comply with its constitutional responsibility to discharge its debt to those who have so cruelly been dispossessed of their livings, homes, businesses, pensions, and in many cases their health and even their very lives.

Last year John Laurie told us that "there is hope for compensation but not in the short-term, however the issue must be dealt with for Zimbabwe to move forward". However there have been significant moves to get on track and we must be prepared for the time when proper negotiations can begin. We are very fortunate to have John Laurie here with us today, and I shall leave him to elaborate further.

Bear with me for a few moments more.

Generally agriculture contributes 30% of the Gross Domestic Product of most African countries, but remains the means of livelihood of 90% of the population. This is indicative of the very low productivity of the agricultural sector and is unacceptable to our population. Any development strategy that seeks to bring the greatest benefits to the most people in the shortest time must address the issue of slow, and in our case declining, agricultural development.

Property rights are paramount and we are the key

What happens in the agricultural sector greatly affects the size of the GDP, the availability of inputs to other sectors, the costs of these inputs, the general level of public wealth, the availability of foreign exchange, the prospects for exports and import substitution and other factors pertinent to the expansion of the resource base of our economy. This low productivity



is a huge hindrance to the development of the industrial sector and hence the wealth of our nation.

It is an immutable economic fact that if the increase in population exceeds the increase in the GDP then the wealth and welfare of the nation and its people's declines. We have an opportunity to be seen as part of the solution let us not look backwards let us not drop the ball at this late hour.

This is why the resolution of our compensation issue is so important to the welfare of Zimbabwe.

Having said all this, it is difficult to see how we can proceed until these policies of voter control are repealed or the economy collapses. We have all seen how obdurate the authorities can be. The collapse of the economy, it seems to me, is the more likely. We have lived through a period of unique inflation with empty shelves and barter being the mode of trade. How much worse might it be, I wonder, when our power and climate systems really fail?

Perhaps the President's latest speech to the legislature is a move in the right direction, or perhaps not there is little meat on those 10 points!

My go away message please....my request to you all today, is to insist all our friends and colleagues unify behind our elected leaders in the CFU 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. Richard Hotchkiss left the committee during the year as he had managed to find a job. I would wish him and his wife who has so recently recovered from a heart operation, the best of health and happiness. Thank you for your contributions seeking unregistered farmers for the ValCon data base.

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.

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.

We would again like to thank the Zimbabwe Pensioners' Aid for their continued supply of food parcels and also to thank Harry Orphanides and others for what it has been possible to add from local sources.

To all the staff at the CFU who each in his or her own way contribute to the smooth running of your organisation and to Hendrik Olivier who holds it all together under the most extraordinary constraints, a particular big thank you.



A special mention of Ben Gilpin who has taken on the onerous tasks of managing the Crops, Animal and Horticultural commodity associations. This will keep you occupied! Also a special mention of Marc Carrie-Wilson our new Deputy Director who has already made his mark and is highly respected throughout his portfolio.

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
September 2015



AGRICULTURAL INFORMATION SERVICES DEPARTMENT

REPORT TO CONGRESS - 2015

Introduction

This paper serves to give developments that have occurred in the economy and the agriculture sector since the last Congress in 2014. It also contains production data for the 2013/14 season and estimates of agricultural output for the current 2014/15 season.

The Economy - Overview

Global economic growth is projected at 3.3% in 2015, slightly lower than the 3.4% recorded in 2014. The World Bank projected that Sub-Saharan Africa will grow by an average of 4.5% in 2015, 4.6% in 2016 and accelerate to 5% in 2017. According to the statistics from the Ministry of Finance, Zimbabwe has been experiencing sustained economic growth since dollarization recording 8.1% GDP growth in 2010 and 9.3% growth in 2011. However, growth slowed down to 4.4% in 2012 and to 3.4% in 2013 due to the underperformance of key sectors of agriculture and mining. In 2014 GDP grew by 3.1%. The 2015 economic growth rate was recently revised downwards to 1.5% from an initial projection of 3.2%.

