



DEVELOPMENT OF AGRICULTURE IN ZIMBABWE

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Introduction

The past decade has brought considerable change for agriculture in Zimbabwe. It is an industry which is diverse, sophisticated, productive and contributes substantially to the economy of the country.

At the beginning of the period, 1980, agriculture was dominated by 5 000 commercial farmers who occupied the majority of the productive land and produced over 90% of the country's crops. Zimbabwean agriculture was renowned world-wide for its intensive cultivation methods and its production efficiency.

The sector was well supported by good research facilities while marketing had been developed into a single channel system which enabled the farmer to know the price he would be paid for the crop before it was planted.

Agriculture provided over 32% of the job opportunities in the country and when account is taken of the extended family system, it provided a home for in excess of 1,5 million people.

Agriculture's contribution to the overall economy was equally significant contributing 18% of the gross domestic product and of even more importance accounting for some 40% of the country's exports.

The development over the past decade was launched from this base and doubts were expressed in many quarters as to whether it was capable of further improvement. I intend to provide an over view of the areas which I believe are critical to the agriculture industry and to examine each of these in depth in order to provide meaningful comparisons which illustrate the development and progress over the last ten years. It has not been without trauma and stress and these areas must also be highlighted.

Land

Land ownership in Zimbabwe is divided between large scale commercial farmers (now 4 500), small scale and communal farmers and national land. It is a subject which is full of emotion as there is great pressure on the tribal and communal areas which can only be overcome by acquiring land from other categories.

The following table highlights the problem.

	1980		1990	
	Area	%	Area	%
Large scale farmers	16 455	40,1	11 270	28,8
Small scale and communal	17 755	45,5	17 755	45,5
Resettlement	—	—	3 090	7,9
State land	5 738	14,4	7 733	19,4
	100,0		100,0	

There has been a transfer of land during the past decade from large scale farmers into the category of resettlement, but progress has been



slow mainly due to the lack of finance to purchase properties and also the restrictions of the Lancaster House agreement which contained safe-guards against nationalisation of land. The areas taken over for resettlement have not been developed or fully resettled again due to cost factors and the overall amount of land involved has been small.

Population and Employment

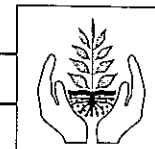
A particularly disturbing aspect of the decade under review has been the substantial increase in the population of the country - one of the highest growth rates in Africa - and the inability of the economy to provide sufficient jobs for the labour force. It is important to bear in mind that over 50% of the country's population is under 15 years of age and the need to create job opportunities becomes more urgent with each passing day. This should be viewed against the background of the last decade where the number employed has actually decreased with the most significant reduction being in agriculture.

	1980	%	1990	%
Total population	6,5 million		9,5 million (estimate)	
Employment by sector:				
Agriculture	327,0	32,3	272,4	24,0
Mining	66,2	6,5	56,7	0,5
Manufacturing	159,4	15,9	189,5	16,0
Elec	6,7	0,6	8,8	0,7
Construction	42,2	4,1	57,7	5,0
Transport	45,6	4,5	51,1	4,3
Finance	12,3	1,2	17,0	1,5
	659,4		653,2	

The major development in the employment sector was the introduction of statutory minimum wages. Early in the decade, Government introduced statutory legislation covering minimum wages which was accepted, reluctantly in some quarters, in the belief that the imposition of such controls would affect viability. Minimum levels had been reviewed annually and the basic minimum has moved up to some four times what it was when first introduced. It has not had the effect on the viability of farming that some critics advocated. However, it has resulted in a more efficient use of labour by farmers and this is a contributory cause to the reduction in employment opportunities in this sector.

Agricultural Exports

Agricultural production in the past decade has increased significantly and whatever criteria is used in making the necessary judgement, its progress can only be described as remarkable. The table below illustrates the principal agricultural exports, in 1980, 1984, 1987, 1991 and compares the contribution made by this sector to Zimbabwe's total exports:



Export Earnings

Principal agricultural exports:

	1980		1984		1987		1991	
	Mass Tonnes (000)	Value \$Z (mill)	Mass Tonnes (000)	Value \$Z (mill)	Mass Tonnes (000)	Value \$Z (mill)	Mass Tonnes (000)	Value \$Z (mill)
Tobacco	93	118	107,8	240	129,96	550	160	1 300
Cotton lint	54	57	54	115	61	121	60-70	150
Sugar (raw and refined)	166	47	205	56	235	78	—	100
Maize	63	7	—	—	389	66	—	50
Beef (frozen and chilled)	12	12	9	13,7	10	54	—	25
Coffee	3	7	9	23	11	46	—	30
Tea	6	6	9	25	10	17	—	20
TOTAL		254		472,7		932		1 678

However, such a substantial increase in value must be viewed against the rapid decline in the Zimbabwe Dollar which tends to flatter such figures. However, as can be seen from the table below, volume increases also show gains and there is no doubt that agricultural production has expanded and grown significantly during this period.