Below are the key challenges highlighted that are affecting the economy;

- Poor agricultural season – affecting major crops such as cereals, tobacco and oil seeds. Maize shortage is estimated at over one million metric tonnes. Cash required for food imports represent a drain from the already strained Treasury.
- Weak international commodity prices (gold, platinum, chrome, cotton). Mining exports contribute up to 55% of the country's total exports.
- Relative strengthening of the US dollar (anchor currency) against currencies of major trading partners, which adversely impacted export competitiveness.
- High import dependency, which has contributed to de-industrialization and the drain of money from the economy.
- Relatively low Foreign Direct Investment (FDI) - inflows have been averaging USD400 million during 2009-14 compared to regional averages of over USD 1.5 billion.

Agriculture

Agriculture output is projected to decline by about 8.2% in 2015. In 2014 agriculture grew by 24%. The decline in agriculture output is mainly due to adverse weather effects, reduced yields and area planted for both cereals and cash crops, such as tobacco, cotton and soya beans. High cost of borrowed financing under the current environment of liquidity constraints was also an inhibiting factor.

Mining

Mining sector growth had initially been projected at 3.1% in 2015 but developments during the first half of the year indicate stronger performance therefore projections were revised to 3.5%. The upward trend in mineral output during the first half of 2015 was largely on the back of significant increases in gold, nickel, platinum and palladium production. The 2015 output



indicates a fall in mining growth from 11.4% achieved in 2014. This was mainly due to weakening international mineral prices during the year and the effect of unclear indigenization policies on production.

Manufacturing

Manufacturing sector activities largely remain subdued and the sector is not expected to recover much in 2015. The sector is expected to register a growth rate of 1.6% in 2015 slightly above 1.5% in 2014. The Confederation of Zimbabwe Industries (CZI) is projecting that average capacity utilization in 2015 will decline to about 37.2% from the 39.1% recorded in 2014 and 39.6% in 2013.

Industrial competitiveness in Zimbabwe is difficult to address due to the relatively high cost of doing business in Zimbabwe compared to regional counterparties as evidenced by:

- Borrowing costs (avg 28% in 2013) are twice or three times levels in the region
- Average cost of commercial electricity in Botswana, Mozambique, South Africa and Zambia is 8.3 USc | KWh which is 57% of what Zim businesses pay (14.6 USc)
- Import taxes for industrial inputs are generally twice as high in Zimbabwe.
- High labour costs and obsolete/ inefficient production infrastructure

Financial sector

Banking sector deposits have gradually increased since the introduction of the multi-currency system, largely attributable to increased public confidence in the banking system. The deposits increased by 14.2% from US\$4.9 billion in June 2014 to US\$5.6 billion as at end June 2015. However the deposits remain transitory in nature.

Banking sector loans and advances grew from US\$3.8 billion in June 2014 to US\$4 billion by June 2015. The loans remain largely skewed towards individuals. Individuals received 25.6% of the loans, followed by services 18.7%, agriculture 16%, manufacturing 10.8%. Non-performing loans which peaked at 20.45% slowed to 14.52% as at June 30, 2015.

According to the Minister of Finance, vulnerabilities in the financial sector have persisted and stem from poor corporate governance, the prevailing liquidity crunch, low capitalization levels, and poor asset quality. This situation has exacerbated the financial sector's inability to properly mobilize funds for on-lending to the productive sectors of the economy.

Market capitalisation decreased from US\$4.3 billion in January 2015 to a three year low of US\$3.9 billion, reflecting underlying challenges in the economy.

Interest Rates

In terms of guidelines agreed with the central bank, Zimbabwe's banks with effect from 1 October 2015 will lower their interest rates which have been as high as 30 percent. In terms of the interest rate framework, lending to productive sectors would range from 6 percent to 18 percent per annum, depending on the borrower's risk profile. Housing finance would attract rates ranging from 8 percent to 16 percent per annum, while rates between 10 percent and 18 percent would apply to consumptive lending. Defaulting borrowers would be liable to a penalty rate of 3-8 percent above the relevant lending rate.



The downward review in bank charges and interest rates are envisaged to achieve the key objectives of stimulating aggregate demand, promote the resuscitation of industry, improve the cost of doing business and support sustained economic growth and development.

Inflation and prices

Inflation during the first half of 2015 remained negative, reaching -2.77% by end of July. Major price declines were pronounced in the categories of food and non-alcoholic beverages; clothing and footwear; housing, water, electricity, gas and other fuels; communication; recreation and culture; restaurants and hotels; and miscellaneous goods and services. Price declines are expected to prevail during the remaining part of the year, with average annual inflation for 2015 now projected at -2% against the original projection of -1%.

Zimbabwe has been facing tight liquidity conditions since dollarization of the economy in 2009. Many companies have found it difficult to access funding to support operations and replace old equipment to enhance efficiency and competitiveness against imported products. This deceleration reflects weak aggregate demand emanating from tight liquidity, low disposable incomes, depreciation of the rand against the United States dollar, stable inflation expectations, and steady international oil and food prices.

Trade and Balance of Payments

Exports for the period January to June 2015 increased by 0.4% from US\$1,228.3 million in 2014 to US\$1,233.1 million in 2015. Imports, however, increased by 2.3% from US\$2,996.3 million for the period January to June 2014 to US\$3,064.6 million in 2015.

Total exports in 2015 are projected to decline by 5%, owing to softening commodity prices as well as some decline in agricultural output of our cash crops such as tobacco and cotton. Overall, imports growth is projected to be about 6% in 2015.

The trade deficit, which is estimated at over USD 1.8 billion during the first half of 2015, is projected to worsen to US\$3.1 billion in the outlook to December 2015. The deterioration is due to reasons explained earlier in this paper. Our current account deficits have averaged 22% of GDP for the period 2009-2015, considerably higher than the SADC macroeconomic convergence criteria thresholds of 9%.

External Debt

Total Public external debt stands at USD6.9 billion with USD5.6 billion being payments arrears. The Zimbabwean private sector owes a total USD1.9 bn (the debt is current). Key creditors to Zimbabwe include; World Bank (USD1.4 billion), Paris Club (USD4.2 billion), AfDB (USD500 million), China (USD350 million), and the IMF (USD142 million). The Government is currently working with the Africa Development Bank (AfDB), World Bank and IMF for technical assistance/advice on the resolution of the external debt challenge.

Foreign Direct Investment (FDI)

The latest United Nations Conference on Trade and Development World Investment Report 2015 shows Zimbabwe's foreign direct investment (FDI) inflows marginally grew from US\$400 million in 2013 to US\$545 million last year compared to billions which poured into neighboring countries, a strong indicator that the country is hostile to investment and needs to do something urgently to improve the business environment.



Inward FDI flows to developing economies reached their highest level at US\$681 billion with a 2% rise. China became the world's largest recipient of FDI. Among the top 10 FDI recipients in the world, five are developing economies.

However, Zimbabwe remains an economic backwater, with paltry FDI inflows. According to the report, Zimbabwe's 2014 FDI inflows paled in comparison to neighbouring countries in the SADC region such as Mozambique, which received US\$4.9 billion, almost nine times more, South Africa (US\$5.7 billion) and Zambia (US\$2.4 billion).

Agriculture and Weather Update

The 2014/15 season has been adversely affected by the very late arrival of rainfall. When they finally did come they were very heavy and caused serious flooding and leaching of the soils. Later it stopped raining and there was a mid-season drought developing, especially in the south. At the start of the season preparations for the 2014/15 cropping season were behind schedule as most farmers planted late as they awaited the rains. Because the growing season has been shortened yields per hectare were lower than normal. Besides the late planting, the heavy rains experienced resulted in severe soil leaching and the re-application of ammonium nitrate fertilizer was curtailed because this topdressing fertilizer is very expensive. This was followed by a prolonged dry spell across most parts of the country which resulted in wilting of most crops. Grazing pastures for livestock in Region 5 areas in the southern parts of the country were also affected.

According to FEWS NET (Famine Early Warning Systems Network) the weather outlook for the 2015/16 may not be favorable and there is an elevated chance of an El Nino event. When this occurs in the Pacific Ocean region there is a raised chance of below average rains in Southern Africa. The Meteorological Department has said that the current cool weather being experienced in September is indicative of an El Nino effect. The fact that winds are blowing from the Southeast instead of the Northwest is an indicator of a bad season outcome.

The Department is expecting a late start to the rains. From October to December rainfall in the northern regions is expected to be below normal and normal to below normal in the south. From January to March rainfall in both the north and south is expected to be normal to below normal.