Value of Zimbabwe Dollar to:

	1980	1984	1987	1991
US\$	1,57	0,66	0,60	0,39
Sterling	0,66	0,57	0,32	0,19
Rand	1,17	1,31	1,16	0,94

Other

Zimbabwe farmers are both resourceful and full of initiative. Faced with many problems they have diversified into other crops and perhaps the most significant of these in recent times is the development of the horticultural industry.

In the second half of the decade horticulture has been the fastest developing industry in the country and previously unknown crops are being grown, packed and airfreighted to the markets of Europe. Horticulture is expected to earn in excess of \$100 million in the current year, making it a very significant contributor to the economy. Traditional crops are now being supplemented by the production of roses, fruit and vegetables, proteas, strelitzias and other flowers which are in demand in the European winter.

These products are airfreighted to Europe and it is an area which will continue to develop.

In addition, Zimbabwean farmers have developed considerable import substitutions. At the beginning of the decade, almost all wheat requirements were imported and soya bean production was negligible.

By 1990, 75% of local consumption amounting to 330 000 tonnes of wheat was being produced on a winter and summer basis and soya production reached 120 000 tonnes being 75% of total demand.

Fertilizer Usage

It will be of interest especially to this Congress to note the trend in fertilizer consumption during the past decade and the increase in usage by sectors of the economy which were previously subsistence based.

Fertilizer sales:

	1980 (tonnes)	1990 (tonnes)	% Increase
Commercial producers	338 300	364 900	7,8
Small scale producers	23 000	110 900	382,0
	361 300	475 800	

This amply illustrates the entry of the small scale farmer into the commercial sector and the growing awareness of the need to maximise yield to enhance income. The trend is further illustrated by the reduction in the total number of hectares under fertilizer in the commercial sector which has decreased from 528 700 in 1980 to 476 320 in 1990 notwithstanding that there has been a 7% increase in application.

Marketing Infrastructure

The marketing boards were established as statutory corporations in order to ensure the orderly marketing of agricultural commodities as well as planning the development of the infrastructure.

During the past decade a very considerable infrastructural development has occurred aimed at servicing the ever increasing Zimbabwean output.

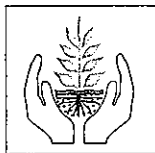
The Grain Marketing Board continues to build rural depots to facilitate communal farmers and many new depots have been established and construction is underway on another three. Four more bulk silos are also under construction and the bulk handling facilities in Zimbabwe are considered to be second to none.

To cope with the rising cotton output, extensions and modifications to the existing ginneries have occurred as well as the new ginneries being opened. Work has also begun on a new planting seed factory.

A new dairy has been established in Bulawayo, together with a milk powder factory while other areas of the country have seen the installation of a steri milk plant and a new UHT plant. The Cold Storage Commission has undertaken substantial development of new abattoirs and upgrading of existing facilities to meet European standards.

In general, the infrastructure development has kept pace with the growth and in some cases exceeded the demands of the agricultural sector.

The original concept of the marketing boards was to bring stability to the industry and to encourage development. However, successive



governments have followed a cheap food policy which has resulted in the marketing boards incurring ever-increasing deficits arising directly from subsidies to the consumer. Additionally, the marketing boards have had to borrow funds on the open market to finance the purchasing of the crop and these costs have added to the deficits being incurred. The stage has now been reached where the deficits are of such magnitude that steps must be taken to rectify the situation.

Water

Water Development

Total water storage has increased by 28% since 1980. The total capacity of dams constructed prior to 1980 was 4 765 million cubic metres but since that time dams with a capacity of 1 315 million cubic metres are either under construction or have been built which will irrigate an additional 40 000 hectares.