Agricultural Output Estimates -2014/15

Agriculture output is projected to decline by about 8.2% in 2015. In 2014 agriculture grew by 24% mainly because of the surge in tobacco production. The decline in agriculture output in 2015 is due to the reasons mentioned above.

Maize

National maize output for 2015 was around 700 000 tonnes, a decrease from last year's harvest of 1.2 million tonnes. In the 2014/15 season 1.5million ha were planted under maize of which 296 000ha were written off as the crop was adversely affected by the poor weather.

The country needs to import over 800 000 tonnes of grain to ensure food security. Government has issued permits for the importation of 819 704 tons of maize by grain merchants. Against these permits, the private sector has so far imported about 101 716 tons of maize. Meanwhile, farmers so far have only delivered 26 950 tonnes of maize to the Grain Marketing Board worth \$10.5 million.



Small Grains

Unfavorable weather also resulted in a drop in both sorghum and millets output.
Wheat

Wheat production continues to decline due to viability challenges faced by farmers. Total output of 50 000tonnes are expected this year down from the 58 000 tonnes harvested last year.

Soya beans

Area under soya beans in the 2014/15 season decreased to 48 000 ha from the previous year's 67 000ha which saw a significant drop in soya beans output from 80 000 tonnes in 2013/14 to 45 000tonnes this year.

Horticulture

Horticultural production is projected to remain static at about 69 000 tons this year. Future prospects for the sector are being threatened by cheap imports, particularly from neighboring countries, that have flooded the market and crowded out local producers, deteriorating irrigation infrastructure, and a lack of technical skills and expertise by local farmers in handling fresh and highly perishable produce in line with best practices.

Cotton

Cotton production continues to decline because of unfavorable prices paid to growers. Total output dropped to 90 000 tonnes this year from 114 000 tonnes obtained in 2014. Prices this season were averaging 30cents.

Dairy

Milk output at 55 million litres projected for this year is virtually the same as the 56 million litres achieved last year.

Beef Cattle Slaughters

There is little change expected from last year's commercial slaughters which were about 245 000head.

Production viability and inputs

The national maize seed supplies were more than adequate to meet demand by all farmers. However, Seed Houses say they registered a low uptake of maize seed. This was because many farmers did not have funding whilst others used retained seed. The quantities of seed available sold for secondary crops like sorghum and groundnuts were low in comparison to the area which was put under these crops. This could be because farmers generally rely on retained seeds and farmer to farmer exchanges.

According to fertilizer companies, fertilizers were readily available during the 2014/15 season. However, uptake was very low since prices are relatively high. Stock feeds, dipping and crop chemicals were also generally available on the market but the majority of farmers could not afford them.



The power supply situation in Zimbabwe has not been favorable during the 2014/15 season. The situation seems to be worsening each day. ZESA continues to ration supplies to both commercial and domestic users. The resultant power cuts have greatly affected winter wheat production and other crops that rely on irrigation.

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.

Neil Wright
Deputy Director
AISD: Commercial Farmers' Union
22nd September 2015



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*
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	700.00
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	50.00
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
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	15.00
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
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
Tobacco Air Cured	8.16	4.60	3.99	1.99	1.00	0.34	0.27	0.09	0.06	0.15	0.23	0.31	0.48			
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	90.00
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	45.00
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	88.00
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	12.00
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	13.00
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	0.50
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	5.00
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
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
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
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	415.00	410.00
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	55.00
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

* Estimates



COMMERCIAL FARMERS' UNION

ADVOCACY, LOBBY AND LABOUR AFFAIRS REPORT TO THE CONGRESS OF THE COMMERCIAL FARMERS UNION OF ZIMBABWE, 2015

Introduction and Overview

My previous reports to Congress have begun with a short background about the overall state of affairs in the agricultural industry in Zimbabwe. My reports of 2013 and 2014 presented a fairly gloomy picture of the regulatory constraints to competitiveness within agricultural value chains, very poor levels of production, unfavourable rainfall patterns and most significantly a very challenging macro-economic environment characterized by liquidity shortages and reduced levels of disposable income. Suffice to say that I am unfortunately going to struggle to do anything different this year. The Zimbabwean economy remains constrained by the same problems that have plagued it since 2013.

In so far as the agricultural sector is concerned, the ongoing lack of secure land tenure for farmers continues to undermine the confidence of agricultural investors. As a consequence there are very limited lines of affordable credit available to farmers to fund their working capital requirements, let alone their requirements for medium and long term finance to retool and develop their businesses. As has been the case for many years now, contract farming arrangements remain the lifeline, but farmers are vulnerable to abuse in these arrangements because they have no other options.

At the time of writing this, when preparations should be well underway, the coming 2015/2016 summer season will seemingly be characterized by an acute shortage of affordable working capital to finance production. Although banks have declared that there is 1 billion US dollars available for the agricultural sector, we anticipate that these funds will be lent to contract farming companies because for individual farmers, the interest rates and lack of collateral will be severe impediments to accessing these resources directly.

In addition to the finance challenges there is a very real risk of severe drought. Compounding this problem is the very acute electricity shortage that is likely to be with us until the water levels in Kariba dam begin to rise, which will by most accounts be in April 2016 if at all. Thus even those who have irrigation to mitigate the effects of drought may be unable to use it for lack of electricity to drive their pumps. However, it is important to acknowledge the efforts of the excellent team at the ZETDC led by Engineer Ralph Katsande who have liaised with us over the wheat farming cluster scheme which involved the preferential supply of electricity to wheat producers which has in spite of the power supply deficits been fairly successful. It is ZETDC's wish to continue to support the agricultural sector and to that end they are proposing on the same basis the formation of tobacco farming clusters for the coming season. It is also my hope that the ZETDC will extend this to producers of export Horticultural commodities such as citrus producers in the Bietbridge area.

In the livestock sector the most recent severe challenge is what seems to be the vigorous spread of Foot and Mouth disease. It is hoped that a clear and coherent strategy can be formulated to address this problem effectively.

I subscribe to the idea that one should not present problems but rather solutions. Accordingly, I would propose that that Government without delay seek to implement the following broad short and medium term measures to revitalize the agricultural industry:
Short term Interventions required (this season):



- To mitigate the power supply deficit, urgent measures are required to ensure demand side efficiency of electricity use and to reduce technical losses in generation, transmission and distribution of electricity. In this regard, the proposed replacement of electrical water heaters with solar geysers is therefore to be welcomed. It is hoped that a similar scheme can be put in place to improve the efficiency of power generation transmission and distribution to ensure.
- To mitigate the effects of drought in the small scale farming sector, Government must focus all resources to the agricultural sector on ensuring a paradigm shift in crop management and good agronomic practice to climate smart techniques like Conservation Agriculture.
- To avoid abuse and corruption in the issue of import permits for grains, oilseeds and certain horticultural products Government policy must be to stop the import of value added commodities that unfairly compete with local industry and to further ensure that local farmers are not unfairly exposed to competition with cheaper imports. To give effect to this it is submitted that Government should put in place a transparent online import permit application system that allows local suppliers and farmers to tender for supply contracts before import permits are issued.
- To avoid distortion of market forces, abuse, corruption, false expectation amongst farmers and non-payments to farmers the Grain Marketing Board strategic Grain reserve price of US \$ 390 per tonne should be scrapped and replaced with a pricing model that is related to market forces. It is an unacceptable scenario to accept deliveries from farmers and then to not pay those farmers for over 30 months.
- To improve competitiveness and lower production costs the prices of raw water for irrigation and electricity supplied to agricultural customers should be substantially lowered. In addition, the proposed roll out of the SMART electricity meters to Agricultural customers should be expedited if possible. This will enable farmers to benefit from the time of use tariffs. Also, costs of compliance with regulations for farmers need to be reduced. Therefore the following plethora of licence fees and levies need to be substantially reduced for farmers and other actors in agricultural value chains Environmental Management Agency Licences, Factory Act fees, Standards Development Levy, National Employment Council dues, National Social Security Authority dues, Rural District Council rates, Rural Electrification Authority levies on electricity, Agricultural Marketing Authority levies and fees

Medium Term (2016 season and beyond)

- Bring a formal close of the Land Reform Programme, restore investor confidence by bringing proper and fair closure to the outstanding compensation issue and finalise and finalise a tradable and transferable land tenure instrument. A market for agricultural land is a sine qua non to unlocking collateral value and ensuring investor confidence. In addition, to bolster this Government should put in place an Act of parliament that defines and limits the Ministers Powers to acquire agricultural land.
- It is also commendable that Government is seeking re engagement with the Breton Woods institutions through the Staff monitored programme. The continued successful Implementation of reforms that will improve investor perceptions and lower the



perceived country risk is essential to ensure that credit finance can be obtained at more competitive interest rates.