Over the next ten years, plans are in hand to construct 12 large dams as well as a number of smaller ones with a total capacity of 4 975 million cubic metres and this will result in irrigation being provided to a further 91 000 hectares, i.e. more than double the irrigation development of the previous 10 years. This is an ambitious programme and one which is to be commended as it will provide the where withal for agriculture to develop into the next decade.

Having provided a general overview of the situation of agriculture and its development over the past decade, the picture would not be complete without examining the developments within the major crops which make up the agricultural industry.

Crops

Tobacco

Tobacco has regained its position as the premier crop in Zimbabwe and it is now the country's single largest foreign exchange earner and has enabled Zimbabwe to be the world's third largest exporter of tobacco. The country also houses the world's largest tobacco floors with a selling capacity of 16 000 bales per day which was completed within the period under review.

Tobacco is not marketed through a parastatal organisation but sold on an auction system and exported by merchants. At present 98% of the crop is exported which supplies 17% of the world's demand. Production is controlled. The following illustrates the upward trend and the increasing production from communal producers albeit at a relatively low level.

	1980	1990
	tonnes	tonnes
Commercial producers	119 818	128 000
Communal producers	231	1 530
	120 049	129 530

The value of tobacco exports has increased by more than six fold since 1980 and the present buoyant international market, together with the quality of the Zimbabwe crop augers well for the future producers are expecting the crop to continue its upward trends in both volume and value for at least the next three years. The 1991 crop is very promising and is expected to have a value of Z\$1,3 billion.

Maize

Unlike many African countries, Zimbabwe has maintained production levels in maize and, with the exception of very bad drought years, has been able to feed itself adequately during the period and, in fact, has managed to export on occasions. In particularly bad years, it has even supplied maize to South Africa.

There has been a steady decline in the large scale commercial maize production and the area under cultivation has fallen from 280 000 hectares in 1980 to 130 000 hectares in 1989. There are several causes for this decline including the economic factors relating to viability and risk, the imposition of production controls and the continuation of low price levels in pursuance of Government's cheap food policy. Notwithstanding the very efficient methods of cultivation which yield an average of 4,6 tonnes per hectare, the margins remain very narrow and farmers have looked elsewhere for greater viability. Production, however, has increased and small scale farmers have stepped in and increased production substantially as shown below.

The 1991 crop, together with stocks, will meet local demand in spite of the drought which has been experienced.

	1980	1990
	tonnes	tonnes
Large scale commercial farmers	728 532	491 382
Small scale commercial farmers	86 296	506 001
Other	94 916	—
	909 744	997 383

Cotton

Cotton production in Zimbabwe has shown similar trends with small scale producers becoming increasingly important. The production statistics are as follows:

	1980	1990
	tonnes	tonnes
Large scale producers	145 533	105 000
Small scale producers	12 000	169 000
	157 533	274 000

Zimbabwe is the largest cotton producer on the African continent south of the Sahara and the crop is second only to tobacco as the biggest single agricultural earner of foreign currency. However, it is an industry beset by problems at the present time. The supply of planting seed and the standard of control required for such seed in the ginnery has lead to problems with germination on the farm added to which a newly released variety proved to be more susceptible to disease than was anticipated. In addition, a local pricing policy which enables spinners to purchase lint at 40% below the export parity has resulted in agriculture subsidising local industry.

The infrastructure exists for cotton to play a major role within agriculture and if the ginneries are to be sufficiently utilised then production must be increased. However, there is a need for a thorough review of the pricing policy towards this crop to ensure long term viability and future.

Beef

Zimbabwe has been renowned world wide for its high quality of beef and with the establishment of new abattoirs and its acceptance into EEC markets with a quota of 11 000 tonnes, the future development should be assured. Regrettably, this has not transpired and if anything the industry has declined during the period.

The total herd in the country is approximately 5,1 million head which is distributed between the commercial sector which accounts for 35%, while the communal cattle herd makes up the balance of 3,3 million head. The latter has a very low off take of approximately 1% to 3% as cattle are not kept for commercial purposes but are utilised for other reasons.



The commercial beef herd has shown a decline from 2,1 million head in 1980 to approximately 1,6 million in 1988 mainly due to drought and a very short sighted pricing policy. An outbreak of foot and mouth in 1988 accentuated the difficulties of the industry and led to a suspension of exports to the European market.