These interventions are not an exhaustive list they are merely a few suggestions of some things that could be done to revitalise agriculture. I would hope that they could be viewed as points of discussion that could stimulate debate on these issues as a way of building national consensus. At this point I present my report on Labour Affairs and the ongoing Advocacy and Lobby initiatives of the CFU

Labour Affairs

Our Labour Affairs department has been extremely busy in the last year and many developments have taken place.

Shortly after the Congress of 2014 I held a series of Labour Seminars which I opened up to members and members of the Zimbabwe Tobacco Association as a way of marketing the value of the CFU to a broader base of farmers. By most accounts these were extremely successful and I intend to hold a second series of seminars following this year's Congress in addition it is intended to travel to other centres around the country to hold these seminars. Through this initiative we were also able to collaborate with ZTA on a Tax seminar for farmers held in December 2014.

I was involved in several negotiations at the NEC Agriculture including the negotiations for the opening minimum wage in the new Tea and Coffee Sub sector, the Horticulture sector and the Timber sector. In addition we were able, together with other employer organisations, compile proposed amendments to the Agricultural industry Collective Bargaining Agreement SI 116 of 2014. These proposed amendments are yet to be finalised. We continue to build our relationships with the NEC and other employer groups and Trade Unions within the industry.

Perhaps the most noteworthy feature of the last 12 months has been the activities of a Trade Union called the Zimbabwe Horticultural, Agro Industrial and General Agricultural Workers Union (ZHAGAWU). We have noted that they have been very active on a membership recruitment drive. In general terms their engagements with employers have caused a great deal of anxiety and in some cases have destabilised harmonious relationships between employers and employees. We have engaged with the leadership of ZHAGAWU and I believe that for the most part our efforts in so far as our members are concerned have achieved good results. I would like to reiterate that the best way to avoid unnecessary tensions with any trade union is to ensure complete compliance with the Labour law. In the coming year we will offer Labour Regulations compliance "health checks" to those of our members who may be interested.

We have been an active member of the Employers' Confederation of Zimbabwe (EMCOZ) and through this vehicle were able to input into the Labour Amendment Act that has recently received a fair deal of attention. We were happy that one of our recommendations was implemented in the Amendment. There have been fairly landmark reforms to the Labour Act most significantly relating to retrenchment.

We have also been active in supporting our members by representing them in Labour disputes including providing representation as a registered employers' organisation in the Labour Court.



Advocacy and Lobby

In general terms it is our position that in order to strengthen the voice of farmers in Zimbabwe and to ensure that farmers benefit from organised agriculture it is essential to build unity. To that end our advocacy and lobby activities have been focused through to institutions, namely:

- the Zimbabwe Farmers' Alliance Trust, which is a joint initiative between ourselves and the Zimbabwe Farmers' Union; and
- the Joint Farmers' Union Presidents Council which is a forum where the four farmers' unions can interact on common issue which affect their respective memberships.

We continue to advocate and lobby on the following issues:

<u>Levy or Tax</u>	<u>Financial implications to Farmers</u>	<u>Consensus of opinion amongst farmers</u>
Rural District Council Land Tax, and State Land Rentals	US \$ 5 per hectare inclusive of the RDC rates.	Redesign land tax/lease fees with reference to the viability of commodities produced on the agricultural land in question. E.g In region V where 15 ha per livestock unit it is unviable to charge a land unit tax/Rent of US \$ 5 per ha. Whereas in other natural regions the fee may even be too low. In designing the level of taxation both natural region and the viability of commodities that can be produced should be considered.
Rural District Council Levies on Commodity sales	For sales of Cattle in some Rural District Councils the levy is 11.25% of the sale price paid by the buyer.	Scrap these levies. RDCs should earn its money through the provision of services rather than a blanket tax.
Cost of compliance with Livestock movement regulations	Securing livestock movement permits and Police Clearance is generally a costly and time consuming exercise.	Simplify and streamline administrative procedures. Use ICT to improve efficiency and reduce cost to farmers.
Standards Development Levy	0.05% of the Gross Wage Bill	Scrap this and fund Standards Development issues out of the national fiscus or AMA.



		Encourage exports of agricultural commodities forcing farmers to meet international standards in order to access international markets.
National Employment Council Dues	Agricultural Employers required to contribute US \$ 1 per employee per month.	Ensure greater service delivery from the NEC which should represent a fairer balance between the interest of employers and workers.
National Social Security Authority (NSSA) Contributions	Agricultural Employers required to contribute 3.5% of wage bill on a monthly basis for pension and benefits scheme and in addition 1.53% of monthly wage bill as Workplace accident insurance. Notwithstanding the Law still requires employers to pay retrenchment packages to employees in the event that restructuring is necessary.	Make NSSA more accountable for how it spends its money. Remove obligation on agricultural employers to meet expensive retrenchment packages. Make provision for NSSA to cover the costs of maternity leave.
Environmental Management Agency Licenses for the storage and use of Fuel and chemicals on farms.	Can be as much as US \$ 640 per year for red label chemicals.	Current regulations are an abuse of the "polluter pays" principle and is merely a money gathering exercise in so far as farmers are concerned. Redesign these laws. Have more stakeholder participation. Establish Intensive Conservation Area Committees. Substantially reduce the Licence fees.
Environmental Management Agency licenses for the discharge of effluent from pigsties and dairy parlours.	Is at least as US \$ 453.60 per year for a small pig producing unit or Dairy.	
High Agricultural Marketing Authority Registration fees to Buyers, Traders and processors of Agricultural Commodities.	The various relatively high levies and registration fees charged by AMA to Commodity buyers and processors increase their overheads which are naturally passed on to farmers in the form of lower prices.	Have more inclusion of a cross section of stakeholders in the governance of AMA. All farmers Unions should have a seat as the exclusive mouthpiece of farmers. Reduce the administrative burdens and registration fees.



High Toll gate fees	For the Transportation of Inputs onto the farm and produce out of the farm farmers must budget for toll fees	Allow farmers and transporters of agricultural inputs and outputs to have a special dispensation and pay reduced toll gate fees
VAT on agricultural commodities	A tax burden of 15% on some primary commodities (e.g soya beans sold between Feb 2009 and Aug 2009, paprika, some vegetables, goat and sheep meat) where inputs are zero rated.	Scrap VAT on all primary agricultural commodities.
VAT on various services into Agriculture	A standard rate of 15% is applicable to grain drying, harvesting and tillage services as well as electricity and water used in agriculture. Whilst the farmer can claim this back, because of the fact that almost all agricultural commodities are already 0 rated, this becomes a costly administrative burden and a lost opportunity cost for farmers.	Apply a zero rate for VAT in respect of these goods and services.
High Costs of water for irrigation and the watering of commercial livestock to ZINWA.	For A2 Commercial Farmers drawing from ZINWA managed water storage facilities the cost of water could be as much as US \$ 10.21 including various levies and VAT.	Reduce the cost of Water to under US \$ 4 per mega litre. Remove VAT on Raw water. Improve services offered by ZINWA
Comparatively High Costs of Electricity supplied by ZETDC	The cost of power to Zimbabwean Farmers is on average about US \$ 0.14 per Kwh including 6% rural electrification levy and VAT as opposed to US \$ 0.05 per Kwh in Zambia.	Remove VAT and reduce the Rural Electrification Levy. Improve supply to farmers - make agriculture load shedding exempt.
Costs of Compliance with the Factories Act	An annual Inspection fee of on farm facilities such as Grading Sheds and Pack houses of up to US \$ 600 can be charged	Scrap this law in so far as on farm processes are concerned.

Marc Carrie-Wilson
Deputy Director
September 2015



COMMERCIAL FARMERS' UNION OF ZIMBABWE

RESOLUTION 1

FARMERS' LICENCE FEES AND RULES

The Council of the Commercial Farmers' Union resolves and recommends to Congress the adoption of an Annual Farmers' Licence Fee for the 2015/2016 licensing year commencing on 01 October 2015 to become due and payable on 01 October 2016.

Council further resolves and recommends to Congress the adoption of a payment commencing 01 October 2015 and ending 30 September 2016 applicable to all members as illustrated in the following schedule.