Today, Cold Storage Commission abattoirs, which are operated by the parastatal, are under-utilised and operated at very low levels of efficiency because of insufficient input. Farmers are more in favour of selling to private abattoirs where prices are considerably higher and notwithstanding controlled selling prices, shortages and over pricing occurs with increasing frequency. A revision of policy and implementation of practical schemes is urgently required in order to rehabilitate the beef industry and allow it to attain the potential it is capable of.

Dairy

In 1980 a dramatic increase in disposable incomes, particularly in the urban areas, led to a substantial increase in the demand for liquid milk products. Attempts had to be made to control and even halt production of certain product lines in order to meet this increased demand for milk. Again a static producer price during the early 80's led to a very substantial increase in the deficit incurred by the parastatal - DMB - which was responsible for the processing and marketing of milk.

Once regular, albeit smaller, price increases were given to producers, production steadied and increased. Production in 1980 amounted to 151 million litres and this has increased to 257 million litres by 1990. However, the industry remains under stress with farmers' viability being under threat and the DMB deficit increasing each year.

Infrastructural development has been good with the introduction of new dairies and processing factories. However, they are not sufficient to cope with the growing demand either of the quantity to be processed or the consumer demand for finished products.

The ancillary services provided by the DMB, for instance, delivery of milk, the problems of transportation and the cost of maintaining depots adds to the overall problems of the industry.

However, the herd has been maintained at a high level and the introduction of artificial insemination has meant that many of the country's cows are now progeny of some of the world's best bulls.

Conclusion

There is no doubt that during the last decade, Zimbabwean agriculture has increased production significantly and it remains a principal component of the economy. There has been a substantial increase in the part played by communal/peasant farmers and this must increase in significance in future years.

The infrastructure required by agriculture has kept pace with development and future plans are sufficient to alleviate any concerns in this regard. However, this growth has not been achieved without considerable efforts by producers and Government with many problems being encountered. In particular, farmers have been faced with two hurdles which have restricted development.

Firstly, the shortage of foreign exchange has resulted in restrictions on the tools agriculture needs to complete its task. Shortages of tractors, trucks, spares and other capital equipment have reached serious proportions with the result that black market dealings take place and inflation is compounded.

Secondly, consumer pricing policies have created huge deficits in the marketing boards, which have suppressed the prices which can be paid to the farmer. Margins in agriculture have been severely squeezed.

The Future – 1991-2000

Government has recently announced its intention to acquire 5 to 6 million hectares of commercial farm land (50% of the total available) for redistribution.

The Constitution has been amended to make provision for such acquisitions, although the new Land Acquisition Act has not yet been tabled.

This is a major area of concern for large scale commercial farmers, particularly as we understand that Parliament will be the body which decides the level of compensation to be paid.

It is an exercise which will require vast sums of money and delicate handling if the productive capacity of agriculture is to be maintained.

In recent months Government has adopted a pragmatic approach towards the economy and the recently announced "Framework for Economic Reform", must be regarded as an important step in correcting current imbalance. With the implementation of such a policy, there is much hope for the future and confidence in further development. The main points are:

- (a) The central Government deficit will be reduced to half the existing level by 1995.
- (b) Market based pricing for all commercial parastatals and the appointment of an independent Board of Directors for each body.
- (c) A reduction of 25% of the number of civil servants over the next five years.
- (d) The reduction of budget subsidies to public enterprises, and the possibility of privatisation or private participation in such bodies.
- (e) Reduction of 20% in income tax levels.
- (f) Removal of price controls including cement and fertilizer prices and the transfer of 80% of imports onto an open general licence system by 1995.

In addition, Government has announced that agriculture producers will be allowed to retain 5% of their export earnings to purchase capital goods and other equipment.

No doubt, there will be many, many problems and difficulties, but against this scenario, I am confident of and looking forward to even greater development in the next decade.

Annexure I:

Research

This is of course vital to the success of agricultural development.

1. Tobacco Research Board - only semi-government and very successful.
2. Seed Co-op Research Farm. Totally private. Breeding and testing of maize, wheat, soya bean varieties very successful.
3. Agricultural Research Trust Farm - bought and run by producers for profit. Not only testing of crop varieties but testing all new equipment, tractors and machinery. Economic analysis of all crop production in field conditions. A fantastic success story.
4. Cotton Training Centre - training of cotton scouts, etc. Cotton breeding programme.
5. Five Government Research Stations. Grass, animals, crops, etc.
6. Many on farm trials by farmers. Many field days and talks.