CLASSIFICATION	LICENCE FEE PAYABLE
Farming operators	USD 800.00
Associate members	USD1500.00
Non operators (ARAC) under 70 years	USD 200.00 (recommended fee)
Non operators (ARAC) Pensioners 70 years and over	USD 50.00 (recommended fee)

In the event of a member wishing to pay for only a part of the year the full amount as indicated will be applicable.

Further Council resolves and recommends to Congress that all producers of commodities as recognized by the Unions' Constitution pay a levy on the crop or livestock product to the Union at the disposal of the crop or livestock on a percentage as determined by the Executive Committee of the Union.

Finally, Council resolves and recommends to Congress that approval be give to the granting of a mandate to Council to raise any additional fees to provide for the financing of the Commercial Farmers' Union during the 2015/2016 Licensing Year.

Proposed: Peter Steyl, President

Seconded: Mike Clark, Regional Chairman Masvingo

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.

If we live, we live to the Lord; and if we die, we die to the Lord. So, whether we live or die, we belong to the Lord.

Romans 14:8

November 2014

George Campbell-Johnstone

December 2014

Ronnie Yeatman

January 2015

Kurt Braunstein

February 2015

Mark Cox
Jill Wenham
Diana Cowan

March 2015

Godfrey Swan
Barry Burbridge

April 2015

Rory Simpson
Doug Dobbs

May 2015

Tony Headicar
Clive Amber-Smith

June 2015

John Worsley-Worswick
Ray West
Kevin Ackerman
Theresa Warth

July 2015

Colin Shand

August 2015

Richard Brooker
Ronald Pascoe

September 2015

Val Stirrup

October 2015

Martin Grobler
Lawrence Nicholson
Jacobus Marthinus "Kosie" Erasmus
Patrick Ormond Butler
Sonia Forrester
Jerry Stocks
Hannalah Jackson

The above mentioned deaths have been recorded with the Union and whilst the Union endeavours to record all reported deaths, the Union cannot be held responsible for those unreported deaths which have not been recorded. At the same time the Union wishes to express its condolences to all the family members during the time of grieving.



2015 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 2015.

Without the generous support of 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**



ZIMBABWE FARMERS ALLIANCE TRUST (ZFAT)

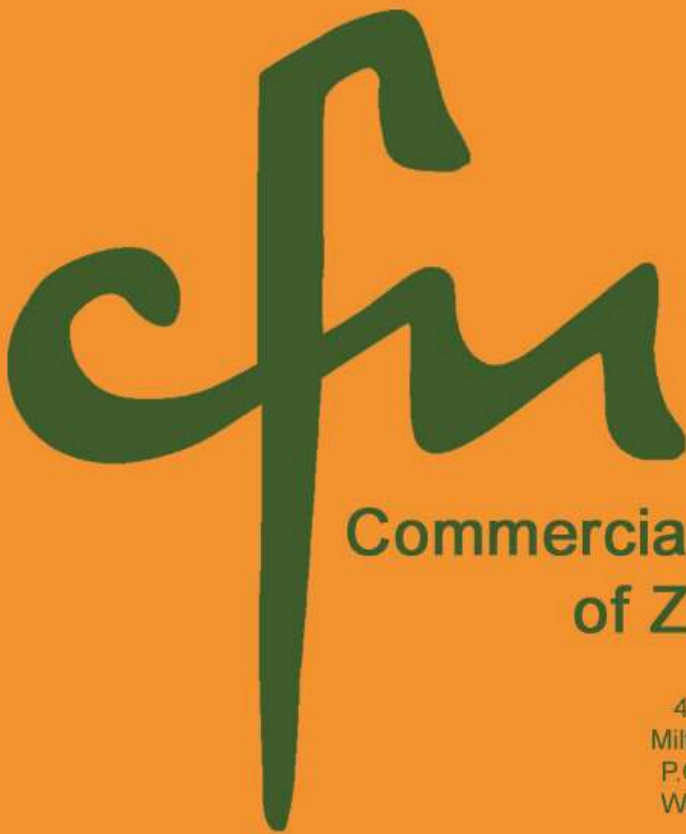


African Farming Solutions

Enhancing Food Security in Africa

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